OTP Bank Plc.

Integrated Annual Report 2024

Budapest, 25 April 2025

Dear Shareholders!

OTP Bank Plc. hereby provides you with the Integrated Annual Report of OTP Bank Plc. for the year 2024, which is based on the audited financial statements approved by the Annual General Meeting of the Company on 25 April 2025.

On behalf of OTP Bank Plc. we declare that, to the best of our knowledge, the separate and consolidated financial statements which have been prepared in accordance with the applicable accounting standards, present a true and fair view of the assets, liabilities, financial position and profit and loss of OTP Bank Plc. and its consolidated subsidiaries and associates, and give a fair view of the position, development and performance of OTP Bank Plc. and its consolidated subsidiaries and associates, describing the principal risks and uncertainties, and do not conceal facts or information which are relevant to the evaluation of the Issuer's position. Moreover, on behalf of OTP Bank Plc. we also declare that the Sustainability Reports, as part of the Management Reports, were prepared in accordance with sustainability reporting standards of the Accounting Act (Act C of 2000 on Accounting), the European Sustainability Reporting Standards (ESRS), and with the provisions of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (EU Taxonomy Regulation).

25 April 2025, Budapest

dr. Sándor Csányi
Chairman & CEO

László Bencsik
Deputy CEO

CONTENTS

MANAGEMENT REPORT 2024 (STAND-ALONE)

In accordance with the recommendation stated in the current circular of the MNB on the application of MoF Decree no. 24/2008 on the detailed rules regarding the disclosure requirements applicable to publicly offered securities, OTP Bank Plc. as issuer prepares and publishes this Management Report combined with the Business Report required in the Accounting Act in a single document, stating in dedicated chapters the subjects required in the MoF Decree.

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(in HUF million)	**Note**	**31 December 2024**	**31 December 2023**
Cash, amounts due from banks and balances with the National Bank of Hungary	5.	2,075,179	2,708,232
Placements with other banks	6.	2,948,536	2,702,433
Repo receivables	7.	238,079	201,658
Financial assets at fair value through profit or loss	8.	651,236	257,535
Financial assets at fair value through other comprehensive income	9.	592,602	559,527
Securities at amortised cost	10.	3,334,145	2,710,848
Loans at amortised cost	11.	4,670,795	4,681,359
Loans mandatorily measured at fair value through profit or loss	11.	998,410	934,848
Investments in subsidiaries	12.	2,169,031	2,001,952
Property and equipment	13.	111,772	107,306
Intangible assets	13.	137,860	98,115
Right of use assets	35.	58,956	66,222
Investment properties	14.	4,227	4,203
Deferred tax assets	34.	-	408
Current tax assets	34.	-	-
Derivative financial assets designated as hedge accounting relationships	15.	43,130	21,628
Non-current assets held for sale	46.	-	130,718
Other assets	16.	357,095	365,961
TOTAL ASSETS		**18,391,053**	**17,552,953**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	17.	1,606,969	1,761,579
Repo liabilities	18.	227,632	443,694
Deposits from customers	19.	10,891,924	10,734,241
Fair value changes of the hedged items in portfolio hedge of interest rate risk	19.	4,303	84
Leasing liabilities	35.	64,380	68,282
Liabilities from issued securities	20.	1,750,893	1,163,109
Financial liabilities designated at fair value through profit or loss	21.	17,024	19,786
Derivative financial liabilities designated as held for trading	22.	144,499	183,565
Derivative financial liabilities designated as hedge accounting relationships	23.	19,438	27,423
Deferred tax liabilities	34.	1,707	-
Current tax liabilities	34.	23,591	14,393
Provisions	24.	25,647	22,497
Other liabilities	24.	449,522	295,399
Subordinated bonds and loans	25.	362,271	520,296
TOTAL LIABILITIES		**15,589,800**	**15,254,348**
Share capital	26.	28,000	28,000
Retained earnings and reserves	27.	2,896,319	2,276,759
Treasury shares	28.	(123,066)	(6,154)
TOTAL SHAREHOLDERS' EQUITY		**2,801,253**	**2,298,605**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**18,391,053**	**17,552,953**

SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

(in HUF million)	Note	Year ended 31 December 2024	Year ended 31 December 2023
Interest Income:			
Interest income calculated using the effective interest method	29.	1,040,534	1,227,173
Income similar to interest income	29.	585,619	795,906
Interest income and similar to interest income total		**1,626,153**	**2,023,079**
Interest Expense:			
Interest expenses total	29.	**(1,107,551)**	**(1,556,361)**
NET INTEREST INCOME		**518,602**	**466,718**
(Loss allowance) / Release of loss allowance on loan, placement and repo receivables losses	6., 7., 11., 30.	(19,955)	8,616
(Loss allowance) / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	9., 10., 30.	(35,128)	11,879
(Provision) / Release of provision for loan commitments and financial guarantees given	24., 30.	(2,565)	7,172
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	45.4.	4,193	(980)
Risk cost total		**(53,455)**	**26,687**
NET INTEREST INCOME AFTER RISK COST		**465,147**	**493,405**
		-	-
LOSSES ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		**(9,856)**	**(19,707)**
MODIFICATION LOSS	4.	- **(1,999)**	- **(9,017)**
Income from fees and commissions	31.	468,566	402,885
Expenses from fees and commissions	31.	(92,217)	(78,755)
NET PROFIT FROM FEES AND COMMISSIONS		**376,349**	**324,130**
Foreign exchange losses	32.	(6,885)	(12,269)
Gains on securities, net	32.	120,863	7,073
Gains on financial instruments at fair value through profit or loss	32.	27,377	91,268
Net results on derivative instruments and hedge relationships	32.	(6,063)	13,055
Dividend income	32.	413,262	275,705
Other operating income	33.	18,380	26,184
Other operating expenses	33.	(37,072)	63,590
NET OPERATING INCOME		**529,862**	**464,606**
Personnel expenses	33.	(200,268)	(195,404)
Depreciation and amortization	33.	(63,551)	(50,814)
Other administrative expenses	33.	(284,128)	(281,918)
OTHER ADMINISTRATIVE EXPENSES		**(547,947)**	**(528,136)**
PROFIT BEFORE INCOME TAX		**811,556**	**725,281**
Income tax expense	34.	(66,557)	(70,293)
PROFIT AFTER INCOME TAX		**744,999**	**654,988**
Earnings per share (in HUF)			
Basic	43.	2,692	2,344
Diluted	43.	2,692	2,344

SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(in HUF million)	Note	Year ended 31 December 2024	Year ended 31 December 2023
PROFIT AFTER INCOME TAX		**744,999**	**654,988**
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of debt instruments at fair value through other comprehensive income		9,751	37,917
Deferred tax related to fair value adjustment of debt instruments at fair value through other comprehensive income	34.	(848)	(3,503)
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument		(359)	3,752
Deferred tax related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	34.	32	(338)
(Losses) / Gains on derivative financial instruments designated as cash flow hedge		136	5,700
Deferred tax related to gains on derivative financial instruments designated as cash flow hedge	34.	-	-
Items that will not be reclassified to profit or loss:			
Gains on equity instruments at fair value through other comprehensive income		-	-
Fair value adjustment of equity instruments at fair value through other comprehensive income		11,547	3,308
Deferred tax related to equity instruments at fair value through other comprehensive income	34.	(1,305)	(374)
Total		**18,954**	**46,462**
TOTAL COMPREHENSIVE INCOME		**763,953**	**701,450**

POST-BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 21 February 2025.

Hungary

- On 13 January 2025 OTP Bank's share buyback program approved by the central bank on 22 August 2024 reached its maximum available amount of HUF 60 billion.
- On 24 January 2025 the Bank got another approval from the Hungarian National Bank to repurchase own shares in the amount of HUF 60 billion. The available amount was exhausted on 10 February 2025.
- From 13 January 2025 the consolidated MREL requirement is determined at 18.60% of the total risk exposure amount (RWA) and 6.02% of the total exposure measure (TEM) of the Resolution Group. The consolidated MREL requirement of OTP Bank applicable until this date was 18.94% and 5.78%. OTP Bank's Resolution Group consists of entities included in the prudential scope of consolidation of OTP Bank without the Slovenian OTP banka d.d. and its subsidiaries. Pursuant to the CRD OTP Bank has to meet the combined buffer requirement in addition to its MREL TREA requirement as institutions shall not use CET1 capital that is maintained to meet the combined buffer requirement to meet the risk-based component of the MREL requirement. This principle is applicable to the MREL TREA subordination requirement as well.
- On 30 January Tier 2 notes have been issued in the aggregate nominal amount of USD 750 million. The notes carry an annual coupon of 7.3% due semi-annually. The tenor was 10.5NC5.5, i.e. in the period between five and five and a half years the bonds can be redeemed on any day. The notes were listed on the Luxembourg Stock Exchange.
- On 7 February the EUR 500 million Fixed to Floating Rate Perpetual Subordinated Notes have been redeemed and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.
- On 17 February OTP Bank announced the redemption of its €650,000,000 7.350 per cent. Senior Preferred Fixed-to-Floating Callable Notes due 2026 with the optional redemption date of 4 March 2025.
- As of end of February, the banking sector related key initiatives of the 'New Economic Policy Action Plan' launched by government decree 1311/2024 (X. 21.), are as follows (based on the communication of the Government and submitted bills):
  - From 1 January 2025, minimum wage increased by 9%. For 2026 and 2027 further 13% and 14% hikes have been agreed as part of the three-year wage agreement, assuming that economic growth and inflation will be in line with the expectations.
  - From 2 January 2025 the Workers' Loan Program is available at Hungarian banks. The loan is designed for young people aged 17-25 who are not eligible for student loans and who are employed in Hungary for at least 20 hours a week, or entrepreneurs who have an average income and undertake to work or run a business in Hungary for a minimum of five years. The maximum amount of the interest-free, free use, state-guaranteed loan facility is HUF 4 million, with a term of 10 years. The scheme also provides support for childbearing, with repayments suspended for two years following the birth of the first and second child, and half of the current debt waived for the second child and the full debt waived after the third one.
  - From 1 January 2025, in case of green loans the loan-to-value limit was increased to 90%, furthermore the payment-to-income limit was increased to 60% regardless of the income.
  - On 1 January 2025, the home renovation program was reintroduced to support families in towns with less than 5,000 residents, covering up to 50% of labor- and material costs with a cap of HUF 3 million. Those who have already availed themselves of the 2021-2022 home renovation subsidy are only eligible to utilize the new subsidy up to the amount of the HUF 3 million that remains unused at that time. From 1 February 2025, a state subsidized home renovation mortgage loan with a client interest rate of 3% and with up to HUF 6 million loan amount is available to finance investment costs.
  - In 2025, voluntary pension fund savings can be used free of tax for housing loan repayments, repayment of secured loans, and modernization or renovation of existing homes. The total amount of voluntary pension savings could be utilized, but only up to the balance available as of 30 September 2024.

  - From 1 January 2025, monthly HUF 150,000 fringe benefit can be paid to the employees under the age of 35 in order to support housing expenses (home rental or loan installment) above the current preferential upper limit of HUF 450,000 per year.
  - Half of the accumulated amount on SZÉP Cards can be used for home renovation in 2025.
  - Between 1 April and 31 October 2025, based on the individual decision of the participating banks, 5% interest rate cap will be available for under 35 years old, first-time home buyers for newly granted green housing loans, with properties under 60 square meter and price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan, the product has neither disbursement nor credit assessment fees.
  - From 6 January 2025, as part of the Demján Sándor program, export stimulating loan and leasing structures are available in the total sum of HUF 400 billion, partly refinanced by EXIM Hungary. Some of the products are also available for enterprises planning to start export activities in the future.
  - The interest rate of certain products under the Széchenyi Card Program MAX+ scheme was significantly reduced for contracts concluded after 1 March 2025: the interest rate on investment loans (Agricultural Investment Loan, Investment Loan) and the leasing scheme was reduced to 3%, while the interest rate on the Széchenyi Card Overdraft MAX+ (including the Tourism Card) and the Liquidity Loan was reduced to 4.5%. The uniform 0.5 pp reduction in client interest rates was facilitated by the burden sharing of KAVOSZ Ltd. (0.1 pp) and the banking sector (0.4 pp). The investment loans with the exceptionally favorable interest rate of the "GREEN" sub-structure are an exception to this, which are still available to businesses with a rate of 1.5%.
- Changes in the economic policy leadership:
  - As of 31 December 2024, pursuant to Act LXXXVI of 2024, the Ministry of Finance ceased to exist by merging into the Ministry of National Economy. Minister Márton Nagy remained in office unchanged as head of the Ministry of National Economy.
  - As of 4 March 2025, the President of the Republic appointed Mihály Varga, the former Minister of Finance, to head the National Bank of Hungary.
- Based on preliminary data published by the Central Statistical Office on 30 January 2025, the performance of the Hungarian economy increased by 0.5% q-o-q and 0.4% y-o-y in the fourth quarter. With this, the annual growth in 2024 was 0.6%. The average inflation in 2024 was 3.7%.
- The Financial Stability Council of the Hungarian National Bank announced an extension to the central bank's green capital requirement relief programs for credit institutions. The deadline for these programs was extended by one year, until the end of December 2026. The decision on whether to grant further annual extensions will be made based on a professional indicator system. Additionally, from 31 January 2025, the range of exposures that can be included in the discount program was further expanded.

An event, that occurred in January 2025 regarding an item reported in the Group's books as a receivable from lending activities, was identified by the Group as a post-balance sheet event. The Group believes that the event has no retrospective effect for 2024 concerning Stage classification, therefore the Group did not change the Stage 2 classification of the affected receivable as of 31 December 2024. However, given that the Group obtained additional information regarding the circumstances that previously justified the Stage 2 classification, the Group recognized an additional HUF 13.9 billion impairment loss for the receivable in the Stage 2 category for 2024.

MAIN CHANGES CONCERNING INVESTMENTS IN SUBSIDIARIES

On 30 July 2024 the financial closure of the sale of the Romanian bank was completed, consequently starting from 3Q the consolidated financial statements no longer include the contribution from the Romanian segment.

On 22 August 2024 the legal merger of the two Slovenian subsidiary banks of the Group, SKB Banka and Nova KBM was successfully completed. Following this, the operational merger was also successfully concluded.

MACROECONOMIC OVERVIEW

In 2024, inflation in advanced economies continued to fall, so the Fed and the ECB both started their interest rate cut cycles. The US presidential election and the expectations ahead of it led to a sharp turnaround in bond markets and interest rate expectations, as the victory of Donald Trump, whose election promises included several highly inflationary elements, became increasingly likely. In mid-September, yields started to rise after a slide since spring, and expectations of further rate cuts began to ease. Growth remained strong in the United States, but the euro area continued to struggle to recover from the crisis, where the energy crisis and the inflation shock of the Russia-Ukraine war had thrown it. Meanwhile, labour markets remained tight on both sides of the Atlantic, with low unemployment and strong wage dynamics.

As the year was nearing its end, it became clear that growth in the US was strong, as consumer spending and private investment continued to drive the growth, and the US economy expanded by 2.8%, well above the 1-1.5% expected at the beginning of the year. Labour market conditions were also more favourable than expected: except for some minor temporary volatility, employment growth remained strong, unemployment remained low, and wages grew by 4%. Disinflation stalled in the autumn, and core inflation was still 3-3.5%, well above the inflation target. Nevertheless, the Fed cut its base rate by 100 basis points to 4.25-4.5% by the end of the year, in line with expectations.

In the euro area, the recovery was also driven by consumption, but the pace of the rebound was far below that of the USA and was not homogeneous across the euro area. The best performers were tourism-driven southern member states, while the industry-heavy economies struggled to recover from the shock of the energy crisis. Political crises are also weighing on the recovery, with two major economies, Germany and France, both facing government crises. Inflation temporarily fell below target in the autumn, but has been accelerating again since October as the food and energy price fall fades; still, the ECB continued its interest rate cut cycle, bringing the effective rate down to 3% by the end of 2024, in a 100 basis point cut for the year overall.

The Hungarian economy started to recover in 2024 after a longer and deeper recession than other countries in the region in 2023 but, just like in Europe, it was uneven and fragile, growing by just 0.5% in full year 2024, compared with expectations of around 3% at the start of the year. With rising real wages and low unemployment, consumption gradually picked up, although households' precautionary savings remained high. Despite expanding consumption, the high exposure to the automotive sector, the eroded room for manoeuvre in fiscal policy, the falling exports and a more than 10% drop in investment pushed the economy back into technical recession in the second and third quarters, from which it recovered only in the fourth quarter. Net exports' contribution to growth was positive, but it did not stem from exports' robust performance – it was only because imports fell sharper than exports did. As a result of the government's stimulus measures, the housing market picked up along with household loan demand, while the corporate loan market stagnated. Labour market tensions have clearly eased, as employment declined in the second half of the year, but the unemployment rate did not rise significantly.

Inflation also slowed in Hungary and reached the 3% target in September, giving the MNB room to cut interest rates from 10.75% at the end of 2023 to 6.5%. But inflation picked up in October and the escalation of the Middle East conflict and the rise in US yields forced the MNB to pause the easing cycle. The EUR/HUF was at around 380 at the beginning of 2024, but it rose persistently above the 400 level in the second half of the year.

After years of deficits of 7-8%, the primary balance improved to close to zero in 2024, despite the unfavourable macroeconomic environment, and the headline deficit fell to 4.8% of GDP, close to the increased deficit target, but still far from the 3% Maastricht criterion. The decline in government debt stalled in 2024, with the debt-to-GDP ratio rising to 73.9%-74% from 73.4% in 2023. Hungary's external balance started to improve rapidly after the energy price shock faded and domestic demand declined; the deficit swung from above 8% of GDP in 2022 to a slight surplus in 2023, by rising to 2.5% of GDP in 2024, and external debt started to slowly decline.

DIGITAL AND IT INNOVATIONS

OTP Bank broadens the range of remotely available services continually. The number of our digitally active retail clients has far exceeded 2 million, and most of our clients now contact our Bank through mobile banking.

Through the mobile application, in addition to the daily banking functions, our clients can purchase investment funds, bonds, car prize deposits, or apply for a new home savings product or travel insurance. In addition, thanks to the piggy bank function, our customers can set up savings goals and put money aside little by little for it, while selecting ‘Split the Bill’, they can easily allocate the costs of a dinner among the participants. Daily banking functionality has been recently expanded with the introduction of qvik payment options.

The Bank focuses on the continuous upgrades of the Personal Finance Management (PFM) toolset, which supports our users in making more conscious financial decisions. The expense tracker service is already capable of handling user generated, personalized categories as well.

The constant ascent in the ratio of our digitally active clients is supported by targeted online campaigns and continuous user education. Machine learning algorithms help the Bank processing all digital data for displaying relevant, personalized offers to the clients.

Several products are available via end-to-end online processes for example: retail clients can open a new account with selfie-identification, or contract for a personal loan or travel insurance digitally. With OTP Mobilbank, it takes a few minutes only for parents to open a Junior account for their children under the age of 14.

VideoBank provides consulting service and application process for mortgages as well. We received numerous positive feedback from clients using the channel. Our customers have access to the chat feature on the website, via our internet banking service and in the mobile application as well, therefore we serve client needs also via identified conversations.

We are constantly improving our fraud prevention platform to better identify and prevent fraudulent activity targeting our digital service. As a preventive measure, in 2024 we introduced a new Mobilbank feature, which displays for the customer when OTP Bank's call management system initiates a call.

In addition to our internet and mobile banking developments, we created a so-called Merchant Portal for partners holding card acceptance contracts, where they can reach analytics, statements and all related documents of card transactions made with us.

BRANCH NETWORK OF OTP BANK

The Bank provides a full range of commercial banking services through a nationwide network and its branches are available to customers in Hungary.

1011 Budapest, Iskola utca 38-42.

1015 Budapest, Széna tér 7.

1021 Budapest, Hüvösvölgyi út 138.

1024 Budapest, Fény utca 11-13.

1025 Budapest, Szépvölgyi út 4/b.

1025 Budapest, Törökvész út 1/a

1026 Budapest, Szilágyi Erzsébet fasor 121.

1033 Budapest, Flórián tér 15.

1033 Budapest, Szentendrei utca 115.

1037 Budapest, Bécsi út 154.

1039 Budapest, Heltai Jenő tér 2.

1041 Budapest, Erzsébet utca 50.

1042 Budapest, Árpád út 63-65.

1048 Budapest, Kordován tér 4.

1051 Budapest, Nádor utca 16.

1052 Budapest, Deák Ferenc utca 7-9.

1054 Budapest, Szabadság tér 7-8.

1055 Budapest, Nyugati tér 9.

1055 Budapest, Szent István krt. 1.

1062 Budapest, Váci út 1-3.

1066 Budapest, Oktogon tér 3.

1075 Budapest, Károly krt. 1.

1075 Budapest, Károly krt. 25.

1076 Budapest, Thököly út 4

1081 Budapest, Népszínház utca 3-5.

1083 Budapest, Futó utca 35-45

1085 Budapest, József krt. 33.

1085 Budapest, Kálvin tér 12-13.

1094 Budapest, Ferenc krt. 13.

1097 Budapest, Könyves Kálmán krt. 12-14.

1102 Budapest, Kőrösi Csoma sétány 6.

1103 Budapest, Sibrik Miklós utca 30.

1106 Budapest, Örs vezér tere 25

1115 Budapest, Bartók Béla út 92-94.

1117 Budapest, Hunyadi János út 19.

1117 Budapest, Móricz Zsigmond körtér 18.

1117 Budapest, Október huszonharmadika utca 8-10.

1119 Budapest, Hadak útja 1.

1123 Budapest, Alkotás utca 53

1124 Budapest, Apor Vilmos tér 11.

1126 Budapest, Böszörményi út 9-11.

1133 Budapest, Váci út 80.

1134 Budapest, Váci út 17.

1135 Budapest, Lehel út 70-76.

1137 Budapest, Pozsonyi út 38.

1138 Budapest, Váci út 135-139

1146 Budapest, Thököly út 102/b.

1148 Budapest, Nagy Lajos király útja 19-21.

1149 Budapest, Bosnyák tér 17.

1149 Budapest, Fogarasi út 15/b.

1152 Budapest, Szentmihályi út 131.

1157 Budapest, Zsókavár utca 28.

1163 Budapest, Jókai Mór utca 3/b.

1173 Budapest, Ferihegyi út 93.

1173 Budapest, Pesti út 5-7.

1181 Budapest, Üllői út 377.

1191 Budapest, Üllői út 201.

1195 Budapest, Üllői út 285.

1195 Budapest, Vak Bottyán út 75 a-c

1203 Budapest, Bíró Mihály utca 7.

1204 Budapest, Kossuth Lajos utca 44-46.

1211 Budapest, Kossuth Lajos utca 86.

1211 Budapest, Kossuth Lajos utca 99.

1221 Budapest, Kossuth Lajos utca 31.

1222 Budapest, Nagytétényi út 37-45.

1238 Budapest, Grassalkovich út 160.

1239 Budapest, Bevásárló utca 2.

2000 Szentendre, Pannónia út 1-3.

2013 Pomáz, József Attila utca 17.

2030 Érd, Budai út 24.

2030 Érd, Iparos út 5.

2040 Budaörs, Sport út 2-4.

2040 Budaörs, Szabadság utca 131/a.

2060 Bicske, Bocskai köz 1.

2083 Solymár, Szent Flórián utca 2.

2085 Pilisvörösvár, Fő utca 60

2092 Budakeszi, Fő utca 174.

2100 Gödöllő, Szabadság tér 12-13.

2112 Veresegyház, Fő út 52

2120 Dunakeszi, Barátság utca 29.

2120 Dunakeszi, Nádas utca 6.

2141 Csömör, Határ út 6.

2151 Fót, Móricz Zsigmond utca 23/A

2170 Aszód, Kossuth Lajos utca 42-46.

2200 Monor, Kossuth Lajos utca 67.

2220 Vecsés, Fő utca 170.

2220 Vecsés, Fő utca 246-248

2225 Üllő, Pesti út 92/b.

2230 Gyömrő, Szent István út 17.

2234 Maglód, Esterházy utca 1.

2300 Ráckeve, Szent István tér 3.

2310 Szigetszentmiklós, Ifjúság útja 17.

2330 Dunaharaszti, Dózsa György út 25.

2340 Kiskunlacháza, Dózsa György út 219.

2360 Gyál, Kőrösi út 160.

2370 Dabas, Bartók Béla út 46.

2400 Dunaújváros, Dózsa György út 4/e.

2440 Százhalombatta, Szent István tér 8.

2457 Adony, Petőfi Sándor utca 2.

2483 Gárdony, Szabadság út 18.

2500 Esztergom, Rákóczi tér 2-4.

2510 Dorog, Bécsi út 33.

2536 Nyergesújfalu, Kossuth Lajos utca 126.

2600 Vác, Széchenyi utca 3-7.

2651 Rétság, Rákóczi út 28-30.

2660 Balassagyarmat, Rákóczi fejedelem utca 44.

2700 Cegléd, Szabadság tér 6.

2730 Albertirsa, Vasút utca 4/a.

2750 Nagykőrös, Szabadság tér 2.

2760 Nagykáta, Bajcsy-Zsilinszky utca 1.

2800 Tatabánya, Bárdos László utca 2.

2800 Tatabánya, Fő tér 32.

2840 Oroszlány, Rákóczi Ferenc út 84.

2870 Kisbér, Batthyány tér 5.

2890 Tata, Ady Endre utca 1-3.

2900 Komárom, Mártírok útja 23.

2941 Ács, Gyár utca 14.

3000 Hatvan, Kossuth tér 8.

3021 Lőrinci, Szabadság tér 25/A

3060 Pásztó, Fő utca 73/a.

3070 Bátonyterenye, Bányász utca 1/a.

3100 Salgótarján, Rákóczi út 22.

3170 Szécsény, Feszty Árpád utca 1.

3200 Gyöngyös, Fő tér 1.

3245 Recsk, Kossuth Lajos út 93.

3300 Eger, Törvényház utca 4.

3360 Heves, Hősök tere 4.

3390 Füzesabony, Rákóczi Ferenc út 77.

3400 Mezőkövesd, Mátyás király út 149.

3527 Miskolc, József Attila utca 87.

3530 Miskolc, Rákóczi Ferenc utca 1.

3530 Miskolc, Uitz Béla utca 6.

3535 Miskolc, Árpád út 2.

3580 Tiszaújváros, Szent István út 30.

3600 Ózd, Városház tér 1/a.

3630 Putnok, Kossuth Lajos utca 45.

3700 Kazincbarcika, Egressy Béni út 50.

3770 Sajószentpéter, Bethlen Gábor utca 1/a.

3780 Edelény, Tóth Árpád út 1.

3800 Szikszó, Kassai út 16.

3860 Encs, Bem József utca 1.

3900 Szerencs, Kossuth tér 3/a.

3910 Tokaj, Rákóczi út 37.

3950 Sárospatak, Eötvös utca 2.

3980 Sátoraljaújhely, Széchenyi tér 13.

4025 Debrecen, Hatvan utca 2-4.

4025 Debrecen, Pásti utca 1-3.

4025 Debrecen, Piac utca 45-47.

4031 Debrecen, Kishatár utca 7.

4032 Debrecen, Egyetem tér 1.

4032 Debrecen, Füredi út 43.

4060 Balmazújváros, Veres Péter utca 3.

4080 Hajdúnánás, Köztársaság tér 17-18/a.

4087 Hajdúdorog, Petőfi tér 9.

4100 Berettyóújfalu, Oláh Zsigmond utca 1.

4110 Biharkeresztes, Kossuth utca 4.

4130 Derecske, Köztársaság út 111.

4150 Püspökladány, Kossuth utca 2.

4181 Nádudvar, Fő út 119.

4200 Hajdúszoboszló, Szilfákalja utca 6-8.

4220 Hajdúböszörmény, Kossuth Lajos utca 3.

4242 Hajdúhadház, Kossuth utca 2.

4244 Újfehértó, Fő tér 15.

4254 Nyíradony, Árpád tér 6.

4300 Nyírbátor, Zrínyi utca 1.

4320 Nagykálló, Árpád utca 10.

4400 Nyíregyháza, Rákóczi utca 1.

4440 Tiszavasvári, Kossuth Lajos utca 6.

4501 Kemecse, Móricz Zsigmond utca 18.

4561 Baktalórántháza, Köztársaság tér 4.

4600 Kisvárda, Szent László utca 30.

4625 Záhony, Ady Endre út 27-29.

4700 Mátészalka, Szalkay László utca 34.

4765 Csenger, Ady Endre utca 1.

4800 Vásárosnamény, Szabadság tér 33.

4900 Fehérgyarmat, Móricz Zsigmond utca 4.

5000 Szolnok, Nagy Imre krt. 2/a.

5000 Szolnok, Szapáry utca 31.

5100 Jászberény, Lehel vezér tér 28.

5123 Jászárokszállás, Rákóczi Ferenc utca 4-6.

5130 Jászapáti, Kossuth Lajos út 2-8.

5200 Törökszentmiklós, Kossuth Lajos utca 141.

5300 Karcag, Kossuth Lajos tér 15.

5310 Kisújszállás, Szabadság tér 6.

5340 Kunhegyes, Szabadság tér 4.

5350 Tiszafüred, Piac tér 3.

5400 Mezőtúr, Szabadság tér 29.

5420 Túrkeve, Széchenyi utca 32-34.

5430 Tiszaföldvár, Kossuth Lajos út 191.

5440 Kunszentmárton, Kossuth Lajos út 2.

5500 Gyomaendrőd, Szabadság tér 7

5510 Dévaványa, Árpád utca 32.

5520 Szeghalom, Tildy Zoltán utca 4-8.

5530 Vésztő, Kossuth Lajos utca 72.

5540 Szarvas, Kossuth Lajos tér 1.

5600 Békéscsaba, Andrássy út 37-43.

5600 Békéscsaba, Szent István tér 3.

5630 Békés, Széchenyi tér 2.

5650 Mezőberény, Kossuth Lajos tér 12.

5700 Gyula, Bodoky utca 9.

5720 Sarkad, Árpád fejedelem tér 5.

5742 Elek, Gyulai út 5.

5800 Mezőkovácsháza, Árpád utca 177.

5820 Mezőhegyes, Zala György ltp. 7.

5900 Orosháza, Kossuth Lajos utca 20.

6000 Kecskemét, Dunaföldvári út 2.

6000 Kecskemét, Korona utca 2.

6000 Kecskemét, Szabadság tér 5.

6050 Lajosmizse, Dózsa György út 102/a.

6060 Tiszakécske, Béke tér 6.

6070 Izsák, Szabadság tér 1.

6080 Szabadszállás, Dózsa György út 1.

6090 Kunszentmiklós, Kálvin tér 11.

6100 Kiskunfélegyháza, Petőfi tér 1

6120 Kiskunmajsa, Csendes köz 1.

6200 Kiskőrös, Petőfi Sándor tér 13.

6230 Soltvadkert, Szentháromság utca 2.

6237 Kecel, Császártöltési utca 1.

6300 Kalocsa, Szent István király út 43-45.

6320 Solt, Kossuth Lajos utca 48-50.

6400 Kiskunhalas, Sétáló utca 7

6430 Bácsalmás, Szent János utca 32.

6440 Jánoshalma, Rákóczi Ferenc utca 10.

6500 Baja, Deák Ferenc utca 1.

6600 Szentes, Kossuth Lajos utca 26.

6640 Csongrád, Szentháromság tér 2-6.

6720 Szeged, Aradi vértanúk tere 3.

6720 Szeged, Takaréktár utca 7.

6724 Szeged, Londoni krt. 3.

6724 Szeged, Rókusi krt. 42-64.

6760 Kistelek, Kossuth Lajos utca 6-8

6782 Mórahalom, Szegedi út 3.

6800 Hódmezővásárhely, Andrássy út 1.

6900 Makó, Széchenyi tér 14-16.

7000 Sárbogárd, Ady Endre út 172.

7020 Dunaföldvár, Béke tér 11.

7030 Paks, Dózsa György út 33.

7090 Tamási, Szabadság utca 33

7100 Szekszárd, Szent István tér 5-7.

7130 Tolna, Kossuth Lajos utca 31.

7140 Bátaszék, Budai utca 13.

7150 Bonyhád, Szabadság tér 10.

7200 Dombóvár, Dombó Pál utca 3.

7300 Komló, Kossuth Lajos utca 95/1.

7400 Kaposvár, Széchenyi tér 2.

7500 Nagyatád, Korányi Sándor utca 6.

7561 Nagybajom, Fő utca 107

7570 Barcs, Séta tér 5.

7621 Pécs, Rákóczi út 1.

7621 Pécs, Rákóczi út 44.

7622 Pécs, Bajcsy-Zsilinszky utca 11/1.

7632 Pécs, Diána tér 14.

7633 Pécs, Ybl Miklós utca 7/3.

7700 Mohács, Széchenyi tér 1

7754 Bóly, Hősök tere 8/b.

7773 Villány, Baross Gábor utca 36.

7800 Siklós, Felszabadulás utca 60-62.

7900 Szigetvár, Vár utca 4.

7940 Szentlőrinc, Munkácsy Mihály utca 16/A

7960 Sellye, Köztársaság tér 4.

8000 Székesfehérvár, Holland fasor 2.

8000 Székesfehérvár, Ősz utca 13.

8060 Mór, Deák Ferenc utca 2.

8100 Várpalota, Újlaky út 2.

8130 Enying, Kossuth Lajos utca 43.

8154 Polgárdi, Deák Ferenc utca 16.

8200 Veszprém, Brusznyai Árpád utca 1.

8220 Balatonalmádi, Baross Gábor út 2.

8230 Balatonfüred, Petőfi Sándor utca 8.

8300 Tapolca, Fő tér 2.

8330 Sümeg, Kisfaludy Sándor tér 1.

8360 Keszthely, Kossuth Lajos utca 38.

8380 Hévíz, Erzsébet királyné utca 11.

8400 Ajka, Szabadság tér 18.

8420 Zirc, Rákóczi tér 15.

8500 Pápa, Fő tér 22.

8600 Siófok, Fő tér 10/a

8630 Balatonboglár, Dózsa György utca 1.

8640 Fonyód, Ady Endre utca 25.

8660 Tab, Kossuth Lajos utca 96.

8700 Marcali, Rákóczi utca 6-10.

8790 Zalaszentgrót, Batthyány Lajos utca 11.

8800 Nagykanizsa, Deák tér 15.

8800 Nagykanizsa, Erzsébet tér 23.

8840 Csurgó, Petőfi tér 20/A

8900 Zalaegerszeg, Kisfaludy Sándor utca 15-17.

8960 Lenti, Dózsa György út 1.

9022 Győr, Teleki László utca 51.

9024 Győr, Bartók Béla út 53/b.

9024 Győr, Kormos István utca 6.

9026 Győr, Egyetem tér 1.

9027 Győr, Budai út 1.

9200 Mosonmagyaróvár, Fő utca 24

9300 Csorna, Soproni út 58.

9330 Kapuvár, Szent István király utca 4-6.

9400 Sopron, Teleki Pál út 22./A

9400 Sopron, Várkerület út 96.

9431 Fertőd, Fő utca 7.

9500 Celldömölk, Kossuth Lajos utca 18.

9600 Sárvár, Batthyány utca 2.

9700 Szombathely, Fő tér 3-5.

9700 Szombathely, Király utca 10.

9700 Szombathely, Rohonci út 52.

9730 Kőszeg, Kossuth Lajos utca 8.

9737 Bük, Kossuth utca 1-3.

9800 Vasvár, Alkotmány utca 2.

9900 Körmend, Vida József utca 12.

9970 Szentgotthárd, Mártírok út 2

STATEMENT ON CORPORATE GOVERNANCE PRACTICE

Corporate governance practice

OTP Bank Plc., being registered in Hungary, has a corporate governance policy that complies with the provisions on companies of the act applicable (Civil Code). As the company conducts banking operations, it also adheres to the statutory regulations pertaining to credit institutions.

Beyond fulfilling the statutory requirements, as a listed company on the Budapest Stock Exchange (BSE), the company also makes an annual declaration on its compliance with the BSE's Corporate Governance Recommendations. After being approved by the General Meeting, this declaration is published on the websites of both the Stock Exchange (www.bet.hu) and the Bank (www.otpbank.hu).

System of internal controls

OTP Bank Plc., as a provider of financial and investment services, operates a closely regulated and state-supervised system of internal controls.

OTP Bank Plc. has detailed risk management regulations applicable to all types of risks (credit, country, counterparty, market, liquidity, operational, compliance), which are in compliance with the regulations on prudent banking operations. The Bank Group pays special attention to the management of ESG risks and the implementation of climate protection aspects in business practice. Its risk management system extends to cover the identification of risks, the assessment and analysis of their impact, elaboration of the required action plans and the monitoring of their effectiveness and results. The business continuity framework is intended to provide for the continuity of services. Developed on the basis of international methodologies, the lifecycle model includes process evaluation, action plan development for critical processes, the regular review and testing of these, as well as related DRP activities.

OTP Bank Plc.'s internal audit system is realised on several levels of control built on each other. The system of internal checks and balances includes process-integrated control, management control, independent internal audit and executive information system. The independent internal audit organisation as a key element of internal lines of defence promotes the statutory and efficient management of assets and liabilities, the defence of property, the safe course of business, the efficient operation of internal control systems, the minimisation of risks, moreover it reveals and reports deviations from statutory regulations and internal rules, makes proposal to abolish deficiencies and follows up the execution of actions. The independent internal audit organisation annually and quarterly prepares group-level reports on control actions and audit results for the executive boards. Once a year, the internal audit organisation with the prior opinion of the Audit Committee draws up, for the Supervisory Board, the Board of Directors and the Risk Assumption and Risk Management Committee, objective and independent reports in respect of the operation of risk management, internal control mechanisms and corporate governance functions. Furthermore, in line with the provisions of the Credit Institutions Act, reports, once a year, to the Supervisory Board and the Board of Directors on the regularity of internal audit tasks, professional requirements and the conduct of audits, and on the review of compliance with IT and other technical conditions needed for the audits.

In line with the regulations of the European Union, the applicable Hungarian laws and supervisory recommendations, OTP Bank Plc. operates an independent organisational unit with the task of identifying and managing compliance risks. The Compliance Directorate prepares a report quarterly to the Board of Directors, and annually to the Supervisory Board, about the Bank's and the Bank Group's compliance activities and position.

IT Controls

Applications are developed by either in-house group resources or by third parties. OTP Bank applies administrative, logical and physical control measures commensurate with the risk in order to protect the IT systems storing and processing data, as follows:

- access to data/systems is only possible on the basis of a predefined authorisation management process that applies the principle of least privilege, ensures segregation of responsibilities, that has regular access right reviews and ensures that dismissed employees' access is revoked in a timely manner;
- user authentication, authorisation and password management processes are controlled by policies and audited;
- the systems have test and development environments with appropriate separation from the production environments that have a secure change management procedure, which ensures that program

developments or modifications can only be deployed to the operational environment after proper, controlled testing and approval;
- systems are protected by appropriate network perimeter protection, various security devices and network segmentation, furthermore all network communications are protected with state-of-the-art encryption;
- the IT systems that store and process data are regularly backed up and backup media is stored in controlled premises with adequate protection for long-term retention, and the organisation carries out regular backup restore tests;
- adequate redundancy is applied for IT systems that store and process data to ensure business continuity and disaster resiliency;
- has developed DRPs and BCPs for critical systems and critical business processes, which are regularly tested and reviewed;
- the Bank collects and retains the complete log of all major IT operations and IT security relevant data processing activities and the confidentiality, availability, integrity, authenticity and non-repudiation of these audit logs are ensured;
- there is a continuous, up-to-date protection against malicious codes;
- it ensures the regular implementation of vendor patches and updates for the environments used;
- it uses a data leakage protection (DLP) solution to reduce the risk of inadvertent data loss;
- it ensures the continuous monitoring of the operation events of the physical and virtual environment system elements with automated event detection and management tools;
- the above measures are documented at an appropriate level, which ensures the traceability of the implementation of data security requirements in a transparent manner;
- it ensures permanent secure deletion of the data stored on the media, the destruction of the media and the documentation of the destruction of the media during secure operational media disposal processes;
- it enforces data protection requirements already at the design stage of the implementation of the IT systems storing and processing personal data and of the systems operational processes related to them;
- acquire and maintain ability to adequately handle application related security events (including cyber threats), entailing prevention, detection, identification, isolation, analysis, recovery and reporting;
- remote work is regulated in a controlled and documented way, remote device and user access is protected with multi-factor authentication;
- ensures IT security compliance by its managed regulative framework;
- revision and update of IT security regulations bi-yearly or in a frequency complying legislative requirements or upon major changes;
- ensures vulnerability assessments and penetration tests are carried out as planned;
- defines pools for categorization of installed software into preferred, allowed and prohibited and ensures compliance to that policy.
- it ensures that its employees have adequate knowledge of data protection requirements and provides regular data protection and information security awareness training for them.

General Meeting

The General Meeting is the supreme governing body of OTP Bank Plc. The regulations pertaining to its operation are set forth in the Company’s Articles of Association, and comply fully with both general and special statutory requirements. Information on the General Meeting is available in the Corporate Governance Report.

Regulations and information to be presented in the Business Report concerning securities conferring voting rights issued by the Company and senior officials, according to the effective Articles of Association, and ownership structure

The Company’s registered capital is HUF 28,000,001,000, that is twenty-eight thousand million one thousand Hungarian forint, divided into 280,000,010 that is Two hundred and eighty million and ten dematerialised ordinary shares with a nominal value of HUF 100 each, and a total nominal value of HUF 28,000,001,000, that is twenty-eight billion one thousand Hungarian forint.

The ordinary shares of the Company specified all have the same nominal value and bestow the same rights in respect of the Company.

There are no restrictions in place concerning the transfer of issued securities constituting the registered capital of the Company.

No securities with special control rights have been issued by the Company.

Special Employee Partial Ownership Plan Organization No. I. of OTP Employees and Special Employee Partial Ownership Plan Organization No. II. of OTP Employees (hereinafter referred to as: OTP SEPOPs) were established based on the decision of the Company's certain employees and executives considered as employees pursuant to the Act XLIV of 1992 on Employee Partial Ownership Plan. Management rights of OTP SEPOPs are exercised by a trust named *Alapítvány az OTP Munkavállalók Különleges Résztulajdonosi Programjáért*, founded by the same employees setting up OTP SEPOPs. The Company did not participate either in foundation or in management of OTP SEPOPs.

The Company in line with the ESOP Act initiated an employee share ownership plan having a remuneration purpose and founded OTP Bank ESOP Organization for its execution (hereinafter referred to as ESOP Organization). Pursuant to the laws, the management rights over the ESOP Organization are exercised by a law firm, the so called trustee. In the case of the ESOP Organization Szűcs Law Firm is entitled to exercise the authorities of the trustee. The Company participated in the foundation of the ESOP Organization, however, after its foundation it cannot participate in its management, and according to the laws, it is not entitled to either give orders or to recall the trustee.

Rules on the restrictions of the voting rights:

The Company's ordinary shares confer one vote per share.

An individual shareholder or group of shareholders may not exercise voting rights in respect of in an extent exceeding 25%, or – if the voting rights of another shareholder or group of shareholders exceed 10% – exceeding 33% of the total voting rights represented by the shares conferring voting rights at the Company's General Meeting.

The shareholder is obliged to notify the Company's Board of Directors without delay if the shareholder directly or indirectly, or together with other shareholders in the same group of shareholders, holds more than 2% of the voting rights represented by the shares conferring voting rights at the Company's General Meeting. Concurrently with this, the shareholder is obliged to designate the shareholders through which the indirect voting right exists, or the members of the group of shareholders. In the event of a failure to provide such notification, or if there are substantive grounds for assuming that the shareholder has made a misleading declaration regarding the composition of the shareholder group, then the shareholder's voting right shall be suspended and may not be exercised until the shareholder has met the above obligations. The notification obligation stipulated in this paragraph and the related legal consequences are also incumbent upon individuals who are classified or may be classified as the Company's shareholders under Article 61 of the Capital Markets Act. The Company must also be provided with proof of the conditions for exemption from the notification obligation in accordance with Section 61 (7)-(8) and (11) and Section 61 (10), (11a) and (12), of the Capital Markets Act.

Shareholder group: the shareholder and another shareholder, in which the former has either a direct or indirect shareholding or has an influence without a shareholding (collectively: a direct and/or indirect influence); furthermore: the shareholder and another shareholder who is exercising or is willing to exercise its voting rights together with the former shareholder, regardless of what type of agreement between the participants underlies such concerted exercising of rights.

For determining the existence and extent of the indirect holding, the rules of the Credit Institutions Act relating to the calculation of indirect ownership shall be applied.

If the voting rights that may be exercised by a shareholder group exceed the threshold stipulated above, the voting rights shall be reduced in such a way that the voting rights relating to the shares most recently acquired by the group of shareholders shall not be exercisable.

If there are substantive grounds to presume that the exercising of voting rights by any shareholder or shareholders might result in a breach of the rules of the Capital Markets Act relating to the acquisition of a controlling interest, the Board of Directors' authorised representative responsible for the registration of shareholders at the venue of the General Meeting, or the Chairman of the General Meeting, may exclude the affected shareholders from attending the General Meeting or exercising voting rights.

The General Meeting has exclusive authority with respect to the following matters:

- changes to the rights associated with specific series of shares, or the transformation of certain categories or classes of shares; (qualified majority)
- the decision regarding the delisting of the shares (qualified majority). When making the decisions, shares embodying multiple voting rights shall represent one share.

The Company is not aware of any kind of agreements among the owners that could give rise to the restriction of the transfer of issued securities and/or the voting rights.

Rules on the appointment and removal of executive officers, and rules on amendment of the Articles of Association:

The Board of Directors has at least 5, and up to 11 members.

When making the decisions, shares embodying multiple voting rights shall represent one share. The members of the Board of Directors are elected by the General Meeting based on its decision uniformly either for an indefinite period or for five years; in the latter case the mandate ends with the General Meeting concluding the fifth financial year following the election. The mandate of a member elected during this period expires together with the mandate of the Board of Directors.

The Board of Directors elects a Chairman and may elect one or more Deputy Chairmen, from among its own members, whose period of office shall be equal to the mandate of the Board of Directors. The Chairman of the Board of Directors is also the Chief Executive Officer (Chairman & CEO) of the Company, unless the Board of Directors decides within its competence that the position of Chairman of the Board of Directors and the Chief Executive Officer of the Company are held by separate persons.

The membership of the Board of Directors ceases to exist by

a. expiry of the mandate,
b. resignation,
c. recall,
d. death,
e. the occurrence of grounds for disqualification as regulated by law.
f. termination of the employment of internal (executive) Board members.

The General Meeting has exclusive authority with respect to the following matters:

- the recall of members of the Board of Directors, the Supervisory Board and Audit Committee, and of the auditor; (qualified majority)

  More than one third of the members of the Board of Directors and the non-executive members of the Supervisory Board may be recalled within a 12-month period only if any shareholder holds more than 33% of the shares issued by the Company, which have been obtained by the shareholder by way of a public purchase offer.
- except in the cases referred by these Articles of Association to the authority of the Board of Directors, the establishment and amendment of the Articles of Association; (qualified majority); the General Meeting decides on proposals concerning the amendment of the Articles of Association – based on a resolution passed by shareholders with a simple majority – either individually or en masse.

The Board of Directors is obliged to

- prepare the Company's financial statements in accordance with the Accounting Act, and make a proposal for the use of the profit after taxation;
- prepare a report once a year for the General Meeting, and once every three months for the Supervisory Board, concerning management, the status of the Company's assets and business policy;
- provide for the proper keeping of the Company's business books;
- perform the tasks referred to its authority under the Credit Institutions Act, in particular:
  - ensuring the integrity of the accounting and financial reporting system;
  - elaborating the appropriate strategy and determining risk tolerance levels for each business unit concerned;
  - setting risk assumption limits;
  - providing the necessary resources for the management or risk, the valuation of assets, the use of external credit ratings and the application of internal models.

The following, in particular, come under the exclusive authority of the Board of Directors:

- election of the Chairman & Chief Executive Officer of the Company, and exercising employer's right in respect thereof;
- election of one or more Deputy Chairmen of the Board of Directors;
- determination of the annual plan;
- the analysis and assessment of the implementation of business-policy guidelines, on the basis of the Company's quarterly balance sheet;
- decisions on transactions referred to the authority of the Board of Directors by the Company's organisational and operational regulations;
- decision on launching, suspending, or terminating the performance of certain banking activities within the scope of the licensed activities of the Company;
- designation of the employees entitled to sign on behalf of the Company;
- decision on the increasing of registered capital at the terms set out in the relevant resolution of the General Meeting;
- decision to acquire treasury shares at the terms set out in the relevant resolution of the General Meeting;
- decision on approving internal loans in accordance with the Credit Institutions Act;
- decision on the approval of regulations that fundamentally determine banking operations, or are referred to its authority by the Credit Institutions Act. The following shall qualify as such regulations:
    - the collateral evaluation regulations,
    - the risk-assumption regulations,
    - the customer rating regulations,
    - the counterparty rating regulations,
    - the investment regulations,
    - the regulations on asset classification, impairment and provisioning,
    - the organisational and operational regulations, which contain the regulations on the procedure for assessing requests related to large loans,
    - the regulations on the transfer of signatory rights;
- the decision on approving the Rules of Procedure of the Board of Directors;
- decision on steps to hinder a public takeover procedure;
- decision on the acceptance of a public purchase offer received in respect of treasury shares;
- decision on the commencement of trading in the shares in a regulated market (flotation);
- decision on the cessation of trading in the shares in a given regulated market, provided that the shares are traded in another regulated market (hereinafter: transfer).

The Board of Directors is exclusively authorised to:

- decide, in the cases specified in the Civil Code, on acceptance of the Company's interim balance sheet, subject to the prior approval of the Supervisory Board;
- decide, instead of the General Meeting, to pay an advance on dividends, subject to the preliminary approval of the Supervisory Board;
- make decisions regarding any change in the Company's name, registered office, permanent establishments and branches, and in the Company's activities – with the exception of its core activity – and, in relation to this, to modify the Articles of Association should it become necessary to do so on the basis of the Civil Code or the Articles of Association;
- make decision on mergers (if, according to the provisions of the law on the transformation, merger and demerger of legal entities, the approval of the General Meeting is not required in order for the merger to take place).

The Board of Directors directly exercises employer's rights in respect of the Chairman & CEO. The person affected by a decision may not participate in the decision making. Employer rights in respect of the executive directors of the Company are exercised by the Board of Directors through the Chairman & CEO, with the proviso that the Board of Directors must be notified in advance of the appointment and dismissal of the Deputy CEOs. With regard to issues related to the exercising of employer's rights in respect of employees, the Company is represented by the Chief Executive Officer and by the senior company employees defined in the Organisational and Operational Regulations of the Company, in accordance with the delegation of authority approved by the Board of Directors. If the Chairman of the Board of Directors and the CEO are different persons, the employer rights in respect of the other executive directors of the Company (CEO, deputy CEOs) are exercised by the Board of Directors through the Chairman of Board of Directors, with the proviso that the Board of Directors shall be notified in advance of the appointment and dismissal of the CEO and Deputy CEOs. With regard to issues related to the exercising of employer's rights in respect of employees, the Company is represented by the persons defined in the Organisational and Operational Regulations of the Company, in accordance with the delegation of authority approved by the Board of Directors.

The Board of Directors may delegate, to individual members of the Board of Directors, to executive directors employed by the Company, and to the heads of the individual service departments, any task that does not come under the exclusive authority of the Board of Directors in accordance with these Articles of Association or a General Meeting resolution.

The Company may acquire treasury shares in accordance with the rules of the Civil Code. The prior authorisation of the General Meeting is not required for the acquisition of treasury shares if the acquisition of the shares is necessary in order to prevent a direct threat of severe damage to the Company (this provision is not applicable in the event of a public purchase offer aimed at buying up the Company's shares), as well as if the Company acquires the treasury shares in the context of a judicial procedure aimed at the settlement of a claim to which the Company is entitled, or in the course of a transformation.

The Company has not made agreements in the meaning of points (j) and (k) in paragraph 95/A of Act No. C of 2000 on Accounting.

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2024			31 December 2024		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights[1]	Quantity
Domestic institution/company	31.40%	31.46%	87,914,205	31.57%	32.39%	88,395,584
Foreign institution/company	54.43%	54.54%	152,405,042	54.53%	55.94%	152,679,265
Domestic individual	12.93%	12.96%	36,217,730	10.31%	10.58%	28,878,581
Foreign individual	0.48%	0.48%	1,349,320	0.36%	0.37%	998,943
Employees, senior officers	0.48%	0.48%	1,338,715	0.51%	0.53%	1,435,703
Treasury shares[2]	0.20%	0.00%	572,746	2.52%	0.00%	7,049,823
Government held owner	0.05%	0.05%	139,036	0.05%	0.05%	139,036
International Development Institutions	0.01%	0.01%	28,603	0.00%	0.00%	3,251
Other[3]	0.01%	0.01%	34,613	0.15%	0.15%	419,824
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 2024 ESOP owned 11,965,796 OTP shares.
[3] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2024)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	572,746	1,452,570	3,443,352	4,762,756	7,049,823
Subsidiaries	0	0	0	0	0
TOTAL	572,746	1,452,570	3,443,352	4,762,756	7,049,823

Shareholders with over/around 5% stake as at 31 December 2024

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%**	**8.79%**	
Groupama Group	**F/D**	**C**	**14,260,181**	**5.09%**	**5.22%**	
Groupama Gan Vie SA	F	C	14,140,000	5.05%	5.18%	
Groupama Biztosító Ltd,	D	C	120,181	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 2024

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	76,887
IG	Tamás Erdei	Deputy Chairman	27/04/2012	2026	59,685
IG	Gabriella Balogh	member	16/04/2021	2026	27,393
IG	Mihály Baumstark	member	29/04/1999	2026	58,800
IG	Péter Csányi	member, Deputy CEO	16/04/2021	2026	49,429
IG	dr. István Gresa	member	27/04/2012	2026	195,058
IG	Antal Kovács[3]	member	15/04/2016	2026	114,940
IG	György Nagy[4]	member	16/04/2021	2026	13,000
IG	dr. Márton Gellért Vági	member	16/04/2021	2026	22,600
IG	dr. József Vörös	member	15/05/1992	2026	204,914
IG	László Wolf	member, Deputy CEO	15/04/2016	2026	554,412
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	491
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			11,649
SP	László Bencsik	Deputy CEO			16,003
SP	György Kiss-Haypál	Deputy CEO			15,995
SP	Imre Bertalan	MC member			0
SP	dr. Bálint Csere	MC member			12,983
TOTAL No. of shares held by management					**1,435,703**

[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: 5,276,887
[3] Number of OTP shares owned by Antal Kovács, Member of Board of Directors, directly or indirectly: 119,240
[4] Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly: 980,000

Committees[1]

Members of the Board of Directors
Dr. Sándor Csányi – Chairman
Mr. Tamás Erdei – Deputy Chairman
Ms. Gabriella Balogh
Mr. Mihály Baumstark
Mr. Péter Csányi
Dr. István Gresa
Mr. Antal Kovács
Mr. György Nagy
Dr. Márton Gellért Vági
Dr. József Vörös
Mr. László Wolf

Members of the Supervisory Board
Mr. Tibor Tolnay – Chairman
Dr. József Gábor Horváth – Deputy Chairman
Ms. Klára Bella
Dr. Tamás Gudra
Mr. András Michnai
Mr. Olivier Péqueux

Members of the Audit Committee
Dr. József Gábor Horváth – Chairman
Mr. Tibor Tolnay – Deputy Chairman
Dr. Tamás Gudra
Mr. Olivier Péqueux

The résumés of the committee and board members are available in the Corporate Governance Report/Annual Report.

[1] Personal changes can be found in the „Personal and organizational changes" chapter.

Auditor

On 26 April 2024, concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2024, the Annual General Meeting elected Ernst & Young Ltd. (001165, H-1132 Budapest, Váci út 20.) as the Company's auditor from 1 May 2024 until 30 April 2025.

Operation of the executive boards

OTP Bank Plc. has a dual governance structure, in which the Board of Directors is the Company's executive management body in its managerial function, while the Supervisory Board is the management body in its supervisory function of the Company. It controls the supervision of the lawfulness of the Company's operation, its business practices and management, performs oversight tasks and accepts the provisions of the Bank Group's Remuneration Policy. The effective operation of Supervisory Board is supported by the Audit Committee, as a committee, which also monitors the internal audit, the risk management, the reporting systems and the activities of the auditor.

In order to assist the performance of the governance functions the Board of Directors founded and operates, as permanent or other committees, such as the Management Committee, the Executive Steering Committee, the Remuneration Committee, the Nomination Committee and the Risk Assumption and Risk Management Committee.

To ensure effective operation OTP Bank Plc. also has a number of further permanent committees.

OTP Bank Plc. gives an account of the activities of the executive boards and the committees every year in its Corporate Governance Report.

The Board of Directors held 6, the Supervisory Board held 7 meetings, while the Audit Committee held 2 meetings in 2024. In addition, resolutions were passed by the Board of Directors on 149, by the Supervisory Board on 73 and by the Audit Committee on 24 occasions by written vote.

Policy of diversity

OTP Bank Plc. determines and regulates the criteria for the selection of senior executives in line with European Union as well as domestic legal requirements and directives fundamentally determining the operation of credit institutions.

When designating members of the management bodies (Board of Directors, Supervisory Board) as well as appointing members of the Board of Directors and administrative members (Management), OTP Bank Plc. considers the existence of professional preparation, the high-level human and leadership competence, the versatile educational background, the widespread business experience and business reputation of the utmost importance, at the same time, it is also highly committed to taking efficient measures in order to ensure diversity with regard to corporate operation, including the gradual improvement in women's participation rate.

OTP Bank Plc.'s Nomination Committee continuously keeps tracking the European Union and domestic legislation relating to women's quota on its agenda, in that when unambiguously worded expectations are announced, it promptly takes the necessary measures. In accordance with OTP Bank Plc.'s currently approved strategy, the goal is to have at least one female member in both the Bord of Directors and the Supervisory Board.

It is important to note, however, that, as a public limited company, the selection of the members of the management bodies falls within the exclusive competence of the General Meeting upon which – beyond its capacity to designate enforcing the above aspects to maximum effect – OTP Bank Plc. has no substantive influence.

According to OTP Bank Plc.'s Articles of Association, a Board of Directors comprising 5-11 members and a Supervisory Board comprising 5-9 members are set up at OTP Bank Plc. Currently the Board of Directors operates with 11 members and has one female member, the Supervisory Board comprises 6 members and has one female member. The management of OTP Bank Plc. currently comprises 6 members and has no female member.

NON-FINANCIAL STATEMENT – OTP BANK PLC. (STAND-ALONE)

ENVIRONMENTAL POLICY, ENVIRONMENTAL PROJECTS

The operational functioning of OTP Group and OTP Bank requires the use of natural resources and energy, however, the resulting environmental impact is significantly lesser than the indirect impacts associated with the provision of financial services. Of the operational impacts, OTP Group considers greenhouse gas (GHG) emissions to be the most significant, but we are also working on reducing our impacts beyond this. Emissions contribute to climate change and damage natural resources. Reducing emissions helps fight climate change. However, the practices of the Bank also have an awareness raising impact in the field of environmental protection and the enforcement of environmental awareness in its operations is a key element of the regional leading role undertaken by OTP Group in relation to green transition.

In the context of the provision of financial services, environmental risks are managed and business opportunities related to environmental protection are exploited within the ESG strategy and are not covered in this chapter.

In 2024, OTP Group again participated in the CDP's environmental disclosure scheme, maintaining its "B" rating achieved in the previous year.

OTP Bank mitigates environmental impacts through the following activities:

- Efficient use of resources
- Carbon-neutral operation
- Energy efficiency investment projects
- Purchase of green electricity, use of renewable energy sources
- Reducing paper use through digitalisation; using recycled paper
- Rationalising business travel
- Improving waste management
- Transparent reporting on the environmental impacts of operation
- Awareness-raising activities for employees and customers

OTP Bank members operate in maximum compliance with environmental legislation and no related fines were imposed in 2024 either. Environmental protection at the Bank is governed by an Environmental Policy. OTP Bank prepares annual internal reports on the environmental impact of its operation, for approval by the manager in charge of this function. To enhance knowledge relating to the performance of work, along with general knowledge, every OTP Bank employee is provided with environmental training once every two years.

Energy consumption and carbon dioxide emissions

In 2021 OTP Bank set a goal in its ESG strategy to achieve carbon-neutral operations by 2030. This absolute goal covers Scope 1-2 emissions, with a target of 0 tCO_2e, zero net emissions, without specifying a base year. Zero net emissions involve reducing greenhouse gas emissions as much as possible and neutralizing unavoidable emissions through carbon removal. The goal is not based on scientific evidence, and OTP Bank's relevant departments participated in its development. The goal of net carbon neutrality was also achieved in 2024. OTP Bank's market-based Scope 1-2 emissions in 2024 were 6,688 tCO_2e. In terms of electricity, OTP Bank mainly uses green energy, with about three-quarters of emissions coming from natural gas use and vehicle fuel consumption. The preparation of the Bank's emission intensity reduction plan related to properties and fleet has begun, with an ESG Committee decision to complete it in 2025.

Primarily, the larger banks within the Bank Group implement and plan measures to reduce carbon dioxide emissions. Among the planned measures, the purchase of green electricity has the greatest impact, and OTP Bank mainly covered its consumption with green electricity in 2024. This practice is planned to continue in 2025. Additionally, planned measures include lighting replacement, boiler replacements, optimization of heating and cooling, insulation, and solar panel installation.

To offset its 2023 Scope 1 and Scope 2 emissions OTP Bank purchased carbon credits in 2024, amounting to 7,000 tCO_2e. This amount covers OTP Bank's total Scope 1-2 emissions. The carbon credits retired during the reporting period were verified by the Verified Carbon Standard, by Verra. The Bank considers it important that the project supported through offsetting is implemented in the country of the Bank Group's operations. Therefore, the only project supported by the purchase is the Sant Nikola Wind Farm near Kavarna, Bulgaria, the largest wind farm in the country. The project is a reduction project and does not qualify as an appropriate adjustment under Article 6 of the Paris Agreement[2].

OTP Bank's goal of carbon-neutral operations includes the use of carbon credits. The use of carbon credits does not hinder the achievement of the zero-emission goal for Scope 1-2 by 2030, as OTP Bank has begun developing emission reduction plans based on energy efficiency and renewable energy use. Additionally, the Bank plans to replace the carbon credits purchased to offset its operational carbon footprint with so-called "habitat restoration certificates" in line with its previous practice.

In collaboration with Pilisi Parkerdő Zrt. as a partner, we aim to develop a 400-hectare nature conservation area, the so-called Budakeszi Game Reserve, with a complex urban forest approach. This development prioritizes the preservation and enhancement of the forest's natural and ecological values over economic aspects, aiming for eco-tourism development in harmony with the forest's natural values. The project's goals are multiple: providing a platform for professional collaborations and scientific work in biodiversity, climate adaptation, carbon sequestration, and ecosystem services, promoting sustainability awareness among our employees by integrating the use of the forest area into a non-financial recognition system, and shaping the Bank's image.

OTP Bank's Scope 1 and Scope 2 CO_2e emissions (t)					
	2020[1]	**2021**	**2022**	**2023**	**2024**
Direct (Scope 1)	*6,078*	*6,548*	*6,670*	*6,005*	*5.565*
Indirect (Scope 2)					
Indirect location-based	***9,883***	***9,904***	***11,496***	***11,648***	***8.170***
Indirect market-based	***8,350***	**8,369**	**1,005**	**1,110**	**1.124**
Total (Scope 1 + 2) location-based	**15,961**	**16,452**	**18,165**	**17,653**	**13.735**
Total (Scope 1 + 2) market-based	**14,428**	**14,917**	**7,675**	**7,115**	**6.689**
Total (Scope 1 + 2) with carbon offset	**14,428**	**14,917**	**675**	**- 485**	**-312**

[1] Also includes the consumption of the former Monicomp and eBIZ.

The figures shown are calculated from energy consumption, in all cases based on the applicable statutory regulations and the factors stipulated by authorities and industry organisations (National Inventory Reports (NIR), IPCC, DEFRA, EU Regulation, AIB, IFI, and data from suppliers for electricity and district heating). For Scope 1 emissions, country-specific factors are applied subject to availability from 2022. We calculate electricity-related emissions using country-specific factors. For district heating use, from 2020 onwards we use the Hungarian, Slovenian and Croatian factors, and for all other countries, we uniformly use the data published by DEFRA, while in previous years we used the Hungarian emission factors, except for Ukraine, Russia and Serbia, in the absence of other reliable data.
Scope 1 emissions and, in 2022 and 2023, even district heating cover all GHG emissions. For Scope 2 emissions, the previous years of district heating in Hungary and electricity factors only cover CO_2. For the emission factors used, we do not have information on the GWP values considered in each and every case.

Awareness-raising

The members of the Banking Group have launched numerous programmes, awareness-raising campaigns and involved employees to promote environmental awareness and the protection of natural values. To enhance knowledge relating to the performance of work, along with general knowledge, every OTP Bank employee is provided with environmental training once every two years.

During the Green Challenge idea contest announced in 2023, a total of 136 forward-looking and creative ideas and suggestions were received. Due to the great interest, in 2024 we created a dedicated virtual suggestion box for this topic, where colleagues can share their proposals to make the bank and its processes greener at any time.

We expect ideas from colleagues that contribute to the bank's carbon footprint reduction efforts, are sustainable in the long term, and can be integrated into daily operations. The submitted proposals are evaluated by a committee that meets monthly after an initial expert assessment, and then prepared for implementation. The most frequently submitted request last year, the installation of a MOHU REpoint, will be implemented in the bank's office building in 2025.

[2] The project is 100% a reduction project, implemented entirely within the European Union, and certified based on 100% recognized quality standards

Go Greener – Commute More Sustainably Challenge

OTP Bank also joined the "Go Greener – Commute More Sustainably" environmental community-building campaign announced by Mastercard, which aimed to set an example among colleagues to choose more sustainable modes of transportation instead of car use. More than 300 of our colleagues actively participated in the challenge, diligently collecting "green" kilometers, and ultimately covered 76,199 km with sustainable transportation during the one-month campaign.

OTP BANK'S SUSTAINABILITY REPORT 2024

1. General information

1.1. Basis for preparation of the report

ESRS[3] 2 BP-1: General basis for preparing sustainability statements

OTP Bank Plc. has also prepared its CSRD Sustainability Statement (in accordance with the European Sustainability Reporting Standards, ESRS) at the individual level, covering the individual operations of the parent bank (hereinafter "the Bank", "OTP Bank"), with the same scope as the individual-level financial statement.

The consolidated Management Report covering the entire Banking Group (hereinafter referred to as 'the Group', 'OTP Group') is available in the OTP Group's sustainability report (OTP Group Sustainability report)

Company names used in the report:
- OTP Bank Plc.: OTP Bank, the Bank
- a consolidated group of companies: OTP Group, Banking Group, Group

OTP Bank has not made use of the possibility to omit specific information corresponding to intellectual property, know-how or innovation results, nor has it made use of the exemption from disclosure of information on pending developments or matters under negotiation.

Section 95/I (1) of the Hungarian Accounting Law requires that the Company must prepare its business report including the sustainability statement in the electronic reporting format (XHTML) set out in Commission Delegated Regulation (EU) 2019/815(ESEF Regulation), and the sustainability disclosures defined by the ESEF taxonomy, including those required according to article 8 of Regulation (EU) 2020/852, must be tagged in the sustainability statement using the XBRL markup language. Given that the ESEF taxonomy for sustainability reporting has not been adopted yet, the Company, was unable to carry out the XBRL tagging.

Managing the value chain

OTP Bank's materiality analysis at group level took into account the material impacts, risks and opportunities relating to its upstream and downstream value chain. As the parent company of the banking group, OTP Bank Plc. played a key role in the materiality assessment, so the relevance of the value chain assessed for the Group should be interpreted at an individual level as well (for more details on the coverage of the value chain, please refer to subsection 1.1. Basis for preparation of the report in the OTP Group Sustainability Report).

ESRS 2 BP-2: Disclosures relating to specific circumstances

The time horizons, value chain estimation and actionment uncertainty information defined by OTP Bank at the individual level are consistent with the methodology used by the Group (see subsection 1.1. Basis for preparation of the report in the OTP Group Sustainability Report).

This is the first time that OTP Bank discloses sustainability information at an individual level as well, as required by ESRS, so no change from the previous period can be identified and therefore no revised comparative figure is available (see subsection 1.1. Basis for preparation of the report in the OTP Group Sustainability Report). Forward-looking information always carries a certain degree of uncertainty, which is not separately disclosed.

For the previous period, a material error is considered to be one which, on the basis of an individual assessment of the error and under reasonable assumption, could affect the user's decisions made on the basis of the Sustainability Statement.

No other reporting standard indicators are presented in the sustainability report prepared at the individual level.

Disclosures that are incorporated by reference are displayed in the ESRS content index table (see section 5. ESRS Index).

The Bank has made use of the phasing-in option in its individual-level sustainability report, and the ESRS content index table (see section 5. ESRS Index) shows the sustainability subtopics and items for which it has applied this in the first reporting period. For more detail see subsection ESRS 2 BP-2 Disclosures relating to specific circumstances in the OTP Group sustainability report.

[3] European Sustainability Reporting Standards

1.2. Governance

ESRS 2 GOV-1: Role of governing bodies

Composition and diversity

The management, executive and supervisory bodies of OTP Bank Plc. are the Supervisory Board, the Board of Directors and all their committees, including the Audit Committee and the special and permanent committees listed in the Responsible Corporate Governance Report, which are the same as the management bodies of the OTP Group. Detailed information on the composition and experience of the governing and supervisory bodies can be found in subsection 1.2. Governance – Role of Governing Bodies in the OTP Group Sustainability Report, as well as in the individual financial report.

The composition and the diversity of the Bank's management, executive and supervisory bodies are presented in the subsection and table 1.2. Governance – Composition and diversity in the OTP Group Sustainability Report.

Sustainability roles

In 2021, the Board of Directors decided to establish the bank ESG organisation, whose tasks, responsibilities and reporting obligations cover the whole Group, thus also covering the operations of OTP Bank. The ESG Committee and the ESG Sub-Committee have been included as permanent committees in the Organisational and Operational Rules, the tasks of the relevant organisational units and specialised areas, their responsibilities, reporting obligations and actions taken to ensure sustainability expertise have been defined, which are described in detail in subsection 1.2. Governance - Role of Governing Bodies in the OTP Group Sustainability Report.

ESRS G1 GOV-1: Role of governing bodies in business conduct

The Supervisory Board, the Board of Directors and the Ethics Committee have a prominent role in the enforcement of ethical business conduct and compliance. For the Bank, an essential element of responsible business conduct is the fight against money laundering, in which the Money Laundering Prevention Committee plays an important role. In terms of compliance, governance and organisational responsibility is taken by the Board of Directors and the Supervisory Board.

For more information on the role of governing bodies in business conduct, please refer to subsection 1.2. Governance – The role of governing bodies in business conduct in the OTP Group Sustainability Report.

ESRS 2 GOV-2: Informing governing bodies on sustainability

Information on the impacts, risks and opportunities identified in the materiality assessment is communicated in different ways for each topic, not through a separate channel but integrated into sectoral information practices. The governing bodies' communication on sustainability, risk management practices and procedures for strategic decisions are consistent with those of the OTP Group. The remuneration policy and the criteria and details of executive remuneration also follow the Group's practices. More information on these can be found in the OTP Group Sustainability Report, subsection 1.2. Governance – Informing governing bodies on sustainability.

ESRS 2 GOV-3, E1 GOV-3: Sustainability and Climate Change in Incentive Mechanisms

A summary of the remuneration system specific to OTP Bank can be found in subsection 1.2. Governance – Sustainability in incentive mechanisms in the OTP Group Sustainability Report, which describes the main guidelines of the Remuneration Policy developed by the parent bank and followed at group level. The Policy includes considerations related to sustainability and climate change targets, which are taken into account as part of the “Environmental and Social Responsibility (ESG-CSR)” indicator.
Climate considerations are taken into account as part of this indicator for persons covered by the Policy. No GHG emission reduction target is included in the benchmarking.

ESRS 2 GOV-4: Due diligence

In OTP Bank's operations, certain elements of the due diligence process are integrated into the Group's operations (not as a separate and interrelated process).

The Bank acts in accordance with its Compliance Policy, which also serves as the basis for group-wide practices, as described in detail in subsection 1.2, Governance – Due diligence in the OTP Group Sustainability Report.

ESRS 2 GOV-5: Risk management in relation to sustainability reporting

The sustainability reporting process (both at individual and group level) is coordinated by the Marketing and Communications Directorate of OTP Bank, which is responsible for the development and operation of internal controls. As an important tool for risk management and internal control procedures, reporting is carried out in close engaging with the parent bank's business areas and, based on the OTP Group's governance model, OTP Bank, as the parent company, provides strategic control and professional/functional guidance and cooperates with the group members.
Following the annual reporting, OTP Bank's Marketing and Communications Directorate assesses the sustainability reporting process and reviews the risks arising from the expected changes in the next period. This assessment also covers the technical, administrative and substantive conditions for reporting. The factors causing difficulties and risks are identified, and steps for improvement are defined. The risks identified and the control actions taken to address them are realised similarly to those used in the preparation of the consolidated report (see subsection 1.2. Governance – Risk management in relation to sustainability reporting in the OTP Group Sustainability Report).

1.3. Strategy

ESRS 2 SBM-1: Strategy, business model and value chain

Business model, products and services

OTP Bank is the leading credit institution in Hungary. OTP Bank's business model is focused on providing a high level of service to the financial needs of Hungarian retail, private banking, micro and small enterprises, medium and large enterprises and municipal customers through the Bank's branch network and the constantly evolving digital and innovative remote service channels, with a focus on ease of use and reliability. The Bank offers a wide range of modern banking and financial services to both retail and corporate customers, collecting demand and fixed deposits from customers and offering a wide range of other savings products, including, country dependent treasury services, treasury services, government securities, investment funds, equities and corporate bonds, as well as other securities and structured investments. In line with the strategy, the Bank aims to maintain a stable liquidity position across economic cycles to ensure conditions for stable operations and growth. The Bank and the other domestic members of the Group served the financial needs of more than 4.3 million customers at the end of 2024. A detailed description of the financial services provided by the Banking Group and the related data are presented in the OTP Group Sustainability Report, section 1.3. Strategy, subsection ESRS 2 SBM-1: Strategy, business model and value chain.

The Bank aims to continuously improve its services in a constantly evolving digital and technological environment, so that they are clear and easily accessible and secure for a broader range of customers. In addition to digitalisation, OTP Bank places a strong emphasis on sustainability, aiming to avoid negative environmental and social impacts, realise positive impacts and leverage potential business benefits. The Bank is committed to offering products that are tailored to the real needs of its customers, in line with their capabilities and contribute to their financial well-being.

Our employees are a key asset, and their high performance is a guarantee of OTP Bank's results. As a responsible employer, the aim is to improve employee well-being. The Bank plays an active role in developing the financial awareness of the population and enriching cultural values.

OTP Bank in Hungary employed 10,820 people at the end of 2024.

Value chain

Upstream value chain

The core business of OTP Bank is the provision of financial services, and, in the value chain part preceding this activity, suppliers of products and services necessary for its operations, products and services are appearing. Procurement of services dominates, in particular marketing communications, IT and telecommunications services. The real-estate used for operational purposes includes both intra-group property and leased space. Company cars are typically owned within the group.

Downstream value chain

This includes the value chain part following OTP Bank's activities, those involved in the sale of products and services, and those who use the products and services, i.e. customers. The agency channel (third-party sales channel) plays an essential role in the intermediation of financial services. Within the agency sales channel, mortgage brokerage is the most important product. In 2024, OTP Bank's third-party sales within product reached 58% of the contracted amount. The agents of OTP Financial Point (477 persons), who are dependent agents working as self-employed persons and broker the products of OTP Bank, are included in own workforce under the ESRS (see Materiality assessment ESRS2 SBM-3).

The Bank's most significant environmental and social impacts are experienced through its financial services customers, mainly in the area of lending which is the most impactful part of the value chain.

OTP Bank is part of the OTP Banking Group, which has domestic and foreign subsidiaries, most of which are active in the provision of financial services, but there are also entities active in other sectors such as property management and agriculture. The double materiality assessment conducted at group level has fully considered the activities of the subsidiaries. For OTP Bank, the impacts and risks identified pertain to its financial services activities. OTP Bank, as the parent bank of the Banking Group, plays a steering and coordinating role in most areas (typically also in ESG issues), while at the same time it provides opportunities for subsidiary banks to channel and implement their own initiatives. The policies related to the material topics are extended at group level, and, for the related actions, the specificities of the subsidiary banks and the group-level indicators are presented in the OTP Group Sustainability Report.

ESG strategy

OTP Bank plays a leading role in the development and implementation of the group-level sustainability strategy (four-year ESG strategy adopted in 2021), the main target of which is to ensure that the Group is a regional leader in financing a fair and gradual transition to a low-carbon economy and to support ethical, socially and environmentally sound financial choices through responsible solutions.

The Banking Group's ESG strategy (vision, mission, goals and challenges) is detailed in subsection 1.3. Strategy – Strategy, business model and value chain – ESG strategy in the OTP Group Sustainability Report.

ESRS 2 SBM-2: Stakeholders

OTP Bank's group-wide corporate strategy (see the Corporate Strategy section of the consolidated Management Report) aims to serve the needs and expectations of its customers, investors and employees at the highest possible level.

In addition, the Group's ESG strategy expresses the commitment of the Group and its members to act as responsible partners with all its stakeholders, as reflected in the three pillars of the strategy: responsible service provider, responsible employer and responsible social actor.

The Code of Ethics of the OTP Group states that the aim is to apply the principles of ethical business conduct in relations with stakeholders, and that compliance with these principles is a mandatory requirement for all employees and agents[4].

The Bank cooperates with its key stakeholders, and seeking their views is a priority, as meeting their expectations ensures the Bank's social legitimacy and business success. It continuously seeks and takes into account feedback in the design and development of its strategy, activities and programmes.

The materiality assessment and due diligence did not explore the views and interests of stakeholders on the strategy and business model.

[4] who perform contractual obligations for the OTP Group and in the course of these activities meet a wide range of customers or potential customers of the OTP Group, perform services on behalf of the OTP Group for them or, in the performance of their contractual obligations, clearly appear in public as representatives of the OTP Group

Stakeholders identified by OTP Bank:

Key stakeholders	Purpose of communication and engaging	Ways of communication and engaging	Taking account of an opinion
Subsidiaries (foreign and domestic)	Developing unified corporate governance, sharing experiences, implementing cross-border engaging	Through representatives of subsidiaries, in engaging with professional teams	Commenting on initiatives identified by the parent bank, presenting operational practices, sharing experiences
Clients, customers (retail, corporate)	Improving service quality, providing quality information on services, understanding customer needs, protecting customer privacy	Customer satisfaction surveys, market research Information and educational materials, videos Information on services (e.g. account statement) Customer service (branch, telephone, video, internet) Complaint management	Consideration of needs, their integration into the service model and product range
Equity and bond investors (and analysts)	Information on the Group's activities and operating environment, the Group's financial performance, the evolution of external and internal factors affecting it, the outlook, and ESG performance. Understanding expectations.	Annual report, stock exchange reports and presentations General Meeting Face-to-face and virtual meetings Answering investor and analyst questions	Consideration of expectations, compliance, transparent information
Employees	Responsible employer practices, employee well-being and development, inclusion, diversity and strengthening employee engagement. Healthy and safe working environment that provides equal opportunities, fair employment practices	Measuring employee engagement, providing possibilities for feedback Performance review Meetings and consultations with employee representatives (e.g. trade unions) Intranet, internal communication	Considering and implementing actions to increase employee engagement, experience and well-being
Regulatory bodies, authorities	Fight against money laundering, fair market competition, ensuring access to financial services, equal opportunities, economic intermediation, contribution to achieving social goals, regulatory compliance, expanding green finance	Reports in compliance with legal requirements Ensuring the availability of state-subsidised products Engaging to prevent crime Consultations through representative bodies (banking associations)	Prudent behaviour, high level of compliance
NGOs / professional organisations	Equal opportunities, improving service delivery, managing environmental and social impacts	Membership of professional organisations Face-to-face meetings, consultations	Learning and applying good practices
Sponsored organisations	Contributing as an active social actor to social and environmental goals, with a focus on developing financial awareness	Extensive, typically long-term engaging	Implementing practices that help the efficient and effective use of aid
Education and research institutions	Participating in research, ensuring labour supply	Building engaging Reception of students	Evolution of corporate practices
Retail	Developing financial culture, education, meeting corporate responsibility expectations	Research on the financial literacy of the population Information and educational materials, videos Training, education	Developing customer information and education practices based on research findings
Suppliers	Developing and expecting ethical partner behaviour	Regulations, policies, contracts Personal consultations	Implementing ethical business conduct
Competitors	Joint advocacy, joint action against money laundering	Membership of representative organisations	Learning and applying good practices

The Board of Directors, the Supervisory Board and the individual committees are informed of matters relating to stakeholders through regular reports. For more details on these reports, please refer to chapter 1.3. Strategy, subsection Stakeholders in the OTP Group Sustainability Report.

1.4. Materiality assessment

ESRS 2, E1, E2, E3, E4, E5, G1 IRO-1

The purpose of the materiality assessment is to enable OTP Bank to identify material impacts, risks and opportunities arising from its activities. The materiality assessment focused on the question of whether a topic is material, with the depth of the assessment of each impact, risk and opportunity being done with this in mind.

The materiality analysis of OTP Bank is based on the double materiality analysis prepared at the level of the Banking Group. The methodology for the process of identifying and assessing impacts, risks and opportunities for the group-level reporting process has been developed in line with the ESRS requirements.

OTP Bank, as the parent bank, played a key role in identifying material impacts, risks and opportunities in the Group's dual materiality analysis. Building on the Group's top-down approach to materiality analysis at the consolidated level, OTP Bank, in relation to its own operations, considers the impacts, risks and opportunities identified in the provision of financial services as its core business as the basis for its reporting at the individual level.

The methodology of the dual materiality analysis of the Banking Group is described in detail in chapter 1.4 Materiality Assessment of the OTP Group Sustainability Report and related to the assessment of climate change-related topics can also be found in section 1.4 Materiality Assessment of the OTP Group Sustainability Report

Identifying and assessing impacts
E1 IRO-1, E2 IRO-1, E3 IRO-1, E4 IRO-1, E5 IRO-1, G1-IRO-1

The materiality assessment focused on factors that are associated with an increased risk of adverse impacts. The scope of activities was a good starting point for identifying the increased risk of adverse impacts, thus, OTP Group grouped its subsidiaries by scope of activities, along which it identified the impacts related to its own activities and value chain. Regarding OTP Bank no new impacts have been identified; all group-level impacts are applicable to the Bank as well.

The OTP Group has identified three relevant scopes of activity: the most prominent are (1) financial services; followed by (2) real-estate and (3) agriculture.

OTP's group-level assessment includes the member companies related to the Bank's operations (as internal members of its value chain, thus providing a more complete picture of the Bank's operational scope). Thus, the Bank relies on the group-level assessment in its individual reporting, however, the impacts identified in the agricultural and real-estate sectors are not relevant for the Bank.

The methodology of the process for identifying and assessing impacts, risks and opportunities is described in detail in section 1.4 Materiality assessment of the OTP Group Sustainability Report.

Consultation with stakeholders
E2 IRO-1, E3 IRO-1, E4 IRO-1, E5 IRO-1

The Bank has used a wide range of sources to understand the views and expectations of stakeholders and has taken them into account in identifying and assessing material impacts at group level.
Among other things, we have used:

- ESG assessments, questionnaires: Sustainalytics, MSCI, Moody’s.
- Retail TRI*M Index surveys (nationally representative residential survey) measuring brand, satisfaction and loyalty.
- Employee engagement surveys, with a particular focus on OTP Bank’s engagement survey relating to 2024, with 8,596 responses and a 79% response rate.

For its materiality assessment, it also took into account the views of NGOs, universities; public authorities, regulators, public administrations; financial analysts, stock exchanges; media; employee representatives, as requested through an online stakeholder questionnaire. Based on the feedback, one topic was included in the list of material topics (employees: work-life balance), as it was considered material by more than a third of the respondents. The views of financial analysts and stock market stakeholders were also sought from a financial materiality perspective.

Identifying and assessing financial risks and opportunities

The identification of financial risks and opportunities for sustainability issues was the result of an iterative process.
As a starting point for identifying financial risks and opportunities (long list):

- we used the themes identified by the ESRS
- adding the source points also used for the impact materiality,
- the SASB standards for the financial sector, and
- ESG assessment topics.

Based on the last two sources, there was no need to add a new topic.

Sustainability issues where a relevant risk or opportunity (either from impacts or dependencies) may arise for the OTP Group (short list) were identified through a workshop and subsequent consultations with the assistance of OTP Bank's experts. Participants considered whether the risks and opportunities are relevant in the short, medium or long term, furthermore no additional risks or opportunities have been identified from OTP Bank’s perspective.

For the methodology of a more in-depth exploration and assessment of the risks and opportunities arising from the relevant topics, please refer to subsection 1.4. Materiality assessment – Identification and assessment of financial risks and opportunities in the OTP Group Sustainability Report.

Validation of the assessment and approval

The assessment of impacts, risks and opportunities was followed by a series of internal reviews. This included a review of the assessment of impacts below the materiality threshold, but close to it, in relation to the results corrected with stakeholder feedback. The Hungarian subsidiaries as well as the relevant representatives of foreign subsidiaries provided feedback on the materiality assessment.
The ESG Sub-Committee discussed the list of material impacts, risks and opportunities and approved it by majority decision, subject to one modification, in accordance with the Sub-Committee's rules of procedure.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their relationship to strategy and business model

The OTP Group's Material Sustainability Impacts, risks and opportunities

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[5]	Short term	Medium term	Long term
E1 Climate Change								
Climate Change Mitigation								
The OTP Group's impact stems from direct and indirect greenhouse gas emissions, exacerbating climate change. The OTP Group's indirect emissions related to its loan portfolio (Scope 3) exceed Scope 1-2 emissions by several orders of magnitude, and significant Scope 3 emissions are also associated with asset managers. Direct emissions from operations and indirect emissions from energy consumption (Scope 1-2) are relatively small for most companies, given that they provide financial or other services. However, due to the Group's size, these emissions are significant overall. This impact is material for the entire group. Several group members, which are significantly smaller compared to financial institutions,[6] operate in the agricultural and food sectors, as well as the real-estate sector, where these emissions are also relatively higher.	The Bank Group aims to facilitate climate change mitigation by reducing emissions associated with its lending and operations. By the end of 2024, it prepared a decarbonization (transition) plan for its loan portfolio. The Bank Group continuously aims to reduce its Scope 1-2 emissions, with emission reduction plans currently being prepared on a company-by-company basis, available for some subsidiaries by the end of 2024. In addition to efficiency measures, the use of green electric energy plays a significant role.	Actual negative impact		x	x	x	x	x
OTP Group, through its financial products, encourages the mitigation of climate change within its portfolio. Through its applied practices, the Bank Group also has a significant exemplary and awareness-raising impact, considering its wide customer base		Actual positive impact		x	x	x	x	x
A significant business opportunity for the Bank Group is the expansion of green lending that facilitates climate change mitigation in the countries where it engages in corporate lending and retail mortgage lending (there is no active green lending according to OTP standards in Ukraine).		Opportunity			x	x	x	x

[5] For client-related topics, we have indicated only where the impact depends on the client's practice, the influence of the Group is indirect.
[6] revenue, balance sheet total, headcount

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[5]	Short term	Medium term	Long term
E1-SBM-3 18 This is material for the OTP Group's lending activities because, in connection with climate change mitigation, transition risks arise for a portion of the customer base, which indirectly also poses a risk to the Bank Group. The extent of this risk is estimated through stress testing of the corporate portfolio..	Risk management is conducted within the framework of ESG risk management.	Risk			x		x	x
Adaptation to Climate Change								
The OTP Group's lending practices impact adaptation, either facilitating (by expecting or supporting with favorable conditions), hindering, or remaining neutral towards clients' adaptation efforts. The need for adaptation is strongly necessary in several sectors within the portfolio (e.g. mortgage loans, agriculture, real-estate, construction sectors.	The Bank Group aims to facilitate adaptation to climate change through green lending. Risk management is conducted within the framework of ESG risk management.	Actaul positive impact			x	x	x	x
The Bank Group strives to leverage the business opportunity arising from lending that facilitates adaptation to climate change.		Opportunity			x		x	x
E1-SBM-3 This also includes the physical risks associated with lending activities, as well as some transition risks (investments necessary for adaptation).		Risk			x		x	x
Energy								
Through financing energy-intensive industries, the Bank Group influences the environmental impact of clients' activities	Within green loans, these goals represent a particularly large proportion, and financing is also significant in the affected sectors. The Banking Group addresses this topic through the methods and tools presented in the previous two topics.	Actual negative impact			x	x	x	x
The Group has a positive impact by providing incentive loans for renewable, carbon-free energy sources considered green during the transition, and by encouraging energy efficiency.		Actual postive impact			x	x	x	x
Similar to climate change mitigation and adaptation, the business opportunity arises within green lending, where the expansion of the use of renewable and green-certified energy sources plays a significant role.		Opportunity			x		x	x
Financing energy-intensive and fossil fuel-using companies poses credit and reputational risks for OTP Bank and its subsidiaries.		Risk			x		x	x
E3 Water and Marine Resources								
Water Withdrawal								
In the OTP Group's corporate loan portfolio, the presence of sectors with high water withdrawal is significant. To better understand the impacts, it is necessary to investigate the practices employed by these companies.	There is an opportunity to finance these goals within green lending. The Bank Group's minimum expectation for its clients, which is monitored, is compliance with relevant environmental and social laws and regulations, as well as possessing the necessary permits and authorizations for	Actual negative impact			x	x	x	x
Green lending finances activities that have a positive impact.		Actual postive impact			x	x	x	x

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[5]	Short term	Medium term	Long term
Financial risk primarily arises in relation to those loan clients who are unable to adequately manage changing or existing environmental expectations (e.g., stricter regulations, changing consumer preferences, fines) or face difficulties in ensuring the water needs of their activities. A deeper understanding of the risk requires further analysis.	their operations. Understanding clients' practices beyond these requirements is ongoing, in parallel with the evolving and strengthening regulatory expectations. Based on this, expectations that encourage responsible behavior can be formulated.	Risk			x	x	x	x
E4 Biodiversity and Ecosystems [7]								
The direct drivers of biodiversity loss								
In the corporate loan portfolio of the OTP Group, sectors potentially negatively impacting biodiversity and ecosystems are significant. To better understand these impacts, it is necessary to uncover the practices employed by the companies.	The minimum expectations set and monitored by the Bank Group for its clients include compliance with relevant environmental and social laws and regulations, as well as possessing the necessary permits and licenses for their operations (currently, there are significantly fewer requirements related to biodiversity compared to water).	Actual negatíve impact			x	x	x	x
The Banking Group indirectly influences the extent of these impacts through financing conditions and can encourage positive effects.	Understanding clients' practices beyond these requirements is ongoing alongside the evolving and strengthening regulatory expectations, which will form the basis for articulating expectations that encourage responsible behavior.	Potential positíve impact			x	x	x	x
S1 Own Workforce The OTP Group employs more than 43,000 people, making numerous impacts on its own workforce significant..								
Working conditions: Work-life balance								
The Bank Group influences work-life balance through the provision of overtime, flexible employment opportunities, and access to childcare facilities. The family-related commitments of female employees are typically stronger, and the fact that approximately two-thirds of the Group's employees are women amplifies these impacts.	At OTP Group, various employee benefits and support systems are continuously available to help maintain employee well-being. The measures focus on the areas of working hours and flexibility, holidays and absences, well-being and recreation.	Actual positíve impact		x		x	x	x
The effects may be negative if OTP Group practices do not adequately take employee considerations into account.		Potential negative impact		x		x	x	x

[7] E4 SBM-3 No significant negative impacts were identified in terms of lnd degradation, desertification/soil sealing.

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[5]	Short term	Medium term	Long term
Working conditions: Health and safety								
Stress emerges as a relevant risk for a significant portion of employees, considering that most staff at the member companies work in non-hazardous positions. Occupational safety risks are more significant in agricultural companies.	OTP Group operates occupational health and safety programs to maintain a safe and healthy working environment. It is a common, ongoing practice within the group to conduct regular, preventive health examinations for employees and stress management is also supported by action packages.	Actual negatíve impact		x		x	x	x
Equal treatment and equal opportunities: Gender equality and equal pay for work of equal value								
This is a topic that strongly influences employee well-being, made even more important by the high proportion of female employees. The corporate group monitors the pay ratio between men and women in the same positions, and at the parent bank and most subsidiaries, this difference is minimal.	OTP Bank has a strategy for creating gender equality, and several subsidiary banks have specific diversity policies in place. The majority of group members continuously implement measures to promote equal opportunities and diversity. Leadership training and internal awareness campaigns are implemented to strengthen an inclusive mindset.	Actual positíve impact		x		x	x	x
The proportion of female managers is consistently lower at higher levels. At some subsidiary banks, the difference is greater for employees in the same position.		Actual negative impact		x		x	x	x
Equal treatment and equal opportunities: Training and skills development								
The OTP Group's training and skills development practices influence the sector and other employers due to its significant role as an employer. Access to training is always ensured. Performance evaluations at the Group's member companies follow different methodologies, with a smaller proportion of employees participating in this process at several member companies.	The OTP Group provides a wide training portfolio for its employees. Professional and personal development training, as well as other (e.g. mandatory) training, are typically conducted according to annual training plans. These plans are developed with employee involvement and take into account the results of performance evaluations. The results of the engagement survey show an average level in this area.	Actual positive impact		x		x	x	x
The impacts may be negative if OTP Group practices do not ensure equal access to training.		Potential negative impact		x			x	x
Equal treatment and equal opportunities: Employment and inclusion of persons with disabilities								
Due to its size and scope of activities (as a wide range of society interacts with its employees), the Bank Group could have a significant impact on the employment of persons with disabilities and the change in this employment culture.	The Bank Group prohibits all forms of discrimination, but measures to support the employment of persons with disabilities are not widely implemented.	Actual positive impact		x		x	x	x
Currently, the employment of these individuals is low at the group level.		Actual negative impact		x			x	x
Equal treatment and equal opportunities: Measures against violence and harassment in the workplace								
The large number of employees and the high proportion of female employees make this topic important, further emphasized by the lower proportion of female employees in higher positions (increasing the risk of abuse). No reported and confirmed cases of abuse have occurred	The Bank Group implements measures related to the application of the Code of Ethics.	Potential negatve impact		x		x	x	x

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[5]	Short term	Medium term	Long term
Equal treatment and equal opportunities: Diversity								
Due to the significant number of employees, the member companies of the Banking Group have both the opportunity and the role to implement diversity. (This topic partially overlaps with gender equality and the employment of persons with disabilities.)	*See: Gender Equality and Equal Pay for Equal Work*	Actual positive impact		x		x	x	x
The Bank Group's practices provide room for improvement in implementing diversity.		Actaul negative impact		x			x	x
S4 Consumers and end-users These topics are material for member companies providing financial products and services.								
Information security and data protection[8]								
The banks within the Bank Group hold a large amount of sensitive data about their customers. By protecting personal data and implementing information security and cyber protection, the Banking Group has a positive impact on its customers.	Security systems and workflows are constantly evolving, and staff training is also regular. The Group aims to use the most modern solutions for data management, data security and data leakage prevention, supported by organizational development, technical, customer education and engaging measures. The parent bank continuously supports and monitors the anti-fraud efforts of its subsidiaries. The Bank Group's data management processes operate within a permanent framework, according to regular activities	Actual positive impact		x		x	x	x
Despite OTP Group's practices that prioritize safety and secure operations, it sometimes happens that customers suffer losses.		Actual negative impact		x		x	x	x
A breach of personal data protection, fraud, or violation of legal requirements, as well as successful attacks and incidents in the field of information security and cybersecurity, can cause significant losses to both the banks of the OTP Group and their customers. Data protection deficiencies, violations, and potential incidents not only carry the risk of significant financial penalties but can also lead to customer complaints and loss of customers. Consequently, the reputation of the banks would decrease.		Risk		x			x	x
Access to quality information[9]								
Quality information provision ensures objective information and understanding of financial products for all customers. Its implementation affects customers' well-being and financial situation, as a financial product can have a significant impact on a customer's life. This topic is primarily important for retail and SME customers, and its significance is even more pronounced for vulnerable	Information and communication about banking products and services are highly regulated areas in most countries where the OTP Group operates. Responsible communication aims to ensure clarity and attract attention while adhering to these regulations. Member companies support	Actual positive impact		x		x	x	x

[8] ESRS: Impacts related to information disclosure on consumers and/or end-users: Privacy protection (ESRS 1 AR 16). At OTP Group, this topic includes not only the protection of personal data but also information security and cyber defense, as these are interconnected topics within the Bank Group. However, the ESRS does not specifically name the latter

[9] ESRS: Impacts related to information disclosure on consumers and/or end-users: Access to (quality) information (ESRS 1 AR 16)."

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[5]	Short term	Medium term	Long term
social groups. The practices of the OTP Group have a positive impact.	good financial decisions and knowledge expansion through educational videos and calculators, among other tools. The Group's member companies are continuously improving the understandability of financial services.							
Despite the efforts made, opportunities for development can always be identified, given the complexity of financial products, information obligations and their continuous changes.		Actual negatíve impacts		x		x	x	x
Access to financial products and services [10]								
Access to financial products and services can support customers' well-being and prosperity. In addition,access for residents of disadvantaged areas and those in disadvantaged social situations ismaterial. Ensuring access to financial products for disadvantaged customers requires careful consideration and strict regulation to protect the interests of depositors and prevent excessive indebtedness. The Bank Group can also support adequate housing, as mortgage loans are an important market segment in most areas of operation.	At the group level, the goal is to expand the range of products that are partially or fully available digitally, ensuring that these processes are as convenient and accessible to as many customers as possible. These solutions can also facilitate access for residents of disadvantaged areas. The Bank Group pays attention to imparting knowledge related to the use of online channels. Accessibility is continuously improving. In addition to market-based products, the Bank Group ensures the availability of significant state-supported mortgage loan schemes in several countries.	Actual positive impact		x		x	x	x
The accessibility cannot be considered comprehensive.		Actual negative impact		x		x	x	x
G1 Business Conduct								
Corporate culture, compliance, anti-money laundering								
The business conduct of the OTP Group not only affects its direct partners and stakeholders but also influences the attitude of employees and customers towards ethical business conduct. Corporate governance characteristics and transparent decision-making are also important to investors. The fight against money laundering is essential for the banks within the Bank Group, aiming to prevent customers' attempts at money laundering. From a societal perspective, careful and prudent practice is particularly important. Implementing ethical business conduct and ensuring legal operations are of utmost importance to OTP Group.	The foundations and guidelines for ethical business conduct are summarized in the Code of Ethics OTP Group operates an ethics reporting system and conducts annual ethics training for all employees. The Bank Group conducts regular mandatory training to increase the awareness of its relevant employees on AML/CFT. OTP Bank operates a separate whistleblowing system in relation to AML/CFT.	Actual positive impact		x		x	x	x
Despite the OTP Group's emphasis on striving for ethical business operations, non-compliances cannot be completely eliminated.		Actual negative impact		x			x	x

[10] ESRS: Social inclusion of consumers and/or end-users: Access to products and services (ESRS 1 AR 16)

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[5]	Short term	Medium term	Long term
Non-compliance with laws and regulations can result in fines and reputational loss. Banks are also expected to play an active role in preventing money laundering. Violating anti-money laundering rules can lead to liquidity problems and the termination of correspondent banking relationships. Breaching business ethics rules can cause dissatisfaction and complaints from employees and business partners		Risk		x		x	x	x
Corruption and bribery								
The effectiveness of corruption prevention impacts the efficiency of resource utilization. Due to its size, the OTP Group's anti-corruption practices can influence economic morale (especially within the sector). The practices implemented by OTP Group have a positive impact.	The fight against corruption is supported by an anti-corruption training system, the application of an anti-corruption clause among contractual partners, the expansion of which at group level is in progress, and regular risk assessments.	Actual positive impact		x		x	x	x
Even with careful and constantly evolving practices, abuse can occur.		Potential negative impact		x		x	x	x

The material sustainability impacts identified by the OTP Group, which are related to financial services (mostly lending activities), have been identified as impacts, risks and opportunities that are also assessed as relevant to the core business of OTP Bank. The material impacts identified by the OTP Group are detailed in subsection 1.4. Materiality assessment – Material sustainability impacts of the OTP Group in the OTP Group Sustainability Report.

As regards the management of the potential financial impact of ESG-related risks, no provision was made for ESG-related risks during 2024 and no capital buffer was set by the management for such risks. Operational risks are flagged (ESG flag) in the context of loss data collection if an ESG risk factor can be identified behind the loss event. No significant losses on material issues were realised in 2024. An analysis of the expected financial impacts and an estimate of the expected financial impacts will be made in 2025.

OTP Bank's risk management processes, prudent behaviour and business planning practices ensure its resilience to manage sustainability impacts, risks and take opportunities. The Bank, as part of the Group, carried out a stress test to assess the potential impact of climate change, which was justified by both regulatory and business considerations (see subsection 2.4.2. Credit Risk – Stress test in the OTP Group Sustainability Report). No resilience assessment was carried out for the biodiversity and ecosystem themes, which were not considered to be financially material. Addressing complex environmental challenges adequately also requires the involvement of the banking sector, and further resilience analyses are likely to be warranted in the future. The Bank continuously monitors market opportunities to take advantage of them and keeps abreast of regulatory requirements to ensure that it can respond appropriately.

OTP Bank has not previously prepared a sustainability report at an individual level, its activities were presented as part of the group-level consolidated report, in accordance with GRI Standard 2021.

OTP Bank follows the application of group-level entity specific disclosures (@ESRS Index) to characterise the impact of the following material topics:

- Water withdrawal – material regarding the value chain, entity-specific disclosure will be developed later
- Direct drivers of biodiversity loss – material regarding the value chain, entity-specific disclosure will be developed later
- Information security and data protection
- Quality information
- Access to financial products and services
- Corporate culture, compliance, fight against money laundering

1.5. List of ESRS requirements covered and general reporting policy

ESRS 2 IRO-2

In preparing its sustainability statement, OTP Bank has determined the list of disclosure requirements based on the results of the materiality assessment carried out by the Group, which are also relevant at an individual level. OTP Bank, as the parent bank, manages and coordinates the group-wide reporting processes and the development of methodological approaches to data collection and disclosure. Thus, in its reporting at the individual level, it also follows the practice developed at the group level (to the extent of OTP Bank), which is presented in subsection 1.5. Disclosure Requirements in ESRS covered by the undertaking's sustainability statement and general reporting policy in the OTP Group Sustainability Report.

Among the disclosure requirements and data points in the ESRS thematic standards, the disclosure requirements that are linked to sub-topic material for OTP Bank are presented in the individual report, based on the identification of data points at the group level and the interpretation of the data point expectations (based on guidelines EFRAG ID 177 – Links between AR16 and Disclosure requirements).

The Bank has also developed a group-level reporting practice for individual level disclosures, which are indicated under the chapters *Data Points, Policy, Action, Target, Metrics, Entity-specific Disclosures* (subsection 1.5. Disclosure Requirements in ESRS covered by the undertaking's sustainability statement and general reporting policy in the OTP Group Sustainability Report), covering OTP Bank (parent bank). Where the information for the Group is also applicable to the Bank, the information is presented by referring back to the group-level report.

The use of individual-level ESRS requirements, related references and phase-in options, as well as the tabulation of data points from EU legislation, are presented in chapter 5. ESRS Index.

2. Environmental information

2.1. Publications under the Taxonomy Regulation

2.1.1. Disclosure under the EU Taxonomy Regulation

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets, (million HUF) [turnover based]	Total environmentally sustainable assets, (million HUF) [capex based]	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**21,669**	**66,252**	**0.17%**	**0.51%**	**68.25%**	**33.43%**	**31.75%**

		Total environmentally sustainable activities, (million HUF) [turnover based]	Total environmentally sustainable activities (million HUF) [capex based]	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPI-s	GAR (flow)	8,779	33,225	0.32%	1.20%	89.52%	23.47%	10.48%
	Financials guarantees	0	0	0.00%	0.00%			
	Asset under management	0	0	0.00%	0.00%			

[1] based on the Turnover KPI of the counterparty
[2] based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
[3] % of assets covered by the KPI over banks´ total assets

Notes:

- Across the reporting templates: cells shaded in grey should not be reported.
- Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

1. Assets for the calculation of GAR
- Turnover based data

	HUF million	Disclosure reference date 31 December 2024													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,588,317	66,779	21,663	146	5,702	11,930	31	6	0	0	884	0	0	0
2	**Financial undertakings**	4,415,867	17,225	667	146	146	346	31	6	0	0	0	0	0	0
3	Credit institutions	3,581,461	17,225	667	146	146	346	31	6	0	0	0	0	0	0
4	Loans and advances	3,190,833	17,225	667	146	146	346	31	6	0	0	0	0	0	0
5	Debt securities, including UoP	390,628	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
7	Other financial corporations	834,405	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
16	of which insurance undertakings	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
20	**Non-financial undertakings**	317,186	33,626	20,996	0	5,555	11,584	0	0	0	0	884	0	0	0
21	Loans and advances	317,186	33,626	20,996	0	5,555	11,584	0	0	0	0	884	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
24	**Households**	1,855,264	15,928	0	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	44,356	14,881	0	0	0	0	0	0	0	0				
26	of which building renovation loans	1,047	1,047	0	0	0	0	0	0	0	0				
27	of which motor vehicle loans	0	0	0	0	0	0								
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Total [gross] carrying amount	Disclosure reference date 31 December 2024												
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6,327,477													
33	**Financial and non-financial undertakings**	3,047,538													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,846,798													
35	Loans and advances	2,447,767													
36	of which loans collateralised by commercial immovable property	0													
37	of which building renovation loans	0													
38	Debt securities	332,645													
39	Equity instruments	66,386													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	200,740													
41	Loans and advances	200,740													
42	Debt securities	0													
43	Equity instruments	0													
44	**Derivatives**	47,425													
45	**On demand interbank loans**	123,681													
46	**Cash and cash-related assets**	125,765													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	2,983,067													
48	**Total GAR assets**	12,915,794	66,779	21,663	146	5,702	11,930	31	6	0	0	884	0	0	0
49	**Assets not covered for GAR calculation**	6,009,433													
50	**Central governments and Supranational issuers**	3,506,456													
51	**Central banks' exposure**	1,872,566													
52	**Trading book**	630,412													
53	**Total assets**	18,925,227	66,779	21,663	146	5,702	11,930	31	6	0	0	884	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0			
55	Assets under management														
56	Of which debt securities														
57	Of which equity instruments														

	HUF million	Total [gross] carrying amount	Disclosure reference date 31 December 2024																
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,588,317	114	0	0	0	0	0	0	0	1	0	0	0	67,809	21,669	146	5,702	11,930
2	**Financial undertakings**	4,415,867	0	0	0	0	0	0	0	0	0	0	0	0	17,257	673	146	146	346
3	Credit institutions	3,581,461	0	0	0	0	0	0	0	0	0	0	0	0	17,257	673	146	146	346
4	Loans and advances	3,190,833	0	0	0	0	0	0	0	0	0	0	0	0	17,257	673	146	146	346
5	Debt securities, including UoP	390,628	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	834,405	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	317,186	114	0	0	0	0	0	0	0	1	0	0	0	34,625	20,996	0	5,555	11,584
21	Loans and advances	317,186	114	0	0	0	0	0	0	0	1	0	0	0	34,625	20,996	0	5,555	11,584
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	**Households**	1,855,264	0	0	0	0									15,928	0	0	0	0
25	of which loans collateralised by residential immovable property	44,356	0	0	0	0									14,881	0	0	0	0
26	of which building renovation loans	1,047	0	0	0	0									1,047	0	0	0	0
27	of which motor vehicle loans	0													0	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Total [gross] carrying amount	Disclosure reference date 31 December 2024																
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6,327,477																	
33	**Financial and non-financial undertakings**	3,047,538																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,846,798																	
35	Loans and advances	2,447,767																	
36	of which loans collateralised by commercial immovable property	0																	
37	of which building renovation loans	0																	
38	Debt securities	332,645																	
39	Equity instruments	66,386																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	200,740																	
41	Loans and advances	200,740																	
42	Debt securities	0																	
43	Equity instruments	0																	
44	**Derivatives**	47,425																	
45	**On demand interbank loans**	123,681																	
46	**Cash and cash-related assets**	125,765																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	2,983,067																	
48	**Total GAR assets**	12,915,794	114	0	0	0	0	0	0	0	1	0	0	0	67,809	21,669	146	5,702	11,930
49	**Assets not covered for GAR calculation**	6,009,433																	
50	**Central governments and Supranational issuers**	3,506,456																	
51	**Central banks' exposure**	1,872,566																	
52	**Trading book**	630,412																	
53	**Total assets**	18,925,227	114	0	0	0	0	0	0	0	1	0	0	0	67,809	21,669	146	5,702	11,930
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																			
54	Financial guarantees	0	0				0				0				0	0	0	0	0
55	Assets under management																		
56	Of which debt securities																		
57	Of which equity instruments																		

1. Assets for the calculation of GAR
– *Capex based*

	HUF million	Disclosure reference date 31 December 2024													
		Total [gross] carrying amount	Climate Change Mitigation (CCM) of which towards taxonomy relevant sectors (Taxonomy-eligible)					Climate Change Adaptation (CCA) of which towards taxonomy relevant sectors (Taxonomy-eligible)				Water and marine resources (WTR) of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,588,317	113,300	66,233	136	40,693	10,410	69	19	0	0	0	0	0	0
2	**Financial undertakings**	4,415,867	18,171	1,230	136	263	553	69	19	0	0	0	0	0	0
3	Credit institutions	3,581,461	18,171	1,230	136	263	553	69	19	0	0	0	0	0	0
4	Loans and advances	3,190,833	18,171	1,230	136	263	553	69	19	0	0	0	0	0	0
5	Debt securities, including UoP	390,628	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
7	Other financial corporations	834,405	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
16	of which insurance undertakings	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
20	**Non-financial undertakings**	317,186	79,201	65,002	0	40,430	9,857	0	0	0	0	0	0	0	0
21	Loans and advances	317,186	79,201	65,002	0	40,430	9,857	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
24	**Households**	1,855,264	15,928	0	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	44,356	14,881	0	0	0	0	0	0	0	0				
26	of which building renovation loans	1,047	1,047	0	0	0	0	0	0	0	0				
27	of which motor vehicle loans	0	0	0	0	0	0								
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Disclosure reference date 31 December 2024													
		Total [gross] carrying amount	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6,327,477													
33	**Financial and non-financial undertakings**	3,047,538													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,846,798													
35	Loans and advances	2,447,767													
36	of which loans collateralised by commercial immovable property	0													
37	of which building renovation loans	0													
38	Debt securities	332,645													
39	Equity instruments	66,386													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	200,740													
41	Loans and advances	200,740													
42	Debt securities	0													
43	Equity instruments	0													
44	**Derivatives**	47,425													
45	**On demand interbank loans**	123,681													
46	**Cash and cash-related assets**	125,765													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	2,983,067													
48	**Total GAR assets**	12,915,794	113,300	66,233	136	40,693	10,410	69	19	0	0	0	0	0	0
49	**Assets not covered for GAR calculation**	6,009,433													
50	**Central governments and Supranational issuers**	3,506,456													
51	**Central banks' exposure**	1,872,566													
52	**Trading book**	630,412													
53	**Total assets**	18,925,227	113,300	66,233	136	40,693	10,410	69	19	0	0	0			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0			
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Disclosure reference date 31 December 2024																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,588,317	2,358	0	0	0	0	0	0	0	3	0	0	0	115,729	66,252	136	40,693	10,410
2	**Financial undertakings**	4,415,867	0	0	0	0	0	0	0	0	0	0	0	0	18,240	1,250	136	263	553
3	Credit institutions	3,581,461	0	0	0	0	0	0	0	0	0	0	0	0	18,240	1,250	136	263	553
4	Loans and advances	3,190,833	0	0	0	0	0	0	0	0	0	0	0	0	18,240	1,250	136	263	553
5	Debt securities, including UoP	390,628	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	834,405	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	459,120	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	317,186	2,358	0	0	0	0	0	0	0	3	0	0	0	81,562	65,002	0	40,430	9,857
21	Loans and advances	317,186	2,358	0	0	0	0	0	0	0	3	0	0	0	81,562	65,002	0	40,430	9,857
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	**Households**	1,855,264	0	0	0	0									15,928	0	0	0	0
25	of which loans collateralised by residential immovable property	44,356	0	0	0	0									14,881	0	0	0	0
26	of which building renovation loans	1,047	0	0	0	0									1,047	0	0	0	0
27	of which motor vehicle loans	0													0	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

			Disclosure reference date 31 December 2024																
	HUF million	Total [gross] carrying amount	**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	6,327,477																	
33	**Financial and non-financial undertakings**	3,047,538																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,846,798																	
35	Loans and advances	2,447,767																	
36	of which loans collateralised by commercial immovable property	0																	
37	of which building renovation loans	0																	
38	Debt securities	332,645																	
39	Equity instruments	66,386																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	200,740																	
41	Loans and advances	200,740																	
42	Debt securities	0																	
43	Equity instruments	0																	
44	**Derivatives**	47,425																	
45	**On demand interbank loans**	123,681																	
46	**Cash and cash-related assets**	125,765																	
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	2,983,067																	
48	**Total GAR assets**	12,915,794	2,358	0	0	0	0	0	0	0	3	0	0	0	115,729	66,252	136	40,693	10,410
49	**Assets not covered for GAR calculation**	6,009,433																	
50	**Central governments and Supranational issuers**	3,506,456																	
51	**Central banks' exposure**	1,872,566																	
52	**Trading book**	630,412																	
53	**Total assets**	18,925,227	2,358				0				3				115,729	66,252	136	40,693	10,410
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	0	0				0				0				0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2. GAR Sector information
– Turnover based data

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (WTR)	HUF million	of which environmentally sustainable (WTR)
1	7022	131	3							24			
2	2932	62	30										
3	2511												
4	1920	5	0							1			
5	4711	40	8										
6	4730												
7	4646												
8	2120												
9	1062	3,444	3,251										
10	2016	20	0							4			
11	3811	64	2							12			
12	2059	2,524	62							467			
13	4531												
14	2720	0											
15	1039												
16	3511	9,066	1,994										
17	4519	72	2							13			
18	4931	1,354	33							251			
19	3523	224	205										
20	6420	5,502	5,044										
21	4950	0	0							0			
22	2910	0	0							0			
23	5510												
24	7010	9,494	9,494										
25	8020	15	0							3			
26	5310												
27	6492	587	14							109			
28	3514	0	0										
29	2442												
30	3513	17	17										
31	6110	64	1										
32	6120												
33	6203												
34	4520												
35	1082												
36	2351												
37	2221												
38	0520												
39	3522	7	4							0			
40	6820	21	19										
41	6831												
42	3020	17	8										
43	3512	867	794										
44	2443												
45	4671												
46	6920	1	1										
47	8220	8	8										
48	6209	18	0										
49	2012												
50	6201												

	Breakdown by sector - NACE 4 digits level (code and label)	**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	7022													156	3		
2	2932													62	30		
3	2511																
4	1920													6	0		
5	4711													40	8		
6	4730																
7	4646																
8	2120																
9	1062													3,444	3,251		
10	2016													24	0		
11	3811													76	2		
12	2059													2,992	62		
13	4531																
14	2720													0			
15	1039																
16	3511													9,066	1,994		
17	4519													86	2		
18	4931													1,605	33		
19	3523													224	205		
20	6420													5,502	5,044		
21	4950													0	0		
22	2910													0	0		
23	5510																
24	7010													9,494	9,494		
25	8020													18	0		
26	5310																
27	6492													696	14		
28	3514													0	0		
29	2442																
30	3513													17	17		
31	6110	89												153	1		
32	6120																
33	6203																
34	4520																
35	1082																
36	2351																
37	2221																
38	0520																
39	3522					0				1				8	4		
40	6820													21	19		
41	6831																
42	3020													17	8		
43	3512													867	794		
44	2443																
45	4671																
46	6920													1	1		
47	8220													8	8		
48	6209	25												43	0		
49	2012																
50	6201																

2. GAR Sector information
– *Capex based*

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (WTR)	HUF million	of which environmentally sustainable (WTR)
1	7022	326	139										
2	2932	53	18										
3	2511												
4	1920	13	5										
5	4711	1,126	185										
6	4730												
7	4646												
8	2120												
9	1062	3,958	3,617										
10	2016	50	21										
11	3811	160	68										
12	2059	6,264	2,680										
13	4531												
14	2720	0											
15	1039												
16	3511	9,066	5,077										
17	4519	179	77										
18	4931	3,361	1,438										
19	3523	559	522										
20	6420	13,755	12,838										
21	4950	0	0										
22	2910	0	0										
23	5510												
24	7010	36,476	35,477										
25	8020	38	16										
26	5310												
27	6492	1,456	623										
28	3514	1	1										
29	2442												
30	3513	64	63										
31	6110	13	13										
32	6120												
33	6203												
34	4520												
35	1082												
36	2351												
37	2221												
38	0520												
39	3522	9	9										
40	6820	52	49										
41	6831												
42	3020	15	5										
43	3512	2,167	2,022										
44	2443												
45	4671												
46	6920	3	3										
47	8220	32	31										
48	6209	4	4										
49	2012												
50	6201												

Breakdown by sector - NACE 4 digits level (code and label)		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	7022	65												391	139		
2	2932													53	18		
3	2511																
4	1920	3												15	5		
5	4711													1,126	185		
6	4730																
7	4646																
8	2120																
9	1062													3,958	3,617		
10	2016	10												60	21		
11	3811	32												192	68		
12	2059	1,247												7,511	2,680		
13	4531																
14	2720													0			
15	1039																
16	3511													9,066	5,077		
17	4519	36												215	77		
18	4931	669												4,029	1,438		
19	3523													559	522		
20	6420													13,755	12,838		
21	4950	0												0	0		
22	2910	0												0	0		
23	5510																
24	7010													36,476	35,477		
25	8020	8												46	16		
26	5310																
27	6492	290												1,746	623		
28	3514													1	1		
29	2442																
30	3513													64	63		
31	6110													13	13		
32	6120																
33	6203																
34	4520																
35	1082																
36	2351																
37	2221																
38	0520																
39	3522									3				12	9		
40	6820													52	49		
41	6831																
42	3020													15	5		
43	3512													2,167	2,022		
44	2443																
45	4671																
46	6920													3	3		
47	8220													32	31		
48	6209													4	4		
49	2012																
50	6201																

3. GAR KPI Stock
– Turnover based data

% (compared to total covered assets in the denominator)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.0%	0.3%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	10.6%	6.6%	0.0%	1.8%	3.7%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
21	Loans and advances	10.6%	6.6%	0.0%	1.8%	3.7%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	33.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	0.5%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.3%	0.0%	0.1%	0.2%	34.81%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	23.33%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	18.92%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	16.86%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.06%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.41%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.43%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.43%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.9%	6.6%	0.0%	1.8%	3.7%	1.68%
21	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.9%	6.6%	0.0%	1.8%	3.7%	1.68%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									0.9%	0.0%	0.0%	0.0%	0.0%	9.80%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									33.5%	0.0%	0.0%	0.0%	0.0%	0.23%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									100.0%	0.0%	0.0%	0.0%	0.0%	0.01%
27	of which motor vehicle loans													0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.2%	0.0%	0.0%	0.1%	68.25%

3. GAR KPI Stock
– Capex based

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.7%	1.0%	0.0%	0.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	25.0%	20.5%	0.0%	12.7%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	25.0%	20.5%	0.0%	12.7%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	33.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	0.9%	0.5%	0.0%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																	
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				Proportion of total assets covered
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	1.0%	0.0%	0.6%	0.2%	34.81%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	23.33%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	18.92%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	16.86%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.06%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.41%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.43%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.43%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.7%	20.5%	0.0%	12.7%	3.1%	1.68%
21	Loans and advances	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.7%	20.5%	0.0%	12.7%	3.1%	1.68%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									0.9%	0.0%	0.0%	0.0%	0.0%	9.80%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									33.5%	0.0%	0.0%	0.0%	0.0%	0.23%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									100.0%	0.0%	0.0%	0.0%	0.0%	0.01%
27	of which motor vehicle loans													0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.5%	0.0%	0.3%	0.1%	68.2%

4.2. GAR KPI Stock,
– Turnover based data

% (compared to total covered assets in the denominator)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.5%	0.4%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	7.0%	5.7%	0.0%	0.5%	4.9%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
21	Loans and advances	7.0%	5.7%	0.0%	0.5%	4.9%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	0.4%	0.3%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.4%	0.0%	0.0%	0.4%	66.05%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	47.46%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.40%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.40%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.07%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.89%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.89%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	5.7%	0.0%	0.5%	4.9%	4.95%
21	Loans and advances	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.3%	5.7%	0.0%	0.5%	4.9%	4.95%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									0.0%	0.0%	0.0%	0.0%	0.0%	13.65%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									1.4%	0.0%	0.0%	0.0%	0.0%	0.02%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
27	of which motor vehicle loans													0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.3%	0.0%	0.0%	0.3%	89.52%

4.2. GAR KPI Stock,

– Capex based

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.9%	1.6%	0.0%	1.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	24.7%	21.7%	0.0%	17.3%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	24.7%	21.7%	0.0%	17.3%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	1.4%	1.2%	0.0%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	1.6%	0.0%	1.3%	0.1%	66.05%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	47.46%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.40%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.40%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.07%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.89%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.89%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.3%	21.7%	0.0%	17.3%	1.4%	4.95%
21	Loans and advances	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.3%	21.7%	0.0%	17.3%	1.4%	4.95%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									0.0%	0.0%	0.0%	0.0%	0.0%	13.65%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									1.4%	0.0%	0.0%	0.0%	0.0%	0.02%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
27	of which motor vehicle loans													0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	1.2%	0.0%	1.0%	0.1%	89.52%

5. KPI off-balance sheet exposures (Stock)
– Turnover based data

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

5. KPI off-balance sheet exposures (Stock)
– Capex based

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

5.2 KPI off-balance sheet exposures (Flow)

– Turnover based data

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

5.2 KPI off-balance sheet exposures (Flow)
– Capex based

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31 December 2024																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2.2. Climate change and environment

Climate Change: Mitigation of Climate Change –Impacts, Risks, and Opportunities

The impact of OTP Bank arises from direct and indirect greenhouse gas emissions, exacerbating climate change. The direct emissions from operations and indirect emissions from energy consumption (Scope 1-2) are relatively small. However, the indirect emissions associated with OTP Bank's loan portfolio (Scope 3) exceed Scope 1-2 emissions by several orders of magnitude.

In addition to emissions, the exemplary and awareness-raising impact that can be represented through its practices is also significant, considering the Bank's wide customer base.

Expanding green lending to facilitate climate change mitigation represents a significant business opportunity for the Bank.

It is significant for OTP Bank's lending activities because, in relation to climate change mitigation, a transition risk arises for a portion of its customer base, which indirectly poses a risk to the Bank as well. The extent of this risk is estimated through stress testing in relation to the corporate portfolio.

Mitigating climate change as a material topic at OTP Bank

The Bank Group aims to facilitate climate change mitigation by reducing emissions associated with its lending and own operations, a goal supported by OTP Bank as well. At the end of 2024, a climate target was set for the loan portfolio, and the OTP Group also aims to play a leading financing role in the green and just transition in the long term. In the ESG strategy, a KPI has been set for green lending for the period up to 2025: OTP plans to build a green loan portfolio of HUF 1,500 billion by 2025. The portfolio is continuously growing, with the OTP Group's balance sheet green exposure amounting to HUF 1,027 billion at the end of 2024.

The green lending targets are currently linked to the EU Taxonomy's mitigation and adaptation goals. The key sectors for green lending in the group's portfolio are: energy (renewable energy production, distribution, storage, and related lending goals), real-estate (construction, purchase, and sale of green properties, as well as financing renovations that result in significant building energy improvements), and transportation (electro-mobility).

In terms of green lending, the Bank strives to take advantage of regulatory incentives.

The Bank continuously strives to reduce its Scope 1-2 emissions. In addition to efficiency-enhancing actions, the use of green electric energy plays a significant role.

OTP Bank has incorporated ESG risks into its risk management policies and procedures at the group level, enabling the identification and management of these risks to minimize emerging credit, reputational, regulatory, and legal risks. The management of ESG risks is integrated into various levels of the risk ecosystem. Since 2021, the Bank has been applying its ESG risk management framework in corporate lending to address the credit risk aspect of ESG risks.

Risks arising from the Bank's own operations are managed within the framework of operational risks. The assessment of these risks is carried out through the Annual Group-level Risk and Control Self-Assessment and scenario analysis, based on the results of which risk mitigation actions are determined.

Climate Change: Adaptation to Climate Change –Impacts, Risks, and Opportunities

OTP Bank's lending practices impact adaptation, either by facilitating (expecting or supporting with favorable conditions), hindering, or remaining neutral towards customers' adaptation efforts. The necessity for adaptation is strongly required in several sectors within the portfolio (e.g., housing loans, agriculture, real-estate, construction sectors).

The Bank strives to utilize the business opportunities arising from lending that facilitates adaptation to climate change.
The physical risks associated with lending activities, as well as some of the transition risks (investments necessary for adaptation), are also related to this.

Managing climate change adaptation as a material topic at OTP Bank

The Bank strives to support adaptation to climate change through green lending. Risk management is conducted within the framework of ESG risk management.

Climate Change: Energy –Impacts, Risks, and Opportunities

Through the financing of energy-intensive industries, the Bank influences the environmental impact of its clients' activities. By providing loans that encourage the use of renewable, carbon-free, and transitionally green energy sources, the Bank significantly contributes to mitigating this impact. These goals represent a substantial proportion of green loans, and financing in these sectors is also significant.

Similar to climate change mitigation and adaptation, business opportunities arise within green lending, where expanding the use of renewable and green-certified energy sources plays a significant role.

Financing energy-intensive and fossil fuel-using companies poses credit and reputational risks for OTP Bank.

Managing energy as a material topic at OTP Bank

The Bank addresses this topic through the methods and tools presented in the previous two topics.

30.23% of the Bank's green loan portfolio finances renewable energy.

Water and Marine Resources: Water Withdrawal –Impacts, Risks, and Opportunities

In OTP Bank's corporate loan portfolio, the presence of sectors with high water withdrawal is significant. To better understand the impacts, it is necessary to explore the practices employed by these companies.

Financial risk primarily arises in relation to those clients who are unable to adequately manage changing or existing environmental expectations (e.g., tightening regulations, shifting consumer preferences, fines), or whose activities face difficulties in ensuring water supply. A deeper understanding of the risk requires further analysis.

Managing water withdrawal is a material topic at OTP Bank

The minimum expectations imposed and monitored by the Bank towards its clients include compliance with relevant environmental and social laws and regulations, as well as possessing the necessary permits and authorizations for their operations. Understanding clients' practices beyond these requirements is ongoing alongside the evolving and strengthening regulatory expectations, based on which expectations promoting responsible behavior can be formulated.

There is an opportunity to finance these goals within green lending. The Banking Group's minimum expectation for its clients, which is monitored, is compliance with relevant environmental and social laws and regulations, as well as possessing the necessary permits and authorizations for their operations. Understanding clients' practices beyond these requirements is ongoing, in parallel with the evolving and strengthening regulatory expectations. Based on this, expectations that encourage responsible behavior can be formulated.

Risk management is conducted within the framework of ESG risk management.

Biodiversity and ecosystems: Direct impact drivers of biodiversity loss –impacts, risks, and opportunities

The presence of sectors potentially having a negative impact on biodiversity and ecosystems is significant in OTP Bank's corporate loan portfolio. The Bank indirectly influences the extent of these impacts through its financing conditions and can also encourage positive impacts. A more precise understanding of these impacts requires uncovering the practices employed by the companies.

Managing direct impact drivers of biodiversity loss as a material topic at OTP Bank

The minimum expectations imposed and monitored by the Bank towards its clients include compliance with relevant environmental and social laws and regulations, as well as possessing the necessary permits and authorizations for their operations (currently, there are significantly fewer requirements related to biodiversity compared to water). Understanding clients' practices beyond these requirements is ongoing alongside the evolving and strengthening regulatory expectations, based on which expectations promoting responsible behavior can be formulated.

ESRS E1-2, E3-1, E4-2: Policies

The OTP Group has a Group Credit Risk Policy and a Corporate Lending Policy / Operational Lending Limits and Guidelines, which also apply to OTP Bank. A detailed description of the policies can be found in subsection 2.2. Climate change and environment – Policies in the OTP Group Sustainability Report.

OTP Bank does not have a policy on water and biodiversity and ecosystems. The development of policies on water and biodiversity and ecosystems should be preceded by a deeper analysis of the risks involved in these two areas.

In addition, the OTP Group's Code of Ethics declares the Group's commitment to environmental sustainability and environmental values (see Governance Information).

ESRS E1-4, E3-3, E4-4, E1-9: Targets

OTP Bank also contributes to the Group's two main climate change targets: GHG emission reduction target concerning the portfolio defined under **climate targeting,** and the **green lending** target[11]. The content of these is briefly described below.

Climate targeting

In line with regulatory requirements, a plan to reduce the OTP Group's financed GHG emissions was defined in 2024. The plan sets targets to be achieved by 2030, based on the International Energy Agency's (IEA) Net Zero 2050 (NZE 2050) scenarios and national decarbonisation plans, and takes into account the current portfolio composition of OTP Group. OTP Bank follows the targets set by the Group, which are described in detail in subsection 2.2. Climate and Environment – Targets in the OTP Group Sustainability Report.

Actions to reduce financed emissions

The OTP Group continuously monitors progress towards the 2030 climate target, taking into account whether external conditions allow the target to be met.

In order to achieve its target, the OTP Group has set actions to reduce its financed emissions, which are also being followed by OTP Bank. A detailed description of the actions can be found in subsection 2.2. Climate change and environment – Actions to mitigate financed emissions of the OTP Group Sustainability Report.

Approval of the climate target document by the Executive Steering Committee is planned for 05.02.2025.

Green lending target

OTP Bank also contributes to the OTP Group's goal, declared in its ESG strategy in 2021 and unchanged since then, to be a regional leader in financing a fair and gradual transition to a low-carbon economy and building a sustainable future through responsible solutions[12]. The targets of the Banking Group are presented in detail in subsection 2.2. Climate change and environment – Green lending target in the OTP Group Sustainability Report.

Further purposes

In its ESG strategy for 2021, OTP Bank has set a target of achieving carbon-neutral operation by 2030. This absolute value target covers Scope 1-2 emissions, and a related target of 0 tCO_2e, net zero emission is fixed, without identifying a base year. Net zero emissions is the reduction of greenhouse gas emissions where possible and the neutralisation of non-avoidable emissions through carbon dioxide removal. The target is not based on scientific evidence, OTP Bank's relevant departments were involved in its development. OTP Bank's Scope 1-2 market-based emissions in 2024 were 6,644 tCO_2e[13]. In terms of electricity, OTP Bank uses mostly green energy, with around three quarters of emissions coming from natural gas usage and vehicle fuel consumption. Preparation of the Bank's emissions intensity reduction plan for real-estate and fleet has started, and an ESG Committee decision has been taken to prepare it in 2025.

[11] These objectives are to be understood as objectives under sub-topic Climate change mitigation and Climate change adaptation and Energy.
[12] Green finance is an objective of all three climate change sub-topic identified in the ESRS, and the OTP Bank does not address these issues separately. No base year has been identified for the target, and green exposures in the stock are measured from 2022 onwards.
[13] Comparability with previous years is not feasible due to the different reporting methodology required by the ESRS.

OTP Bank does not currently have targets for water, biodiversity and ecosystems, and the development of such targets will require a deeper analysis. The Bank does not currently monitor the effectiveness of its policies and actions in these areas (the Group at present only has actions in relation to water).

ESRS E1-3, E3-2, E4-3: Actions and resources

OTP Bank has identified two main packages of actions to tackle climate change: firstly, actions relating to the portfolio as specified within the frameworks of climate targeting detailed under the Environmental information @E1-4 disclosure requirement, and the **green lending** actions detailed below[14]. Of lesser importance are actions to reduce operational GHG emissions, which are presented in aggregate.

Green lending

For up-to-date information on the Green Portfolio, see section 2.1. Publications under the Taxonomy Regulation.

Green financing is ongoing. OTP Bank is integrating green/climate-conscious lending[15] into its business and aims to ensure that, over time, any customer in any sector can obtain credit on green terms, provided the customer has a green/sustainable goal that they wish to achieve with the credit. The maturity of this process varies by industry and customer segment.

The expected impact of green credits on GHG emission reductions is presented under the Environmental information @E1-4 disclosure requirement, this has not been actiond so far.

The resources currently needed to implement green financing are available, and the possibility of targeted mobilisation of resources in line with market opportunities is ensured by the Sustainable Finance Framework.

Actions to help reduce Scope 1-2 emissions

Of the planned actions, green electricity procurement has had the biggest impact, OTP Bank's consumption was covered mainly by green electricity in 2024. These practices are planned to continue in 2025. Other planned actions include lighting replacement, boiler replacement, optimisation of heating and cooling, insulation and solar panel installation.

OTP Bank has not yet decided on any actions on biodiversity and ecosystems. A more detailed impact assessment is needed before appropriate actions can be developed.

ESRS E1-6: GHG emissions, GHG intensity

For the calculation of GHG emissions, OTP Bank has applied the group-wide data collection and calculation methodology, which is described in detail in subsection 2.3 Reporting policy regarding chapter E in the OTP Group Sustainability Report.

Emission of Scope 1, Scope 2 and Scope 3 by OTP Bank Plc. at individual level							
	Retrospective				Milestones and target years		
	Base year 2023	Comparison 2023[1]	2024	change %	2025	2030	annual change %
Scope 1 GHG emissions							
Scope 1 gross GHG emissions (tCO_2eq)	n.a.	n.a.	118,470	n.a.	n.a.	n.a.	n.a.
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	0	0	0	0	0	0	0
Scope 2 GHG emissions							
Scope 2 gross GHG emissions (tCO_2eq)	n.a.	n.a.	58,076	n.a.	n.a.	n.a.	n.a.
Scope 2 market-based GHG emissions (tCO_2eq)	n.a.	n.a.	48,834	n.a.	n.a.	n.a.	n.a.

[14] These measures should also be understood as measures under the sub-topic Climate change mitigation and Climate change adaptation and Energy.
[15] The Group does not specifically address the sub-topic set out in the ESRS.

Emission of Scope 1, Scope 2 and Scope 3 by OTP Bank Plc. at individual level							
	Retrospective				Milestones and target years		
	Base year 2023	Comparison 2023[1]	2024	change %	2025	2030	annual change %
Significant Scope 3 GHG emissions							
Total[2] gross indirect (Scope 3) GHG emissions (tCO_2eq)	25,007,832	25,007,832	24,835,989	-1%	n/a	16,855,279	-5.5%
15. Investments	25,007,832	25,007,832	24,835,989	-1%	n/a	16,855,279	-5.5%
Total GHG emissions							
Total GHG emissions (local basis) (tCO_2eq)	n.a.	n.a.	25,012,535	n.a.	n.a.	n.a.	n.a.
Total GHG emissions (market-based) (tCO_2eq)	n.a.	n.a.	25,003,293	n.a.	n.a.	n.a.	n.a.

[1] Note: In this year's report, the base year and the previous year are the same. The 2023 data does not include the values of the OBR Group. In 2024, biogenic emissions were 734 tons.
[2] Note: The OTP Group's total indirect gross (Scope 3) emissions do not include the financed emissions related to the assets managed by the Group's subsidiaries acting as asset managers, as these assets are not part of the Group's consolidated assets (since their owner is not the OTP Group)
[3] The total emissions of OTP Bank are equal to the total emissions of the OTP Group due to methodological reasons

OTP Bank Scope 1-2 emissions, 2024		
	OTP Bank	OTP Group without OTP Bank[1]
Scope 1 GHG emissions (tCO_2e)	5,565	112,905
Scope 2 location-based GHG emissions (tCO_2e)	8,170	49,906
Scope 2 market-based GHG emissions (tCO_2e)	1,079	47,755

[1] Note: Without the data of OTP Bank, all companies included in the consolidated group and companies under the operational control of OTP Bank

GHG intensity based on revenue	Comparison	2024	2024/2023
Total GHG emissions per net revenue (local basis) (tonnes of carbon dioxide equivalent per monetary unit)	N/A	11.84	N/A
Total GHG emissions per net revenue (market-based) (tonnes of carbon dioxide equivalent per monetary unit)	N/A	11.83	N/A

The GHG intensity of OTP Bank is significantly higher than the OTP Group's GHG intesity because, while the numerator includes the total emissions of OTP Group, the denominator only includes the net revenue of OTP Bank.

Estimated Scope 3 emissions

The bulk of Scope 3 emissions by credit institutions is in category 15, that is, it is generated by loans and other investments. Therefore, the OTP Group did not estimate the emissions in categories 1 to 14 by category, but in aggregate. Estimation was based on revenue-related GHG intensity factors and own revenue data provided by the PCAF/Exiobase database[16].

OTP Bank has applied the Group's approach in determining Scope 3 emissions, which is described in subsection 2.2. Climate change -Emissions, GHG Intensity in the OTP Group Sustainability Report.

The table below shows the OTP Bank's funded emissions (Scope 3 / 15. Investments) broken down by PCAF asset classes and by the emission scopes of customers. OTP Bank considers its customers' Scope 1 and Scope 2 emission, excluding funding to sovereigns, as the most reliable and relevant indicator of its funded emissions. This indicator is the most informative to show the Bank's funded emissions, as in general, Scope 3 emissions and sovereign emissions are largely based on estimates and assumptions.

[16] The PCAF/Exiobase database is a database issued by the PCAF containing proxies for various corporate emissions for PCAF signa tories.

OTP Group's financed GHG emissions broken down by PCAF asset classes, 2023 (w/o OBR Group)						
PCAF asset class	PCAF average data quality score	Total exposure	Financed Scope 1 emission	Financed Scope 2 emission	Financed Scope 3 emission	Total finance emissions
(Unit of actionment):		*(million HUF)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*
Listed equity and corporate bonds	4.4	488,160	158,577	31,489	451,391	641,457
Business loans, unlisted equity and project loans	4.2	8,284,605	5,266,204	1,222,157	10,763,652	17,252,014
Commercial real-estate financing	5.0	570,766	44,075		n/a	44,075
Mortgages	4.1	5,134,422	651,600		n/a	651,600
Vehicle loans	4.8	1,546,814	1,809,803		n/a	1,809,803
Total without sovereign debt	**4.3**	**16,024,767**	**9,183,905**		**11,215,043**	**20,398,948**
Sovereign debt	1.4	6,033,682	2,543,807	487,273	1,577,804	4 608 884
Total (all PCAF asset classes)	**3.5**	**22,058,449**	**12,214,985**		**12,792,847**	**25,007,832**

Financed GHG intensity (financed emissions / loan volume provided) of OTP Group's portfolio in 2023, w/o OBR Group				
PCAF asset class	Financed Scope 1 intensity	Financed Scope 2 intensity	Financed Scope 3 intensity	Total emission intensity
(Unit of actionment):	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*
Listed equity and corporate bonds	0.32	0.06	0.92	1.31
Business loans, unlisted equity and project loans	0.64	0.15	1.30	2.08
Commercial real-estate financing	0.08		n/a	0.08
Mortgages	0.13		n/a	0.13
Vehicle loans	1.17		n/a	1.17
Total without sovereign debt	**0.57**		**0.70**	**1.27**
Sovereign debt	0.42	0.08	0.26	0,76
Total (all PCAF asset classes)	**0.55**		**0.58**	**1.13**

In terms of financed GHG intensity (financed emissions / outstanding loans), which forms the basis of the OTP Group's climate targeting, the only informative indicator is the Bank's financed Scope 1 and 2 GHG intensity, excluding the sovereign portfolio.

OTP Group's financed GHG emissions broken down by PCAF asset classes, 2024						
PCAF asset class	PCAF average data quality score	Total exposure	Financed Scope 1 emission	Financed Scope 2 emission	Financed Scope 3 emission	Total finance emissions
(Unit of actionment):	*(1-5)*	*(million HUF)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*
Listed equity and corporate bonds	4.4	549,420	169,045	32,618	472,556	674,219
Business loans, unlisted equity and project loans	4.1	8,558,410	4,339,808	1,095,399	10,094,675	15,529,883
Commercial real-estate financing	4.8	706,425	47,570		n/a	47,570
Mortgages	4.1	6,035,650	586,892		n/a	586,892
Vehicle loans	4.6	1,980,147	2,025,430		n/a	2,025,430
Total without sovereign debt	**4.2**	**17,830,052**	**8,296,763**		**10,567,231**	**18,863,994**
Sovereign debt	1.4	8,871,078	3,312,631	623,254	2,036,110	5,971,995
Total (all PCAF asset classes)	**3.3**	**26,701,130**	**12,232,648**		**12,603,341**	**24,835,989**

ESRS E1-7, E1-8: Carbon credits, GHG removals and internal carbon pricing

OTP Bank has purchased 7,000 tCO2e of carbon credits in 2024. This volume covers the entire Scope 1-2 emissions of OTP Bank. Carbon credits retired during the reporting period are verified according to the Verified Carbon Standard by Verra. The Bank considers it essential that the project supported by the counterpart is located in the country of operation of the Banking Group, and therefore the only project supported by the purchase is the Sant Nikola Wind Farm near the town of Kavarna in Bulgaria, which is the largest wind farm in the country. The project is a mitigation project and does not qualify as an appropriate adaptation under Article 6 of the Paris Agreement[17].

[17] The project is 100% reduction project, 100% implemented in the European Union, 100% certified to recognised quality standards.

OTP Bank's carbon neutrality target includes the use of carbon credits as well. The use of carbon credits does not prevent the achievement of the Scope 1-2 2030 target of zero emissions, given that OTP Bank has started to develop emission reduction plans based on energy efficiency and renewable energy use. In addition, the Bank plans to redeem carbon credits purchased in line with its existing practice as compensation for its own operational carbon footprint with a "habitat restoration certificate".
Together with the Pilisi Parkerdő Zrt. as a cooperating partner, we aim at the development of a 400 ha nature conservation area, the so-called Budakeszi Wildlife Garden, with a complex urban forest approach, which somewhat puts the economic aspects of the classic triple function of forests, i.e. economic-nature conservation-welfare, into the background in order to preserve and enrich the natural-ecological values of forests and to develop the forest area in line with its natural values in the field of ecotourism. The Bank's target with the project is multiple: on the one hand, it offers a platform for building professional engaging and scientific work on biodiversity, climate adaptation, carbon sequestration and ecosystem services, and on the other hand, it can promote sustainability among our employees by integrating the use of forest land into a non-financial recognition scheme, and it can also shape the Bank's image.

The company does not apply internal carbon pricing.

ESRS E4-1: Transition plan and biodiversity in the strategy and business model, significant negative impacts

The disclosure requirement is presented as part of the information in the @Materiality assessment ESRS 2 SBM3

2.3. ESG risk management

OTP Bank pays particular attention to managing ESG risks and implementing climate change considerations into business practices. The Bank's risk management and business area pays particular attention to integrating the different risks associated with green lending. The Bank's ESG risk assessment and management process is the basis of the group-wide practice, so its detailed presentation, as regulatory and organisational operational foundations, together with the identified risks (credit, operational, market, liquidity) and the actions to manage them are presented in detail in the OTP Group Sustainability Report, in chapter 2.4. ESG Risk Management.

Reporting policy in connection with Chapter E

The Bank has also developed a group-level reporting practice for individual-level disclosures (see subsection IRO-2), so the definitions, calculation methodologies and data requirements for environmental information follow the guidelines set out in subsection 2.3 Reporting policy regarding chapter E in the OTP Group Sustainability Report, extending to OTP Bank.

3. Social information

3.1. Own workforce

ESRS S1 SBM-3: Material impacts, risks and opportunities

Among the topics identified by the ESRS, the following are material for OTP Bank: (1) gender equality and equal pay for work of equal value, (2) diversity, (3) employment and inclusion of people with disabilities, (4) training and skills development, (5) health and safety, (6) work-life balance and (7) measures against violence and harassment in the workplace. The treatment of these topics is presented in this section, with the first three treated together.

The own workforce is the total of employees and non-employee agency workers, as well as self-employed individuals who have contracted with OTP Bank as individuals to perform specific work (hereinafter non-employee workers are presented at the external employees group level, the Bank has made use of the possibility to phase them in its individual reporting). With respect to the Bank's own workforce, the material impacts identified in the dual materiality analysis are known and intended to cover all persons in the Bank's own workforce who may be materially affected by the Bank.

The vast majority of own workforce, 10 820 people, are employees, working on full or part-time contracts. The Bank's practices focus on employees within its own workforce.

The material or potentially material impacts affect most employees, no such material impacts have been identified that are specific to certain regions, thus, the same impacts apply to OTP Bank, which have been defined at group level.

The operations of the Bank do not involve significant negative human rights aspects, such as the risk of child labor, forced labor, or compulsory labor. Additionally, there are no negative impacts on the workforce resulting from the implementation of transition plans aimed at reducing negative environmental impacts. The material impacts identified for OTP Bank's own workforce can be both positive and negative, depending on the Bank's practices. The Bank strives to achieve positive impacts while mitigating or avoiding negative impacts.

Identifiable negative impacts[18], such as health and safety risks and workplace violence and harassment risks, primarily occur in individual cases, while stress risk affects a broader range of employees.

We aim to achieve positive impacts in work-life balance, gender equality and equal pay for work of equal value, training and skills development, and the employment and diversity of people with disabilities. Activities aimed at achieving positive impacts do not differ based on employees' contractual relationships, although most actions have a well-identified target group (e.g., women, people with disabilities). Positive impacts vary by country, depending on which area or activity a particular group member places greater emphasis on.

To protect vulnerable groups (gender, ethnicity, religion, age, disability, family status), a group-level policy (Code of Ethics) is in place, which includes the prohibition of discrimination and actions against violence and harassment in the workplace, applicable to the entire workforce. Regarding the impacts on its own workforce, the job position is fundamentally the determining factor, not the form of employment. For temporary workers, the working conditions are, in many respects, the same as for the permanent. OTP Bank members identify and manage health and safety impacts differently, in compliance with local regulatory requirements. Most companies conduct regular risk assessments to ensure a safe working environment.

ESRS S1-1: Policies related to own workforce

OTP Bank's overall policy for its own workforce is the Code of Ethics of OTP Bank Plc. and OTP Group, which expects respect for human rights, emphasises the principles of equal treatment, job security, prevention of harassment and fair employment. A detailed description of the Code of Ethics (its content and scope) can be found in subsection 4.1. Corporate Governance – Policies on Corporate Culture and Business Conduct in the OTP Group Sustainability Report. Policies outside the Code of Ethics are described in the following subsections.

ESRS S1-2: Processes of engaging with own workforce

Engaging with own workforce and employee representatives takes several forms. This engaging also includes interest representatives, the opportunities for which are provided by OTP Bank in accordance with the relevant Hungarian legislation.

Employee engagement survey

As a member of the OTP Group, the Bank is also part of the annual engagement survey, to which all employees of the member companies participating in the survey are invited. At OTP Bank it has achieved a response rate of more than 80%. OTP Bank conducted the annual engagement survey according to the methodology described in the OTP Group Sustainability Report subsection 3.1. Own workforce – Processes for engaging with own workforce.

Consultation

The Managing Director of the Human and Organisational Development Directorate of OTP Bank holds regular formal and informal consultations with the President of the OTP Bank Employees' Trade Union to jointly discuss labour law, remuneration, work organisation and human capital development issues affecting central and branch workforce.

OTP Bank has not concluded a global framework agreement with employee representatives on respect for the human rights of its own workforce.

[18] In the materiality assasment, we identified that most impacts can be both positive and negative. The negative impact mentioned above should be understood as focusing on avoiding negative impacts in these topics, while the goal for other topics is to achieve positive impacts.

ESRS S1-3, S1-17: Channels for raising concerns, complaints

OTP Bank uses a variety of mechanisms to provide complaint-handling facilities for both employees and external employees. These mechanisms include anonymous options, and complaint handling also addresses the need for employees to use these channels with confidence. The Ethics Reporting system is available to all our own workforce (see Governance Information).

Trade unions, as well as labour representatives, also have an important role to play in raising employees' concerns and remedying any negative impacts (@Own workforce S1-2). In addition to the internal channels provided by the Bank, employees also have the legal means to directly initiate proceedings before the courts, therefore we consider this to be a suitable channel for raising concerns.

Employee complaints are handled in accordance with the procedures and deadlines set out in the law and in the ethics and internal labour regulation documents. Employees can submit a complaint about the protection of their rights under the Code of Ethics, the internal labour regulations and the collective agreement, which are accessible and available to all employees.

Nearly 16% of OTP Bank's ethics complaints, identified as 32[19], were received from its own employees. In neither case was any financial compensation paid. Within OTP Bank, there have been no reports of discrimination or cases of justified discrimination against its own employees. No complaints of discrimination against OTP Bank's own employees have been received by the national contact points, which follow the OECD guidelines for multinational companies. No internal occupational safety or union complaints were received in the reporting year. In 2024, no labor court proceedings were initiated or concluded against OTP Bank.

ESRS S1-5: Targets

The engagement survey is the primary tool OTP Bank uses to comprehensively action, assess and monitor progress in all areas related to its employees, including the material issues identified in the double materiality assessment In relation to employees, increasing the level of employee engagement is an target of OTP Bank. OTP Bank, as the parent bank, is the initiator of the Group's target, which is presented in detail in the OTP Group Sustainability Report chapter 3.1. Own workforce, subsection Targets.

ESRS S1-4: Actions to address significant impacts on own workforce

For OTP Bank, the employee engagement survey (Gender equality and diversity) serves as a basis for annual action planning, process improvement, and realising further actions and programmes. The focus for improvement—even with the improving values—remained unchanged in 2024 **on providing career opportunities,** improving and streamlining processes for **employee well-being** and **senior management engagement** in employee dialogue.

The material actions are presented by topic in the following subsections (@Gender equality and diversity, @Training and skills development, @Occupational health and safety, @Work-life balance, @Workplace violence and harassment In its policies, targets and practices, as set out in its Code of Ethics, OTP Group places emphasis on not causing or contributing to material adverse impacts (see Materiality assessment S1 SBM-3).

OTP Bank also occasionally uses external audits and controls to ensure internal operational processes (see health and safety).

[19] The identity of the reporter shall not be accurate due to the possibility of anonymity.

The Bank's HR area manages the impact on employees, the legal and compliance area supports the handling of complaints, the investigation of ethics complaints, the assurance of legal compliance, and the compliance area is responsible for actions against workplace violence and harassment. OTP Bank aims to employ sufficient internal human resources with experience and expertise in these areas, and it uses external expertise where necessary. Indirectly, the provision of adequate resources is characterised by the results of the employee engagement survey, the employee complaints and legal compliance; there is an improvement in engagement, the number of employee complaints is not considered high in relation to the number of employees.

Workplace engagement at OTP Bank and its participating domestic companies[20] – increased significantly, by 4 percentage points in 2024 (from 76% to 80%), exceeding the financial sector benchmark. There has been a positive shift in all engagement issues (so-called drivers)[21].

ESRS S1-6: Characteristics of employees

At the end of 2024, OTP Bank employed 10,820 people, an approximate 1% increase compared to a year ago.

OTP Bank *Employee headcount data*

(persons, as at 31 December)	2023			2024		
	Total	Men	Women	Total	Men	Women
Total employees	10,715	3,978	6,737	**10,820**	**4,180**	**6,640**
Full time employees	9,841	3,904	5,937	10,009	4,100	5,909
Part-time employees	874	74	800	811	80	731
Available	na	na	na	0	0	0
Permanent employees (permanent contract employees)	10,433	3,917	6,516	10,542	4,097	6,445
Temporary employees (fixed-term contract employees)	282	61	221	278	83	195

The turnover of OTP Bank was as follows:

Employees who left	OTP Bank
	2024
Employee turnover rate (%)	**13.34**
Employees who left (person)	1,443
male	489
female	954
under 30 years	364
between 30–50 years	770
over 50 years	309

3.1.1. Gender equality and diversity

Own Workforce: Diversity – Impacts, Risks, and Opportunities

Due to its significant number of employees, the Bank has both the opportunity and the role to implement diversity. (This topic partially overlaps with @Gender equality and diversityand the employment of people with disabilities.)

Managing diversity as a material topicat OTP Bank

OTP Bank's diversity @strategy expresses its commitment to the diversity of board and management members. The Bank operates diversity programs and publishes training materials that support diversity and shape attitudes. According to the employee engagement survey, 84% of employees at the group level experience that professional success at the company is independent of gender, age, cultural background, ethnicity, and religion.

[20] One of the key indicators of OTP's engagement model is the engagement score. This is an output score that cannot be directly improved.

[21] The other elements of the survey are drivers: specific experiences (e.g. community building, empowerment, recognition, etc.) through which an organisation can positively or negatively influence engagement. The key elements of the engagement survey are statements with which agreement is measured on a 5-point scale. Engagement is a composite indicator that reflects the average of the proportion of positive responses given to the statements it contains.

Own Workforce: Employment and Inclusion of People with Disabilities – Impacts, Risks, and Opportunities

Due to its size and scope of activities (as a wide range of society interacts with its employees), the Bank could have a material impact on the employment of people with disabilities and the change of this employment culture. Currently, the employment of these individuals is low.

Managing the employment and inclusion of persons with disabilities as a material topic at OTP Bank

The Bank prohibits all forms of discrimination, and actions supporting the employment of people with disabilities are not widely implemented.

Own Workforce: Gender Equality –Impacts, Risks, and Opportunities

This topic strongly influences employee well-being, which is also made important by the high proportion of female employees. The Bank monitors the pay ratio of men and women in the same positions, which only slightly differs. The proportion of female leaders at higher levels is consistently lower.

Managing gender equality as a material topic at OTP Bank

In line with legal requirements and its commitment to equal opportunities, OTP Bank consistently enforces the principle of "equal pay for equal work." The Bank applies a gender-neutral remuneration policy. The Bank's strategy for achieving gender equality includes a commitment to increasing the proportion of women in leadership bodies. Leadership training and internal awareness campaigns are implemented to strengthen an inclusive approach.

ESRS S1-1: Policy

The **Code of Ethics** includes the equal opportunities and diversity guidelines (III.15. Equal treatment, equal opportunities, non-discrimination and III.16. Fair Employment Practices), in line with international guidelines and local legislation. The relevant guidelines and policies are set out in the Code. In addition to the Code of Ethics, the following policy governs diversity.

A strategy for creating gender equality

Key content: In 2021, OTP Bank Plc. created a gender equality strategy in order to promote the equal inclusion of women as a group at risk of vulnerability. The Bank has set as a strategic goal to ensure equal opportunities for all groups of employees, to create an open and inclusive workplace free from discrimination, and to promote a diverse, professionally outstanding, collaborative work culture.

Scope: The strategy applies to OTP Bank.

Accountable for implementation: The Chief Compliance Officer, who is directly responsible to the Chairman & CEO, is responsible for ethics issues and reports to the Ethics Committee.

Ensuring accessibility: The strategy is also publicly available on the Bank's @website, and is available online to stakeholders on an internal platform.

Reference to third-party standards: The strategy complies with the relevant Hungarian legal requirements (Hpt.), and the work of the Nomination Committee follows the recommendation of the Hungarian National Bank and the EBA-GL-2017-12 guidelines of the European Banking Authority. The handling of complaints of discrimination is included in the @S1-3 Gender equality and diversity disclosure.

OTP Bank regularly analyses key indicators of talent attraction and opportunities for employee development, with a particular focus on building a group-wide leadership community and building international professional knowledge and community through the development of key competencies.

ESRS S1-4: Actions: gender equality and diversity

In accordance with the principles of the Code of Ethics, OTP Bank's internal regulations stipulate that jobs must be filled and performed according to specific criteria relating to the type and level of qualifications, work experience and other criteria, in accordance with the complexity, responsibilities and specific job description, without any discrimination.

OTP Bank continuously applies actions to promote equality and diversity, which are typically monitored, however, criteria for effectiveness are not always set. Some of these programmes are presented here, without claiming to be exhaustive:

In 2024, the Bank launched new diversity programmes:

- With the launch of women's leadership development programmes and the international Women Network, it prepares and encourages women for more senior leadership roles. A series of webinars and a mentoring programme for women leaders help the most talented women leaders develop their careers.
- The Bank is strengthening the employment of women in the digital and IT fields by launching a dedicated trainee programme, the OTP Digital GirlPower Programme.
- Diversity awareness training materials are produced for managers and employees to help overcome unconscious bias, on gender equality and diversity. The development of a digital curriculum on “Openness and Inclusion” for the whole workforce also serves as a basis for future inclusive leadership development programmes.

ESRS S1-5: Goals related to gender equality and diversity

A measurable target has been set by OTP Bank in 2021 (without a timeframe) in its Strategy for Gender Equality.

There should be at least one female member on the Board of Directors and the Supervisory Board. The Bank also takes into account the legal requirement that members of the Management Board should have the appropriate knowledge, skills and experience, which remains a primary and essential condition for the selection of suitable candidates. In setting this target, the Bank has taken into account the relevant Hungarian and European Union recommendations[22]. Since 2021, the Board of Directors has one female member.

In order to ensure that the company's management succession includes a sufficient number of female candidates to be appointed from within, OTP's group-wide management succession planning recommended already in 2024 that at least 30% of the candidates should be women.

Diversity indicators

Gender distribution of senior management, OTP Bank 31.12.2024.	Men	Women
Number of senior managers (person)	6	0
Proportion of top managers	100%	-

Age distribution of employees 31.12.2024.	OTP Bank
Under 30 years	1,645
Between 30–49 years	6,438
Over 50 years	2,737
Total	**10,820**

OTP Bank employed 40 employees living with disabilities at the end of 2024.

ESRS S1-16: Remuneration indicators (pay gap and total remuneration)

The difference between the average wage level of female and male employees in the OTP Group, expressed as a percentage of the average wage level of male employees, is 39.15%. The difference is due to the fact that men and women tend to hold different jobs, with more men working in higher (paid) positions.

The ratio of the total annual remuneration of the highest-paid individual at OTP Bank to the median of the total annual remuneration of all employees (excluding the highest-paid individual) is approximately 60% of the group-level indicator, which is justified by the group's geographical diversity and the central, parent company nature of the Bank.

[22] Including Recommendation No 11/2019 (V.6.) of the Hungarian National Bank and Guideline No EBA-GL2017-12 of the European Banking Authority

3.1.2. Training and skills development

Own Workforce: Training and skills development – Impacts, Risks and Opportunities

Due to its significant role as an employer, OTP Bank's training and skills development practices influence the sector and other employers. Employees in the financial sector are generally more educated than the average population. Access to training is always ensured.

Managing training and skills development as a material topic at OTP Bank

OTP Bank provides a wide training portfolio for its employees. Professional and personal development training necessary for work, as well as other (e.g., mandatory) training, are typically implemented according to annual training plans. These plans are developed with the involvement of employees, taking into account the results of performance evaluations.

Training and skills development policies, targets and actions extend to OTP Bank and are presented at group level in the OTP Group Sustainability Report, subsection 3.1. Own workforce – 3.1.2. Training and skills development. The Bank makes use of the possibility of a gradual introduction regarding specific indicators.

3.1.3. Occupational health and safety

Own workforce: Health and Safety - Impacts, Risks, and Opportunities

For a significant portion of employees, stress emerges as a relevant risk, considering that the majority of employees do not work in hazardous working environment.

Managing health and safety as a material topic at OTP Bank

The Bank supports employees in stress management in various ways. We provide health services (health insurance and extensive screening tests) that exceed legal requirements. According to employee feedback from the engagement survey, OTP Bank adequately manages occupational safety.

ESRS S1-1: Policy

The policy on occupational health and safety is the Bank's Occupational Health and Safety Regulation, which is drawn up in accordance with local legislation to ensure compliance with the law.

Key content: OTP Bank's Occupational Health and Safety Regulation is a comprehensive occupational safety and health prevention strategy, which is designed to achieve the requirements of safe and healthy working in accordance with the Act on Occupational Safety and Health. The regulation defines the persons responsible for the performance of safety and health tasks in a uniform manner throughout the workplace, and regulates the processes for the performance of individual safety and health tasks. Subsidiary-level policies also focus on creating and implementing safe working conditions.

Accountable for implementation: OTP Bank's policy was approved by the CEO, and the person responsible for occupational safety activities at the Bank is the Head of the President-CEO's Cabinet. At the group members, the CEOs are responsible for approving the policy, and they are supported in its implementation by the heads of the operational areas and the local occupational safety officers..

Ensuring accessibility: OHS regulations are available in the internal regulatory repositories.

Reference to third-party standards: The framework for occupational health and safety is provided by local legislation.

In 2023, OTP Bank's Occupational Health and Safety Regulation was revised in line with the changes in the legislation amending the Act on Occupational Safety and Health, mainly with regard to occupational safety and health training and medical fitness tests, before the entry into force in 2024.
The Bank has an internal regulatory system for occupational safety and health, which is based on the legislation and guidelines in force.

ESRS S1-4: Actions: health and safety at work

OTP Bank is committed to maintaining a safe and healthy working environment and as part of this, it operates occupational health and safety programmes. These programmes include targeted actions to prevent accidents, minimise risks at work and protect workers' physical and mental health. OTP Bank's employees work mainly in low-risk jobs as regards health and safety, the framework of occupational safety is regulated in accordance with the legal requirements, and occupational health and safety activities are also carried out in accordance with these requirements.

Actions taken to prevent and mitigate risks to health and safety at work aim to reduce accidents and occupational diseases at work, in line with the Bank's target of providing a safe and healthy working environment.

OTP Bank also investigates the near miss incidents, and presents the lessons learned and good practices to the affected employees in the context of special training.

The Bank's employees receive regular **training on occupational safety and health in** accordance with the legal requirements, including occupational safety, fire safety and electrical safety. The internal regulations and training materials related to the subject have been prepared, their content is familiarised and documented both on entry and throughout the employment, and trainings are documented in the minutes. The referenced regulations and educational materials are continuously available on internal communication platforms. The completion of training courses is monitored and followed up. Separate training sessions are held when there are changes to the renovation of a site.

Health promotion, health maintenance

It is common practice within the Group to hold regular preventive **health checks** for employees. OTP Bank provides an occupational health check for all jobs, even though this is not a legal requirement. Preliminary and periodic medical tests are carried out according to a schedule set by the health authorities. Within the **occupational health** framework of OTP Bank, 9,540 inspections were carried out by the end of September. The tests are adapted to the specificities of the job. Employees in office and customer areas have also undergone basic tests, while employees in higher risk jobs have also undergone specific tests.

The Bank **provides a** high quality **health insurance service** for employees. As a result of the service, 5,908 employees have undergone tests, including 4,087 screenings and 20,278 complaint handlings.

The Bank pays attention to **health promotion**, making welfare programmes available to all employees. These typically consist of various lectures, webinars, workshops, health days, and screening tests. The programmes are varied, focusing on health promotion, mental and physical health and stress management.

Stress management

To promote mental wellbeing, OTP Bank conducted a renewed psychosocial risk survey in 2024, which anonymously covered the topics of health, stress and workload. 12% of employees took part in the survey and the results were used as a basis for further health programmes.

OTP Bank runs a programme of supportive conversations to help employees manage stress at work by providing them with the support of a mental-health professional, psychologist or coach in difficult, mentally stressful situations. The service is available free of charge to all employees. The service is provided by an external partner (otp.meghallgatunk.online). The supportive conversations are conducted along the ICF (International Coach Federation) guidelines and mental health framework, and are confidential. The service is being used by more and more workers every year, with more than 1.398 interviews having taken place by the end of 2024.

Employee skills training (e.g. mindfulness, stress management, effective and assertive communication, etc.) is available twice a year for Bank employees. The training is organised on a demand-driven basis, with an average of 350 employees taking part every six months.

The effectiveness of actions and initiatives is monitored and evaluated by the Bank through various processes. Health and safety compliance is supported by internal audits, and feedback from stakeholders, particularly employees, is used to evaluate initiatives.

ESRS S1-5: Health and safety at work targets

The Bank has not set a specific target related to health and safety at work.

ESRS S1-14: Health and safety indicators

The percentage of persons covered by the company's health and safety management system, based on legal requirements and/or recognised standards or guidelines, is 100% within the company's own workforce.

Accidents and illnesses at work, 31.12.2024	OTP Bank 2024
Number of accidents (nr)	
employees	8
Accident rate (per 1 million working hours)	
employees	0.44
Occupational illness (nr)	
employees	0
Total number of calendar days lost due to accidents at work and illness among employees (nr)	80
Number of fatal accidents and illnesses (nr)	
employees	0

Working hours are mainly the number of hours actually worked, based on the timesheet.

3.1.4. Work-life balance

Own Workforce: Work-life balance –Impacts, Risks, and Opportunities

The Bank influences work-life balance through overtime, flexible employment opportunities, and access to childcare options. The family-related commitments of female employees are typically stronger in society, making these impacts more significant given that about two-thirds of the Bank's employees are women.

Managing work-life balance as a material topic at OTP Bank

As part of its annual employee engagement survey, the Bank Group also explores and monitors employee opinions on work-life balance. The level of overtime at the Bank generally does not endanger work-life balance. The achievement of work-life balance is supported by the availability of flexible employment opportunities and access to childcare options, with approximately 8% of employees working part-time.
The work-life balance actions extend to the OTP Bank and are presented at group level in subsection 3.1.4 Own workforce – Work-life balance in the OTP Group Sustainability Report, with the Bank making use of the possibility of a gradual introduction of specific indicators.

3.1.5. Workplace violence and harassment

Own Workforce: Measures against violence and harassment in the workplace –Impacts, Risks, and Opportunities

The large number of employees and the high proportion of female employees make this topic important, which is further intensified by the lower proportion of female employees at higher levels (increasing the risk of abuse). No confirmed abuse has occured.

Managing material topic of measures against violence and harassment in the workplace at OTP Bank The Banking Group's practice aims to ensure compliance.

The policies and actions against workplace violence and harassment extend to OTP Bank and are presented at group level in subsection 3.1.5 Own workforce – Measures Against Workplace Violence and Harassment in the OTP Group Sustainability Report.

ESRS S1-17: Incidents, complaints and serious human rights impacts

As for OTP Bank, no justified case of discrimination against its own employees was confirmed in 2024.

Reporting policy in connection with chapter S1

The Bank has also developed the group-level reporting practice for individual-level disclosures (see subchapter IRO-2), so the definitions, calculation methodologies and data requirements for own workforce follow the guidelines set out in subchapter 3.2 Reporting policy regarding Chapter S1 in the OTP Group Sustainability Report, extending to OTP Bank.

3.2. Customers

ESRS S4 SBM-3: Material impacts, risks

The section details the treatment of the material topics: (1) information security and privacy, (2) quality information and (3) access to financial products and services, for which the impacts and the most affected customer groups are detailed in subchapter 3.3. Clients – Material Impacts, Risks in the OTP Group Sustainability Report.

ESRS S4-2: Customer engaging processes

20 OTP Bank regularly collects customer feedback and actions customer satisfaction to improve customer experience. Retail customer satisfaction is actiond using the TRI*M methodology—complemented by the NPS[23] and the SQM[24] methodologies for some of our member companies. Through the TRI*M, we action the overall satisfaction, loyalty and the main factors of satisfaction of the Bank's customers, as well as those of all relevant competitors. Information is also analysed by customer segment (e.g. career starters, juniors, premium customers). We carry out a national survey every year on a representative sample of 1,000 people[25].

Complaint handling is also one of the means of engaging with customers (see @Customers).

The Bank does not regularly cooperate with consumer organisations or consumer representatives.

Customer-focused product development

To support customer-focused product, process and service design, OTP Bank established a group-wide framework in 2024, which is described in the OTP Group Sustainability Report, subsection 3.3. Clients – Processes for engaging with consumers and end-users about impact.

ESRS S4-3: Channels for raising concerns

The Bank offers its customers a wide range of complaint procedures. Complaint-handling procedures are regulated, complaint handling is in line with internationally recognised human rights and is non-discriminatory. The Bank responds to complaints in accordance with the legal framework. The Bank seeks to engage in dialogue with complainants in order to reach a prompt solution. In the case of legitimate complaints, OTP Bank aims to restore the original situation or to restore the appropriate situation and, taking into account fairness aspects, to apply compensation in individual cases.

Channels for customers to report complaints

Customers can make reports in the ethics reporting system (see @Governance Information) and through the complaint reporting channels (website, call centre, in person at branches, postal mail). Customer access is not restricted in any of the channels and enquiries from other channels (such as social media) are also forwarded to the complaints area.

In the case of OTP Bank, in addition to the channels listed above, customers can also submit complaints to the Hungarian National Bank.

OTP Bank informs customers about the channels for complaints and reporting, and the procedure for investigating complaints on the website, in publications, in written communication with customers, in the policies provided in bank branches and in social media. The channels are clearly usable by generally prepared customers. The degree of trust in the channels is not examined separately, but the fact that complaints are received by the channels implies that customers have trust in the company and the channels.

OTP Bank manages and stores the content of the notifications and the related data confidentially and in accordance with the applicable legislation and its Code of Ethics (see @Governance Information).

[23] Net Promoter Score – an indicator of customer satisfaction
[24] Service Quality Management, examining the quality of customer service in retail and SME branches
[25] Based on breakdown by age, sex, education, municipality type, region.

Ensuring the effectiveness of complaint handling, following up problems

The tracking of complaints raised and handled is realised in the dedicated complaint handling system of OTP Bank. Complaints are given a unique identifier so they can be easily tracked in the systems. Each case has a clearly designated responsible employee or team to review and resolve the case. Customers are informed about the complaint-handling process and any action to be taken.

Monthly, quarterly and annual reports are produced on the number of complaints received, their status and resolution times. These reports help to monitor the effectiveness of the process and identify areas for improvement. By analysing the aggregated data, we identify recurring problems that indicate potential systemic weaknesses and allow corrective action to be taken. We track the frequency of the use of each channel. Traffic analysis provides insights into which channels customers prefer and also helps to identify channel problems. We assess response times: delays may indicate weaknesses that need to be addressed.

In the case of errors involving several customers or major losses, the complaint-handling department cooperates with the relevant department and the errors are followed up.

Improving complaint handling

OTP Bank pays special attention to the continuous improvement of its services, based on the information and experience gained from complaint investigations.

In 2024, OTP Bank started developing a new complaint-handling platform. The new structure will allow for the automation and process control of various complaint-handling processes. Among other things, the aim is to facilitate processing times and reportability.

Number of customer complaints

Customer complaints	2024
Number of complaints closed	~178,000
Number of legitimate complaints	~101,000

In addition to complaints, in 2024, OTP Bank received a total of 200 ethics reports through the ethics reporting system.

No serious human rights incidents related to customers were confirmed in OTP Bank in 2024.

OTP Bank does not currently expect its business partners to have channels for submitting complaints. The Bank shall make its proposal to terminate a business relationship with a customer taking into account all the facts and circumstances relating to the customer and the customer relationship that are available and usable by the Bank, including the actual or potential negative effects that the proposal to terminate or maintain the customer relationship with that customer may have on other customers.

3.2.1. Information security and data protection

Clients – Information security and data protection – Impacts, Risks and Opportunities

This topic includes not only the protection of personal data but also the areas of information security and cyber defense, as these are interconnected topics within the Bank Group. However, the ESRS does not specifically name the latter. The Bank holds a large amount of sensitive data about its customers. The protection of personal data, as well as the improper handling or breach of information security and cyber defense, can undermine customers' sense of security and cause harm to them. Breaches of personal data protection, misuse, or violations of legal expectations, as well as successful attacks and incidents in the field of information security and cyber security, can cause significant losses to both OTP Bank and its customers.

Data protection deficiencies, violations, and potential incidents not only carry the risk of significant financial penalties but can also lead to customer complaints and loss of customers. Consequently, the reputation of banks would decrease.

Managing information security and data protection as a material topic at OTP Bank

OTP Bank prioritizes security and safe operations. The fundamental principles and main directions related to security are defined by the Security Policy, while the handling and protection of personal data are carried out according to the principles of the Compliance Policy. Security systems and workflows are continuously

evolving, and employee training is regular. The Bank aims to apply the most advanced solutions for data management, data security, and preventing data leakage.
The integration of the data protection and consumer protection departments ensures that data protection and consumer protection aspects are more emphasized during product introductions and process development than before.

The Bank manages risks within the framework of operational risks. Risk assessments are conducted as part of the Annual Group-Level Risk and Control Self-Assessment and scenario analysis, based on which actions to mitigate risks are determined.

ESRS S4-1: Policies

OTP Bank has an anti-fraud, security and data protection policy in relation to information security and data protection, which is the same as the policy for the OTP Group.

The **anti-fraud policy** includes an assessment of current practices in fraud prevention and management, identification of expected future fraud trends, the financial organisation's exposure to fraud, responses to trends, and the definition of related goals and targets.

The purpose of the Bank's **Security Policy** is to summarise the Bank's security principles, taking into account international and national legislation, recommendations, expectations and guidelines, and to set out the main lines of security activity which together define, promote and support the proper, legal, safe and prudent operation of the Bank.

The Data Protection Policy is part of OTP Bank Plc.'s Compliance Policy (see G1-1)**,** which states that the Bank respects fundamental rights and ensures full compliance with the principles of data protection at all times when processing personal data and transmitting them to third parties.

A detailed description of the policies can be found in subsection 3.3.1. Information security and data protection – Policies in the OTP Group Sustainability Report.

OTP Bank's customer policies are in line with the EU's relevant consumer protection-related regulations, which have also been implemented in Hungarian law.[26]

2024, there has been no significant change in policies. The supervisory recommendations have been incorporated into the procedures, but have not resulted in any material changes.

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[26] a./ Act XLVIII of 2008 on the Basic Conditions and Certain Restrictions on Commercial Advertising (Act XLVIII of 2008); *Directive 2005/29/EC amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council*

b./ Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices(Act on Unfair Competition); *Articles 85 and 86 of the Treaty of Rome (EEC Treaty); Council Regulation 19/65/EEC on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices;*

c./ Act XLVII of 2008 on the Prohibition of Unfair Commercial Practices against Consumers (Unfair Commercial Practices Act); *DIRECTIVE 2005/29/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (Unfair Commercial Practices Directive)*

d./ Act CVIII of 2001 on Electronic Commerce and on Information Society Services (E-commerce Act); *DIRECTIVE 2000/31/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce)*

e./ Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Hpt.); *DIRECTIVE 2013/36/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC; REGULATION (EU) No 575/2013/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012*

f./ Act CLXII of 2009 on Consumer Credit (Fhtv.); *DIRECTIVE 2008/48/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC*

g./ Government Decree No 83/2010 (III. 25.) on the determination, calculation and publication of the annual percentage rate of charge (THM Decree);

h./ Government Decree No 82/2010 (III. 25.) on calculating and announcing deposit interest rates and securities' yields (EBKM Decree);

i./ Government Decree 144/2018 (VIII.13.) on certain issues related to the information on fees for payment connected to payment accounts held for consumers (PAD Decree); *Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features*

ESRS S4-4: Actions

Information security, fraud management

It is part of the activities of the Executive Steering Committee (ESC), the coordination and operational decision-making forum of the Bank's management, to discuss fraud-related issues, so coordination with the business areas is carried out at the highest level.

The Bank's Security Directorate has implemented significant **organisational changes in** 2024, including reallocation of human resources and increasing the number of workforce to reduce fraud against customers, to ensure that fraudulent losses can be reported as soon as possible and to recover stolen funds. Units have been set up with a dedicated task to combat fraud and to carry out certain sub-activities related to this (e.g. Investigation Unit, Fraud Management Support Unit, Anti-Fraud Competence Centre).

The actions implemented by OTP Bank to manage information security and data protection are described in detail in the subsection Actions of section 3.3.1. Information security and data protection in the OTP Group Sustainability Report, which include the operation of the Bank's Cyber Security Centre, the investigation of customer damage, customer education and related campaigns, the developments that have taken place, and the way of engaging with regulatory and professional bodies.

GRI 418-1: In 2024, there were no incidents of misuse of personal data at OTP Bank.

Data protection

The Bank's data management processes are designed to comply with data protection legislation, are purpose-driven and based on the principle of necessity. In all cases, customers are provided with information on the data management processes relating to personal data concerning the customer. The adequacy of data protection processes is checked using compliance control tools. The processes for ensuring data protection policies, handling customer notifications and investigating complaints are described in detail in the subsection Actions of section 3.3.1. Information security and data protection in the OTP Group Sustainability Report.

ESRS S4-5: Targets

The targets related to information security and data protection, partly directly and partly indirectly, are set out in the Anti-Fraud Strategy, which is presented in detail in subsection 3.3.1. Information security and data protection – Targets in the OTP Group Sustainability Report.

3.2.2. Quality information

Clients – Quality information – Impacts, Risks and Opportunities

Quality information provision ensures target information and understanding of financial products for all customers. Its implementation affects customers' well-being and financial situation, as a financial product can significantly impact a customer's life. This topic is primarily important for retail and SME customers, and its significance is even more pronounced for vulnerable social groups.

Managing quality of information as a material topic at OTP Bank

The provision of information and communication about banking products and services is a highly regulated area in our country. Responsible communication aims to ensure easier understanding and attention while complying with these rules. The group-level Tone of Voice manual includes clear and understandable language as a fundamental goal and expectation. The Bank supports good financial decisions and knowledge expansion through educational videos and calculatirs.

ESRS S4-1: Policies

OTP Bank has a responsible marketing policy and a financial awareness strategy on quality information, which are the same as the Group's policies.

The @responsible marketing policy sets out that OTP Bank is committed to the responsible marketing of its products, giving priority to fair commercial communication, correct information and product offerings. OTP Bank takes the utmost care to provide its existing and prospective customers with accurate, clear and comprehensive information about its products and services and the conditions of their use, as well as to comply with consumer protection regulations. The document that supports the implementation of the policy is the group-level **Tone of Voice Manual**, which sets out the Bank's communication style.

By implementing a financial awareness strategy, we aim to increase the number of customers who are financially literate, confident and aware in managing their finances, with a product portfolio that supports their goals. The creation of the strategy was motivated by OTP Bank's adherence to the UN Principles for Responsible Banking (UNEP FI PRB), whereby it committed to reduce its negative and increase its positive social impact on financial awareness and access. More details on the policy and strategy supporting quality information can be found in the Policies subsection of section 3.3.2. Access to Quality Information in the OTP Group Sustainability Report.

ESRS S4-4: Actions

OTP Bank's quality information actions include customer education on the use of various financial products, digital channels and tools, as well as financial awareness campaigns. The Bank is implementing its actions in line with the OTP Group, details of which can be found in the subsection Actions in section 3.3.2. Access to Quality Information in the OTP Group Sustainability Report.

ESRS S4-5: Targets

A comprehensive, measurable target for quality information will be set in the Financial Awareness Strategy in 2025 in relation to the following:

- increase the number of customers who are financially literate, confident and aware in managing their finances,
- customers have a product portfolio that supports their individual goals,
- improve positive branding and the image of OTP Bank.

The targets will be quantified and operationalised in the future. The effectiveness of quality information policies and actions was not actiond in 2024.

3.2.3. Access to financial products and services

Clients – Access to financial products and services – Impacts, Risks and Opportunities

Access to financial products and services can support or hinder customers' well-being and prosperity. In addition to ensuring accessibility for people with disabilities, it is essential to provide access for residents of disadvantaged areas and those in disadvantaged social situations. Ensuring access to financial products for disadvantaged customers requires careful consideration and strict regulation to protect the interests of depositors and prevent excessive indebtedness. The Bank can also support adequate housing, as mortgage loans are an important market segment in most areas of operation.

Managing access to financial products and services as a material topic at OTP Bank

Our goal is to expand the range of products that are partially or fully available digitally, ensuring that these processes are as convenient and accessible as possible for a wide range of customers. These solutions can also help improve access for residents of disadvantaged areas. The Bank pays attention to imparting knowledge related to the use of online channels. Accessibility is continuously improving. In addition to market-based products, the Bank provides significant, state-supported mortgage loan options.

ESRS S4-1: Policies

The basic principles of access to products and services are also set out in the **Compliance Policy** (for a detailed description see @Governance Information), with the provision, as already described, that in the development of its products and access to its services, the Bank shall apply the ethical and consumer protection principles and standards that ensure a modern, high-quality and fair service that meets the needs of its customers. The Bank also has an accessibility strategy, in line with the Group's strategy. More details can be found in chapter 3.3.3. Access to financial products and services, subsection Policies in the OTP Group Sustainability Report.

ESRS S4-4: Actions

In order to ensure access to financial products, OTP Bank applies several actions. These include accessibility, mobile branches, the Social Lab, customer-focused product development and subsidised housing loans.

A dedicated project to promote accessibility takes into account the support for visually impaired, deaf and hard of hearing, and disabled customers. OTP Bank also informs its customers on the accessibility actions on its website (https://www.otpbank.hu/portal/hu/Akadalymentesseg). In addition, OTP Bank informs its customers about the facilities available for people living with reduced mobility, visual or hearing impairments in the

"Accessibility Information" section of the branch locator on its website (https://www.otpbank.hu/portal/hu/Kapcsolat/Fiokkereso/) in the data sheets of each branch.

In order to establish and further develop appropriate service processes, the Bank is in regular contact with the relevant advocacy organisations, such as the Hungarian Association of the Deaf and Hard of Hearing (SINOSZ) and the Hungarian Federation of the Blind and Partially Sighted (MVGYOSZ).

The actions applied by OTP Bank in the area of physical and digital accessibility, as well as actions and programmes to support access to financial products (mobile bank branch, Social Lab, housing loans, prevention of over-indebtedness) and data are also presented in detail in the subsection Actions in section 3.3.3. Access to financial products and services in the OTP Group Sustainability Report.

ESRS S4-5: Targets

In addition to legal compliance, we will set targets for accessibility and availability of products and services we have set targets and in 2025 in the context of Social Lab.

Access points in low-populated or economically disadvantaged areas

GRI G4: FS13 Due to its extensive branch network, OTP Bank provides significant access for the population of disadvantaged areas to manage their finances in person. However, the density of bank branches and ATMs is lower in these areas.

Access points in disadvantaged areas[1] OTP Bank	Branches		ATM	
Number if access points – (as a % of total access points)	57	(18%)	197	(10%)
Number of new access points – (as a % of all new ones)	0	(0%)	11	(12%)
Number of terminated access point– (as a % of total closed)	6	(24%)	8	(22%)
Change from the previous year	-10%		+2%	

[1] Areas defined by social, demographic, housing and living conditions, local economy and labor market, as well as infrastructural and environmental indicators (see Reporting Policy in Chapter S4). (Id. @Riporting Policy Chapter Customers).

Accessibility

The European Union Directive 2019/882 on the accessibility requirements for products and services also applies to OTP Bank. The Directive covers the accessibility of branches, ATMs and digital platforms (website, internet banking, mobile banking).

OTP Bank aims to design and develop (in line with the new legal requirements) both its physical, personal (branch and contact centre, ATM network) and digital (mobile and internet banking) service channels in such a way that customers living with disabilities can also use all services and products.

By June 2025, our accessibility target is to equip all OTP Bank branches with disability-support devices, such as tactile indicators and customer-call systems, signage tablets and induction loops, as well as mobile ramps and disabled bells for disabled access. Our aim is to provide the possibility of using text-to-speech software and increasing font size (or using a large font size in the first place) on all ATMs, and to extend the functions of the text-to-speech software to all available functions. Our goal is to bring the OTP Bank website and digital channels to WCAG 2.1 Level A compliance. The Bank has been working towards accessibility since 2007 and has an Accessibility Strategy. The strategy is reviewed and fine-tuned every two years, and developments are adapted to this and to changes in legislation.

In terms of accessibility, we continuously monitor the deployment of support tools, and the current status is recorded in the Unified Branch Master Database, on the basis of which we can show our customers the accessibility framework for specific branches in our website branch locator. We also continuously monitor the delivery of internal trainings to improve the awareness and preparedness of our branch employees, in line with our standard training processes.

Progress against the accessibility targets set is as follows:

Bank branches			
Indicators	**Status at 31.12.2024 (nr)**	**Status at 31.12.2024**	**Target by 01.06.2025**
Number of bank branches	317	-	-
Number of wheelchair-accessible bank branches	316	99.7%	100%
Number of bank branches with tactile indicators	303	95.6%	100%
Number of bank branches with automatic ticketing machines	263	83.0%	100%
Number of ticketing machines with physical push-buttons	263	83.0%	100%
Number of bank branches with induction loops	317	100%	100%
Number of bank branches equipped with a sign language interpreting tablet	317	100%	100%
Number of bank branches accessible to the hearing impaired	317	100%	100%

ATMs			
Indicators	**Status at 31.12.2024 (nr)**	**Status at 31.12.2024**	**Target**
Number of ATMs	1,993	-	-
Number of wheelchair-accessible ATMs	1,475	76.3%	100%
Number of ATMs with Braille	1,411	73.0%	100%
number of ATMs equipped with a voice module for visually impaired customers (text-to-speech software)	1,411	73.0%	100%

During the design and development of the website and the content editing activities, we have taken into account the WCAG 2.1 Level A (and in some cases AA) recommendations, thus supporting navigation with alternative devices and the use of text-to-speech software. A comprehensive-complex accessibility test of the site will be carried out in the first half of 2025 as part of the Accessibility Act Compliance Project. The OTP Internetbank and Mobilbank applications are currently partially accessible, with full accessibility expected in the first half of 2025.

Reporting policy in connection with chapter S4

The Bank has developed the group-level reporting practice for individual-level disclosures as well (see subchapter IRO-2), so the definitions, calculation methodologies and data requirements for customers also follow the guidelines set out in subchapter 3.4 Reporting Policy for heading S4 of the OTP Group Sustainability Report, extending to OTP Bank.

4. Governance Information

4.1 Business Conduct

During the Group's operations, we put primary focus on transparency, regulation, the definition of internal responsibilities and, thus, the broadest effective compliance with environmental, social and regulatory requirements.

Communicating and promoting these issues among employees is a priority for the Bank, and the ways in which it seeks to inform and encourage its employees to comply with them include: intranet news and articles, branch knowledge management, international conferences, e-learning trainings, compliance officer network, OTP Gala, OTP Sports Day, OTP Family Day.

The chapter covers the material topics of corporate culture, compliance, anti-money laundering and corruption and bribery. For a better overview, we use a threefold structure: (1) corporate culture, compliance, (2) anti-money laundering, (3) corruption and bribery.

Business Conduct, compliance, AML – Impacts, Risks and Opportunities

OTP Bank's business conduct not only affects its direct partners and stakeholders but also influences employees' and customers' attitudes towards ethical business conduct. Corporate governance characteristics and transparent decision-making are also important to investors.
Anti-money laundering is crucial for the Bank, focusing on preventing customers' attempts at money laundering. Prudent and cautious practices are particularly important from a societal perspective.

Non-compliance with laws and regulations can result in fines and reputational damage. There is a significant expectation for the Bank to actively participate in preventing money laundering. Violations of anti-money laundering rules can also cause liquidity problems and the termination of correspondent banking relationships. Violations of business ethics rules can lead to dissatisfaction and complaints from employees and business partners.

Managing corporate culture and business conduct as a material topic at OTP Bank

The Bank considers compliance with legal requirements, international standards, norms, including applicable sanction rules, and ethical expectations as fundamental. The foundations and guidelines of ethical business conduct are summarized in the Code of Ethics. Compliance awareness is continuously developed.

Preventing money laundering and terrorist financing (AML/CFT) is important, so the Bank acts prudently in uncovering potential abuses and takes necessary steps. In accordance with AML/CFT laws and requirements, one of the Bank's main obligations is to conduct appropriate customer due diligence actions; efficiency is enhanced through engaging with authorities and advocacy organizations.

The Bank manages risks within the framework of operational risks. Risk assessment is carried out as part of the Annual Group-level Risk and Control Self-Assessment and scenario analysis. Additionally, an annual AML Risk Assessment is conducted and actions to mitigate risks are determined based on the results of these assessments.

ESRS G1-1: Policies on Corporate Culture and Business Conduct [27]

Two of the most important policies of OTP Bank, as defined by the OTP Group, regarding corporate culture and business conduct are the Code of Ethics and the Compliance Policy. A Gift Policy is annexed to the Code of Ethics. The Sanctions Policy, the Anti-Corruption Policy and the Anti-Money Laundering and Counter Terrorist Financing Policy are parts of the Compliance Policy.

The most important policies and their extracts are publicly available on the OTP Bank website under the @Due Diligence information.

The OTP Bank's policies and the included expectations on business conduct (including the Code of Ethics, Partner Code of Ethics, Compliance Policy, Anti-Money Laundering and Counter Terrorist Financing Policy, Anti-Corruption Policy) are the same as the Group's policies, details of which are presented in subsection 4.1. Corporate Governance - Policies on Corporate Culture and Business Conduct in the OTP Group Sustainability Report.

[27] In addition to the policy, disclosure requirement G1-1 also requires the presentation of information to promote corporate culture, which are considered actions and targets under the ESRS.

Actions and targets

The actions and targets set for OTP Bank to promote corporate culture and compliance, to fight money laundering and anti-corruption, such as the operation of an ethics reporting system, ethics training and awareness raising, AML whistleblowing system, are in line with these actions of the OTP Group. A detailed description of these is provided in subsection 4.1. Policies on corporate culture and business conduct in the OTP Group Sustainability Report.

Activities aimed at combatting corruption

The anti-corruption training system, which is implemented in the framework of the ethics training, is considered a action of OTP Group concerning anti-corruption behaviour.

Business Conduct: Corruption and Bribery – Impacts, Risks, and Opportunities

The effectiveness of corruption prevention impacts the efficiency of resource utilization. Due to its size, OTP Bank's anti-corruption practices can influence economic morale, particularly within the sector.

Taking actions on Corruption and Bribery at OTP Bank

The Bank applies zero tolerance to all forms of bribery and unlawful advantage. The effectiveness is supported by the implementation of a comprehensive anti-corruption program.

ESRS G1-3: Preventing and detecting corruption and bribery

The foundations of OTP Bank's anti-corruption practices are the requirements set out in the and the @Compliance Policy as described in detail in subsection 4.1. Business conduct – Preventing and detecting corruption and bribery in the OTP Group Sustainability Report. The same section presents the Bank's risk-based assessment and the actions taken to detect and prevent corruption and bribery.

Violations of the provisions of the Anti-Corruption Policy may be reported through the channels set out in the Code of Ethics and @Partner Code of Ethics and the investigation is also carried out in accordance with the procedures for operating the ethics/whistleblowing system[28] (see @Ethics whistleblowing system).

Additional practices relating to corruption and bribery are the same as those described in section 4.1. Corporate Governance in the OTP Group Sustainability Report, reporting to governing bodies and committees under G1 GOV-1, policies under G1-1, similar to the training, given that the topic of corruption and bribery is part of the ethics training.

ESRS G1-4: Cases of corruption and bribery

During the reporting period, no confirmed cases of corruption or bribery were identified in the Bank's operations, and therefore no related fines were incurred.

Information on the Group's other types of violations is presented in the subsection ESRS G1-4: Corruption and bribery in section 4.1. Corporate Governance in the OTP Group Sustainability Report. This includes competition, consumer protection and ethics investigations and their results.

[28] In compliance with Article 116 of the Hpt. and the internal abuse reporting system under the Whistleblowing Act

Summary of the completed regulatory proceedings and the total amount of fines paid by the members of the OTP Bank.

GRI 2-27 Closed proceedings by authorities, and other legal procedures, fines paid, OTP Bank – 2024						
	All closed cases	Number of significant cases	All cases closed with fines	Total fine paid	Fine charged for practice applied in 2024	Fine charged for practice applied in earlier period
	pcs			HUF Million		
violation of competition rules [1]	0	0	0	0	0	0
violation of consumer protection rules	65	0	36	15.5	15.5	0
violation of rules on equal opportunity (own workforce)	0	0	0	0	0	0
violation of rules on equal opportunity (not own workforce	0	0	0	0	0	0
violation of accessibility rules	0	0	0	0	0	0
supervisory procedures	9	1	3	112	112	0
violation of IT security / Cyber security rules	0	0	0	0	0	0
violation of taxation rules	0	0	0	0	0	0
violation of environmental rules	0	0	0	0	0	0
violation of marketing communication rules	0	0	0	0	0	0
violation of information provision rules	1	0	1	0.6	0.6	0
violation of marketing communication and information provision rules	0	0	0	0	0	0
violation of data protection rules	7	0	0	0	0	0
Violation of anti-corruption and anti-bribery rules	0	0	0	0	0	0
violation of labour law rules	0	0	0	0	0	0
violation of health and safety rules	1	0	1	0.34	0	0.34
other proceedings	0	0	0	0	0	0
Total 2024	**83**	**1**	**41**	**128.44**	**128.1**	**0.34**

The regulatory practices of individual countries can differ significantly, which contributes to the significant differences in the number of procedures.

[1] This also includes cases related to violations of antitrust and monopoly rules .

Reporting policy in connection with chapter G1

The Bank has developed the group-level reporting practice for individual-level disclosures as well (see subchapter IRO-2), so the definitions, calculation methodologies and data requirements relating to governance information also follow the guidelines presented in subchapter 4.1. Reporting policy for heading G1 in the OTP Group Sustainability Report, extending to OTP Bank.

5. ESRS Index

ESRS Standard code	ESRS Standard name	Disclosure requirement code	Disclosure requirement name	Appearance in the report	Reference to another document	Comment
sESRS 2	General disclosures	BP-1	General basis for preparing sustainability statements	General information		
		BP-2	Disclosures relating to specific circumstances	General information		
		GOV-1	The role of the administrative, management and supervisory bodies	General information		
		GOV-2	Information provided to the company's administrative, management or supervisory bodies and the sustainability issues they address	General information		
		GOV-3	Building sustainability-related performance into incentive mechanisms	General information		
		GOV-4	Statement on due diligence	General information		
		GOV-5	Risk management and internal control over sustainability reporting	General information		
		SBM-1	Strategy, business model and value chain	General information		
		SBM-2	Interests and views of stakeholders	General information		
		SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	General information		
		IRO-1	Description of procedures for identifying and assessing material impacts, risks and opportunities	General information		
		IRO-2	Disclosure requirements under ESRS covered by an enterprise's sustainability statements	General information		
ESRS E1	Climate change	ESRS 2 GOV-3	Building sustainability-related performance into incentive mechanisms	General information		
		E1-1	Climate change mitigation transition plan	General information		
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	General information		
		ESRS 2 IRO-1	Description of procedures for identifying and assessing material climate-related impacts, risks and opportunities	General information		
		E1-2	Climate change mitigation and adaptation policies	Environmental information		
		E1-3	Actions and resources related to climate change policies	Environmental information		
		E1-4	Targets set for climate change mitigation and adaptation	Environmental information		
		E1-6	Gross and total GHG emissions in Scope 1, 2, 3	Environmental information		
		E1-7	GHG mitigation projects financed through GHG removals and carbon credits	Environmental information		
		E1-8	Internal carbon pricing	Environmental information		
		E1-9	Expected financial impacts from material physical and transition risks and potential climate-related opportunities	Not yet reported due to phased introduction		
ESRS E2	Pollution	ESRS 2 IRO-1	Description of the procedures for identifying and assessing material impacts, risks and opportunities associated with pollution	Environmental information		
ESRS E3	Water and marine resources	ESRS 2 IRO-1	Description of procedures for identifying and assessing material impacts, risks and opportunities related to water and marine resources	Environmental information		
		E3-1	Policies on water and marine resources	Environmental information		
		E3-2	Actions and resources related to water and marine resources	Environmental information		
		E3-3	Water and marine resources targets	Environmental information		
		E3-5	Expected financial impacts from material impacts, risks and opportunities related to water and marine resources	Not yet reported due to phased introduction		
ESRS E4	Biodiversity and ecosystems	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Environmental information		
		ESRS 2 IRO-1	Description of procedures for identifying and assessing material impacts, risks and opportunities related to biodiversity and ecosystems	Environmental information		
		E4-1	A transition plan and the inclusion of biodiversity and ecosystems in the strategy and business model	Environmental information		
		E4-2	Biodiversity and ecosystems policies	Environmental information		
		E4-3	Actions and resources related to biodiversity and ecosystems	Environmental information		
		E4-4	Biodiversity and ecosystems targets	Environmental information		

ESRS Standard code	ESRS Standard name	Disclosure requirement code	Disclosure requirement name	Appearance in the report	Reference to another document	Comment
ESRS E5	Resource use and circular economy	ESRS 2 IRO-1	Presentation of processes for identifying and assessing material impacts, risks and opportunities related to resource use and circular economy	Environmental information		
ESRS S1	Own workforce	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Social information		
		S1-1	Policies on own workforce	Social information		
		S1-2	Processes in place to engage with own employees and employee representatives on impacts	Social information		
		S1-3	Processes for correcting negative impacts and channels for employees to raise concerns	Social information		
		S1-4	Actions on the material impacts on own workforce and approaches to mitigate material risks and exploit material opportunities related to own workforce and the effectiveness of these actions	Social information		
		S1-5	Targets to address material negative impacts, promote positive impacts and manage material risks and opportunities	Social information		
		S1-6	Characteristics of the enterprise's employees	Social information		
		S1-7	Characteristics of non-employees within own workforce	Not yet reported due to phased introduction		
		S1-9	Diversity indicators	Social information		
		S1-12	People living with disabilities	Not yet reported due to phased introduction		
		S1-13	Training and skills development indicators	Not yet reported due to phased introduction		
		S1-14	Health and safety indicators	Social information		
		S1-15	Work-life balance indicators	Not yet reported due to phased introduction		
		S1-16	Income actions (pay gap and total income)	Social information		
		S1-17	Incidents, complaints and serious human rights impacts	Social information		
ESRS S4	Consumers and end users	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	Social information		
		S4-1	Policies concerning consumers and end-users	Social information		
		S4-2	Processes in place to cooperate with consumers and end-users on impacts	Social information		
		S4-3	Processes to correct negative impacts and channels for consumers and end-users to raise concerns	Social information		
		S4-4	Actions to address the material impacts on consumers and end-users, and approaches to managing the material risks and exploiting the material opportunities for consumers and end-users, and the effectiveness of these actions	Social information		
		S4-5	Targets to address material negative impacts, promote positive impacts and manage material risks and opportunities	Social information		
		GRI G4: FS13*	Access points in low-populated or economically disadvantaged areas	Social information		
ESRS G1	Business conduct	ESRS 2 GOV-1	The role of administrative, supervisory and management bodies	Governance information		
		ESRS 2 IRO-1	Description of the processes for identifying and assessing material impacts, risks and opportunities	Governance information		
		G1-1	Policies on corporate culture and business conduct, and the corporate culture	Governance information		
		G1-3	Preventing and detecting corruption and bribery	Governance information		
		G1-4	Confirmed cases of corruption and bribery	Governance information		

*entity specific disclosures

6. List of data points from EU legislation

Disclosure requirement	Related datapoint	Appearance in the report	Reference to another document	Comment
ESRS 2 GOV-1	Gender breakdown in the Board of Directors para 21. point d)		OTP Group sustainability report	
	Percentage of independent board members referred to in point (e) of paragraph 21		OTP Group sustainability report	
ESRS 2 GOV-4	Due diligence statement paragraph 30		OTP Group sustainability report	
ESRS 2 SBM-1	Participation in fossil fuel activities Paragraph 40(d)(i)	not relevant		
	Participation in activities related to the production of chemicals Paragraph 40(d)(ii)			
	Participation in activities related to disputed weapons, paragraph 40(d)(iii)			
	Participation in activities related to tobacco production and production paragraph 40(d)(iv)			
ESRS E1-1	2050 Climate neutrality transition plan paragraph 14		OTP Group sustainability report	
	Firms excluded from EU benchmarks aligned with the Paris Agreement paragraph 16, point (g)			
ESRS E1-4	GHG emission reduction target paragraph 34	Environmental information		
ESRS E1-5	Use of energy from fossil sources, broken down by source (only sectors with a significant impact on climate) paragraph 38	not relevant		
	Energy consumption and structure, paragraph 37			
	Energy intensity in relation to activities in sectors with a high climate impact paragraphs 40 to 43			
ESRS E1-6	Scope 1, 2, 3 gross and total GHG emissions paragraph 44	Environmental information		
ESRS E1-6	Gross GHG intensity paragraphs 53 to 55	Environmental information		
ESRS E1-7	GHG capture and carbon credits paragraph 56	Environmental information		
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not yet reported due to phase-in		
	Amounts of funds broken down into acute and chronic physical risk, paragraph 66(a)			
	Location of significant assets exposed to substantial physical risk paragraph 66(c)	Not yet reported due to phase-in		
	Real estate assets book value breakdown by energy efficiency class paragraph 67(c)	not relevant		
	Extent of portfolio exposure to climate-related opportunities paragraph 69	Not yet reported due to phase-in		
ESRS E2-4	Emissions to air, water and land of each pollutant listed in Annex II to the European PRTR Regulation European Pollutant Release and Transfer Register, paragraph 28	not relevant		

Disclosure requirement	Related datapoint	Appearance in the report	Reference to another document	Comment
ESRS E3-1	Water and marine resources paragraph 9	Environmental information		
	Dedicated policy, paragraph 13	not relevant		
	Sustainable oceans and seas paragraph 14	Environmental information		
ESRS E3-4	Total water recycled and reused paragraph 28(c)	not relevant		
ESRS E3-4	Total water consumption in m3 per net revenue on own operations paragraph 29			
ESRS 2 – IRO 1 – E4	Paragraph 16 (a) i	not relevant		
	Paragraph 16 (b)	Environmental information		
	Paragraph 16 (c)	not relevant		
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)			
	Sustainable oceans / seas practices or policies paragraph 24 (c)			
	Policies to address deforestation paragraph 24 (d)			
ESRS E5-5	Non-recycled waste paragraph 37 (d)	not relevant		
	Hazardous waste and radioactive waste paragraph 39			
ESRS 2- SBM3 - S1	Risk of incidents of forced labour paragraph 14 (f)	Social information		
	Risk of incidents of child labour paragraph 14 (g)	Social information		
ESRS S1-1	Human rights policy commitments paragraph 20	Social information		
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Social information		
	processes and measures for preventing trafficking in human beings paragraph 22	not relevant		
	workplace accident prevention policy or management system paragraph 23	Social information		
ESRS S1-3	grievance/complaints handling mechanisms paragraph 32 (c	Social information		
ESRS S1-14	Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Social information		
	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Social information		
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Social information		
	Excessive CEO pay ratio paragraph 97 (b)	Social information		
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Social information		
	Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	not relevant		
ESRS 2- SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	not relevant		

Disclosure requirement	Related datapoint	Appearance in the report	Reference to another document	Comment
ESRS S2-1	Human rights policy commitments paragraph 17	not relevant		
	Policies related to value chain workers paragraph 18			
	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19			
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	not relevant		
ESRS S3-1	Human rights policy commitments paragraph 16	not relevant		
	non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17			
ESRS S3-4	Human rights issues and incidents paragraph 36	not relevant		
ESRS S4-1	Policies related to consumers and end-users paragraph 16	Social information		
	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Social information		
ESRS S4-4	Human rights issues and incidents paragraph 35	Social information		
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Social information		
ESRS G1-1	Protection of whistleblowers paragraph 10 (d)	not relevant		
ESRS G1-4	Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Governance information		
ESRS G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	Governance information		

Fight against corruption and against the practice of bribery

The Code of Ethics (https://www.otpbank.hu/static/portal/sw/file/OTP_EtikaiKodex_EN.pdf) , the Partner Code of Ethics (https://www.otpbank.hu/static/portal/sw/file/OTP_Partneri_EtikaiKodex_EN.pdf) published in 2023 and the Anti-Corruption Policy of OTP Bank Group, approved in 2019, contains provisions on the fight against corruption and against the practice of bribery, as well as the enforcement of legal, fair and ethical conduct (https://www.otpgroup.info/ethical-declaration). As it can be read in the foreword of the Code and the Anti-Corruption Policy as well, the OTP Bank Plc. and its management have adopted the principle of zero tolerance towards corruption and bribery, taking a definite stance against all forms of corruption and giving full support to the fight against corruption. In addition, the Code states that "As an ethical and compliant institution, the Bank and its management are fully committed to ensuring observance of all relevant legislation, including anti-corruption statutes."

The OTP Bank Plc. has set up an ethics reporting system (whistleblowing), which is for the reporting and the handling of the reports on suspected or actual violation of the values set forth in the Code of Ethics, where anonymous reporting of ethics issues is also possible. The OTP Bank Plc. conducts inquiries for the purpose of detecting, preventing anomalies in connection with reports made or anomalies it became aware of otherwise.

In 2024, a total of 200 reports were received through the ethics Whistleblowing System of OTP Bank Plc., of which 44 reports were deemed necessary to conduct ethics proceedings. Ethical breaches were identified in 12 cases.

The OTP Bank Plc. has created and maintains its Code of Ethics to keep reputational risk and financial losses, which may incur in relation to corruption, bribery and discrimination, on a minimum level. Both employees and newcomers receive education on the Code of Ethics, and in addition, the acceptance to be bound by it is a prerequisite for their employment.

In addition, all business partners and clients are communicated about the Anti-Corruption Policy and procedures through the Code of Ethics and Anti-Corruption Policy published publicly on the OTP Bank Plc.'s website and from 2023 the Partner Code of Ethics has been published on the Bank's website as well. The Anti-Corruption Policy stipulates that, in view of the fact that existing and established relationships with contractual partners also contain the possibility of corruption, the OTP Bank Plc. will act prudently in its dealings with contractors, in particular in the tendering and preparation process, to minimise the risk of corruption. The OTP Bank Plc. establishes relationships with its contractual partners based on an assessment of professionalism, competence and competitiveness, and does not apply other non-professional selection criteria that contain the possibility of corruption.

Based on the Compliance's proposal, the prohibition of corruption will be reflected in the contractual and regulatory documents used by the OTP Bank Plc. in a clearer and well-defined manner from 2023 onwards, through the inclusion of anti-corruption clauses in the business rules and standard contracts. The clause will state from the very beginning of the business relationship that the contracting partner accepts OTP Bank Plc.'s anti-corruption principles, including the prohibition of corruption and the consequences of breaching this prohibition, which can even be termination of contract.

Any requests from third parties affecting human rights are treated by the OTP Bank Plc. as a priority.

We manage the risks regarding the fight against corruption and bribery within the framework of our operational risk management process. Our quarterly compliance reports cover the changes in risks as well as the steps necessary steps to manage them. The reports are presented to the Executive Steering Committee and the Board of Directors; the annual report is also submitted to the Supervisory Board.

Non-financial performance indicators

- **Internal audit:** 208 closed audits, 1,193 recommendations, 1,193 accepted recommendations.
- **Compliance with Budapest Stock Exchange (BSE) Recommendations (yes/no ratio):** 72 yes, 0 no.
- **Compliance:** 11 closed data- and consumer protection related investigations by the Compliance.
- **Bank security investigations, reports:** In 2024, we made 1,049 reports, 20 additions to reports and 356 notifications. Of the reports, 889 were on suspicion of fraud, 39 on suspicion of money laundering and 122 on suspicion of other crimes.
  In terms of financial abuse, there is an increasing trend in housing loans, which amounted to approximately HUF 41 million in 2024. A detailed comparison of the development of losses from credit fraud with the data of 2023 shows that in 2023 the loss from personal loan fraud was HUF 22 million, while in 2024 it increased to HUF 39 million. In 2023, the loss due to fraud was HUF 852 thousand, while in 2024 it increased to HUF 1.2 million.

  In 2024, there were no losses related to overdrafts, baby loans, home loans and CSOK applications.

  Considering corporate credit fraud in the MSE and MLE sectors, the bank's losses amounted to HUF 4.7 billion in 2023, which decreased to HUF 1.2 billion in 2024.

  In the area of online fraud against customers, as a result of the Bank's protective measures, the damage caused by the misuse of cash flows to the detriment of customers decreased by 32% to HUF 7.2 billion in 2024 compared to the data for 2023, when the damage to customers exceeded HUF 10 billion.

  In addition, the operational fraud prevention measures and monitoring activities prevented customer losses of HUF 21.7 billion, which is more than three times the previous year's figure of HUF 6.5 billion.

  Compared to the data of 2023, in contrast to other domestic banks, a decrease can be observed in the area of bank card fraud, both in terms of the number of fraud attempts and the value of successful fraud. In 2024, the value of successful bank card misuse was HUF 3.5 billion, of which the value of successful transactions with OTP-issued cards was HUF 3.2 billion.

  As a result of the newly introduced rules and improvements, the ratio of bank card fraud to sales has decreased compared to 2023, and is once again well below the European average published by Mastercard: OTP Bank 0.0253%, European average 0.0407%.
- **Ethics issues:** 200 ethics reports, establishing ethics offense in 12 cases.

LIST OF NON-AUDIT SERVICES BY SERVICE CATEGORIES USED BY THE BANK

The statutory audit of OTP Bank is carried out by **Ernst and Young Ltd**., in addition to which the following services were contracted:

- Assurance engagements other than audits or reviews of historical financial information (ISAE 3000)
- Advisory engagements relating to fraud detection (forensic services)
- Issue of Comfort letters
- Engagements to perform agreed-upon procedures regarding financial information (AUP according to ISRS 4400)
- Consultation relating to interpretation and implementation of accounting standards and relating to accounting of potential future transaction
- Reviewing the internal processes and compliance with laws and regulations
- Trainings relating to changes in accounting regulations and professional interpretations - only general not OTP Group specific matters

STATEMENT

On behalf of OTP Bank Plc. we declare that, to the best of our knowledge, the separate and consolidated financial statements which have been prepared in accordance with the applicable accounting standards, present a true and fair view of the assets, liabilities, financial position and profit and loss of OTP Bank Plc. and its consolidated subsidiaries and associates, and give a fair view of the position, development and performance of OTP Bank Plc. and its consolidated subsidiaries and associates, describing the principal risks and uncertainties, and do not conceal facts or information which are relevant to the evaluation of the Issuer's position. Moreover, we declare that the Sustainability Report, as part of the Management Report, was prepared in accordance with sustainability reporting standards of the Accounting Act (Act C of 2000 on Accounting), the European Sustainability Reporting Standards (ESRS), and with the provisions of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (EU Taxonomy Regulation).

Budapest, 19 March 2025

Dr. Sándor Csányi
Chairman & CEO

László Bencsik
Chief Financial & Strategic Officer

MANAGEMENT REPORT 2024 (CONSOLIDATED)

CONSOLIDATED FINANCIAL HIGHLIGHTS[29] AND SHARE DATA – NEW METHODOLOGY

In accordance with the recommendation stated in the current circular of the MNB on the application of MoF Decree no. 24/2008 on the detailed rules regarding the disclosure requirements applicable to publicly offered securities, OTP Bank Plc. as issuer prepares and publishes this Management Report combined with the Business Report required in the Accounting Act in a single document.

The scope of adjustment items presented on consolidated level changed from 2024. According to the **new methodology** applied from 2024, only the goodwill impairment and the direct effect of acquisitions adjustment items are carved out and presented on consolidated level. For the sake of comparability, in the summary the relevant consolidated tables are presented in accordance with both the old and the new methodologies. For details, see *Supplementary data* annex.

Main comonents of P&L account	2023 HUF million	2024 HUF million	Change %
Consolidated profit after tax	**990,459**	**1,076,139**	**9**
Adjustments (after tax)	85,507	0	
Consolidated adjusted profit after tax	904,952	1,076,139	19
Pre-tax profit	1,179,224	1,386,883	18
Operating profit	1,265,909	1,545,377	22
Total income	2,245,706	2,633,908	17
Net interest income	1,461,850	1,782,604	22
Net fees and commissions	478,119	545,631	14
Other net non-interest income	305,737	305,673	0
Operating expenses	(979,797)	(1,088,531)	11
Total risk costs	(86,685)	(158,494)	83
Corporate taxes	(274,272)	(310,743)	13
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	39,609,144	43,419,128	10
Total customer loans (net, FX adjusted)	22,549,534	23,361,638	4
Total customer loans (gross, FX adjusted)	23,610,743	24,334,694	3
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	**22,596,102**	**23,447,715**	**4**
Allowances for possible loan losses (FX adjusted)	(1,061,208)	(973,056)	(8)
Total customer deposits (FX-adjusted)	**30,937,627**	**31,666,399**	**2**
Issued securities	2,095,548	2,593,124	24
Subordinated loans	562,396	369,359	(34)
Total shareholders' equity	4,094,793	5,120,012	25
Performance Indicators	2023	2024	pps
ROE (from profit after tax)	27.2%	23.5%	(3.7)
ROE (from adjusted profit after tax)	24.9%	23.5%	(1.4)
ROA (from profit after tax)	2.7%	2.6%	(0.1)
ROA (from adjusted profit after tax)	2.4%	2.6%	0.1
Operating profit margin	3.41%	3.71%	0.30
Total income margin	6.04%	6.32%	0.28
Net interest margin	3.93%	4.28%	0.34
Cost-to-asset ratio	2.64%	2.61%	(0.03)
Cost/income ratio	43.6%	41.3%	(2.3)
Provision for impairment on loan losses-to-average gross loans ratio	0.34%	0.38%	0.05
Total risk cost-to-asset ratio	0.23%	0.38%	0.15
Effective tax rate	23.3%	22.4%	(0.9)
Net loan/deposit ratio (FX-adjusted)	73%	74%	1
Capital adequacy ratio (consolidated, IFRS) - Basel3	18.9%	20.3%	1.4
Tier1 ratio - Basel3	16.6%	18.9%	2.3
Common Equity Tier 1 ('CET1') ratio - Basel3	16.6%	18.9%	2.3
Share data	2023	2024	%
EPS diluted (HUF) (from profit after tax)	3,693	4,050	10
EPS diluted (HUF) (from adjusted profit after tax)	3,380	4,066	20
Closing price (HUF)	15,800	21,690	37
Highest closing price (HUF)	16,030	22,100	38
Lowest closing price (HUF)	9,482	15,600	65
Market Capitalization (EUR billion)	11.6	14.8	28
Book Value Per Share (HUF)	15,294	19,346	26
Tangible Book Value Per Share (HUF)	14,589	18,511	27
Price/Book Value	1.0	1.1	9
Price/Tangible Book Value	1.1	1.2	8
P/E (trailing, from profit after tax)	4.5	5.6	26
P/E (trailing, from adjusted profit after tax)	4.9	5.6	15
Average daily turnover (EUR million)	15	18	23
Average daily turnover (million share)	0.5	0.4	(14)

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

CONSOLIDATED FINANCIAL HIGHLIGHTS AND SHARE DATA – OLD METHODOLOGY

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Consolidated profit after tax	**990,459**	**1,076,139**	**9**
Adjustments (after tax)	(18,123)	(69,342)	283
Consolidated adjusted profit after tax	1,008,583	1,145,481	14
Pre-tax profit	1,222,328	1,415,617	16
Operating profit	1,260,850	1,521,636	21
Total income	2,224,584	2,607,481	17
Net interest income	1,459,694	1,778,520	22
Net fees and commissions	478,146	545,631	14
Other net non-interest income	286,745	283,329	(1)
Operating expenses	(963,734)	(1,085,845)	13
Total risk costs	(38,521)	(106,018)	175
Corporate taxes	(213,746)	(270,136)	26
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	39,609,144	43,419,128	10
Total customer loans (net, FX adjusted)	22,549,534	23,361,638	4
Total customer loans (gross, FX adjusted)	23,610,743	24,334,694	3
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	**22,596,102**	**23,447,715**	**4**
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Performance Indicators	2023	2024	pps
ROE (from profit after tax)	27.2%	23.5%	(3.7)
ROE (from adjusted profit after tax)	27.7%	25.0%	(2.7)
ROA (from profit after tax)	2.7%	2.6%	(0.1)
ROA (from adjusted profit after tax)	2.7%	2.7%	0.0
Operating profit margin	3.39%	3.65%	0.26
Total income margin	5.99%	6.25%	0.27
Net interest margin	3.93%	4.27%	0.34
Cost-to-asset ratio	2.59%	2.60%	0.01
Cost/income ratio	43.3%	41.6%	(1.7)
Provision for impairment on loan losses-to-average gross loans ratio	0.16%	0.34%	0.18
Total risk cost-to-asset ratio	0.10%	0.25%	0.15
Effective tax rate	17.5%	19.1%	1.6
Net loan/deposit ratio (FX-adjusted)	73%	74%	1
Capital adequacy ratio (consolidated, IFRS) - Basel3	18.9%	20.3%	1.4
Tier1 ratio - Basel3	16.6%	18.9%	2.3
Common Equity Tier 1 ('CET1') ratio - Basel3	16.6%	18.9%	2.3
Share data	2023	2024	%
EPS diluted (HUF) (from profit after tax)	3,693	4,050	10
EPS diluted (HUF) (from adjusted profit after tax)	3,767	4,328	15
Closing price (HUF)	15,800	21,690	37
Highest closing price (HUF)	16,030	22,100	38
Lowest closing price (HUF)	9,482	15,600	65
Market Capitalization (EUR billion)	11.6	14.8	28
Book Value Per Share (HUF)	15,294	19,346	26
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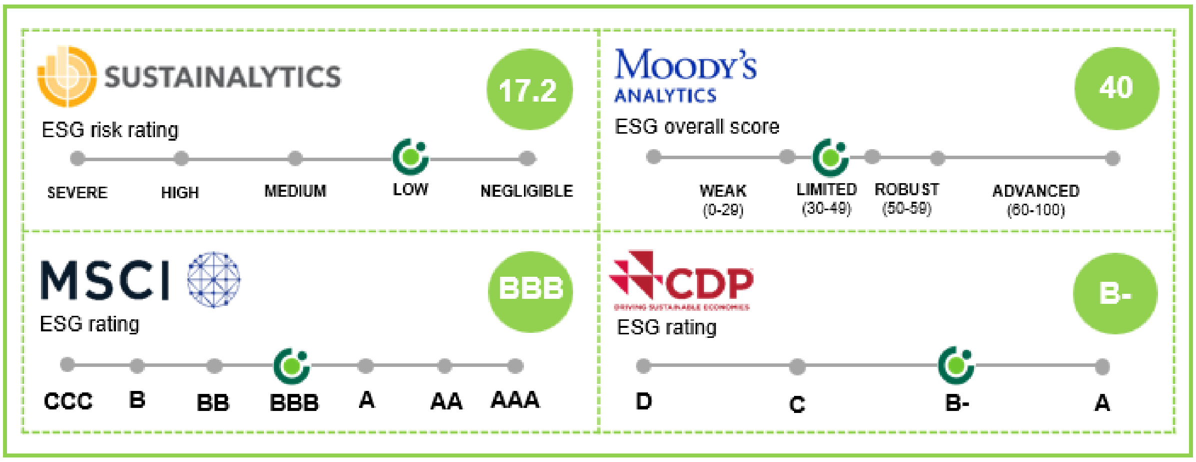
Price/Book Value	1.0	1.1	9
Price/Tangible Book Value	1.1	1.2	8
P/E (trailing, from profit after tax)	4.5	5.6	26
P/E (trailing, from adjusted profit after tax)	4.4	5.3	21
Average daily turnover (EUR million)	15	18	23
Average daily turnover (million share)	0.5	0.4	(14)

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

Members of the Group **won the Bank of the Year award in four countries** in the prestigious international competition organised by **The Banker magazine**, part of the Financial Times Group: Albania, Bulgaria, Hungary and Slovenia.

PWM magazine, a sister publication of The Banker, selected OTP Bank as the best private bank in Central and Eastern Europe in terms of customer service.

Global Finance magazine announced the winners of the Sustainable Finance Awards. **OTP Group** was chosen as the **winner in one global category** *("The best bank in the world in terms of loans related to transition and sustainability")*, **in two regional categories and in one country.**

S&P GLOBAL MARKET INTELLIGENCE PERFORMANCE RANKING, 2024

In 2024, S&P Global Market Intelligence OTP Bank was identified as the leading performer among the 50 largest publicly listed European banking institutions.

otpbank

MANAGEMENT'S ANALYSIS OF THE FULL-YEAR 2024 RESULTS OF OTP GROUP

Consolidated earnings: HUF 1,076 billion profit after tax in 2024 with an ROE of 23.5%; 9% y-o-y organic increase in performing loans, improving margin, cost efficiency and capital adequacy ratios

In 2024 the Group's profit after tax exceeded HUF 1,076 billion, which is consistent with 9% annual profit growth, while annual ROE reached 23.5%. The earnings per share (EPS) for 2024 hit HUF 4,050, whereas the end-2024 book value per share amounted to HUF 19,346.

In 2024 all geographical segments reported positive results, the share of foreign profit contribution reached 68%.

On 30 July 2024 the financial closure of the sale of the Romanian bank was completed, consequently, starting from 3Q the consolidated financial statements no longer include the contribution from the Romanian segment.

On 22 August 2024 the legal merger of the two Slovenian subsidiary banks of the Group, SKB Banka and Nova KBM was successfully completed. Following this, the operational merger was also successfully concluded.

The annual P&L dynamics were shaped, on one hand, by the positive adjustment items in the amount of HUF 85.5 billion (after tax) in the 2023 base period related to the direct effect of the two newly acquired banks' consolidation and the one-off direct effects of the sale of Romania. In 2024 no such adjustment items were presented, given that they remained below the materiality threshold. The acquired banks were conducive of the annual profit momentum through their on-going P&L contribution, too, whereas the divestment of the Romanian operation influenced rather volume dynamics. As for FX rate changes, the average rate of HUF weakened against the currencies of most foreign subsidiaries (by 3.4% against the EUR), but strengthened against the UAH and RUB. Out of the altogether 9% growth in the Group's profit after tax, 2 pps was attributable to the FX translation effect.

Cumulated adjusted profit after tax improved by 19%, whereas the organic[30] and FX-adjusted growth was 10% y-o-y.

The full-year operating profit increased by 22%, within that total revenues grew by 17% mainly driven by the 22% increase in net interest income (+20% organically and FX-adjusted), boosted by both expanding business volumes and improving net interest margin (by 34 bps to 4.28%). It was the margin improvement at OTP Core (Hungary) that was particularly salient: from the lows hit in 1Q 2023, it improved gradually and by 4Q 2024 it even surpassed the level prevailing before the war and the extremely high rate environment. On the contrary, margin erosion, which has characterised the recent past continued in the Eurozone and ERM 2 countries.

Net fees and commissions grew by 13% organically and FX-adjusted.

The other net non-interest income remained flat y-o-y despite significantly lower fair value adjustment of subsidized housing and baby loans at OTP Core (2024: HUF 26 billion, -HUF 62 billion y-o-y).On the other hand, in 3Q 2024 HUF 10.5 billion positive one-off item occurred on consolidated level in relation to the sale of the Romanian bank, mainly presented on consolidated level amongst other net non-interest income.

Operating costs went up by 11% organically and FX-adjusted. The annual cost to income ratio improved by 2.3 pps to 41.3%.

Total risk costs increased by 83% to HUF 158 billion, within that credit risk costs amounted to HUF 90 billion (+25%), corresponding with a credit risk cost ratio of 38 bps, against 34 bps in 2023. The impairment related to the Hungarian rate cap scheme, which was extended two times during 2024, amounted to HUF 10 billion. According to the effective regulation, in Hungary the interest rate cap on the affected Hungarian mortgage loans is valid until 30 June 2025. Furthermore, in 4Q 2024 HUF 2.1 billion impairment was booked as a result of the extension of the Serbian interest rate cap scheme. The jump in other risk costs was caused mainly by the HUF 45 billion impairments created on Russian bonds held in the balance sheet of OTP Bank (Hungary) and DSK Bank (Bulgaria), of which HUF 37.6 billion was booked at OTP Bank (Hungary) and HUF 7.5 billion at DSK Bank (Bulgaria). At the end of 2024, the total gross Russian bond exposures at OTP Core and DSK Bank amounted to HUF 135 billion equivalent, of which HUF 114 billion equivalent not due exposures carried interest. As a result of the impairments made in the the course of 2024, the provision coverage on Russian bonds increased to 73%.

[30] Regarding the y-o-y changes in the different P&L lines in full-year 2024, organic growth is defined as follows: without the contribution of Ipoteka Bank (consolidated from July 2023) and the Romanian bank sold in July 2024, and without the HUF 10.5 billion one-off gain presented on the other income line in 3Q 2024 in the wake of the deconsolidation of Romania.

The full-year effective tax rate moderated by 0.9 pp y-o-y to 22.4%, as a result of several factors. Effective from 2024, the statutory corporate income tax rate was raised from 19% to 22% in Slovenia, and from 10% to 15% in Bulgaria as the global minimum corporate tax rate was adopted from 2024. In Ukraine the previously effective 25% tax rate was lifted to 50% in 4Q 2024 retroactively for the full-year. As opposed to this, total special banking taxes presented on the corporate income tax line moderated y-o-y. In 2024 HUF 51 billion special taxes on financial institutions weighed on earnings which incorporated both the old banking tax in Hungary (HUF 31 billion) and the windfall tax on extra profits (HUF 7 billion, taking into account the tax deduction opportunity). Outside of Hungary, in Slovenia (HUF 12 billion) and Romania (HUF 1 billion) arose banking tax payment obligations.

Consolidated credit quality remained stable, main credit quality indicators continued to develop favourably. The ratio of Stage 3 loans under IFRS 9 declined by 0.7 pp y-o-y to 3.6%. The own provision coverage of Stage 3 loans moderated by 1.3 pps y-o-y to 59.5%.

Consolidated performing (Stage 1+2) loans expanded by 9% y-o-y FX-adjusted, without the effect of the deconsolidation of Romania. Corporate + MSE loans posted 2% y-o-y growth, adjusted for the sale of Romania as well as the repayment of a big-ticket corporate loan held in the Hungarian, Bulgarian and Slovenian books, in the total amount of HUF 317 billion. It was also favourable that Ukrainian corporate loans expanded by 20% in 2024. Household loan volumes showed stronger momentum: mortgage exposures demonstrated a 14% y-o-y expansion organically and FX-adjusted, whereas consumer loans grew by 23%. In Bulgaria the y-o-y household loan growth was outstanding, but in 4Q the pace of growth in cash loans moderated in the wake of tightened macroprudential regulations. At the Uzbek Ipoteka Bank household loan, especially consumer loan growth was modest in 2024 in comparison with the growth rates prevalent in the previous year.

Consolidated deposits expanded by 6% y-o-y on an FX-adjusted basis and without the effect of the divestment of Romania. The expansion was driven by the household segment (+10%), while corporate + MSE deposits showed a more moderate pace (+2%), to a great extent driven by corporate deposit outflows in Hungary. It was positive that Hungarian household deposits expanded by 10% y-o-y. Uzbek deposits growth was outstanding (+48% y-o-y).

The Group's net loan to deposit ratio hit 74% at the end of 2024, up by 1 pp y-o-y.

The volume of **issued securities** without retail bonds increased by 32% y-o-y. The volume of retail bonds stood at HUF 85 billion at the end of 2024, down by 58% y-o-y. The subordinated bonds and loans line declined by 34% y-o-y. All these changes were primarily attributable to OTP Bank (Hungary).

The full-year net comprehensive income exceeded HUF 1,290 billion. **Shareholders' equity** increased by more than HUF 1,000 billion or 25% over the last 12 month. In June 2024 altogether HUF 150 billion dividend was paid to shareholders, equivalent of HUF 539.5 per dividend-eligible share. In 2024 the deduction from shareholders' equity due to treasury shares increased by HUF 125 billion: first, the available HUF 60 billion amount under the first treasury share buyback program which started after the central bank's single permission dated 12 February 2024, was utilized on 13 August. Furthermore, on 22 August 2024 OTP Bank received another single permission from the National Bank of Hungary to repurchase own shares in the total amount of HUF 60 billion, under which treasury shares worth HUF 55 billion were repurchased until the end of 2024, while the available amount was fully utilized on 13 January 2025.

Consolidated capital adequacy ratios (in accordance with BASEL III)

At the end of 2024, the consolidated Common Equity Tier 1 (CET1) ratio according to IFRS and under the prudential scope of consolidation was 18.9%, marking 2.3 pps increase against the end of 2023. In the absence of AT1 instruments, this equals to the Tier 1 ratio. The consolidated capital adequacy ratio (CAR) stood at 20.3% at the end of December, underpinning an increase of 1.4 pps y-o-y.

At the end of 2024, the effective regulatory minimum requirement for the consolidated Tier 1 capital adequacy ratio (without P2G) was 12.5% which also incorporated the effective SREP rate, whereas the minimum CET1 requirement was 10.7%.

Consolidated risk weighted assets (RWA) under the prudential scope of consolidation grew by 8% in the course of 2024. Within that, credit risk related RWA went up by 8%, or HUF 1,714 billion, mainly driven by FX effect (+HUF 1,050 billion y-o-y RWA impact), organic and regulatory effects (+1,506) and the deconsolidation of Romanian entities (-842).

The consolidated Common Equity Tier1 (CET1) capital grew by 23% or HUF 897 billion y-o-y, mainly due to the eligible profit for the full-year amounting to HUF 815 billion after dividend deduction. In 2024 HUF 270 billion dividend was deducted, pursuant to the latest decision of the Management Committee. The final decision on the dividend amount will be made by the Annual General Meeting, upon the proposal of the Board of Directors.

Items related to the other comprehensive income induced altogether HUF 216 billion y-o-y increase in the CET1 capital, mainly due to currency rate changes (revaluation reserves increased by HUF 190 billion y-o-y). This was partly counterbalanced by the HUF 126 billion y-o-y increase in the deduction relating to repurchased own shares.

MREL adequacy

As a result of recently raised MREL-eligible funds, against the mandatory minimum requirement of 24.2% for 31 December 2024, the MREL adequacy ratio of OTP Group reached 30.1% at the end of 2024. The ratio improved by 5.0 pps versus end-2023 . In the course of 2024, OTP Bank issued EUR 1.84 billion equivalent MREL-eligible bonds. In 2024 OTP Bank redeemed altogether EUR 900 million MREL-eligible bonds.

Credit rating, shareholder structure

At the end of 2024, the following credit ratings were in place:

- 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 is 'BB';
- the Senior Preferred bond rating by Moody's is 'Baa3', while the dated subordinated FX debt rating is 'Ba2'. On 4 December 2024, Moody's reaffirmed OTP Bank's ratings, and changed the outlook on long-term HUF and FX deposit ratings from stable to positive, and changed the outlook on the Senior Preferred debt from stable to negative. The outlook on the 'Baa3' long term issuer rating of OTP Mortgage Bank was also changed to negative; the mortgage bond rating is 'A1';
- OTP Bank Plc' issuer rating and Senior Preferred bond rating at Scope Ratings is 'BBB+', the Senior Non-Preferred rating is 'BBB' and the subordinated debt rating is 'BB+'; all carry a stable outlook;
- 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 2024 the following investors had more than 5% influence (voting rights) in the Company: MOL Plc. (the Hungarian Oil and Gas Company, 8.79%), and Groupama Group (5.22%).

POST-BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 21 February 2025.

Hungary

- On 13 January 2025 OTP Bank's share buyback program approved by the central bank on 22 August 2024 reached its maximum available amount of HUF 60 billion.
- On 24 January 2025 the Bank got another approval from the Hungarian National Bank to repurchase own shares in the amount of HUF 60 billion. The available amount was exhausted on 10 February 2025.
- From 13 January 2025 the consolidated MREL requirement is determined at 18.60% of the total risk exposure amount (RWA) and 6.02% of the total exposure measure (TEM) of the Resolution Group. The consolidated MREL requirement of OTP Bank applicable until this date was 18.94% and 5.78%. OTP Bank's Resolution Group consists of entities included in the prudential scope of consolidation of OTP Bank without the Slovenian OTP banka d.d. and its subsidiaries. Pursuant to the CRD OTP Bank has to meet the combined buffer requirement in addition to its MREL TREA requirement as institutions shall not use CET1 capital that is maintained to meet the combined buffer requirement to meet the risk-based component of the MREL requirement. This principle is applicable to the MREL TREA subordination requirement as well.
- On 30 January Tier 2 notes have been issued in the aggregate nominal amount of USD 750 million. The notes carry an annual coupon of 7.3% due semi-annually. The tenor was 10.5NC5.5, i.e. in the period between five and five and a half years the bonds can be redeemed on any day. The notes were listed on the Luxembourg Stock Exchange.
- On 7 February the EUR 500 million Fixed to Floating Rate Perpetual Subordinated Notes have been redeemed and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.
- On 17 February OTP Bank announced the redemption of its €650,000,000 7.350 per cent. Senior Preferred Fixed-to-Floating Callable Notes due 2026 with the optional redemption date of 4 March 2025.
- As of end of February, the banking sector related key initiatives of the 'New Economic Policy Action Plan' launched by government decree 1311/2024 (X. 21.), are as follows (based on the communication of the Government and submitted bills):
    - From 1 January 2025, minimum wage increased by 9%. For 2026 and 2027 further 13% and 14% hikes have been agreed as part of the three-year wage agreement, assuming that economic growth and inflation will be in line with the expectations.
    - From 2 January 2025 the Workers' Loan Program is available at Hungarian banks. The loan is designed for young people aged 17-25 who are not eligible for student loans and who are employed in Hungary for at least 20 hours a week, or entrepreneurs who have an average income and undertake to work or run a business in Hungary for a minimum of five years. The maximum amount of the interest-free, free use, state-guaranteed loan facility is HUF 4 million, with a term of 10 years. The scheme also provides support for childbearing, with repayments suspended for two years following the birth of the first and second child, and half of the current debt waived for the second child and the full debt waived after the third one.
    - From 1 January 2025, in case of green loans the loan-to-value limit was increased to 90%, furthermore the payment-to-income limit was increased to 60% regardless of the income.
    - On 1 January 2025, the home renovation program was reintroduced to support families in towns with less than 5,000 residents, covering up to 50% of labor- and material costs with a cap of HUF 3 million. Those who have already availed themselves of the 2021-2022 home renovation subsidy are only eligible to utilize the new subsidy up to the amount of the HUF 3 million that remains unused at that time. From 1 February 2025, a state subsidized home renovation mortgage loan with a client interest rate of 3% and with up to HUF 6 million loan amount is available to finance investment costs.
    - In 2025, voluntary pension fund savings can be used free of tax for housing loan repayments, repayment of secured loans, and modernization or renovation of existing homes. The total amount of voluntary pension savings could be utilized, but only up to the balance available as of 30 September 2024.
    - From 1 January 2025, monthly HUF 150,000 fringe benefit can be paid to the employees under the age of 35 in order to support housing expenses (home rental or loan installment) above the current preferential upper limit of HUF 450,000 per year.
    - Half of the accumulated amount on SZÉP Cards can be used for home renovation in 2025.

- Between 1 April and 31 October 2025, based on the individual decision of the participating banks, 5% interest rate cap will be available for under 35 years old, first-time home buyers for newly granted green housing loans, with properties under 60 square meter and price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan, the product has neither disbursement nor credit assessment fees.
- From 6 January 2025, as part of the Demján Sándor program, export stimulating loan and leasing structures are available in the total sum of HUF 400 billion, partly refinanced by EXIM Hungary. Some of the products are also available for enterprises planning to start export activities in the future.
- The interest rate of certain products under the Széchenyi Card Program MAX+ scheme was significantly reduced for contracts concluded after 1 March 2025: the interest rate on investment loans (Agricultural Investment Loan, Investment Loan) and the leasing scheme was reduced to 3%, while the interest rate on the Széchenyi Card Overdraft MAX+ (including the Tourism Card) and the Liquidity Loan was reduced to 4.5%. The uniform 0.5 pp reduction in client interest rates was facilitated by the burden sharing of KAVOSZ Ltd. (0.1 pp) and the banking sector (0.4 pp). The investment loans with the exceptionally favorable interest rate of the “GREEN” sub-structure are an exception to this, which are still available to businesses with a rate of 1.5%.

- Changes in the economic policy leadership:
  - As of 31 December 2024, pursuant to Act LXXXVI of 2024, the Ministry of Finance ceased to exist by merging into the Ministry of National Economy. Minister Márton Nagy remained in office unchanged as head of the Ministry of National Economy.
  - As of 4 March 2025, the President of the Republic appointed Mihály Varga, the former Minister of Finance, to head the National Bank of Hungary.

- Based on preliminary data published by the Central Statistical Office on 30 January 2025, the performance of the Hungarian economy increased by 0.5% q-o-q and 0.4% y-o-y in the fourth quarter. With this, the annual growth in 2024 was 0.6%. The average inflation in 2024 was 3.7%.

- The Financial Stability Council of the Hungarian National Bank announced an extension to the central bank's green capital requirement relief programs for credit institutions. The deadline for these programs was extended by one year, until the end of December 2026. The decision on whether to grant further annual extensions will be made based on a professional indicator system. Additionally, from 31 January 2025, the range of exposures that can be included in the discount program was further expanded.

Moldova

- On 10 January 2025, the National bank of Moldova raised the base interest rate by 200 basis points, from 3.6% to 5.6%.

- On 5 February 2025, the National Bank of Moldova further raised the base rate by 90 basis points to 6.5%.

Ukraine

- According to the announcement on 6 January 2025, the European Bank for Reconstruction and Development (EBRD) will be supporting the lending activities of OTP's subsidiary bank in Ukraine through a scheme that facilitates the sharing of portfolio risk. The risk-sharing instrument will enable the Ukrainian subsidiary to provide new financing to the local private business sector, amounting to EUR 200 million. The credit risks of these enterprises will be covered by the scheme, with the coverage amounting to 50 percent of the outstanding debt.

- On 23 January 2025, the National Bank of Ukraine raised the policy rate by 100 basis points to 14.5%.

Slovenia

- On 30 January 2025, ECB cut the policy rate by 25 basis points from 3.00% to 2.75%.

An event, that occurred in January 2025 regarding an item reported in the Group’s books as a receivable from lending activities, was identified by the Group as a post-balance sheet event. The Group believes that the event has no retrospective effect for 2024 concerning Stage classification, therefore the Group did not change the Stage 2 classification of the affected receivable as of 31 December 2024. However, given that the Group obtained additional information regarding the circumstances that previously justified the Stage 2 classification, the Group recognized an additional HUF 13.9 billion impairment loss for the receivable in the Stage 2 category for 2024.

CONSOLIDATED PROFIT AFTER TAX BREAKDOWN BY SUBSIDIARIES (IFRS)[31] – NEW METHODOLOGY

	2023 HUF million	2024 HUF million	Change %/pps
Consolidated profit after tax	**990,459**	**1,076,139**	**9**
Adjustments (after tax)	85,507	0	(100)
Consolidated adjusted profit after tax	**904,952**	**1,076,139**	**19**
Banks total[1]	848,803	1,001,112	18
OTP Core (Hungary)[2]	233,871	270,387	16
DSK Group (Bulgaria)[3]	198,182	200,765	1
OTP Bank Slovenia[4]	112,342	113,282	1
OBH (Croatia)[5]	53,333	61,743	16
OTP Bank Serbia[6]	58,211	66,496	14
Ipoteka Bank (Uzbekistan)[7]	(15,422)	52,893	
OTP Bank Ukraine[8]	44,908	41,179	(8)
CKB Group (Montenegro)[9]	21,358	24,194	13
OTP Bank Albania[10]	11,603	19,686	70
OTP Bank Moldova	14,624	11,492	(21)
OTP Bank Russia[11]	95,674	136,946	43
OTP Bank Romania[12]	20,120	2,050	(90)
Leasing	6,647	10,842	63
Merkantil Group (Hungary)[13]	6,647	10,842	63
Asset Management	19,861	24,747	25
OTP Asset Management (Hungary)	19,673	24,624	25
Foreign Asset Management Companies[14]	188	123	(34)
Other Hungarian Subsidiaries	35,972	24,369	(32)
Other Foreign Subsidiaries[15]	986	(939)	
Eliminations	(7,317)	16,009	
Adjusted profit after tax of the Hungarian operation[16]	298,679	340,617	14
Adjusted profit after tax of the Foreign operation[17]	606,274	735,523	21
Share of Hungarian contribution to the adjusted profit after tax	33%	32%	(1)
Share of Foreign contribution to the adjusted profit after tax	67%	68%	1

[31] Belonging footnotes are in the Supplementary data section of the Report.

CONSOLIDATED PROFIT AFTER TAX BREAKDOWN BY SUBSIDIARIES (IFRS) – OLD METHODOLOGY

	2023 HUF million	2024 HUF million	Change %/pps
Consolidated profit after tax	**990,459**	**1,076,139**	**9**
Adjustments (after tax)	(18,123)	(69,342)	283
Consolidated adjusted profit after tax	**1,008,583**	**1,145,481**	**14**
Banks total[1]	946,279	1,079,094	14
OTP Core (Hungary)[2]	302,935	338,075	12
DSK Group (Bulgaria)[3]	201,992	204,648	1
OTP Bank Slovenia[4]	128,730	122,464	(5)
OBH (Croatia)[5]	53,959	61,743	14
OTP Bank Serbia[6]	68,026	66,496	(2)
Ipoteka Bank (Uzbekistan)[7]	(21,857)	48,809	
OTP Bank Ukraine[8]	45,184	41,179	(9)
CKB Group (Montenegro)[9]	21,814	24,194	11
OTP Bank Albania[10]	15,032	19,686	31
OTP Bank Moldova	14,700	11,492	(22)
OTP Bank Russia[11]	95,665	136,946	43
OTP Bank Romania[12]	20,099	3,361	(83)
Leasing	10,267	12,326	20
Merkantil Group (Hungary)[13]	10,267	12,326	20
Asset Management	19,861	24,747	25
OTP Asset Management (Hungary)	19,673	24,624	25
Foreign Asset Management Companies[14]	188	123	(34)
Other Hungarian Subsidiaries	30,570	24,411	(20)
Other Foreign Subsidiaries[15]	986	(939)	
Eliminations	620	5,842	842
Adjusted profit after tax of the Hungarian operation[16]	365,979	409,831	12
Adjusted profit after tax of the Foreign operation[17]	642,604	735,650	14
Share of Hungarian contribution to the adjusted profit after tax	36%	36%	(1)
Share of Foreign contribution to the adjusted profit after tax	64%	64%	1

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME – NEW METHODOLOGY

Main components of the adjusted Statement of recognized income	2023 HUF million	2024 HUF million	Change %
Consolidated profit after tax	**990,459**	**1,076,139**	**9**
Adjustments (after tax)	85,507	0	(100)
Goodwill impairment charges (after tax)	0	0	
Direct effect of acquisitions (after tax)	85,507	0	(100)
Consolidated adjusted profit after tax	904,952	1,076,139	19
Profit before tax	1,179,224	1,386,883	18
Operating profit	1,265,909	1,545,377	22
Total income	2,245,706	2,633,908	17
Net interest income	1,461,850	1,782,604	22
Net fees and commissions	478,119	545,631	14
Other net non-interest income	305,737	305,673	0
Foreign exchange result, net	123,313	163,475	33
Gain/loss on securities, net	(2,999)	12,410	(514)
Net other non-interest result	185,423	129,788	(30)
Operating expenses	(979,797)	(1,088,531)	11
Personnel expenses	(506,465)	(564,374)	11
Depreciation	(100,458)	(118,628)	18
Other expenses	(372,874)	(405,529)	9
Total risk costs	(86,685)	(158,494)	83
Provision for impairment on loan losses	(71,690)	(89,864)	25
Other provision	(14,995)	(68,631)	358
Corporate taxes	(274,272)	(310,743)	13
Performance indicators	2023	2024	%/pps
ROE (from profit after tax)	27.2%	23.5%	(3.7)
ROE (from adjusted profit after tax)	24.9%	23.5%	(1.4)
ROA (from profit after tax)	2.7%	2.6%	(0.1)
ROA (from adjusted profit after tax)	2.4%	2.6%	0.1
Operating profit margin	3.41%	3.71%	0.30
Total income margin	6.04%	6.32%	0.28
Net interest margin	3.93%	4.28%	0.34
Net fee and commission margin	1.29%	1.31%	0.02
Net other non-interest income margin	0.82%	0.73%	(0.09)
Cost-to-asset ratio	2.64%	2.61%	(0.03)
Cost/income ratio	43.6%	41.3%	(2.3)
Provision for impairment on loan losses-to-average gross loans ratio	0.34%	0.38%	0.05
Total risk cost-to-asset ratio	0.23%	0.38%	0.15
Effective tax rate	23.3%	22.4%	(0.9)
Non-interest income/total income	35%	32%	(3)
EPS base (HUF) (from profit after tax)	3,695	4,052	10
EPS diluted (HUF) (from profit after tax)	3,693	4,050	10
EPS base (HUF) (from adjusted profit after tax)	3,382	4,068	20
EPS diluted (HUF) (from adjusted profit after tax)	3,380	4,066	20
Comprehensive Income Statement	2023	2024	%
Consolidated profit after tax	990,459	1,076,140	9
Fair value changes of financial instruments measured at fair value through other comprehensive income	78,419	47,751	(39)
Net investment hedge in foreign operations	(2,707)	(27,310)	909
Foreign currency translation difference	(200,928)	195,152	(197)
Change of actuarial costs (IAS 19)	(400)	(923)	131
Net comprehensive income	**864,843**	**1,290,810**	**49**
o/w Net comprehensive income attributable to equity holders	863,714	1,286,097	49
Net comprehensive income attributable to non-controlling interest	1,129	4,713	317
Average exchange rate[1] of the HUF	2023 HUF	2024 HUF	Change %
HUF/EUR	382	395	3
HUF/CHF	393	415	6
HUF/USD	353	365	3

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

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME – OLD METHODOLOGY

Main components of the adjusted Statement of recognized income	2023 HUF million	2024 HUF million	Change %
Consolidated profit after tax	**990,459**	**1,076,139**	**9**
Adjustments (after tax)	(18,123)	(69,342)	283
Dividends and net cash transfers (after tax)	(1,911)	0	(100)
Goodwill/investment impairment charges (after tax)	(3,919)	0	(100)
Special tax on financial institutions (after tax)	(62,551)	(45,452)	(27)
Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia (after tax)	(32,898)	(9,411)	(71)
Effect of the winding up of Sberbank Hungary (after tax)	10,389	0	(100)
Effect of acquisitions (after tax)	64,886	12,033	(81)
Result of the treasury share swap agreement (after tax)	10,680	11,556	8
Impairments on Russian government bonds at OTP Core and DSK Bank (after tax)	(2,799)	(38,068)	
Consolidated adjusted profit after tax	1,008,583	1,145,481	14
Profit before tax	1,222,328	1,415,617	16
Operating profit	1,260,850	1,521,636	21
Total income	2,224,584	2,607,481	17
Net interest income	1,459,694	1,778,520	22
Net fees and commissions	478,146	545,631	14
Other net non-interest income	286,745	283,329	(1)
Foreign exchange result, net	123,314	(13,754)	(111)
Gain/loss on securities, net	1,994	3,090	55
Net other non-interest result	161,436	293,993	82
Operating expenses	(963,734)	(1,085,845)	13
Personnel expenses	(503,959)	(564,374)	12
Depreciation	(95,561)	(118,628)	24
Other expenses	(364,215)	(402,844)	11
Total risk costs	(38,521)	(106,018)	175
Provision for impairment on loan losses	(34,781)	(79,522)	129
Other provision	(3,741)	(26,496)	608
Corporate taxes	(213,746)	(270,136)	26
Performance indicators	2023	2024	%/pps
ROE (from profit after tax)	27.2%	23.5%	(3.7)
ROE (from adjusted profit after tax)	27.7%	25.0%	(2.7)
ROA (from profit after tax)	2.7%	2.6%	(0.1)
ROA (from adjusted profit after tax)	2.7%	2.7%	0.0
Operating profit margin	3.39%	3.65%	0.26
Total income margin	5.99%	6.25%	0.27
Net interest margin	3.93%	4.27%	0.34
Net fee and commission margin	1.29%	1.31%	0.02
Net other non-interest income margin	0.77%	0.68%	(0.09)
Cost-to-asset ratio	2.59%	2.60%	0.01
Cost/income ratio	43.3%	41.6%	(1.7)
Provision for impairment on loan losses-to-average gross loans ratio	0.16%	0.34%	0.18
Total risk cost-to-asset ratio	0.10%	0.25%	0.15
Effective tax rate	17.5%	19.1%	1.6
Non-interest income/total income	34%	32%	(3)
EPS base (HUF) (from profit after tax)	3,695	4,052	10
EPS diluted (HUF) (from profit after tax)	3,693	4,050	10
EPS base (HUF) (from adjusted profit after tax)	3,769	4,330	15
EPS diluted (HUF) (from adjusted profit after tax)	3,767	4,328	15
Comprehensive Income Statement	2023	2024	%
Consolidated profit after tax	990,459	1,076,140	9
Fair value changes of financial instruments measured at fair value through other comprehensive income	78,419	47,751	(39)
Net investment hedge in foreign operations	(2,707)	(27,310)	909
Foreign currency translation difference	(200,928)	195,152	
Change of actuarial costs (IAS 19)	(400)	(923)	131
Net comprehensive income	**864,843**	**1,290,810**	**49**
o/w Net comprehensive income attributable to equity holders	863,714	1,286,097	49
Net comprehensive income attributable to non-controlling interest	1,129	4,713	317
Average exchange rate[1] of the HUF	2023 HUF	2024 HUF	Change %
HUF/EUR	382	395	3
HUF/CHF	393	415	6
HUF/USD	353	365	3

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

ASSET-LIABILITY MANAGEMENT

Similar to previous periods OTP Group maintained a strong and safe liquidity position…

The primary objective of OTP Bank in terms of asset-liability management has not changed, that is to ensure that the Group's liquidity is maintained at a safe level.

Refinancing sources of the European Central Bank are available for OTP (ECB repo eligible securities portfolio on Group level exceeded EUR 8.9 billion).

Total liquidity reserves of OTP Bank remained steadily and substantially above the safety level. As at 31 December 2024 the gross liquidity buffer was around EUR 9.8 billion equivalent. The level of these buffers is significantly higher than the maturing debt within one year and the reserves required to manage possible liquidity shocks.

As at 31 December 2024 OTP Group's consolidated liquidity coverage (LCR) ratio was 266% (4Q 2023: 246%) while NSFR compliance has remained comfortable (4Q 2024: 158%).

In 2024, OTP Bank raised a total of EUR 1.88 billion in MREL funds from the international capital market, of which public senior preferred bond issuances accounted for EUR 1.8 billion. The difference between these two numbers was explained by a Chinese Yuan issuance equivalent of EUR 38 million and a bilateral loan of EUR 50 million. Additionally, the Bank redeemed MREL funds in the notional amount of EUR 0.9 billion, which included EUR 500 million in Tier 2 capital instruments and EUR 400 million in senior preferred bonds. In the course of 2024 the volume of bonds issued under the Bank's domestic bond program declined by almost HUF 100 billion.

OTP Mortgage Bank issued mortgage bonds with a total face value of HUF 190 billion, while HUF 271 billion matured during the year.

On the international capital market, OTP Bank Slovenia redeemed EUR 300 million Senior Preferred in January 2024, which was replaced by a EUR 300 million Senior Preferred bond issuance in April, furthermore, in October, it also redeemed a EUR 90.4 million Tier 2 capital instrument, which was not refinanced. Ipoteka Bank executed a senior unsecured note issuance equivalent to USD 108 million in local currency, refinancing a senior unsecured note maturity equivalent to USD 64 million.

…and kept its interest-rate risk exposures low

Due to the liabilities which respond to yield changes only to a moderate extent, the Bank has an interest-rate risk exposure resulting from its business operations. The Bank considers the reduction and closing of this exposure as a strategic matter.

The stock of HUF denominated variable interest rate assets stabilized in 2024, as with the normalization of the yield environment, the balance sheet distorting effect of government interventions decreased somewhat recently. Overall, HUF interest rate risk position can be considered currently nearly closed. However, due to the upcoming maturities of the long-term HUF liquid asset portfolio and the operating profit accumulation, the amount of variable rate asset surplus is expected to increase as time passes.

In case of EUR and BGN denominated volumes the Group has variable rate asset surplus, thus an open interest rate risk position. The Group continued to purchase fixed rate EUR (and BGN) assets in 2024, furthermore entered into fixed interest rate receiver swap positions, in order to hedge the Group's net interest income from the negative effects of potential decrease in the EUR yields.

Market Risk Exposure of OTP Group

The consolidated capital requirement of the trading book positions, the counterparty risk and the FX risk exposure represented HUF 49.5 billion in total.

OTP Group is an active participant of the international FX and derivative market. Open FX positions of group members are restricted to individual and global net open position limits (overnight and intraday), and to stop-loss limits. The open positions of the group members outside Hungary except for the Bulgarian DSK Bank – the EUR/BGN exposure of DSK under the current exchange rate regime does not represent real risk – were negligible measured against either the balance sheet total or the regulatory capital. Therefore, the group level FX exposure was concentrated at OTP Bank.

In order to mitigate the FX rate sensitivity of the consolidated equity, OTP Bank Plc. has opened a short euro open FX position; the revaluation result of which is recognized directly against equity.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OTP GROUP

Main components of the adjusted balance sheet	2023 HUF million	2024 HUF million	Change %
TOTAL ASSETS	**39,609,144**	**43,419,128**	**10**
Cash, amounts due from Banks and balances with the National Banks	7,324,636	6,079,032	(17)
Placements with other banks, net of allowance for placement losses	1,575,145	1,891,901	20
Securities at fair value through profit or loss	290,975	744,104	156
Securities at fair value through other comprehensive income	1,640,891	1,705,554	4
Net customer loans	21,447,380	23,361,638	9
Net customer loans (FX-adjusted[1])	22,549,534	23,361,638	4
Gross customer loans	22,466,415	24,334,694	8
Gross customer loans (FX-adjusted[1])	23,610,743	24,334,694	3
Gross performing (Stage 1+2) customer loans (FX-adjusted[1])	**22,596,102**	**23,447,715**	**4**
o/w Retail loans	12,169,212	13,479,550	11
Retail mortgage loans (incl. home equity)	6,107,945	6,496,939	6
Retail consumer loans	5,034,799	6,070,193	21
SME loans	1,026,467	912,418	(11)
Corporate loans	8,914,511	8,321,927	(7)
Leasing	1,512,379	1,646,237	9
Allowances for loan losses	(1,019,035)	(973,056)	(5)
Allowances for loan losses (FX-adjusted[1])	(1,061,208)	(973,056)	(8)
Associates and other investments	96,346	124,524	29
Securities at amortized costs	5,475,701	7,447,741	36
Tangible and intangible assets, net	878,949	985,886	12
o/w Goodwill, net	66,932	71,308	7
Tangible and other intangible assets, net	812,017	914,578	13
Other assets	879,121	1,078,749	23
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**39,609,144**	**43,419,128**	**10**
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	2,013,333	2,094,681	4
Deposits from customers	29,428,284	31,666,399	8
Deposits from customers (FX-adjusted[1])	**30,937,627**	**31,666,399**	**2**
o/w Retail deposits	20,392,811	21,415,108	5
Household deposits	17,013,471	18,002,762	6
SME deposits	3,379,340	3,412,347	1
Corporate deposits	10,544,816	10,251,290	(3)
Accrued interest payable related to customer deposits	0	0	
Liabilities from issued securities	2,095,548	2,593,124	24
o/w Retail bonds	201,131	85,401	(58)
Liabilities from issued securities without retail bonds	1,894,418	2,507,723	32
Other liabilities	1,414,790	1,575,553	11
Subordinated bonds and loans	562,396	369,359	(34)
Total shareholders' equity	**4,094,793**	**5,120,012**	**25**
Indicators	2023	2024	%/pps
Loan/deposit ratio	76%	77%	1
Loan/deposit ratio (FX-adjusted[1])	76%	77%	1
Net loan/deposit ratio (FX adjusted)	73%	74%	1
Stage 1 loan volume under IFRS 9	18,570,222	20,279,860	9
Stage 1 loans under IFRS 9/gross customer loans	82.7%	83.3%	0.7
Own coverage of Stage 1 loans under IFRS 9	0.9%	0.8%	(0.1)
Stage 2 loan volume under IFRS 9	2,926,312	3,167,854	8
Stage 2 loans under IFRS 9/gross customer loans	13.0%	13.0%	0.0
Own coverage of Stage 2 loans under IFRS 9	9.2%	9.2%	0.1
Stage 3 loan volume under IFRS 9	969,881	886,981	(9)
Stage 3 loans under IFRS 9/gross customer loans	4.3%	3.6%	(0.7)
Own coverage of Stage 3 loans under IFRS 9	60.8%	59.5%	(1.3)
Consolidated capital adequacy - Basel3, IFRS, according to prudential scope of consolidation	2023	2024	%/pps
Capital adequacy ratio	18.9%	20.3%	1.4
Tier1 ratio	16.6%	18.9%	2.3
Common Equity Tier 1 ('CET1') capital ratio	16.6%	18.9%	2.3
Own funds	4,475,380	5,200,375	16
o/w Tier1 Capital	3,945,570	4,842,978	23
o/w Common Equity Tier 1 capital	3,945,570	4,842,978	23
Tier2 Capital	529,810	357,397	(33)
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	23,700,282	25,576,776	8
o/w RWA - Credit risk RWA	21,275,002	22,988,686	8
RWA - Market & Operational risk	2,425,281	2,588,090	7
Closing exchange rate of the HUF	2023 HUF	2024 HUF	Change %
HUF/EUR	383	410	7
HUF/CHF	412	435	6
HUF/USD	346	394	14

[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 BANK'S HUNGARIAN CORE BUSINESS

Starting from the first quarter of 2024, Bajor-Polár Center Real Estate Management Ltd., CIL Babér Ltd., BANK CENTER No. 1. Investment and Development Ltd., and MFM Project Investment and Development Ltd. were included into OTP Core. Previously, these companies were presented in the Other Hungarian Subsidiaries segment, but their main business activity is letting property to OTP Bank. In 4Q 2024, MFM Project Investment and Development Ltd and Bajor-Polár Center Real Estate Management Ltd merged into BANK CENTER No. 1. Investment and Development Ltd. At the same time OTP Facility Management Ltd., which was already part of OTP Core before 2024, merged into CIL Babér Ltd.

OTP Core Statement of recognized income:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	**500,869**	**806,827**	**61**
Dividend received from subsidiaries	187,726	424,380	126
Profit after tax without received dividend	313,143	382,447	22
Adjustments (without dividend received from subsidiaries, after tax)	79,272	112,060	41
Adjusted profit after tax	**233,871**	**270,387**	**16**
Profit before tax	359,862	374,636	4
Operating profit	360,944	425,303	18
Total income	774,869	868,382	12
Net interest income	432,651	578,001	34
Net fees and commissions	197,341	219,505	11
Other net non-interest income	144,877	70,876	(51)
Operating expenses	(413,925)	(443,078)	7
Total risk costs	(1,082)	(50,667)	
Provision for impairment on loan losses	(11,164)	(994)	(91)
Other provisions	10,083	(49,673)	
Corporate income tax	(125,991)	(104,250)	(17)
Indicators	2023	2024	pps
ROE (adjusted)	11.0%	9.6%	(1.4)
ROA (adjusted)	1.2%	1.3%	0.1
Operating profit margin	1.89%	2.12%	0.23
Total income margin	4.06%	4.32%	0.27
Net interest margin	2.26%	2.88%	0.61
Net fee and commission margin	1.03%	1.09%	0.06
Net other non-interest income margin	0.76%	0.35%	(0.41)
Operating costs to total assets ratio	2.2%	2.2%	0.0
Cost/income ratio	53.4%	51.0%	(2.4)
Provision for impairment on loan losses / average gross loans[1]	0.17%	0.01%	(0.16)
Effective tax rate	35.0%	27.8%	(7.2)

[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)	2023 HUF million	2024 HUF million	Change %
Total Assets	18,459,423	19,288,046	4
Financial assets[1] (net)	9,630,766	9,813,107	2
Net customer loans	6,329,293	6,812,154	8
Net customer loans (FX-adjusted)	6,429,314	6,812,154	6
Gross customer loans	6,597,968	7,077,532	7
Gross customer loans (FX-adjusted)	6,700,811	7,077,532	6
Stage 1+2 customer loans (FX-adjusted)	**6,436,152**	**6,801,393**	**6**
Retail loans	3,752,741	4,127,150	10
Retail mortgage loans (incl. home equity)	1,722,831	1,939,281	13
Retail consumer loans	1,515,044	1,667,716	10
SME loans	514,865	520,154	1
Corporate loans	2,683,411	2,674,243	0
Provisions	(268,675)	(265,378)	(1)
Provisions (FX adjusted)	(271,497)	(265,378)	(2)
Tangible and intangible assets (net)	296,425	403,473	36
Shares and equity investments (net)	1,890,681	1,995,219	6
Other assets (net)	312,258	264,094	(15)
Deposits from customers	10,780,256	10,913,995	1
Deposits from customers (FX-adjusted)	**11,015,593**	**10,913,995**	**(1)**
Retail deposits	6,264,408	6,794,456	8
Household deposits	4,831,762	5,311,198	10
SME deposits	1,432,646	1,483,258	4
Corporate deposits	4,751,185	4,119,506	(13)
Liabilities to credit institutions	2,326,311	1,903,955	(18)
Issued securities	1,877,094	2,397,615	28
o/w: Retail bonds	201,131	92,692	(54)
Subordinated bonds and loans	507,277	347,117	(32)
Total shareholders' equity	2,371,964	3,053,832	29
Loan Quality	2023	2024	%/pps
Stage 1 loan volume under IFRS 9 (in HUF million)	5,312,525	5,799,286	9
Stage 1 loans under IFRS 9/gross customer loans	80.5%	81.9%	1.4
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.5%	(0.3)
Stage 2 loan volume under IFRS 9 (in HUF million)	1,023,157	1,002,107	(2)
Stage 2 loans under IFRS 9/gross customer loans	15.5%	14.2%	(1.3)
Own coverage of Stage 2 loans under IFRS 9	7.8%	7.3%	(0.5)
Stage 3 loan volume under IFRS 9 (in HUF million)	262,285	276,139	5
Stage 3 loans under IFRS 9/gross customer loans	4.0%	3.9%	(0.1)
Own coverage of Stage 3 loans under IFRS 9	55.9%	58.2%	2.4
Market Share	2023	2024	pps
Loans	26.2%	26.6%	0.4
Deposits	28.3%	27.1%	(1.2)
Total Assets	28.2%	28.1%	(0.1)
Performance Indicators	2023	2024	pps
Net loans to deposits (FX adjusted)	58%	62%	4
Leverage (closing Shareholder's Equity/Total Assets)	12.8%	15.8%	3.0
Leverage (closing Total Assets/Shareholder's Equity)	7.8x	6.3x	(1.5x)
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	27.6%	29.3%	1.7
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	22.5%	25.8%	3.3

[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 2024, **OTP Core** generated HUF 806 billion profit after tax, including HUF 424 billion dividends received from subsidiaries.

During the year, items worth HUF 112 billion were presented amongst the adjustments at OTP Core, fully related to revaluation effect of the merger of the two Slovenian subsidiaries at the end of August, and not appearing at Group level. This item arose because a subsidiary directly owned by OTP Bank was merged into another company that was indirectly owned by the Bank. The amount presented as adjustment item was the result of the revaluation of SKB Banka to market value.

In 2024, OTP Core generated HUF 270 billion profit after tax without dividends from subsidiaries, 15% more than the HUF 234 billion profit in the base period. The improvement was strongly supported by net interest income, which surged by a third y-o-y from a low base. On the other hand, risk costs grew mainly as a result of increasing provision coverage rate on the Russian bonds in the Bank's balance sheet, and other income halved, owing to the drop in the fair value adjustment of the subsidized housing (CSOK) and baby loans.

The full-year amount of the special tax on financial institutions and the windfall tax, presented on the corporate tax line, totalled gross HUF 42.6 billion, and was accounted for in a lump sum in the first quarter. OTP Bank took the possibility of reducing the windfall tax by increasing the stock of Hungarian government bonds, as stipulated by the relevant regulation. In July 2024, the conditions for tax reduction were tightened; yet OTP Core realized HUF 5.9 billion reduction from the initial HUF 12.4 billion windfall tax payment obligation in 2024.

The adjusted profit before tax grew by 4% y-o-y. In 2024, operating profit improved by 18%, mainly as a result of the 34% jump in net interest income. This was to a great extent due to the improvement in net interest margin which hit rock bottom amid extremely high interest rate environment in the first half of 2023, then started to improve from the second half of 2023 after interest rate cuts began. The margin was also boosted by the turnaround in retail deposits: their declining trend that lasted until the end of 2023 broke in 4Q 2023, and the stock has been steadily expanding since then. Annual net interest margin rose by 61 basis points, to 2.88%.

Full-year net fees and commissions rose by 11% y-o-y, mainly supported by stronger income from fees on deposits, transactions, and securities commissions. Meanwhile, the financial transaction tax paid by the Bank grew by 25%, or HUF 25 billion, as a result of an increase in the transaction tax rates from 1 August 2024 and the introduction of the new FX conversion tax on 1 October.

In 2024, other income halved y-o-y. The main reason behind the HUF 74 billion drop was that the HUF 25.8 billion positive revaluation result of the subsidized CSOK and baby loans in 2024 was HUF 61.5 billion lower than in the previous year.

Annual operating expenses were 7% higher than a year earlier: the jump in amortization caused by IT investments was counterbalanced by moderately increasing personnel cost and other expenses growing at inflation rate. The latter was influenced by the y-o-y decline in supervisory charges, which fully offset the increase in IT and other costs. The annual cost/income ratio improved by 2.4 pps to 51%.

In 2024, total risk cost amounted to HUF 51 billion; of that, loan loss provisions made up HUF 1 billion, and other risk costs totalled HUF 50 billion. In case of credit risk costs, releases induced by the revision of risk parameters, as well as recoveries realized from receivables managed by OTP Factoring counterbalanced the HUF 10.4 billion provisioning triggered by the extension of the interest rate cap. Other risk cost was largely shaped by the HUF 38 billion impairment on the Bank's Russian government bond portfolio, and the revaluation of investments in 2Q.

Loan quality trends were favourable in 2024. In year-on-year comparison, the ratio of both Stage 3 (-0.1 pp) and Stage 2 (-1.3 pps) loans declined, in which the positive development in household loan quality played an eminent role. The drop in the Stage 3 ratio was supported by the sale of non-performing loans in 4Q. The coverage of Stage 3 loans improved by 2.4 pps y-o-y, to 58.2%.

Issued securities and total shareholders' equity (via the inclusion of full-year profit) generated 4% y-o-y growth in total liabilities and shareholders' equity. On the asset side this materialized in the increase in performing loans and financial assets.

The volume of performing (Stage 1+2) loans grew by 6% in 2024 (FX-adjusted), thanks to the strengthening demand for retail loans.

In the retail segment, performing mortgage loans' y-o-y growth rate accelerated to 13%. In 2024, 31% of customers decided to sign housing loan contract with OTP Bank; thereby, the amount of new housing loan contracts for both market-based and subsidized loans more than doubled y-o-y, in line with the market's growth. The voluntary interest rate cap on newly placed housing loans, applied by major banks in the first half of the year, expired on 30 June, but this only slightly reduced applications for housing loans in the second half of the year: after the decline in 3Q, the volume of loan applications picked up again in 4Q.

In 2024, the volume of CSOK subsidized housing loans applications amounted to HUF 126 billion. Thus the CSOK Plus loans, which have been available since 2024, made up more than 80% of the HUF 157 billion subsidized loan contracts signed in 2024.

Consumer loan volumes rose by 10% in 2024. The 15% y-o-y expansion in cash loans was the key driver of growth, in 2024 new cash loan disbursements surpassed that of the preceding year by more than 65%, exceeding the market dynamics. Baby loan disbursements were flat year-on-year, thus the stock grew by 7% y-o-y.

Corporate + MSE volumes stagnated y-o-y, affected by the repayment of a big ticket corporate loan in 3Q. Without that effect, the y-o-y growth would have been 5%.

OTP Bank’s market share in loans to non-financial corporations rose by 0.3 pp, to 19.5% since the end of 2023. The Széchenyi Card MAX+ loan programme generated HUF 370 billion new placement in 2024, resulting in 44% flow market share. Of the HUF 200 billion additional envelope of the Baross Gábor loan programme available from 2024 (exhausted in February 2024), Eximbank approved HUF 33 billion worth of deals for OTP Bank.

The FX-adjusted stock of deposits from customers was stable year-on-year. In a favourable development, household deposits grew by 10% y-o-y, supported by an increase in current account volumes as well by the ‘Persely’ (Piggy Bank) feature launched at the end of 2023. There was an outflow from corporate + MSE deposits at the end of the year, accordingly, the closing stock contracted by 9% compared to the end of 2023, but the annual average stock deposits from companies remained stable.

As a result of the Bank’s active presence on capital markets, the volume of issued securities (without retail bonds) surged by 38% y-o-y. At the end of 2024 the volume of retail bonds reached HUF 85 billion. In 2024, a total amount of EUR 1.8 billion international public bond issuances and a private placement of CNY 300 million were carried out; all bonds were MREL-eligible securities. The annual portfolio dynamics were significantly influenced by the fact that the Bank exercised the call option for two previously issued securities in July 2024, totalling EUR 900 million (of which EUR 500 million were Tier 2 bonds presented under subordinated bonds and loans). In the course of 2024 the volume of bonds issued under the Bank’s domestic bond program declined by almost HUF 100 billion. OTP Mortgage Bank issued mortgage bonds with a total face value of HUF 190 billion, while HUF 271 billion matured during the year.

Recently the following relevant **regulatory changes** were announced in Hungary:

- **Windfall tax:**
    - Government decree No. 206/2023 (V.31.) published on 31 May 2023 outlined the details of the extra profit tax payable by credit institutions in 2024. The basis of the tax is the 2022 profit before tax adjusted for several items. The tax rate is 13% for the part of the tax base not exceeding HUF 20 billion, and 30% for the amount above that. According to the decree, if the average amount of Hungarian government bonds owned by the financial institution increases over a certain period, the windfall tax payable by the credit institution can be reduced. The reduction cannot be more than 10% of the increase in government bond holdings and cannot exceed 50% of the windfall tax payment obligation calculated without the reduction.
    - The ruling was amended according to Government Decree No. 183/2024. (VII. 8.) as the windfall tax burden in 2024 can be reduced in proportion to the growth of government bonds maturing after 2027 only if the total volume of government bonds increases at least with the same amount. The reduction can be up to 10% of the growth in the notional of government bonds, but not more than 50% of the windfall tax payment obligation.
    - In 2024 the gross amount of the windfall tax was HUF 13 billion in the case of the Hungarian Group members, from which the increase in government bond holdings allowed for HUF 6.2 billion reduction, resulting in HUF 6.8 billion windfall tax burden.
    - According to Government Decree No. 356/2024 (XI. 21.) published on 21 November 2024, in 2025 the windfall profit tax burden payable by OTP Group’s Hungarian group members might be around HUF 53 billion (before corporate income tax), assuming the full utilization of the reduction opportunity related to the increase in the stock of government securities.

- **Interest rate cap**:
  - 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, and it was terminated that after.
  - On 20 June 2024, Government Decree No. 130/2024 (VI.20) enacted the extension of the interest rate cap on certain housing loans, until 31 December 2024.
  - On 2 December 2024, Government Decree No. 374/2024 (XII.2) enacted the extension of the interest rate cap on certain housing loans, until 30 June 2025.
- **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. The voluntary interest rate cap expired on 30 June 2024. OTP Bank participated in the initiative.
  - Between 1 April and 31 October 2025, as part of the government's 'New Economic Policy Action Plan', based on the individual decision of the participating banks, 5% interest rate cap will be available for under 35 years old, first-time home buyers for newly granted green housing loans, with properties under 60 square meter and price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan, and the product will be free of disbursement and credit assessment fees.
- **Family support schemes and economic stimulus measures:**
  - The government extended childbirth pledge deadline until 1 July 2026, for all baby loan borrowers whose deadline was or will be between 1 July 2024 and 30 June 2026, based on Government Decree No. 190/2024. (VII. 8.).

    The government decrees of 388/2024 (XII. 11.) and 437/2024 (XII. 23.) have amended the terms and conditions for the subsidized baby loan so the interest-free feature of the loan may be regained in certain cases and the eligibility age limit for wives increased from 30 the 35 years.
  - On 5 April 2024, the government announced a new subsidized home renovation loan programme, which began on 1 July 2024. The loan, with maximum amount of HUF 7 million and up to 12 years term, is available in OTP Bank's branches that function as 'MFB points', for the purpose of energy efficiency improvement of family houses built before 1990.
  - From 1 November 2024, the client interest rate of Széchenyi Card Programme's investment loan products for Hungarian micro, small and medium-sized enterprises was lowered to fixed 3.5%, from the previous 5%.
- **Capital regulation:**
  - On 20 June 2024, the National Bank of Hungary raised the countercyclical capital buffer rate to 1%, effective from 1 July 2025. In its meeting of 27 June 2024, the central bank left the systemic risk capital buffer unchanged at 0%.
  - MREL minimum requirement: effective from 1 January 2025, the National Bank of Hungary imposed the below additional capital requirements for OTP Group, on consolidated level:
    - 1.01%-points in case of the Common Equity Tier1 (CET1) capital, accordingly the minimum requirement for the consolidated CET1 ratio is 5.51% (without regulatory capital buffers);
    - 1.34%-points in case of the Tier1 capital, accordingly the minimum requirement for the consolidated Tier1 ratio is 7.34% (without regulatory capital buffers);
    - 1.79%-points in case of the Total SREP Capital Requirement (TSCR), accordingly the minimum requirement for the consolidated capital adequacy ratio is 9.79% (without regulatory capital buffers).
- In government decision 1311/2024. (X. 21.), Hungary's government announced the 21-step 'New Economic Policy Action Plan', the elements of which, launched after 1 January 2025, are detailed in the Post-balance sheet events section.

OTP FUND MANAGEMENT (HUNGARY)

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

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	19,673	24,624	25
Adjustments (after tax)	0	0	
Adjusted profit after tax	19,673	24,624	25
Income tax	(2,491)	(2,578)	3
Profit before income tax	22,165	27,202	23
Operating profit	22,193	27,138	22
Total income	27,771	32,753	18
Net fees and commissions	25,923	30,321	17
Other net non-interest income	1,846	2,389	29
Operating expenses	(5,578)	(5,615)	1
Total provisions	(28)	64	
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	39,461	43,750	11
Total shareholders' equity	28,741	29,409	2
Asset under management	2023 HUF billion	2024 HUF billion	%
Assets under management, total (w/o duplicates)[1]	**3,086**	**4,071**	**32**
Volume of investment funds (closing, w/o duplicates)	2,609	3,507	34
Volume of managed assets (closing)	477	563	18
Volume of investment funds (closing, with duplicates)[2]	**3,532**	**4,648**	**32**
bond	1,924	2,556	33
mixed	336	637	90
absolute return	370	507	37
equity	331	499	51
money market	484	340	(30)
commodity market	70	91	29
guaranteed	17	19	12

[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 2024, **OTP Fund Management** generated HUF 24.6 billion profit, thus increasing its annual profit by 25% y-o-y.

Annual net fee and commission income increased by 17%, driven by the growth of assets under management. The average annual rate of the fund management fee (1.11% in 2024) was 15 basis points lower than last year.

In 2024, other income jumped by 29%, owing to the gain on securities at fair value in the Company's own books.

Operating expenses for the full year were 1% higher than in the previous year. The 13% increase in other expenses largely stemmed from higher expert fees and rising IT costs, while the change in personnel expenses was mitigated by a decrease in bonus payments.

In the Hungarian fund management market, the uptrend in investment funds assets continued. On top of attractive returns and price fluctuations, positive capital inflows also contributed to asset growth. Despite varying degrees of outflows in different categories, on balance, the inflow of capital exceeded outflow. Regarding individual asset categories, bond funds retained their leading position, but the assets of real estate funds, which ranked second in the previous year, barely rose in 2024, and it was overtaken by mixed funds and absolute return funds.

In the case of OTP Fund Management, the asset of bond funds grew by 33% y-o-y, surpassing HUF 2,500 billion, thus it made up more than half of managed funds' volumes at the end of the year. Among the other categories, mixed funds, which is currently the second largest category, skyrocketed (+90% y-o-y), and absolute return funds also marched higher (+37% y-o-y), benefiting from the effect of positive returns and capital inflows, while money market funds experienced capital outflows.

Overall, the volume of funds managed by OTP Fund Management exceeded HUF 4,600 billion (+32% y-o-y) at the end of December; maintaining its position as the market leader with 31.5% market share in the securities market.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	6,647	10,842	63
Adjustments (after tax)	0	0	
Adjusted profit after tax	6,647	10,842	63
Income tax	(3,860)	(3,728)	(3)
Profit before income tax	10,507	14,569	39
Operating profit	14,967	12,098	(19)
Total income	28,013	27,541	(2)
Net interest income	26,257	24,052	(8)
Net fees and commissions	759	669	(12)
Other net non-interest income	997	2,819	183
Operating expenses	(13,046)	(15,443)	18
Total provisions	(4,461)	2,471	
Provision for impairment on loan losses	(4,438)	2,494	
Other provision	(22)	(23)	1
Main components of balance sheet (closing balances)	**2023**	**2024**	**%**
Total assets	930,761	1,009,625	8
Gross customer loans	590,510	674,058	14
Gross customer loans (FX-adjusted)	594,598	674,058	13
Stage 1+2 customer loans (FX-adjusted)	580,219	660,816	14
Corporate loans	58,066	57,654	(1)
Leasing	522,153	603,162	16
Allowances for possible loan losses	(13,637)	(9,896)	(27)
Allowances for possible loan losses (FX-adjusted)	(13,149)	(9,896)	(25)
Deposits from customers	5,028	5,884	17
Deposits from customers (FX-adjusted)	5,028	5,884	17
Retail deposits	2,767	2,447	(12)
Corporate deposits	2,261	3,437	52
Liabilities to credit institutions	839,730	900,713	7
Subordinated debt	5,003	6,031	21
Total shareholders' equity	61,237	66,604	9
Loan Quality	**2023**	**2024**	**%/pps**
Stage 1 loan volume under IFRS 9 (in HUF million)	533,569	612,507	15
Stage 1 loans under IFRS 9/gross customer loans	90.4%	90.9%	0.5
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.4%	(0.4)
Stage 2 loan volume under IFRS 9 (in HUF million)	42,648	48,309	13
Stage 2 loans under IFRS 9/gross customer loans	7.2%	7.2%	(0.1)
Own coverage of Stage 2 loans under IFRS 9	7.0%	4.5%	(2.4)
Stage 3 loan volume under IFRS 9 (in HUF million)	14,293	13,241	(7)
Stage 3 loans under IFRS 9/gross customer loans	2.4%	2.0%	(0.5)
Own coverage of Stage 3 loans under IFRS 9	44.1%	40.2%	(3.9)
Provision for impairment on loan losses/average gross loans	0.80%	(0.40%)	(1.19)
Performance Indicators	**2023**	**2024**	**pps**
ROA	0.7%	1.1%	0.4
ROE	11.2%	17.9%	6.7
Total income margin	3.00%	2.87%	(0.13)
Net interest margin	2.81%	2.51%	(0.30)
Operating costs / Average assets	1.4%	1.6%	0.2
Cost/income ratio	46.6%	56.1%	9.5

In 2024, **Merkantil Group** posted HUF 11 billion adjusted profit after tax (+63% y-o-y), which brought its full-year ROE to 17.9%.

Operating profit shrank by 19%, as a result of stagnating total income caused by narrowing net interest margins as well as operating expenses expanding by 18%. Net interest income declined by 8% y-o-y as income from vehicle rental was retroactively reclassified from interest income to other income in 3Q, for the full year. This reclassification reduced annual net interest income by a total of HUF 1.2 billion. Without the effect of this reclassification, net interest income dropped by 4% y-o-y as net interest margin narrowed. This shifting caused most of the increase in other income.

The 18% y-o-y increase in operating expenses stemmed from the growing personnel expenses, deductible taxes (under other expenses), as well as from higher IT and real estate related costs.

The total risk costs line printed HUF 2.5 billion positive amount in full year 2024. The ratio of Stage 3 loans sank by 0.5 pp y-o-y, to 2%. The coverage of Stage 3 loans dropped by 3.9 pps y-o-y, and that of Stage 2 loans declined by 2.4 pps.

FX-adjusted performing (Stage 1+2) loans grew by 14% y-o-y, including a 16% expansion in leasing exposures, while corporate loans fell by 1%.

Credit demand benefited from the state subsidized loan facilities: under the KAVOSZ Széchenyi Card programme, customers concluded subsidized loan agreements totalling HUF 168 billion (including HUF 84 billion in 2022, HUF 43 billion in 2023, and HUF 41 billion in 2024) with Merkantil Bank, since the beginning of the scheme. Contracted amount under the Baross Gábor loan programme reached HUF 20 billion in 2024.

IFRS REPORTS OF THE MAIN FOREIGN SUBSIDIARIES OF OTP BANK

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	198,182	200,765	1
Adjustments (after tax)	0	0	
Adjusted profit after tax	198,182	200,765	1
Income tax	(21,303)	(33,392)	57
Profit before income tax	219,485	234,156	7
Operating profit	216,102	255,204	18
Total income	316,105	375,365	19
Net interest income	226,693	267,411	18
Net fees and commissions	72,366	83,724	16
Other net non-interest income	17,046	24,230	42
Operating expenses	(100,003)	(120,160)	20
Total provisions	3,383	(21,048)	
Provision for impairment on loan losses	2,779	(18,015)	
Other provision	604	(3,033)	
Main components of balance sheet (closing balances)	**2023**	**2024**	**%**
Total assets	6,456,668	7,674,660	19
Gross customer loans	4,066,527	4,809,808	18
Gross customer loans (FX-adjusted)	4,357,292	4,809,808	10
Stage 1+2 customer loans (FX-adjusted)	4,254,297	4,707,396	11
Retail loans	2,408,789	2,959,593	23
Retail mortgage loans	1,237,703	1,582,839	28
Retail consumer loans	1,076,790	1,276,758	19
MSE loans	94,295	99,996	6
Corporate loans	1,517,313	1,378,332	(9)
Leasing	328,195	369,470	13
Allowances for possible loan losses	(125,806)	(142,807)	14
Allowances for possible loan losses (FX-adjusted)	(134,812)	(142,807)	6
Deposits from customers	5,165,700	6,132,661	19
Deposits from customers (FX-adjusted)	5,550,547	6,132,661	10
Retail deposits	4,664,369	5,250,443	13
Retail deposits	4,161,467	4,706,002	13
MSE deposits	502,902	544,442	8
Corporate deposits	886,178	882,219	0
Liabilities to credit institutions	249,178	318,710	28
Subordinated debt	88,087	94,318	7
Total shareholders' equity	890,188	1,051,427	18
Loan Quality	**2023**	**2024**	**%/pps**
Stage 1 loan volume under IFRS 9 (in HUF million)	3,483,290	4,087,398	17
Stage 1 loans under IFRS 9/gross customer loans	85.7%	85.0%	(0.7)
Own coverage of Stage 1 loans under IFRS 9	0.7%	0.5%	(0.2)
Stage 2 loan volume under IFRS 9 (in HUF million)	487,099	619,996	27
Stage 2 loans under IFRS 9/gross customer loans	12.0%	12.9%	0.9
Own coverage of Stage 2 loans under IFRS 9	9.3%	10.0%	0.6
Stage 3 loan volume under IFRS 9 (in HUF million)	96,137	102,413	7
Stage 3 loans under IFRS 9/gross customer loans	2.4%	2.1%	(0.2)
Own coverage of Stage 3 loans under IFRS 9	57.1%	58.0%	0.9
Provision for impairment on loan losses/average gross loans	(0.07%)	0.40%	0.47
Performance Indicators	**2023**	**2024**	**pps**
ROA	3.3%	2.9%	(0.4)
ROE	24.9%	21.5%	(3.4)
Total income margin	5.24%	5.33%	0.09
Net interest margin	3.76%	3.80%	0.04
Operating costs / Average assets	1.7%	1.7%	0.0
Cost/income ratio	31.6%	32.0%	0.4
Net loans to deposits (FX-adjusted)	76%	76%	0
FX rates	**2023 HUF**	**2024 HUF**	**Change %**
HUF/BGN (closing)	195.7	209.7	7
HUF/BGN (average)	195.4	201.6	3

In 2024, **DSK Group** generated HUF 200.8 billion profit after tax, 1% more than in the previous year, the ROE was 21.5%.

Annual operating profit improved by 18%, mainly as a result of strong volume growth, which was offset by a higher risk costs and by the introduction of the global minimum tax regime on 1 January 2024. As a result, the effective corporate tax rate increased from 10% in 2023 to 14% in 2024, and the amount of tax grew by 57% y-o-y.

The full-year profit before tax improved by 7%, mainly driven by a 18% surge in net interest income, in line with the growth in total assets. Net interest margin was y-o-y stable, but its quarterly level has gradually declined by altogether 27 basis points since the peak hit in 3Q 2023, reflecting ECB base rate cuts. In 2024, the Bank steadily increased the share of long-term fixed-interest-rate bonds within the liquid asset portfolio. As the interest rate on these bonds is lower than that on short-term placements, this entailed a margin sacrifice in the short run. Net interest income was negatively affected by the increase in the mandatory reserve requirement rate from 10% to 12% in July 2023, as the central bank does not pay interest on that stock.

Net fees and commissions grew by 16% y-o-y, mainly as a result of the increase in retail volumes and transactional turnover. Other income expanded by 42%, partly as a result of a y-o-y increase in currency conversion gains, as well as the refunds from card companies in the fourth quarter.

Throughout the year, cost level was under significant pressure from wage inflation and IT developments. As a result, annual operating expenses grew by 20% (by 16% in BGN), the cost/income ratio was 32.0%, which remained one of the lowest ones among Group members.

In 2024, total risk cost amounted to -HUF 21.0 billion, of which credit risk costs made up -HUF 18.0 billion, bringing the credit risk cost ratio to 40 bps. On the other risk cost line, HUF 7.5 billion impairment was set aside for the Russian government bonds held in the Bank's balance sheet; this effect was partially offset by releases on other securities and on litigations. The coverage of Russian bonds was 78% at the end of the year.

Underlying loan quality trends remained stable: the Stage 3 ratio declined by 0.2 pp, to 2.1% y-o-y, while Stage 3 loans' own provision coverage improved by 0.9 pp, to 58%.

Performing (Stage 1+2) loans surged by 11% y-o-y (FX-adjusted), propelled by the 24% y-o-y expansion in household loan volumes. New mortgage loan placements jumped by 39%, and cash loan disbursements grew by 21% y-o-y. In response to the strong (even at sector level) household loan flow, the central bank tightened macroprudential brakes for retail loans, effective from 1 October 2024: in the case of the newly contracted loans, the loan-to value (LTV) ratio was capped at 85%, the down payment shall be at least 10%, and the debt service-to-income ratio (DSTI) shall not exceed 50%. Corporate (including MSE) loans fell by 8% y-o-y, partly because of the repayment of a larger loan affecting several Group members, as well as the transfer of another larger loan to OTP Bank Serbia in 3Q; without them, corporate + MSE loans would have expanded by 1% y-o-y. The leasing exposure of the Bulgarian operation grew by 14% y-o-y (FX-adjusted).

Deposits increased by 10% y-o-y (FX-adjusted), driven by retail deposits' growth. The stock of corporate deposits was y-o-y stable. The net loan/deposit ratio was 76% at the end of December.

OTP BANK SLOVENIA

Performance of OTP Bank Slovenia:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	100,958	113,282	12
Adjustments (after tax)	(11,385)	0	
Adjusted profit after tax	112,342	113,282	1
Income tax	(7,226)	(24,288)	236
Profit before income tax	119,568	137,570	15
Operating profit	131,630	145,858	11
Total income	218,870	251,993	15
Net interest income	167,121	190,303	14
Net fees and commissions	46,028	53,756	17
Other net non-interest income	5,721	7,934	39
Operating expenses	(87,240)	(106,135)	22
Total provisions	(12,061)	(8,288)	(31)
Provision for impairment on loan losses	(2,485)	(8,640)	248
Other provision	(9,576)	352	
Main components of balance sheet (closing balances)	**2023**	**2024**	**%**
Total assets	5,892,803	6,106,968	4
Gross customer loans	2,796,313	2,908,790	4
Gross customer loans (FX-adjusted)	2,995,714	2,908,790	(3)
Stage 1+2 customer loans (FX-adjusted)	2,948,302	2,850,235	(3)
Retail loans	1,438,068	1,477,751	3
Retail mortgage loans	951,101	951,490	0
Retail consumer loans	431,197	473,435	10
MSE loans	55,770	52,826	(5)
Corporate loans	1,308,023	1,154,562	(12)
Leasing	202,211	217,922	8
Allowances for possible loan losses	(33,587)	(53,030)	58
Allowances for possible loan losses (FX-adjusted)	(35,983)	(53,030)	47
Deposits from customers	4,583,072	4,774,165	4
Deposits from customers (FX-adjusted)	4,913,369	4,774,165	(3)
Retail deposits	3,837,698	3,827,532	0
Retail deposits	3,332,073	3,330,558	0
MSE deposits	505,625	496,974	(2)
Corporate deposits	1,075,671	946,633	(12)
Liabilities to credit institutions	131,375	58,588	(55)
Issued securities	335,400	368,829	10
Subordinated debt	63,167	32,818	(48)
Total shareholders' equity	669,622	777,525	16
Loan Quality	**2023**	**2024**	**%/pps**
Stage 1 loan volume under IFRS 9 (in HUF million)	2,514,261	2,426,800	(3)
Stage 1 loans under IFRS 9/gross customer loans	89.9%	83.4%	(6.5)
Own coverage of Stage 1 loans under IFRS 9	0.3%	0.2%	0.0
Stage 2 loan volume under IFRS 9 (in HUF million)	237,794	423,434	78
Stage 2 loans under IFRS 9/gross customer loans	8.5%	14.6%	6.1
Own coverage of Stage 2 loans under IFRS 9	3.4%	4.7%	1.3
Stage 3 loan volume under IFRS 9 (in HUF million)	44,258	58,555	32
Stage 3 loans under IFRS 9/gross customer loans	1.6%	2.0%	0.4
Own coverage of Stage 3 loans under IFRS 9	41.4%	46.4%	5.0
Provision for impairment on loan losses/average gross loans	0.09%	0.30%	0.20
Performance Indicators	**2023**	**2024**	**pps**
ROA	2.2%	1.9%	(0.2)
ROE	19.7%	16.1%	(3.6)
Total income margin	4.23%	4.28%	0.06
Net interest margin	3.23%	3.23%	0.01
Operating costs / Average assets	1.7%	1.8%	0.1
Cost/income ratio	39.9%	42.1%	2.3
Net loans to deposits (FX-adjusted)	60%	60%	0
FX rates	**2023 HUF**	**2024 HUF**	**Change %**
HUF/EUR (closing)	382.8	410.1	7
HUF/EUR (average)	382.3	394.2	3

By the legal and organizational integration of SKB and Nova KBM, the merger of the two Slovenian banks was successfully completed on 22 August 2024. The planned cost synergies are steadily utilized, most of them are likely to appear in 2025.

The **Slovenian operation** generated HUF 113 billion profit after tax, which is consistent with 12% y-o-y growth and 16.1% annual ROE. One reason for the y-o-y higher profit is that NKBM was consolidated starting from February 2023, therefore it gave only eleven months' profit contribution in the base period. The size of the profit after tax was adversely affected by the fact that the corporate income tax rate in Slovenia has increased from 19% to 22% y-o-y.

The annual operating profit has improved by 11% y-o-y; within that, net interest income grew by 14%, while fee and commission incomes were 17% higher than in the base period. The improvement in net interest income materially benefited from the fact that the level of benchmark interest rates declined slower and by a smaller degree than originally expected. Annual net interest margin (3.23%) overall stagnated y-o-y; however, the quarterly changes reflected a steady decline simultaneously with the ECB's interest rate cuts started from June. The annual net interest income benefited from an increase in the share of consumer loans within the product structure on the loan side, and from the investment of the extra liquidity into assets with higher yields.

As part of the integration, the merged bank's branch network declined in 4Q from 104 to 82 units by the end of December 2024. Meanwhile the number of ATMs dropped by 15 and the workforce declined by 70 people.

The Bank's annual cost/income ratio increased to 42.1%, from 39.8% in 2023.

The quality of the loan portfolio was overall stable. The ratio of Stage 2 loans has increased to 14.6% In case of the retail book the carry-over effect of applying the standardized methodology following the integration pushed up the Stage 2 ratio; their coverage increased, too. The annual credit risk cost ratio was 30 bps (2023: 9 bps), which is lower than the group-level indicator.

The FX-adjusted performing loan portfolio shrank by 3% in the full year. Within the retail loan portfolio, the stock of consumer loans expanded dynamically, by 10%, while that of mortgage loans practically remained unchanged. The SME loan portfolio fell by 5% y-o-y. Corporate loans fell by 12% year-on-year, partly due to a large-amount early repayment and to generally subdued borrowing appetite.

The reorganizations relating to the integration affected the sales of mortgage loans particularly adversely, but in 2024 the bank lost its previous market positions in practically all major loan product segments. The losses of corporate debt volumes and market share can also be explained by technical reasons: the leasing company, which was sold due to legal obligations, repaid its previously existing loan in September (EUR 100 million).

FX-adjusted deposit volumes shrank by 3% y-o-y, with retail volumes remaining almost unchanged, while corporate deposits eroded by 12%. The 60% level of the Slovenian operation's net loan/deposit ratio is still one of the lowest within OTP Group.

At the end of 2024, the Slovenian operation's MREL eligible liabilities exceeded EUR 900 million; four-fifths of which are Senior Preferred bonds.

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	53,333	61,743	16
Adjustments (after tax)	0	0	
Adjusted profit after tax	53,333	61,743	16
Income tax	(11,786)	(13,675)	16
Profit before income tax	65,119	75,417	16
Operating profit	66,116	73,593	11
Total income	123,133	138,874	13
Net interest income	91,117	105,300	16
Net fees and commissions	25,661	28,923	13
Other net non-interest income	6,355	4,652	(27)
Operating expenses	(57,017)	(65,282)	14
Total provisions	(997)	1,825	
Provision for impairment on loan losses	721	10,435	
Other provision	(1,718)	(8,610)	401
Main components of balance sheet (closing balances)	**2023**	**2024**	**%**
Total assets	3,278,199	3,784,532	15
Gross customer loans	2,311,788	2,762,945	20
Gross customer loans (FX-adjusted)	2,476,818	2,762,945	12
Stage 1+2 customer loans (FX-adjusted)	2,380,108	2,683,926	13
Retail loans	1,247,616	1,467,012	18
Retail mortgage loans	687,081	781,115	14
Retail consumer loans	488,648	590,381	21
MSE loans	71,888	95,516	33
Corporate loans	943,290	992,666	5
Leasing	189,202	224,248	19
Allowances for possible loan losses	(97,835)	(88,780)	(9)
Allowances for possible loan losses (FX-adjusted)	(104,813)	(88,780)	(15)
Deposits from customers	2,385,223	2,683,855	13
Deposits from customers (FX-adjusted)	2,562,188	2,683,855	5
Retail deposits	1,871,758	1,970,271	5
Retail deposits	1,645,510	1,718,765	4
MSE deposits	226,248	251,506	11
Corporate deposits	690,430	713,584	3
Liabilities to credit institutions	373,142	465,507	25
Subordinated debt	23,438	45,555	94
Total shareholders' equity	403,487	483,716	20
Loan Quality	**2023**	**2024**	**%/pps**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,932,763	2,384,302	23
Stage 1 loans under IFRS 9/gross customer loans	83.6%	86.3%	2.7
Own coverage of Stage 1 loans under IFRS 9	0.6%	0.5%	(0.1)
Stage 2 loan volume under IFRS 9 (in HUF million)	288,751	299,625	4
Stage 2 loans under IFRS 9/gross customer loans	12.5%	10.8%	(1.6)
Own coverage of Stage 2 loans under IFRS 9	7.6%	6.7%	(0.9)
Stage 3 loan volume under IFRS 9 (in HUF million)	90,274	79,019	(12)
Stage 3 loans under IFRS 9/gross customer loans	3.9%	2.9%	(1.0)
Own coverage of Stage 3 loans under IFRS 9	72.0%	72.1%	0.1
Provision for impairment on loan losses/average gross loans	(0.03%)	(0.41%)	(0.38)
Performance Indicators	**2023**	**2024**	**pps**
ROA	1.8%	1.7%	0.0
ROE	14.1%	14.2%	0.1
Total income margin	4.05%	3.93%	(0.12)
Net interest margin	2.99%	2.98%	(0.02)
Operating costs / Average assets	1.9%	1.8%	0.0
Cost/income ratio	46.3%	47.0%	0.7
Net loans to deposits (FX-adjusted)	93%	100%	7
FX rates	**2023 HUF**	**2024 HUF**	**Change %**
HUF/EUR (closing)	382.8	410.1	7
HUF/EUR (average)	382.3	394.2	3

The **Croatian bank** generated almost HUF 62 billion profit after tax (+16% y-o-y) in full year 2024. Based on average shareholders' equity and full-year profit, ROE was 14.2% last year.

Regarding profit dynamics, on the income side, net interest income, the weight of which exceeded 75% last year, expanded by 16% y-o-y, while performing loan volumes increased by double digits and net interest margin narrowed by 2 bps y-o-y. In 2024, the European Central Bank reduced the euro area's key interest rate four times, by a total of 100 basis points. In the declining interest rate environment, quarterly margins followed a slightly decreasing trend.

As a result of a broad-based growth, net fees and commissions increased by 13% last year.

Full-year operating expenses grew by 14% (or 10% in EUR).As to annual dynamics, the increase in other expenses stemmed from higher IT and real-estate-related costs, while supervisory fees were lower y-o-y. Overall, the cost/income ratio declined by 0.7 percentage points, to 47.0% last year.

Some HUF 2 billion positive risk cost supported profit in 2024. Within that, positive credit risk cost was more than HUF 10 billion, owing to recoveries on Stage 3 claims. In 2024, other provision amounted to HUF -8.6 billion, mainly in relation to litigations.

Loan quality showed an improvement: the ratio of Stage 3 loans dropped by 1.0 pp y-o-y, to 2.9%, owing to the overall improvement of the loan portfolio, and the partial repayment and/or partial write-off of large corporate loans classified as Stage 3. The own provision coverage of Stage 3 loans kept on improving: it landed at 72.1% at the end of December.

Performing (Stage 1+2) loan volumes grew by 13% y-o-y (FX-adjusted). The strenghening lending activity helped the retail portfolio surge by 18% y-o-y. The corporate portfolio increased slower (+5% y-o-y).

FX-adjusted deposit volumes grew by 5% y-o-y, including a 4% increase in retail and 5% surge in corporate (including MSE) deposits, due to the higher quality of services offered and the expansion of their scope, amid intensifying market competition. The Bank's net loan to deposit ratio stood at 100% at the end of December.

The total market share of OTP Group's Croatian operation rose y-o-y in both loan and deposit volumes, thus it stabilized its fourth place in the ranking of Croatia's loan market.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	58,211	66,496	14
Adjustments (after tax)	0	0	
Adjusted profit after tax	58,211	66,496	14
Income tax	(9,143)	(10,973)	20
Profit before income tax	67,354	77,469	15
Operating profit	81,177	95,474	18
Total income	132,147	153,562	16
Net interest income	103,730	116,621	12
Net fees and commissions	18,419	21,726	18
Other net non-interest income	9,998	15,216	52
Operating expenses	(50,970)	(58,089)	14
Total provisions	(13,823)	(18,005)	30
Provision for impairment on loan losses	(11,030)	(15,860)	44
Other provision	(2,793)	(2,145)	(23)
Main components of balance sheet (closing balances)	**2023**	**2024**	**%**
Total assets	2,874,794	3,483,775	21
Gross customer loans	1,978,855	2,341,379	18
Gross customer loans (FX-adjusted)	2,121,369	2,341,379	10
Stage 1+2 customer loans (FX-adjusted)	2,059,458	2,279,476	11
Retail loans	939,051	1,071,596	14
Retail mortgage loans	443,211	487,858	10
Retail consumer loans	442,685	523,305	18
MSE loans	53,156	60,433	14
Corporate loans	1,020,076	1,092,707	7
Leasing	100,330	115,173	15
Allowances for possible loan losses	(66,259)	(81,828)	23
Allowances for possible loan losses (FX-adjusted)	(71,056)	(81,828)	15
Deposits from customers	1,868,078	2,343,130	25
Deposits from customers (FX-adjusted)	2,005,508	2,343,130	17
Retail deposits	1,005,893	1,266,518	26
Retail deposits	854,791	1,095,447	28
MSE deposits	151,103	171,072	13
Corporate deposits	999,614	1,076,611	8
Liabilities to credit institutions	506,900	565,834	12
Subordinated debt	66,381	71,443	8
Total shareholders' equity	368,344	436,608	19
Loan Quality	**2023**	**2024**	**%/pps**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,661,365	2,012,765	21
Stage 1 loans under IFRS 9/gross customer loans	84.0%	86.0%	2.0
Own coverage of Stage 1 loans under IFRS 9	0.7%	0.6%	(0.1)
Stage 2 loan volume under IFRS 9 (in HUF million)	259,780	266,711	3
Stage 2 loans under IFRS 9/gross customer loans	13.1%	11.4%	(1.7)
Own coverage of Stage 2 loans under IFRS 9	6.7%	10.9%	4.1
Stage 3 loan volume under IFRS 9 (in HUF million)	57,710	61,903	7
Stage 3 loans under IFRS 9/gross customer loans	2.9%	2.6%	(0.3)
Own coverage of Stage 3 loans under IFRS 9	63.8%	64.8%	1.0
Provision for impairment on loan losses/average gross loans	0.57%	0.75%	0.17
Performance Indicators	**2023**	**2024**	**pps**
ROA	2.2%	2.1%	0.0
ROE	16.6%	16.5%	(0.1)
Total income margin	4.93%	4.94%	0.01
Net interest margin	3.87%	3.75%	(0.12)
Operating costs / Average assets	1.9%	1.9%	0.0
Cost/income ratio	38.6%	37.8%	(0.7)
Net loans to deposits (FX-adjusted)	102%	96%	(6)
FX rates	**2023 HUF**	**2024 HUF**	**Change %**
HUF/RSD (closing)	3.3	3.5	7
HUF/RSD (average)	3.3	3.4	3

In 2024, the **Serbian banking group** realized more than HUF 66 billion profit after tax. The 14% y-o-y increase in annual profit was driven by stronger operating result, mitigated by the 30% higher risk costs. Based on average shareholders' equity and full-year profit, ROE was 16.5%.

During the year, revenues increased by 16% (by 12% in RSD terms). Within this, net interest income rose by 12%, supported by the expansion of both performing loans and of financial assets. Net interest margin topped out in 3Q 2023, and has been slowly eroding since then in the falling interest rate environment. Margin stood at 3.75% in 2024 (-12 bps y-o-y).

Net fees and commissions grew by 18%, supported by stronger income from fees on deposits, transactions, and card commissions.

During the year, operating expenses surged by 14% y-o-y (by 10% in RSD terms), as a result of the wage increase implemented in the high-wage-inflation environment, higher supervisory charges, as well as elevated IT, marketing, and training expenses. Cost efficiency indicators further improved; the annual cost/income ratio (37.8%, -0.7 pps y-o-y) was one of the lowest among group members.

Credit risk costs were 44% higher than in the previous year, thus the credit risk cost ratio jumped to 75 bps. Impairments for loan losses were mostly recognized in the last quarter: first, due to the elevated risks related to a large corporate exposure, it became warranted to increase the coverage level, and second, due to the HUF 2.1 billion impairment loss incurred because of the extension of the interest rate cap. On 21 November, the National Bank of Serbia approved the extension of the mortgage interest rate cap introduced in October 2023, a measure that would have expired at the end of 2024. The interest rate cap on variable-rate loans increased from 4.1% in 2024 to 5% between 1 January and 31 December 2025.

Overall, loan portfolio quality improved: the ratio of Stage 3 loans was 2.6% at the end of December (-0.3 pps y-o-y), while their own provision coverage rose by 1.0 pp y-o-y, to 64.8%.

The performing (Stage 1+2) loan book grew by 11% y-o-y (FX-adjusted). Within that, mortgage loans increased by 10% y-o-y . As the upper limit of the available loan amount was raised, consumer loans expanded by 18% y-o-y (FX-adjusted), mainly driven by the growth in cash loans and car loans. The stock of corporate (including MSE) loans expanded by 8% y-o-y.

The Serbian operation's deposit book grew by an FX-adjusted 17% y-o-y, to over HUF 2,300 billion at the end of December. Within this, the volume of retail deposits surged by 28% y-o-y, alongside with higher offered interest rates. This brought the net loan/deposit ratio to 96%, down from 144% at the end of September 2022.

IPOTEKA BANK (UZBEKISTAN)

Performance of Ipoteka Bank (Uzbekistan):

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	(52,760)	52,893	
Adjustments (after tax)	(37,338)	0	
Adjusted profit after tax	(15,422)	52,893	
Income tax	(3,381)	(10,949)	224
Profit before income tax	(12,041)	63,842	
Operating profit	40,143	78,037	94
Total income	66,089	125,768	90
Net interest income	53,006	108,715	105
Net fees and commissions	5,261	9,502	81
Other net non-interest income	7,822	7,551	(3)
Operating expenses	(25,946)	(47,731)	84
Total provisions	(52,184)	(14,195)	(73)
Provision for impairment on loan losses	(51,354)	(11,472)	(78)
Other provision	(830)	(2,723)	228
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	1,187,368	1,509,536	27
Gross customer loans	961,533	1,063,551	11
Gross customer loans (FX-adjusted)	1,051,933	1,063,551	1
Stage 1+2 customer loans (FX-adjusted)	926,285	915,790	(1)
Retail loans	778,554	722,673	(7)
Retail mortgage loans	379,317	435,597	15
Retail consumer loans	230,915	249,612	8
MSE loans	168,322	37,464	(78)
Corporate loans	147,731	193,117	31
Allowances for possible loan losses	(96,738)	(120,766)	25
Allowances for possible loan losses (FX-adjusted)	(106,164)	(120,766)	14
Deposits from customers	327,161	528,602	62
Deposits from customers (FX-adjusted)	358,363	528,602	48
Retail deposits	260,159	270,912	4
Retail deposits	125,410	179,133	43
MSE deposits	134,749	91,779	(32)
Corporate deposits	98,205	257,690	162
Liabilities to credit institutions	561,466	566,620	1
Issued securities	121,082	158,546	31
Subordinated debt	12,162	13,358	10
Total shareholders' equity	145,941	214,152	47
Loan Quality	2023	2024	%/pps
Stage 1 loan volume under IFRS 9 (in HUF million)	687,698	716,723	4
Stage 1 loans under IFRS 9/gross customer loans	71.5%	67.4%	(4.1)
Own coverage of Stage 1 loans under IFRS 9	2.8%	2.6%	(0.1)
Stage 2 loan volume under IFRS 9 (in HUF million)	159,737	199,067	25
Stage 2 loans under IFRS 9/gross customer loans	16.6%	18.7%	2.1
Own coverage of Stage 2 loans under IFRS 9	21.6%	19.6%	(2.0)
Stage 3 loan volume under IFRS 9 (in HUF million)	114,098	147,761	30
Stage 3 loans under IFRS 9/gross customer loans	11.9%	13.9%	2.0
Own coverage of Stage 3 loans under IFRS 9	38.0%	42.6%	4.6
Provision for impairment on loan losses/average gross loans	10.03%	1.16%	(8.88)
Performance Indicators	2023	2024	pps
ROA	(2.4%)	4.0%	6.4
ROE	(16.3%)	30.2%	46.5
Total income margin	10.08%	9.61%	(0.47)
Net interest margin	8.08%	8.31%	0.23
Operating costs / Average assets	4.0%	3.6%	(0.3)
Cost/income ratio	39.3%	38.0%	(1.3)
Net loans to deposits (FX-adjusted)	264%	178%	(86)
FX rates	2023 HUF	2024 HUF	Change %
HUF/1,000 UZS (closing)	28.1	30.5	9
HUF/1,000 UZS (average)	30.1	28.8	(4)

The balance sheet of Ipoteka Bank was consolidated in the second quarter of 2023, and its P&L was included in OTP Group's adjusted P&L account starting from the third quarter of 2023.

Based on end-2024 data, **Ipoteka Bank** is the fifth largest bank in Uzbekistan, with almost 7% market share by total assets. The number of retail customers (1.8 million) surged by almost 18% since the Bank joined the Group at the end of June 2023.

In 2024, the Bank generated HUF 53 billion profit after tax, which brought its ROE to 30%. Net interest margin improved by 23 basis points, while the cost/income ratio by 1.3 pps, and the cost-to-asset ratio by 0.3 pp compared to the previous year. The bank's cost/income ratio was 38% in 2024.

In 2024, total risk cost amounted to -HUF 14 billion; of that, the -HUF 11.5 billion impairment on loan losses brought the credit risk cost ratio to 1.16%. This was due to the continuous review and development of the risk management process, and to the stabilizing credit quality indicators in 2024. In 2024, other risk costs arose mainly in 4Q, partly explained by provisions allocated to other assets and the fact that the impairment loss related to penalty interest was reclassified from other risk costs to the provision for impairment on loan losses line (in 4Q this increased other risk cost by HUF 0.8 billion, as the releases accounted for in 2024 were reclassified in one sum).

In 2024, the ratio of Stage 3 loans increased by 2 pps to 13.9% y-o-y, mainly due to the shifting of corporate exposures in the first half-year. The own coverage of Stage 3 loans stood at 42.6%.

In 2024, not only credit quality trends stabilized, but the Bank's balance sheet structure also improved significantly: the net loan/deposit ratio improved by 86 pps y-o-y, to 178%, down from 307% at the time when Ipoteka Bank was consolidated into the Group. The net/loan deposit ratio, without the subsidized and state-refinanced mortgage loans, stood at 110% at the end of 2024.

At the end of 2024, deposits amounted to HUF 529 billion (+48% y-o-y). Retail deposits rose by 43% y-o-y, and corporate deposits grew by 50%.

The performing loan book stagnated y-o-y (FX-adjusted). Retail loans expanded by 12% y-o-y, well below market dynamics.The volume of mortgage loans grew by 15% y-o-y, largely owing to a newly launched state programme.

Corporate (including MSE) performing loans fell by 27% y-o-y, as a result of reclassifications into the Stage 3 segment and moderate disbursements.

On 25 April, the Bank successfully refinanced bonds, which was necessary because the senior unsecured bonds issued in 2021 with nominal value of UZS 785 billion matured in April 2024. The new series was issued in a nominal value of UZS 1.370 billion (USD 108 million equivalent), with three-year maturity, and 20.5% annual coupon.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	44,908	41,179	(8)
Adjustments (after tax)	0	0	
Adjusted profit after tax	44,908	41,179	(8)
Income tax	(37,174)	(31,663)	(15)
Profit before income tax	82,082	72,842	(11)
Operating profit	78,018	68,414	(12)
Total income	108,853	101,605	(7)
Net interest income	93,450	89,894	(4)
Net fees and commissions	10,837	7,769	(28)
Other net non-interest income	4,567	3,942	(14)
Operating expenses	(30,835)	(33,191)	8
Total provisions	4,064	4,428	9
Provision for impairment on loan losses	10,654	9,123	(14)
Other provision	(6,590)	(4,695)	(29)
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	1,036,912	1,186,801	14
Gross customer loans	393,741	440,897	12
Gross customer loans (FX-adjusted)	417,978	440,897	5
Stage 1+2 customer loans (FX-adjusted)	326,545	391,837	20
Retail loans	29,004	41,136	42
Retail mortgage loans	2,004	1,230	(39)
Retail consumer loans	26,925	39,848	48
MSE loans	75	58	(22)
Corporate loans	208,991	251,128	20
Leasing	88,550	99,573	12
Allowances for possible loan losses	(84,671)	(52,283)	(38)
Allowances for possible loan losses (FX-adjusted)	(90,788)	(52,283)	(42)
Deposits from customers	736,621	842,437	14
Deposits from customers (FX-adjusted)	782,957	842,437	8
Retail deposits	295,816	301,782	2
Retail deposits	248,572	261,776	5
MSE deposits	47,244	40,006	(15)
Corporate deposits	487,141	540,655	11
Liabilities to credit institutions	91,154	97,486	7
Subordinated debt	7,530	8,879	18
Total shareholders' equity	157,088	205,705	31
Loan Quality	2023	2024	%/pps
Stage 1 loan volume under IFRS 9 (in HUF million)	208,563	323,190	55
Stage 1 loans under IFRS 9/gross customer loans	53.0%	73.3%	20.3
Own coverage of Stage 1 loans under IFRS 9	1.9%	2.2%	0.3
Stage 2 loan volume under IFRS 9 (in HUF million)	99,891	68,647	(31)
Stage 2 loans under IFRS 9/gross customer loans	25.4%	15.6%	(9.8)
Own coverage of Stage 2 loans under IFRS 9	14.4%	13.3%	(1.0)
Stage 3 loan volume under IFRS 9 (in HUF million)	85,287	49,059	(42)
Stage 3 loans under IFRS 9/gross customer loans	21.7%	11.1%	(10.5)
Own coverage of Stage 3 loans under IFRS 9	77.9%	73.7%	(4.2)
Provision for impairment on loan losses/average gross loans	(2.38%)	(2.21%)	0.17
Performance Indicators	2023	2024	pps
ROA	4.4%	3.8%	(0.6)
ROE	30.3%	22.4%	(8.0)
Total income margin	10.65%	9.39%	(1.26)
Net interest margin	9.14%	8.30%	(0.84)
Operating costs / Average assets	3.0%	3.1%	0.0
Cost/income ratio	28.3%	32.7%	4.3
Net loans to deposits (FX-adjusted)	42%	46%	4
FX rates	2023 HUF	2024 HUF	Change %
HUF/UAH (closing)	9.1	9.4	3
HUF/UAH (average)	9.6	9.1	(5)

In 2024 **OTP Bank Ukraine**'s profit after tax amounted to HUF 41 billion (-8% y-o-y), as loan growth resumed, while stable liquidity and capital positions remained in place. Operating profit declined by 12% compared to the base period, but risk costs remained in the positive territory. All this resulted in an ROE of 22.4%.

On 10 October 2024, the Ukrainian parliament passed a law pursuant to which the corporate income tax rate on banks was increased from 25% to 50% retroactively for the whole year. In addition, effective from 2025 the corporate income tax rate for other financial corporations was raised from 18% to 25%.

Net interest income for the full year fell by 4% y-o-y in HUF terms (and grew by 1% in UAH terms), while the net interest margin narrowed by 84 basis points, mainly due to the lower interest rate earned on deposits placed with the National Bank of Ukraine. The overnight deposit rate at the central bank stood at 23% back in the first half of 2023, before a steady decline brought it down to 13% between July 2023 and June 2024. Since then, there have been two interest rate hikes: the National Bank of Ukraine raised rates by 50 basis points on 12 December 2024, and by 100 basis points on 23 January 2025.

Operating expenses for the full year increased by 8% (+14% in UAH terms), predominantly driven by higher personnel expenses, largely owing to the general wage increase that exceeded the rate of inflation. Within other expenses, IT and IT services-related costs went up. The annual cost to income ratio rose by 4.3 pps y-o-y, to 32.7%, thus remaining significantly better than the Group's similar ratio.

Underlying loan quality trends kept on developing favourably: during the year, positive risk costs amounted to HUF 4.4 billion. Of that, HUF 9.1 billion positive credit risk cost was recorded, mostly in relation to the corporate and leasing portfolios, while on the other risk cost line, HUF 4.7 billion provision was created due to the Ukrainian government bond portfolio's dynamic expansion.

The ratio of Stage 3 loans in the portfolio improved by 10.5 pps y-o-y to 11.1%, and their own coverage ratio hit 73.7%. In 2024, HUF 31 billion worth of non-performing loans were sold/written off. The downtrend in the ratio of Stage 2 loans continued in the fourth quarter; first, through the repayment of Stage 2 loans, second, thanks to the improvement in the corporate segment. Thus the Stage 2 ratio declined by 9.8 pps y-o-y.

Amid prudent lending standards, the FX-adjusted volume of performing (Stage 1+2) loans grew by 20% y-o-y, from a low base. Within that, retail consumer loans surged by almost 50% (FX-adjusted). The Government of Ukraine announced the Lending Development Strategy; as part of this, banks, including OTP's Ukrainian subsidiary, signed a memorandum in the summer of 2024 on lending to companies on favourable terms, particularly in the energy sector. Accordingly, corporate volumes expanded by 20% y-o-y.

The FX-adjusted deposit base expanded by 8% y-o-y; the engine of growth was the 11% y-o-y increase in the corporate book, while the retail book rose by 5%.

The bank's capital adequacy ratio significantly exceeded the regulatory minimum requirements, exceeding 39.4% at the end of December (regulatory minimum: 10.0%). Gross intergroup financing to the Ukrainian operation amounted to the equivalent of HUF 55 billion at the end of December 2025.

CKB GROUP (MONTENEGRO)

Performance of CKB Group (Montenegro):

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	21,358	24,194	13
Adjustments (after tax)	0	0	
Adjusted profit after tax	21,358	24,194	13
Income tax	(3,861)	(4,385)	14
Profit before income tax	25,218	28,579	13
Operating profit	23,018	27,169	18
Total income	38,425	45,660	19
Net interest income	29,771	35,460	19
Net fees and commissions	7,797	9,729	25
Other net non-interest income	857	472	(45)
Operating expenses	(15,407)	(18,492)	20
Total provisions	2,200	1,410	(36)
Provision for impairment on loan losses	2,929	1,947	(34)
Other provision	(728)	(538)	(26)
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	663,676	776,370	17
Gross customer loans	452,493	545,499	21
Gross customer loans (FX-adjusted)	484,777	545,499	13
Stage 1+2 customer loans (FX-adjusted)	464,400	529,602	14
Retail loans	227,938	276,313	21
Retail mortgage loans	111,517	131,639	18
Retail consumer loans	110,534	137,035	24
MSE loans	5,887	7,639	30
Corporate loans	236,462	250,740	6
Leasing	0	2,548	(100)
Allowances for possible loan losses	(17,625)	(16,862)	(4)
Allowances for possible loan losses (FX-adjusted)	(18,882)	(16,862)	(11)
Deposits from customers	520,168	606,957	17
Deposits from customers (FX-adjusted)	557,998	606,957	9
Retail deposits	349,643	381,474	9
Retail deposits	268,046	296,784	11
MSE deposits	81,597	84,690	4
Corporate deposits	208,356	225,483	8
Liabilities to credit institutions	2,309	19,157	730
Total shareholders' equity	113,004	121,390	7
Loan Quality	2023	2024	%/pps
Stage 1 loan volume under IFRS 9 (in HUF million)	399,886	492,319	23
Stage 1 loans under IFRS 9/gross customer loans	88.4%	90.3%	1.9
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.6%	(0.1)
Stage 2 loan volume under IFRS 9 (in HUF million)	33,587	37,282	11
Stage 2 loans under IFRS 9/gross customer loans	7.4%	6.8%	(0.6)
Own coverage of Stage 2 loans under IFRS 9	5.1%	4.8%	(0.4)
Stage 3 loan volume under IFRS 9 (in HUF million)	19,020	15,898	(16)
Stage 3 loans under IFRS 9/gross customer loans	4.2%	2.9%	(1.3)
Own coverage of Stage 3 loans under IFRS 9	67.2%	74.9%	7.7
Provision for impairment on loan losses/average gross loans	(0.67%)	(0.39	0.28
Performance Indicators	2023	2024	pps
ROA	3.4%	3.5%	0.1
ROE	20.6%	21.5%	0.9
Total income margin	6.11%	6.58%	0.47
Net interest margin	4.74%	5.11%	0.38
Operating costs / Average assets	2.5%	2.7%	0.2
Cost/income ratio	40.1%	40.5%	0.4
Net loans to deposits (FX-adjusted)	83%	87%	4
FX rates	2023 HUF	2024 HUF	Change %
HUF/EUR (closing)	382.8	410.1	7
HUF/EUR (average)	382.3	394.2	3

In 2024, the Montenegrin **CKB Group** realized HUF 24 billion profit after tax (+13% y-o-y). Its ROE exceeded 21%.

In 2024, total income expanded by 19% y-o-y, driven by a 19% surge in net interest income, as well as 25% jump in commissions, while other income halved. Both growing average volumes, and the rising interest margin (+38 bps) helped net interest income. The rise in net fees mostly stemmed from improving card fee income. Annual operating expenses grew by 16% in EUR terms, with personnel expenses, depreciation, and other expenses equally contributing to the increase. The Bank's cost/income ratio stood at 40.5% in 2024, 40 basis points higher than in 2023.

In 2024, credit risk costs amounted to +HUF 1.4 billion, mainly as a result of the revision of IFRS 9 model parameters in 3Q, and the release of HUF 1.2 billion provisions due to the improving credit quality in 4Q.

Loan quality indicators developed favourably during the year: the ratio of Stage 3 loans dropped to 2.9% (-1.3 pps y-o-y). The own provision coverage of Stage 3 loans stood at 74.9% at the end of 2024 (+7.7 pps y-o-y). The ratio of Stage 2 loans sank by 0.6 pp, to 6.8% y-o-y.

Performing (Stage 1+2) loans rose by 14% y-o-y (FX-adjusted). The expansion of both outstanding stocks and disbursements was supported by the Bank's participation in the central bank's mortgage and cash loan rate reduction initiative, under which banks could voluntarily reduce lending rates on new disbursements between 18 April 2024 and 31 December 2024. In the case of CKB, for cash loans with maturity of less than six years, there was 2 pps decline irrespective of the loan amount; as a result, disbursements jumped by 34% y-o-y and the outstanding volumes expanded by 24%. In the field of mortgage loans, the Bank launched a new mortgage loan facility, to help first-time home buyers younger than 30. As a result, disbursement grew by 49% y-o-y and volumes expanded by 18%. Corporate loan disbursements also grew strongly in 2024, with placements increasing by 50% y-o-y. In 2024, the Bank entered the leasing market, thus leasing volumes amounted to HUF 2.8 billion by the end of the year.

The FX-adjusted deposit book expanded by 9% y-o-y. The y-o-y growth benefited from the 11% increase in retail deposits, as well as from the 7% rise in corporate + MSE deposits. The net loan/deposit ratio stood at 87% at the end of the year.

OTP BANK ALBANIA

Performance of OTP Bank Albania:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	11,603	19,686	70
Adjustments (after tax)	0	0	
Adjusted profit after tax	11,603	19,686	70
Income tax	(2,471)	(3,763)	52
Profit before income tax	14,073	23,449	67
Operating profit	13,750	23,145	68
Total income	33,123	40,047	21
Net interest income	27,912	33,531	20
Net fees and commissions	3,465	4,243	22
Other net non-interest income	1,746	2,274	30
Operating expenses	(19,373)	(16,902)	(13)
Total provisions	324	304	(6)
Provision for impairment on loan losses	108	0	(100)
Other provision	216	304	41
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	669,765	791,495	18
Gross customer loans	367,947	476,303	29
Gross customer loans (FX-adjusted)	405,990	476,303	17
Stage 1+2 customer loans (FX-adjusted)	380,790	452,213	19
Retail loans	180,114	201,778	12
Retail mortgage loans	124,927	143,981	15
Retail consumer loans	26,264	30,515	16
MSE loans	28,922	27,282	(6)
Corporate loans	194,531	241,788	24
Leasing	6,145	8,647	41
Allowances for possible loan losses	(17,690)	(20,422)	15
Allowances for possible loan losses (FX-adjusted)	(19,549)	(20,422)	4
Deposits from customers	547,854	615,186	12
Deposits from customers (FX-adjusted)	603,787	615,186	2
Retail deposits	518,726	554,511	7
Retail deposits	477,476	497,590	4
MSE deposits	41,250	56,921	38
Corporate deposits	85,061	60,675	(29)
Liabilities to credit institutions	8,138	14,919	83
Subordinated debt	2,861	0	(100)
Total shareholders' equity	81,102	114,649	41
Loan Quality	2023	2024	%/pps
Stage 1 loan volume under IFRS 9 (in HUF million)	312,494	416,249	33
Stage 1 loans under IFRS 9/gross customer loans	84.9%	87.4%	2.5
Own coverage of Stage 1 loans under IFRS 9	0.9%	1.0%	0.1
Stage 2 loan volume under IFRS 9 (in HUF million)	32,677	35,965	10
Stage 2 loans under IFRS 9/gross customer loans	8.9%	7.6%	(1.3)
Own coverage of Stage 2 loans under IFRS 9	8.2%	8.0%	(0.2)
Stage 3 loan volume under IFRS 9 (in HUF million)	22,776	24,090	6
Stage 3 loans under IFRS 9/gross customer loans	6.2%	5.1%	(1.1)
Own coverage of Stage 3 loans under IFRS 9	53.3%	56.1%	2.8
Provision for impairment on loan losses/average gross loans	(0.03%)	0.00%	0.03
Performance Indicators	2023	2024	pps
ROA	1.8%	2.7%	0.9
ROE	16.3%	20.2%	3.9
Total income margin	5.15%	5.49%	0.34
Net interest margin	4.34%	4.60%	0.26
Operating costs / Average assets	3.0%	2.3%	(0.7)
Cost/income ratio	58.5%	42.2%	(16.3)
Net loans to deposits (FX-adjusted)	64%	74%	10
FX rates	2023 HUF	2024 HUF	Change %
HUF/ALL (closing)	3.7	4.2	13
HUF/ALL (average)	3.5	3.9	12

In 2024, **OTP Bank Albania** generated HUF 20 billion profit after tax (+70% y-o-y in HUF terms, +50% in local currency terms). In 2024, the Bank's ROE exceeded 20%.

At the end of 2024, the Bank's market share by net loan volumes was 13%, rendering it the third largest lender in Albania. At the end of the year, the number of bank branches was 50, and the number of employees was 700. In 2024, operating expenses fell by 22% y-o-y in local currency terms, thus the Bank's cost efficiency indicator improved by 16.3 pps compared to the previous year. This was largely due to acquisition completed in July 2022, as the realization of synergies began after the integration process was accomplished by December 2023. As a result, the cost-to-income ratio improved to 42.2% in 2024.

The operating profit increased by 68% in HUF (+50% in local currency terms), as a result of a 13% decrease in operating expenses and a 21% increase in total income. During the year, net interest income grew by 20%, net fees and commissions jumped by 22% and other income surged 30%. The increase in net interest income can be primarily attributed to the expansion of performing loan and the deposit volumes. In 2024, the amount of risk costs was +HUF 0.3 billion, mainly owing to the revision of the IFRS 9 risk parameters.

The ratio of Stage 3 loans improved by 1.1 pps y-o-y, to 5.1%.

Overall, the FX-adjusted performing (Stage 1+2) loan book expanded by 19% in 2024, driven by a 12% increase in retail loans and a 24% growth in corporate.

Customer deposits rose by 2% y-o-y (FX-adjusted), as retail deposits increased by 7% and corporate deposits contracted by 29%. The net loan-to-deposit ratio rose by 10 pps y-o-y, reaching the Group's level, 74%.

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	2023 HUF million	2024 HUF million	Change %
Profit after tax	14,624	11,492	(21)
Adjustments (after tax)	0	0	
Adjusted profit after tax	14,624	11,492	(21)
Income tax	(2,047)	(1,546)	(24)
Profit before income tax	16,671	13,038	(22)
Operating profit	13,352	12,413	(7)
Total income	25,275	26,179	4
Net interest income	16,349	15,353	(6)
Net fees and commissions	2,389	2,483	4
Other net non-interest income	6,537	8,343	28
Operating expenses	(11,923)	(13,765)	15
Total provisions	3,319	625	(81)
Provision for impairment on loan losses	3,106	574	(82)
Other provision	213	51	(76)
Main components of balance sheet (closing balances)	**2023**	**2024**	**%**
Total assets	428,192	455,246	6
Gross customer loans	150,228	180,472	20
Gross customer loans (FX-adjusted)	161,243	180,472	12
Stage 1+2 customer loans (FX-adjusted)	154,943	174,886	13
Retail loans	72,352	81,055	12
Retail mortgage loans	39,767	40,976	3
Retail consumer loans	22,366	29,038	30
MSE loans	10,218	11,042	8
Corporate loans	77,765	88,337	14
Leasing	4,827	5,494	14
Allowances for possible loan losses	(7,122)	(7,209)	1
Allowances for possible loan losses (FX-adjusted)	(7,653)	(7,209)	(6)
Deposits from customers	332,062	359,474	8
Deposits from customers (FX-adjusted)	358,468	359,474	0
Retail deposits	220,562	206,350	(6)
Retail deposits	181,338	162,193	(11)
MSE deposits	39,225	44,156	13
Corporate deposits	137,906	153,124	11
Liabilities to credit institutions	27,489	20,459	(26)
Total shareholders' equity	63,353	69,054	9
Loan Quality	**2023**	**2024**	**%/pps**
Stage 1 loan volume under IFRS 9 (in HUF million)	127,607	153,557	20
Stage 1 loans under IFRS 9/gross customer loans	84.9%	85.1%	0.1
Own coverage of Stage 1 loans under IFRS 9	1.3%	1.2%	(0.1)
Stage 2 loan volume under IFRS 9 (in HUF million)	16,760	21,329	27
Stage 2 loans under IFRS 9/gross customer loans	11.2%	11.8%	0.7
Own coverage of Stage 2 loans under IFRS 9	11.7%	9.0%	(2.7)
Stage 3 loan volume under IFRS 9 (in HUF million)	5,861	5,586	(5)
Stage 3 loans under IFRS 9/gross customer loans	3.9%	3.1%	(0.8)
Own coverage of Stage 3 loans under IFRS 9	60.1%	62.9%	2.8
Provision for impairment on loan losses/average gross loans	(2.01%)	(0.36%)	1.65
Performance Indicators	**2023**	**2024**	**pps**
ROA	3.9%	2.7%	(1.2)
ROE	25.3%	17.4%	(7.9)
Total income margin	6.73%	6.06%	(0.67)
Net interest margin	4.35%	3.56%	(0.80)
Operating costs / Average assets	3.2%	3.2%	0.0
Cost/income ratio	47.2%	52.6%	5.4
Net loans to deposits (FX-adjusted)	43%	48%	5
FX rates	**2023**	**2024**	**Change %**
HUF/MDL (closing)	19.9	21.3	7
HUF/MDL (average)	19.5	20.5	6

In 2024, **OTP Bank Moldova** generated HUF 11.5 billion profit after tax, 21% less than in the base period. ROE reached 17.4% in 2024.

In 2024, the Bank's total income grew by 4% y-o-y. Within that, the 6% drop in net interest income was largely influenced by the sharp decline in the interest rate environment from the highs at the beginning of 2023 (base rate in 1Q 2023: 17% vs. 3.6% in 4Q 2024). This was also the main reason for the 80 bps y-o-y erosion in net interest margin. The 28% surge in other income largely stemmed from large-amount currency conversions by corporations.

Operating expenses grew by 15% in HUF and by 9% in local currency terms, predominantly because of higher wages and, under other expenses, owing to the rise in IT costs and supervisory charges.

In 2024, HUF 0.6 billion worth of positive risk cost was recorded, partly as a result of the improving economic environment, and the revision of the IFRS 9 model parameters.

The ratio of Stage 3 loans sank to 3.1% (-0.8 pp y-o-y), and their own provision coverage was 63%, in a nearly 3 pps y-o-y uptick.

The FX-adjusted stock of performing (Stage 1+2) loans grew by 13% y-o-y, as retail loans increased by 12%, while leasing and corporate loan volumes expanded by 14% each. Retail loan growth largely stemmed from a 30% jump in consumer loan volumes; mortgage loans rose at modest pace of 3%.

FX-adjusted deposit volumes stagnated last year; within that, retail deposits shrank by 6%, but corporate deposits grew by 11%.

The net loan/deposit ratio stood at 48% at the end of the year. Deposits from banks continued their downward trend of recent quarters, reflecting the Bank's strong liquidity position.

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	95,674	136,946	43
Adjustments (after tax)	0	0	
Adjusted profit after tax	95,674	136,946	43
Income tax[1]	(34,506)	(58,589)	70
Profit before income tax	130,180	195,536	50
Operating profit	149,307	252,216	69
Total income	223,654	343,619	54
Net interest income	122,084	187,070	53
Net fees and commissions	40,831	55,095	35
Other net non-interest income	60,739	101,454	67
Operating expenses	(74,347)	(91,403)	23
Total provisions	(19,126)	(56,681)	196
Provision for impairment on loan losses	(16,278)	(54,889)	237
Other provision	(2,848)	(1,792)	(37)
Main components of balance sheet (closing balances)	**2023**	**2024**	**%**
Total assets	1,470,796	2,370,967	61
Gross customer loans	721,212	1,111,220	54
Gross customer loans (FX-adjusted)	684,725	1,111,220	62
Stage 1+2 customer loans (FX-adjusted)	591,915	1,057,903	79
Retail loans	575,515	1,053,490	83
Retail mortgage loans	1,178	932	(21)
Retail consumer loans	574,328	1,052,549	83
MSE loans	9	8	(10)
Corporate loans	16,400	4,413	(73)
Allowances for possible loan losses	(133,255)	(113,633)	(15)
Allowances for possible loan losses (FX-adjusted)	(127,038)	(113,633)	(11)
Deposits from customers	1,101,084	1,882,093	71
Deposits from customers (FX-adjusted)	1,069,472	1,882,093	76
Retail deposits	392,515	588,458	50
Retail deposits	274,009	440,870	61
MSE deposits	118,505	147,588	25
Corporate deposits	676,957	1,293,636	91
Liabilities to credit institutions	19,063	78,331	311
Subordinated debt	8,071	8,562	6
Total shareholders' equity	274,516	298,786	9
Loan Quality	**2023**	**2024**	**%/pps**
Stage 1 loan volume under IFRS 9 (in LCY million)	510,129	895,393	76
Stage 1 loans under IFRS 9/gross customer loans	70.7	80.6	9.8
Own coverage of Stage 1 loans under IFRS 9	3.0	3.0	0.0
Stage 2 loan volume under IFRS 9 (in LCY million)	114,001	162,509	43
Stage 2 loans under IFRS 9/gross customer loans	15.8	14.6	(1.2)
Own coverage of Stage 2 loans under IFRS 9	22.7	22.9	0.2
Stage 3 loan volume under IFRS 9 (in LCY million)	97,082	53,317	(45)
Stage 3 loans under IFRS 9/gross customer loans	13.5	4.8	(8.7)
Own coverage of Stage 3 loans under IFRS 9	95.0	93.5	(1.6)
Provision for impairment on loan losses/average gross loans	2.4	6.0	3.7
Performance Indicators	**2023**	**2024**	**pps**
ROA	8.0	7.2	(0.8)
ROE	33.9	45.3	11.4
Total income margin	18.69	18.11	(0.58)
Net interest margin	10.20	9.86	(0.34)
Operating costs / Average assets	6.2	4.8	(1.4)
Cost/income ratio	33.2	26.6	(6.6)
Net loans to deposits (FX-adjusted)	52	53	1
FX rates	**2023 HUF**	**2024 HUF**	**Change %**
HUF/RUB (closing)	3.9	3.7	(5)
HUF/RUB (average)	4.2	3.9	(7)

[1]The Corporate income tax line includes the corporate income tax in the Russian segment, as well as the dividend taxes incurred at other members of OTP Group because of the Russian Group members' dividend payment.

OTP Bank Russia generated HUF 136.9 billion profit in 2024.

Corporate income tax surged by 70% y-o-y, owing to the higher pre-tax profit as well as the taxes associated with dividend payments[32]. Pursuant to the regulation passed in July 2024 the corporate income tax rate in Russia was increased to 25% from 1 January 2025, from the former 20%.

The annual net interest margin narrowed by 34 basis points y-o-y, while net interest income grew by 53%.

In 2024, net fees and commissions expanded by 35% y-o-y, mainly as a result of the rising account- and transaction fees owing to the growing deposit volumes.

The 30% increase in cumulated operating expenses in RUB terms was mostly shaped by inflation processes, while in Russia the number of branches has shrank by 42% and the number of employees by 23% since the beginning of the war. The bank's cost/income ratio was 27% in 2024.

The volume of Stage 3 loans declined significantly as a result of a sale of problem loans in the fourth quarter, bringing down the Stage 3 ratio to 4.8%. The annual credit risk costs tripled y-o-y, the credit risk cost ratio was 6%.

FX-adjusted performing (Stage 1+2) retail consumer loans grew by 79% in 2024. Although the increase was mainly determined by car loan and cash loan volumes throughout the year, the volume of POS loans also increased at the end of the year, owing to seasonal factors. Meanwhile, the performing corporate loan book shrank by 96% compared to the pre-war level at the end of 2021.

FX-adjusted deposit volumes grew by 76% y-o-y. The net loan/deposit ratio was 53% at the end of the year.

At the end of 2022, the Russian operation paid back the full amount of its expiring intergroup liabilities. In addition to this, RUB 41.8 billion dividend payment has been approved by the Central Bank of Russia since September 2023.

[32] The Corporate income tax line includes the corporate income tax in the Russian segment, as well as the dividend taxes incurred at other members of OTP Group because of the Russian Group members' dividend payment.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account	2023 HUF million	2024 HUF million	Change %
Profit after tax	20,120	2,050	(90)
Adjustments (after tax)	0	0	
Adjusted profit after tax	20,120	2,050	(90)
Income tax	(3,559)	(2,630)	(26)
Profit before income tax	23,679	4,680	(80)
Operating profit	20,994	9,589	(54)
Total income	68,635	33,866	(51)
Net interest income	53,865	27,046	(50)
Net fees and commissions	5,019	3,071	(39)
Other net non-interest income	9,751	3,749	(62)
Operating expenses	(47,641)	(24,277)	(49)
Total provisions	2,685	(4,909)	
Provision for impairment on loan losses	2,771	(4,714)	
Other provision	(86)	(196)	128
Main components of balance sheet (closing balances)	2023	2024	%
Total assets	1,600,237		
Gross customer loans	1,136,507		
Gross customer loans (FX-adjusted)	1,217,672		
Stage 1+2 customer loans (FX-adjusted)	1,152,869		
Retail loans	519,467		
Retail mortgage loans	407,306		
Retail consumer loans	89,101		
MSE loans	23,060		
Corporate loans	562,635		
Leasing	70,766		
Allowances for possible loan losses	(55,856)		
Allowances for possible loan losses (FX-adjusted)	(59,785)		
Deposits from customers	1,100,016		
Deposits from customers (FX-adjusted)	1,179,399		
Retail deposits	711,542		
Retail deposits	610,250		
MSE deposits	101,292		
Corporate deposits	467,857		
Liabilities to credit institutions	261,740		
Total shareholders' equity	192,650		
Loan Quality	2023	2024	%/pps
Stage 1 loan volume under IFRS 9 (in HUF million)	919,683		
Stage 1 loans under IFRS 9/gross customer loans	80.9%		
Own coverage of Stage 1 loans under IFRS 9	1.2%		
Stage 2 loan volume under IFRS 9 (in HUF million)	156,276		
Stage 2 loans under IFRS 9/gross customer loans	13.8%		
Own coverage of Stage 2 loans under IFRS 9	8.5%		
Stage 3 loan volume under IFRS 9 (in HUF million)	60,549		
Stage 3 loans under IFRS 9/gross customer loans	5.3%		
Own coverage of Stage 3 loans under IFRS 9	51.9%		
Provision for impairment on loan losses/average gross loans	(0.24%)	0.84%	1.08
Performance Indicators	2023	2024	pps
ROA	1.3%	0.3%	(1.0)
ROE	11.0%	2.1%	(8.9)
Total income margin	4.29%	4.18%	(0.11)
Net interest margin	3.36%	3.34%	(0.03)
Operating costs / Average assets	3.0%	3.0%	0.0
Cost/income ratio	69.4%	71.7%	2.3
Net loans to deposits (FX-adjusted)	98%		
FX rates	2023 HUF	2024 HUF	Change %
HUF/RON (closing)	77.0	82.4	7
HUF/RON (average)	77.3	79.2	2

On 30 July 2024, the sale of OTP Bank Romania S.A. to Banca Transilvania S.A. was completed. Simultaneously, the Romanian bank was deconsolidated, thus neither its balance sheet nor its profit was presented in the Group's balance sheet or result, starting from July.

The Romanian operation generated HUF 2 billion profit after tax between January and June 2024

STAFF LEVEL AND OTHER INFORMATION

	31/12/2023				31/12/2024			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	**342**	**1,877**	**156,757**	**11,257**	**317**	**1,931**	**170,708**	**11,404**
DSK Group (Bulgaria)	302	979	17,494	5,104	278	970	19,532	5,149
OTP Bank Slovenia	114	436	15,459	2,355	82	427	14,626	2,310
OBH (Croatia)	107	438	10,889	2,400	105	445	11,686	2,454
OTP Bank Serbia	156	275	20,108	2,676	155	287	24,263	2,686
Ipoteka Bank (Uzbekistan)	39	682	232	4,444	39	809	44,394	4,432
OTP Bank Ukraine (w/o employed agents)	71	165	190	2,074	70	172	350	2,129
CKB Group (Montenegro)	28	114	8,323	503	26	109	9,289	561
OTP Bank Albania	50	129	988	719	50	106	2,046	700
OTP Bank Moldova	53	154	0	867	51	161	0	875
OTP Bank Russia (w/o employed agents)	82	165	278	4,587	78	128	104	5,054
OTP Bank Romania	95	157	13,848	1,780	-	-	-	-
Foreign subsidiaries, total	**1,097**	**3,694**	**87,809**	**27,509**	**934**	**3,614**	**126,290**	**26,351**
Other Hungarian and foreign subsidiaries				640				768
OTP Group (w/o employed agents)				**39,407**				**38,523**
OTP Bank Russia - employed agents				2,018				1,694
OTP Bank Ukraine - employed agents				123				101
OTP Group (aggregated)	**1,439**	**5,571**	**244,566**	**41,547**	**1,251**	**5,545**	**296,998**	**40,317**

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. The *other Hungarian and foreign subsidiaries*, and the *OTP Group* lines do not contain the headcount of agricultural businesses.

STATEMENT ON CORPORATE GOVERNANCE PRACTICE

Corporate governance practice

OTP Bank Plc., being registered in Hungary, has a corporate governance policy that complies with the provisions on companies of the act applicable (Civil Code). As the company conducts banking operations, it also adheres to the statutory regulations pertaining to credit institutions.

Beyond fulfilling the statutory requirements, as a listed company on the Budapest Stock Exchange (BSE), the company also makes an annual declaration on its compliance with the BSE's Corporate Governance Recommendations. After being approved by the General Meeting, this declaration is published on the websites of both the Stock Exchange (www.bet.hu) and the Bank (www.otpbank.hu).

System of internal controls

OTP Bank Plc., as a provider of financial and investment services, operates a closely regulated and state-supervised system of internal controls.

OTP Bank Plc. has detailed risk management regulations applicable to all types of risks (credit, country, counterparty, market, liquidity, operational, compliance), which are in compliance with the regulations on prudent banking operations. The Bank Group pays special attention to the management of ESG risks and the implementation of climate protection aspects in business practice. Its risk management system extends to cover the identification of risks, the assessment and analysis of their impact, elaboration of the required action plans and the monitoring of their effectiveness and results. The business continuity framework is intended to provide for the continuity of services. Developed on the basis of international methodologies, the lifecycle model includes process evaluation, action plan development for critical processes, the regular review and testing of these, as well as related DRP activities.

OTP Bank Plc.'s internal audit system is realised on several levels of control built on each other. The system of internal checks and balances includes process-integrated control, management control, independent internal audit and executive information system. The independent internal audit organisation as a key element of internal lines of defence promotes the statutory and efficient management of assets and liabilities, the defence of property, the safe course of business, the efficient operation of internal control systems, the minimisation of risks, moreover it reveals and reports deviations from statutory regulations and internal rules, makes proposal to abolish deficiencies and follows up the execution of actions. The independent internal audit organisation annually and quarterly prepares group-level reports on control actions and audit results for the executive boards. Once a year, the internal audit organisation with the prior opinion of the Audit Committee draws up, for the Supervisory Board, the Board of Directors and the Risk Assumption and Risk Management Committee, objective and independent reports in respect of the operation of risk management, internal control mechanisms and corporate governance functions. Furthermore, in line with the provisions of the Credit Institutions Act, reports, once a year, to the Supervisory Board and the Board of Directors on the regularity of internal audit tasks, professional requirements and the conduct of audits, and on the review of compliance with IT and other technical conditions needed for the audits.

In line with the regulations of the European Union, the applicable Hungarian laws and supervisory recommendations, OTP Bank Plc. operates an independent organisational unit with the task of identifying and managing compliance risks. The Compliance Directorate prepares a report quarterly to the Board of Directors, and annually to the Supervisory Board, about the Bank's and the Bank Group's compliance activities and position.

IT Controls

Applications are developed by either in-house group resources or by third parties. OTP Bank applies administrative, logical and physical control measures commensurate with the risk in order to protect the IT systems storing and processing data, as follows:

- access to data/systems is only possible on the basis of a predefined authorisation management process that applies the principle of least privilege, ensures segregation of responsibilities, that has regular access right reviews and ensures that dismissed employees' access is revoked in a timely manner;
- user authentication, authorisation and password management processes are controlled by policies and audited;
- the systems have test and development environments with appropriate separation from the production environments that have a secure change management procedure, which ensures that program developments or modifications can only be deployed to the operational environment after proper, controlled testing and approval;

- systems are protected by appropriate network perimeter protection, various security devices and network segmentation, furthermore all network communications are protected with state-of-the-art encryption;
- the IT systems that store and process data are regularly backed up and backup media is stored in controlled premises with adequate protection for long-term retention, and the organisation carries out regular backup restore tests;
- adequate redundancy is applied for IT systems that store and process data to ensure business continuity and disaster resiliency;
- has developed DRPs and BCPs for critical systems and critical business processes, which are regularly tested and reviewed;
- the Bank collects and retains the complete log of all major IT operations and IT security relevant data processing activities and the confidentiality, availability, integrity, authenticity and non-repudiation of these audit logs are ensured;
- there is a continuous, up-to-date protection against malicious codes;
- it ensures the regular implementation of vendor patches and updates for the environments used;
- it uses a data leakage protection (DLP) solution to reduce the risk of inadvertent data loss;
- it ensures the continuous monitoring of the operation events of the physical and virtual environment system elements with automated event detection and management tools;
- the above measures are documented at an appropriate level, which ensures the traceability of the implementation of data security requirements in a transparent manner;
- it ensures permanent secure deletion of the data stored on the media, the destruction of the media and the documentation of the destruction of the media during secure operational media disposal processes;
- it enforces data protection requirements already at the design stage of the implementation of the IT systems storing and processing personal data and of the systems operational processes related to them;
- acquire and maintain ability to adequately handle application related security events (including cyber threats), entailing prevention, detection, identification, isolation, analysis, recovery and reporting;
- remote work is regulated in a controlled and documented way, remote device and user access is protected with multi-factor authentication;
- ensures IT security compliance by its managed regulative framework;
- revision and update of IT security regulations bi-yearly or in a frequency complying legislative requirements or upon major changes;
- ensures vulnerability assessments and penetration tests are carried out as planned;
- defines pools for categorization of installed software into preferred, allowed and prohibited and ensures compliance to that policy.
- it ensures that its employees have adequate knowledge of data protection requirements and provides regular data protection and information security awareness training for them.

General Meeting

The General Meeting is the supreme governing body of OTP Bank Plc. The regulations pertaining to its operation are set forth in the Company's Articles of Association, and comply fully with both general and special statutory requirements. Information on the General Meeting is available in the Corporate Governance Report.

Regulations and information to be presented in the Business Report concerning securities conferring voting rights issued by the Company and senior officials, according to the effective Articles of Association, and ownership structure

The Company's registered capital is HUF 28,000,001,000, that is twenty-eight thousand million one thousand Hungarian forint, divided into 280,000,010 that is Two hundred and eighty million and ten dematerialised ordinary shares with a nominal value of HUF 100 each, and a total nominal value of HUF 28,000,001,000, that is twenty-eight billion one thousand Hungarian forint.

The ordinary shares of the Company specified all have the same nominal value and bestow the same rights in respect of the Company.

There are no restrictions in place concerning the transfer of issued securities constituting the registered capital of the Company.

No securities with special control rights have been issued by the Company.

Special Employee Partial Ownership Plan Organization No. I. of OTP Employees and Special Employee Partial Ownership Plan Organization No. II. of OTP Employees (hereinafter referred to as: OTP SEPOPs) were established based on the decision of the Company's certain employees and executives considered as employees pursuant to the Act XLIV of 1992 on Employee Partial Ownership Plan. Management rights of OTP SEPOPs are exercised by a trust named *Alapítvány az OTP Munkavállalók Különleges Résztulajdonosi Programjáért*, founded by the same employees setting up OTP SEPOPs. The Company did not participate either in foundation or in management of OTP SEPOPs.

The Company in line with the ESOP Act initiated an employee share ownership plan having a remuneration purpose and founded OTP Bank ESOP Organization for its execution (hereinafter referred to as ESOP Organization). Pursuant to the laws, the management rights over the ESOP Organization are exercised by a law firm, the so called trustee. In the case of the ESOP Organization Szűcs Law Firm is entitled to exercise the authorities of the trustee. The Company participated in the foundation of the ESOP Organization, however, after its foundation it cannot participate in its management, and according to the laws, it is not entitled to either give orders or to recall the trustee.

Rules on the restrictions of the voting rights:

The Company's ordinary shares confer one vote per share.

An individual shareholder or group of shareholders may not exercise voting rights in respect of in an extent exceeding 25%, or – if the voting rights of another shareholder or group of shareholders exceed 10% – exceeding 33% of the total voting rights represented by the shares conferring voting rights at the Company's General Meeting.

The shareholder is obliged to notify the Company's Board of Directors without delay if the shareholder directly or indirectly, or together with other shareholders in the same group of shareholders, holds more than 2% of the voting rights represented by the shares conferring voting rights at the Company's General Meeting. Concurrently with this, the shareholder is obliged to designate the shareholders through which the indirect voting right exists, or the members of the group of shareholders. In the event of a failure to provide such notification, or if there are substantive grounds for assuming that the shareholder has made a misleading declaration regarding the composition of the shareholder group, then the shareholder's voting right shall be suspended and may not be exercised until the shareholder has met the above obligations. The notification obligation stipulated in this paragraph and the related legal consequences are also incumbent upon individuals who are classified or may be classified as the Company's shareholders under Article 61 of the Capital Markets Act. The Company must also be provided with proof of the conditions for exemption from the notification obligation in accordance with Section 61 (7)-(8) and (11) and Section 61 (10), (11a) and (12), of the Capital Markets Act.

Shareholder group: the shareholder and another shareholder, in which the former has either a direct or indirect shareholding or has an influence without a shareholding (collectively: a direct and/or indirect influence); furthermore: the shareholder and another shareholder who is exercising or is willing to exercise its voting rights together with the former shareholder, regardless of what type of agreement between the participants underlies such concerted exercising of rights.

For determining the existence and extent of the indirect holding, the rules of the Credit Institutions Act relating to the calculation of indirect ownership shall be applied.

If the voting rights that may be exercised by a shareholder group exceed the threshold stipulated above, the voting rights shall be reduced in such a way that the voting rights relating to the shares most recently acquired by the group of shareholders shall not be exercisable.

If there are substantive grounds to presume that the exercising of voting rights by any shareholder or shareholders might result in a breach of the rules of the Capital Markets Act relating to the acquisition of a controlling interest, the Board of Directors' authorised representative responsible for the registration of shareholders at the venue of the General Meeting, or the Chairman of the General Meeting, may exclude the affected shareholders from attending the General Meeting or exercising voting rights.

The General Meeting has exclusive authority with respect to the following matters:

- changes to the rights associated with specific series of shares, or the transformation of certain categories or classes of shares; (qualified majority)
- the decision regarding the delisting of the shares (qualified majority). When making the decisions, shares embodying multiple voting rights shall represent one share.

The Company is not aware of any kind of agreements among the owners that could give rise to the restriction of the transfer of issued securities and/or the voting rights.

Rules on the appointment and removal of executive officers, and rules on amendment of the Articles of Association:

The Board of Directors has at least 5, and up to 11 members.

When making the decisions, shares embodying multiple voting rights shall represent one share. The members of the Board of Directors are elected by the General Meeting based on its decision uniformly either for an indefinite period or for five years; in the latter case the mandate ends with the General Meeting concluding the fifth financial year following the election. The mandate of a member elected during this period expires together with the mandate of the Board of Directors.

The Board of Directors elects a Chairman and may elect one or more Deputy Chairmen, from among its own members, whose period of office shall be equal to the mandate of the Board of Directors. The Chairman of the Board of Directors is also the Chief Executive Officer (Chairman & CEO) of the Company, unless the Board of Directors decides within its competence that the position of Chairman of the Board of Directors and the Chief Executive Officer of the Company are held by separate persons.

The membership of the Board of Directors ceases to exist by

g. expiry of the mandate,
h. resignation,
i. recall,
j. death,
k. the occurrence of grounds for disqualification as regulated by law.
l. termination of the employment of internal (executive) Board members.

The General Meeting has exclusive authority with respect to the following matters:

- the recall of members of the Board of Directors, the Supervisory Board and Audit Committee, and of the auditor; (qualified majority)

  More than one third of the members of the Board of Directors and the non-executive members of the Supervisory Board may be recalled within a 12-month period only if any shareholder holds more than 33% of the shares issued by the Company, which have been obtained by the shareholder by way of a public purchase offer.
- except in the cases referred by these Articles of Association to the authority of the Board of Directors, the establishment and amendment of the Articles of Association; (qualified majority); the General Meeting decides on proposals concerning the amendment of the Articles of Association – based on a resolution passed by shareholders with a simple majority – either individually or en masse.

The Board of Directors is obliged to

- prepare the Company’s financial statements in accordance with the Accounting Act, and make a proposal for the use of the profit after taxation;
- prepare a report once a year for the General Meeting, and once every three months for the Supervisory Board, concerning management, the status of the Company’s assets and business policy;
- provide for the proper keeping of the Company's business books;
- perform the tasks referred to its authority under the Credit Institutions Act, in particular:
  - ensuring the integrity of the accounting and financial reporting system;
  - elaborating the appropriate strategy and determining risk tolerance levels for each business unit concerned;
  - setting risk assumption limits;
  - providing the necessary resources for the management or risk, the valuation of assets, the use of external credit ratings and the application of internal models.

The following, in particular, come under the exclusive authority of the Board of Directors:

- election of the Chairman & Chief Executive Officer of the Company, and exercising employer's right in respect thereof;
- election of one or more Deputy Chairmen of the Board of Directors;
- determination of the annual plan;
- the analysis and assessment of the implementation of business-policy guidelines, on the basis of the Company's quarterly balance sheet;
- decisions on transactions referred to the authority of the Board of Directors by the Company's organisational and operational regulations;
- decision on launching, suspending, or terminating the performance of certain banking activities within the scope of the licensed activities of the Company;
- designation of the employees entitled to sign on behalf of the Company;
- decision on the increasing of registered capital at the terms set out in the relevant resolution of the General Meeting;
- decision to acquire treasury shares at the terms set out in the relevant resolution of the General Meeting;
- decision on approving internal loans in accordance with the Credit Institutions Act;
- decision on the approval of regulations that fundamentally determine banking operations, or are referred to its authority by the Credit Institutions Act. The following shall qualify as such regulations:
  - the collateral evaluation regulations,
  - the risk-assumption regulations,
  - the customer rating regulations,
  - the counterparty rating regulations,
  - the investment regulations,
  - the regulations on asset classification, impairment and provisioning,
  - the organisational and operational regulations, which contain the regulations on the procedure for assessing requests related to large loans,
  - the regulations on the transfer of signatory rights;
- the decision on approving the Rules of Procedure of the Board of Directors;
- decision on steps to hinder a public takeover procedure;
- decision on the acceptance of a public purchase offer received in respect of treasury shares;
- decision on the commencement of trading in the shares in a regulated market (flotation);
- decision on the cessation of trading in the shares in a given regulated market, provided that the shares are traded in another regulated market (hereinafter: transfer).

The Board of Directors is exclusively authorised to:

- decide, in the cases specified in the Civil Code, on acceptance of the Company's interim balance sheet, subject to the prior approval of the Supervisory Board;
- decide, instead of the General Meeting, to pay an advance on dividends, subject to the preliminary approval of the Supervisory Board;
- make decisions regarding any change in the Company's name, registered office, permanent establishments and branches, and in the Company's activities – with the exception of its core activity – and, in relation to this, to modify the Articles of Association should it become necessary to do so on the basis of the Civil Code or the Articles of Association;
- make decision on mergers (if, according to the provisions of the law on the transformation, merger and demerger of legal entities, the approval of the General Meeting is not required in order for the merger to take place).

The Board of Directors directly exercises employer's rights in respect of the Chairman & CEO. The person affected by a decision may not participate in the decision making. Employer rights in respect of the executive directors of the Company are exercised by the Board of Directors through the Chairman & CEO, with the proviso that the Board of Directors must be notified in advance of the appointment and dismissal of the Deputy CEOs. With regard to issues related to the exercising of employer's rights in respect of employees, the Company is represented by the Chief Executive Officer and by the senior company employees defined in the Organisational and Operational Regulations of the Company, in accordance with the delegation of authority approved by the Board of Directors. If the Chairman of the Board of Directors and the CEO are different persons, the employer rights in respect of the other executive directors of the Company (CEO, deputy CEOs) are exercised by the Board of Directors through the Chairman of Board of Directors, with the proviso that the Board of Directors shall be notified in advance of the appointment and dismissal of the CEO and Deputy CEOs. With regard to issues related to the exercising of employer's rights in respect of employees, the Company is represented by the persons defined in the Organisational and Operational Regulations of the Company, in accordance with the delegation of authority approved by the Board of Directors.

The Board of Directors may delegate, to individual members of the Board of Directors, to executive directors employed by the Company, and to the heads of the individual service departments, any task that does not come under the exclusive authority of the Board of Directors in accordance with these Articles of Association or a General Meeting resolution.

The Company may acquire treasury shares in accordance with the rules of the Civil Code. The prior authorisation of the General Meeting is not required for the acquisition of treasury shares if the acquisition of the shares is necessary in order to prevent a direct threat of severe damage to the Company (this provision is not applicable in the event of a public purchase offer aimed at buying up the Company's shares), as well as if the Company acquires the treasury shares in the context of a judicial procedure aimed at the settlement of a claim to which the Company is entitled, or in the course of a transformation.

The Company has not made agreements in the meaning of points (j) and (k) in paragraph 95/A of Act No. C of 2000 on Accounting.

OWNERSHIP STRUCTURE OF OTP BANK PLC.

Description of owner	Total equity					
	1 January 2024			31 December 2024		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights[1]	Quantity
Domestic institution/company	31.40%	31.46%	87,914,205	31.57%	32.39%	88,395,584
Foreign institution/company	54.43%	54.54%	152,405,042	54.53%	55.94%	152,679,265
Domestic individual	12.93%	12.96%	36,217,730	10.31%	10.58%	28,878,581
Foreign individual	0.48%	0.48%	1,349,320	0.36%	0.37%	998,943
Employees, senior officers	0.48%	0.48%	1,338,715	0.51%	0.53%	1,435,703
Treasury shares[2]	0.20%	0.00%	572,746	2.52%	0.00%	7,049,823
Government held owner	0.05%	0.05%	139,036	0.05%	0.05%	139,036
International Development Institutions	0.01%	0.01%	28,603	0.00%	0.00%	3,251
Other[3]	0.01%	0.01%	34,613	0.15%	0.15%	419,824
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 2024 ESOP owned 11,965,796 OTP shares.
[3] Non-identified shareholders according to the shareholders' registry.

NUMBER OF TREASURY SHARES HELD IN THE YEAR UNDER REVIEW (2024)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	572,746	1,452,570	3,443,352	4,762,756	7,049,823
Subsidiaries	0	0	0	0	0
TOTAL	572,746	1,452,570	3,443,352	4,762,756	7,049,823

SHAREHOLDERS WITH OVER/AROUND 5% STAKE AS AT 31 DECEMBER 2024

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%**	**8.79%**	
Groupama Group	**F/D**	**C**	**14,260,181**	**5.09%**	**5.22%**	
Groupama Gan Vie SA	F	C	14,140,000	5.05%	5.18%	
Groupama Biztosító Ltd,	D	C	120,181	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 2024

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	76,887
IG	Tamás Erdei	Deputy Chairman	27/04/2012	2026	59,685
IG	Gabriella Balogh	member	16/04/2021	2026	27,393
IG	Mihály Baumstark	member	29/04/1999	2026	58,800
IG	Péter Csányi	member, Deputy CEO	16/04/2021	2026	49,429
IG	dr. István Gresa	member	27/04/2012	2026	195,058
IG	Antal Kovács[3]	member	15/04/2016	2026	114,940
IG	György Nagy[4]	member	16/04/2021	2026	13,000
IG	dr. Márton Gellért Vági	member	16/04/2021	2026	22,600
IG	dr. József Vörös	member	15/05/1992	2026	204,914
IG	László Wolf	member, Deputy CEO	15/04/2016	2026	554,412
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	491
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			11,649
SP	László Bencsik	Deputy CEO			16,003
SP	György Kiss-Haypál	Deputy CEO			15,995
SP	Imre Bertalan	MC member			0
SP	dr. Bálint Csere	MC member			12,983
TOTAL No. of shares held by management					**1,435,703**

[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: 5,276,887
[3] Number of OTP shares owned by Antal Kovács, Member of Board of Directors, directly or indirectly: 119,240
[4] Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly: 980,000

Committees[33]

Members of the Board of Directors
Dr. Sándor Csányi – Chairman
Mr. Tamás Erdei – Deputy Chairman
Ms. Gabriella Balogh
Mr. Mihály Baumstark
Mr. Péter Csányi
Dr. István Gresa
Mr. Antal Kovács
Mr. György Nagy
Dr. Márton Gellért Vági
Dr. József Vörös
Mr. László Wolf

Members of the Supervisory Board
Mr. Tibor Tolnay – Chairman
Dr. József Gábor Horváth – Deputy Chairman
Ms. Klára Bella
Dr. Tamás Gudra
Mr. András Michnai
Mr. Olivier Péqueux

Members of the Audit Committee
Dr. József Gábor Horváth – Chairman
Mr. Tibor Tolnay – Deputy Chairman
Dr. Tamás Gudra
Mr. Olivier Péqueux

The résumés of the committee and board members are available in the Corporate Governance Report/Annual Report.

[33] Personal changes can be found in the „Personal and organizational changes" chapter.

Auditor

On 26 April 2024, concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2024, the Annual General Meeting elected Ernst & Young Ltd. (001165, H-1132 Budapest, Váci út 20.) as the Company's auditor from 1 May 2024 until 30 April 2025.

Operation of the executive boards

OTP Bank Plc. has a dual governance structure, in which the Board of Directors is the Company's executive management body in its managerial function, while the Supervisory Board is the management body in its supervisory function of the Company. It controls the supervision of the lawfulness of the Company's operation, its business practices and management, performs oversight tasks and accepts the provisions of the Bank Group's Remuneration Policy. The effective operation of Supervisory Board is supported by the Audit Committee, as a committee, which also monitors the internal audit, the risk management, the reporting systems and the activities of the auditor.

In order to assist the performance of the governance functions the Board of Directors founded and operates, as permanent or other committees, such as the Management Committee, the Executive Steering Committee, the Remuneration Committee, the Nomination Committee and the Risk Assumption and Risk Management Committee.

To ensure effective operation OTP Bank Plc. also has a number of further permanent committees.

OTP Bank Plc. gives an account of the activities of the executive boards and the committees every year in its Corporate Governance Report.

The Board of Directors held 6, the Supervisory Board held 7 meetings, while the Audit Committee held 2 meetings in 2024. In addition, resolutions were passed by the Board of Directors on 149, by the Supervisory Board on 73 and by the Audit Committee on 24 occasions by written vote.

Policy of diversity

OTP Bank Plc. determines and regulates the criteria for the selection of senior executives in line with European Union as well as domestic legal requirements and directives fundamentally determining the operation of credit institutions.

When designating members of the management bodies (Board of Directors, Supervisory Board) as well as appointing members of the Board of Directors and administrative members (Management), OTP Bank Plc. considers the existence of professional preparation, the high-level human and leadership competence, the versatile educational background, the widespread business experience and business reputation of the utmost importance, at the same time, it is also highly committed to taking efficient measures in order to ensure diversity with regard to corporate operation, including the gradual improvement in women's participation rate.

OTP Bank Plc.'s Nomination Committee continuously keeps tracking the European Union and domestic legislation relating to women's quota on its agenda, in that when unambiguously worded expectations are announced, it promptly takes the necessary measures. In accordance with OTP Bank Plc.'s currently approved strategy, the goal is to have at least one female member in both the Bord of Directors and the Supervisory Board.

It is important to note, however, that, as a public limited company, the selection of the members of the management bodies falls within the exclusive competence of the General Meeting upon which – beyond its capacity to designate enforcing the above aspects to maximum effect – OTP Bank Plc. has no substantive influence.

According to OTP Bank Plc.'s Articles of Association, a Board of Directors comprising 5-11 members and a Supervisory Board comprising 5-9 members are set up at OTP Bank Plc. Currently the Board of Directors operates with 11 members and has one female member, the Supervisory Board comprises 6 members and has one female member. The management of OTP Bank Plc. currently comprises 6 members and has no female member.

Fight against corruption and against the practice of bribery

The Code of Ethics (https://www.otpbank.hu/static/portal/sw/file/OTP_EtikaiKodex_EN.pdf) , the Partner Code of Ethics (https://www.otpbank.hu/static/portal/sw/file/OTP_Partneri_EtikaiKodex_EN.pdf) published in 2023 and the Anti-Corruption Policy of OTP Bank Group, approved in 2019, contains provisions on the fight against corruption and against the practice of bribery, as well as the enforcement of legal, fair and ethical conduct (https://www.otpgroup.info/ethical-declaration). As it can be read in the foreword of the Code and the Anti-

Corruption Policy as well, the OTP Bank Plc. and its management have adopted the principle of zero tolerance towards corruption and bribery, taking a definite stance against all forms of corruption and giving full support to the fight against corruption. In addition, the Code states that "As an ethical and compliant institution, the Bank and its management are fully committed to ensuring observance of all relevant legislation, including anti-corruption statutes."

The OTP Bank Plc. has set up an ethics reporting system (whistleblowing), which is for the reporting and the handling of the reports on suspected or actual violation of the values set forth in the Code of Ethics, where anonymous reporting of ethics issues is also possible. The OTP Bank Plc. conducts inquiries for the purpose of detecting, preventing anomalies in connection with reports made or anomalies it became aware of otherwise.

In 2024, a total of 200 reports were received through the ethics Whistleblowing System of OTP Bank Plc., of which 44 reports were deemed necessary to conduct ethics proceedings. Ethical breaches were identified in 12 cases.

The OTP Bank Plc. has created and maintains its Code of Ethics to keep reputational risk and financial losses, which may incur in relation to corruption, bribery and discrimination, on a minimum level. Both employees and newcomers receive education on the Code of Ethics, and in addition, the acceptance to be bound by it is a prerequisite for their employment.

In addition, all business partners and clients are communicated about the Anti-Corruption Policy and procedures through the Code of Ethics and Anti-Corruption Policy published publicly on the OTP Bank Plc.'s website and from 2023 the Partner Code of Ethics has been published on the Bank's website as well. The Anti-Corruption Policy stipulates that, in view of the fact that existing and established relationships with contractual partners also contain the possibility of corruption, the OTP Bank Plc. will act prudently in its dealings with contractors, in particular in the tendering and preparation process, to minimise the risk of corruption. The OTP Bank Plc. establishes relationships with its contractual partners based on an assessment of professionalism, competence and competitiveness, and does not apply other non-professional selection criteria that contain the possibility of corruption.

Based on the Compliance's proposal, the prohibition of corruption will be reflected in the contractual and regulatory documents used by the OTP Bank Plc. in a clearer and well-defined manner from 2023 onwards, through the inclusion of anti-corruption clauses in the business rules and standard contracts. The clause will state from the very beginning of the business relationship that the contracting partner accepts OTP Bank Plc.'s anti-corruption principles, including the prohibition of corruption and the consequences of breaching this prohibition, which can even be termination of contract.

Any requests from third parties affecting human rights are treated by the OTP Bank Plc. as a priority.

We manage the risks regarding the fight against corruption and bribery within the framework of our operational risk management process. Our quarterly compliance reports cover the changes in risks as well as the steps necessary steps to manage them. The reports are presented to the Executive Steering Committee and the Board of Directors; the annual report is also submitted to the Supervisory Board.

Non-financial performance indicators

- **Internal audit:** 208 closed audits, 1,193 recommendations, 1,193 accepted recommendations.
- **Compliance with Budapest Stock Exchange (BSE) Recommendations (yes/no ratio):** 72 yes, 0 no.
- **Compliance:** 11 closed data- and consumer protection related investigations by the Compliance.
- **Bank security investigations, reports:** in 2024, we made 1,049 reports, 20 additions to reports and 356 notifications. Of these reports, 889 were on suspicion of fraud, 38 on suspicion of money laundering and 122 on suspicion of other crimes.

In terms of financial abuse, there is an increasing trend in housing loans, which amounted to approximately HUF 41 million in 2024. A detailed comparison of the development of losses from credit fraud with the data of 2023 shows that in 2023 the loss from personal loan fraud was HUF 22 million, while in 2024 it increased to HUF 39 million. In 2023, the loss due to fraud was HUF 852 thousand, while in 2024 it increased to HUF 1.2 million.

In 2024, there were no losses related to overdrafts, baby loans, home loans and CSOK applications.

Considering corporate credit fraud in the MSE and MLE sectors, the bank's losses amounted to HUF 4.7 billion in 2023, which decreased to HUF 1.2 billion in 2024.

In the area of online fraud against customers, as a result of the Bank's protective measures, the damage caused by the misuse of cash flows to the detriment of customers decreased by 32% to HUF 7.2 billion in 2024 compared to the data for 2023, when the damage to customers exceeded HUF 10 billion.

In addition, the operational fraud prevention measures and monitoring activities prevented customer losses of HUF 21.7 billion, which is more than three times the previous year's figure of HUF 6.5 billion.

Compared to the data of 2023, in contrast to other domestic banks, a decrease can be observed in the area of bank card fraud, both in terms of the number of fraud attempts and the value of successful fraud. In 2024, the value of successful bank card misuse was HUF 3.5 billion, of which the value of successful transactions with OTP-issued cards was HUF 3.2 billion.

As a result of the newly introduced rules and improvements, the ratio of bank card fraud to sales has decreased compared to 2023, and is once again well below the European average published by Mastercard: OTP Bank 0.0253%, European average 0.0407%.

- **Ethics issues:** 200 ethics reports, establishing ethics offense in 12 cases.

OTP GROUP'S SUSTAINABILITY REPORT 2024

1. General information

1.1. Basis for preparation of the report

General basis for the preparation of the sustainability statement

ESRS 2 BP-1

OTP Bank Plc. prepared its sustainability statement[34] for the year 2024 (01.01.2024-31.12.2024) on a consolidated basis, in accordance with the European Sustainability Reporting Standards (hereinafter referred to as: ESRS), including disclosures under Article 8 of EU Regulation 2020/852 (hereinafter referred to as Taxonomy Regulation). The scope of consolidation is the same as that of the financial statements. The E1-6 disclosure requirement data point 50.b. differs from this, as it pertains to assets under operational control but not consolidated in the financial statements, in compliance with ESRS expectations. The consolidation of a subsidiary begins when OTP Group gains control and ends when the Group loses control.

Corporate names used in the report:

- OTP Bank Plc.: OTP Bank or Bank
- Consolidated group of companies: OTP Group, Banking Group, Group
- Subsidiaries are referred to without their legal form

Under Article 19a(9) or Article 29a(8) of Directive 2013/34/EU, the following subsidiaries are exempt from individual or consolidated sustainability reporting:

- DSK Bank AD[35]
- OTP banka d.d.[36]
- OTP banka Hrvatska dioničko društvo[37]

OTP Group has not omitted any specific information corresponding to intellectual property, know-how, or innovation results, and has not utilized the exemption from disclosing information on imminent developments or matters under negotiation.

Section 134/J (1) of the Hungarian Accounting Law requires that the Company must prepare its consolidated business report including the consolidated sustainability statement in the electronic reporting format (XHTML) set out in Commission Delegated Regulation (EU) 2019/815(ESEF Regulation), and the sustainability disclosures defined by the ESEF taxonomy, including those required according to article 8 of Regulation (EU) 2020/852, must be tagged in the consolidated sustainability statement using the XBRL markup language. Given that the ESEF taxonomy for sustainability reporting has not been adopted yet, the Company, was unable to carry out the XBRL tagging.

Value Chain Management

The materiality assessment of impacts, risks, and opportunities for the upstream and downstream value chain extended comprehensively to the covered corporate group to the extent of identifying material impacts, risks, and opportunities. The extent to which policies, actions, targets, and metrics cover the value chain is presented at the relevant disclosure requirements. Regarding metrics, disclosure requirement E1-6 includes information on the value chain: gross and total GHG[38] emissions for Scopes 1, 2, and 3.

In case of E3 Water and Marine Resources and E4 Biodiversity and Ecosystem, the development and reporting of metrics covering the value chain is necessary and planned in the future. Information on the value chain in this report is limited, with plans to gradually acquire such information from 2025. OTP Group expects that the range of publicly available information will expand in this regard in line with legal requirements, and the information available to the corporate group will also increase due to expectations.

[34] Sustainability Report according to Act C of 2000 on Accounting
[35] DSK Group and subsidiaries
[36] OTP Bank Slovenia and subsidiaries
[37] OTP Bank Croatia and subsidiaries
[38] Greenhouse Gas

Disclosures on Specific Circumstances

ESRS 2 BP-2

Time periods defined by OTP Group

- Short term: one year
- Medium term: 2 years from the end of the short-term period (financial planning period)
- Long term: beyond 3 years, starting from the end of the medium-term period.

Financial planning is conducted for the three years following the current year, which aligns with the defined time periods and explains the deviation from the long-term definition in section 6.4 of ESRS 1.

Information on estimates using indirect sources related to the value chain, the basis of preparation, the level of accuracy, and where applicable measures planned to improve accuracy of these estimations, are presented alongside the relevant metric (@1.5. Disclosure Requirements in ESRS covered by the undertaking's sustainability statement and general reporting policy) in the report.

Identified significant measurement uncertainties, information on the sources of measurement uncertainties, and assumptions, approximations, and judgments used in the measurement, are also presented alongside the relevant quantitative metrics. Forward-looking information always carries a certain degree of uncertainty, which is not separately disclosed. To ensure the reliability of the report, the aim is to avoid presenting information affected by significant uncertainty – if this is not possible or advisable due to ESRS requirements, the fact of significant uncertainty is disclosed.

We will publish revised comparative data due to future methodological changes to the figure if it can be produced at reasonable cost and, under reasonable assumptions, is capable of influencing the user's decisions based on the Sustainability Statement. We will not publish a modification retroactively as a result of a change in estimate.

A previous period error is considered material based on individual judgment it is reasonable to assume that it is capable of influencing the decisions of the users of the sustainability statements. Restatement has been made in chapter 2.1.1. Disclosure under EU Taxonomy, details are to be seen in the chapter.

GRI Standards 2021, the GRI G4 Financial Services Sector indicators and own indicators are used in the sustainability statement as entity specific disclosures. Their application is indicated by the notation used in these standards and our own notation, their list can be found in the @6. ESRS Index. It is indicated in the @ESRS SBM-3 disclosure for which material topics their use was deemed necessary.

1.2. Governance

Role of Governing Bodies

ESRS 2 GOV-1

Composition and Diversity

The administrative, executive, and supervisory bodies of OTP Group are the Board of Directors, the Supervisory Board, and the Audit Committee of OTP Bank Plc. Additionally, there are permanent and special committees (17 committees) established by the Board of Directors of OTP Bank, which are listed in the Corporate Governance Report.

Composition and diversity of the members of the administrative, executive, and supervisory bodies	OTP Bank			
	Board of Directors	Supervisory Board	Audit Committee	Additional Committee
Number of executive members (person)[39]	11	0	0	46
Number of non-executive members (person)	0	6	4	77
Total number of members (persons)	**11**	**6**	**4**	123
Number of employee representative members (persons)[40]	0	2	0	1
Proportion of men	91%	83%	100%	89%
Proportion of women	9%	17%	0%	11%
Proportion of independent members in the Supervisory Board	-	67%	-	-

[39] For the Board of Directors performs the executive function in corporate law, so both internal and external members perform executive functions.
[40] The Work Council delegates members based on the Civil Code, and the members of the Works Council are elected by the employees of OTP Bank Plc. from among themselves.

The professional experience of the members of the Supervisory Board and the Board of Directors (governing bodies) is presented in the @Appendix. For governing bodies, the members must be collectively capable (collective suitability) of making informed decisions on matters within the committee's decision-making authority. However, it is not required that all members possess high-level knowledge in all matters within the governing body's authority, as far as the composition of the body ensures appropriate professional diversity and thus the collective suitability of the body. The suitability of the members of the governing bodies is reviewed at least once a year. The primary consideration in forming the composition of the standing committees is to elect members who have in-depth knowledge of the matters and professional issues within the committee's decision-making authority, or whose specialized expertise is essential for making certain decisions within the committee's authority.

Roles Related to Sustainability

OTP Bank's **ESG organization** was established by the decision of the Board of Directors in 2021. The ESG Committee and the ESG Sub-Committee were included as standing committees in the Organizational and Operational Regulation, and the tasks, responsibilities, and reporting obligations of the relevant organizational units and departments were defined.

The organization has multiple levels:

- The main decision-maker is the Board of Directors.
- The ESG Committee is a standing committee, established by the Board of Directors. Its task is to formulate the ESG strategy, plans, and policies of OTP Bank and the Banking Group, and to support the governing bodies in performing ESG tasks. The ESG Committee reviews all ESG-related proposals before they are submitted to the governing body. The ESG Committee, together with the relevant departments, is responsible for identifying ESG risks, formulating strategies, plans, and policies, setting and evaluating goals and performance, and assessing the consequences of climate-related and environmental risks, as well as social and governance risks, thereby assisting the Board of Directors in performing its ESG tasks. The Chairman of the ESG Committee is appointed by the Chairman-CEO from among the members of the Board of Directors, and its members are the Deputy CEOs and elected directors of OTP Bank.
- The ESG Sub-Committee is the standing decision-preparation forum of the ESG Committee, that performs coordination, consultation, and implementation duties in the context of its technical support work. The head of the Sub-Committee, who is also the head of ESG business transformation, is the Managing Director of the Green Program Directorate.
- The Board of Directors receives a comprehensive quarterly report on the topics discussed at the quarterly meetings of the ESG Committee and the progress of the action plan in response to the MNB Green Recommendation, as well as a written report on the annual progress of the ESG strategy. The Supervisory Board receives a written report on the annual report of the Board of Directors.

The Board of Directors of OTP Bank approved the Group's ESG strategy in 2021 (see @Strategy for more details).

ESG coordination is also ensured at the subsidiary banks.

Security issues, including information security, fall within the scope of the **Security Directorate**. The Security Directorate is responsible for developing and enforcing OTP Bank's Security Policy, professionally directing security activities, developing and implementing procedures, and overseeing the security activities of the Group members. The Security Directorate supports the Anti-Money Laundering Committee in controlling anti-money laundering activities. The head of the Security Directorate supervises the execution of the bank security tasks.

The Security Directorate prepares an Annual Report on the security situation of OTP Group, the enforcement of the Security Policy, changes in risks, and the steps necessary to manage these risks for the Board of Directors, and the Supervisory Board.

To ensure the sustainability expertise of the members of the governing bodies, regular training for the members is provided. In 2024 such training was conducted, where an external expert in ESG governance and the head of the Green Program Directorate (Vice-Chair of the ESG Committee) gave a presentation on OTP Bank's ESG-related activities. The materials from the presentations are continuously accessible to the members of the governing bodies through the e-learning system.

In 2023, targeted ESG training was provided to the executive and strategic-level leaders of the Banking Group, whereby nearly 360 leaders of OTP Group received the e-learning tailored for the target group. The material covered the general basics of ESG, legal and regulatory requirements, business aspects, risk management, human resources topics, and the necessity of avoiding greenwashing.

The collective suitability assessment of the members of the governing bodies includes questions regarding whether the leader has the skills to identify and exploit opportunities related to the company's sustainability. The Nomination Committee reports annually to the Board of Directors and the Supervisory Board on the individual and collective suitability of the members of the governing bodies, including the presence of sustainability-related skills.

When electing members of the ESG Committee, as a standing committee, it is ensured that they have in-depth knowledge of the topics within the committee's authority, as described above. The Committee's rules of procedure state that external experts may be involved in forming its opinion.

Role of Governing Bodies in Business Conduct

ESRS G1 GOV-1

The Supervisory Board, the Board of Directors, and among their committees, the Ethics Committee, play a prominent role in ensuring ethical business conduct and compliance. For the Banking Group, a key element of responsible business conduct is the fight against money laundering, in which the Anti-Money Laundering Committee plays an important role. In terms of compliance, the governance and organizational responsibility lie with the Board of Directors and the Supervisory Board.

The **Board of Directors** approved the Code of Ethics, which summarizes the principles and guidelines of ethical business conduct, and the Compliance Policy.

The **Supervisory Board** – as a body elected by the General Meeting – performs the oversight of the Company's management, business activity and legal operation, and fulfils the responsibilities assigned to it by the Credit Institutions Act.[41]

The Bank develops and enforces conflict of interest and ethical rules, and it requires firm action from all leaders and supervisory bodies against the violations of those rules.

The tasks of OTP Bank's **Ethics Committee** are partly limited to OTP Bank and are partly group wide. At group level, the Commission acts as a secondary body in cases that can be interpreted at group level, and in cases communicated via the ethics/infringement reporting line and primarily managed by OTP Bank's Ethics Department. The Committee investigates reports in a separate procedure and makes second-level decisions. The Committee's objective is to provide clear guidance on following ethical behaviour through its interpretations and opinions provided for general and specific matters. The Committee can provide guidance at the group level.

The Committee on the Prevention of Money Laundering (PMB) is a standing committee established by the Board of Directors that makes decisions about the sustainability of a business relationship or the approval of the establishment of a business relationship that involve customers concerned with the arising of specific money laundering risks. As part of the system for preventing, detecting, investigating, and responding to corruption and bribery allegations and cases, the Committee discusses reports on the implementation of bank- and group-level anti-money laundering and counter-terrorism financing (AML/CFT) policies, procedures, and controls, particularly those proposed by the AML officer. It also discusses the risk management measures necessary for quickly and effectively addressing any identified deficiencies. The Committee discusses and recommends the Bank's and the Group's internal risk assessment on anti-money laundering to the Board of Directors for deliberation. The Committee reports annually to the Board of Directors on its activities, internal and external investigations ordered, their resource requirements, and budget. The PMB sends summaries and minutes of its quarterly meetings to the Supervisory Board for information.

The expertise of the members of the Board of Directors and the Supervisory Board in business conduct is ensured by mandatory annual ethics training and supplementary ethical leadership training (please refer to @4.1. **Corporate Governance**), just as the expertise of the Banking Group's employees is ensured by mandatory training prescribed by regulators. When forming the composition of standing committees, the primary consideration is to elect members who have in-depth knowledge of the matters and professional issues within the committee's decision-making authority or whose specialized expertise is essential for making certain decisions within the committee's authority.

[41] Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises

Information provided to Governing Bodies on Sustainability

ESRS 2 GOV-2

The practice of informing about the impacts, risks, and opportunities identified during the materiality assessment varies by topic. The information is not communicated through a separate channel but is integrated into the sector-specific information practices.

Area	Reporting practices	Significant impact, risk, opportunity,[42] addressed by governing body in 2024
Regular reporting to the governing body		
ESG Committee (detailed tasks in @Governance)	The ESG Committee reviews in advance all ESG-related proposals submitted to the governing body. The Committee meets quarterly. The Board of Directors receives a comprehensive report on the topics discussed at the ESG Committee's quarterly meetings and on the progress of the action plan in response to the MNB Green Recommendation[43]. Additionally, the Board of Directors receives a written report on the annual progress of the ESG strategy. The Supervisory Board receives a written report on the annual report of the Board of Directors.	The ESG Committee as the highest-level body addressed the following: climate change mitigation, climate change adaptation, risks and impacts of energy, and diversity of employees. In addition to it informed the Board of Directors and the Supervisory Board on: climate change mitigation, climate change adaptation, and lending-related opportunities concerning energy.
Compliance Directorate	The compliance officer reports on compliance to the Bank's Board of Directors quarterly and to the Supervisory Board annually.	Measures against workplace violence and harassment Data protection Access to financial products and services Corporate culture, compliance, anti-money laundering Corruption and bribery
Security Directorate	The Security Directorate prepares an annual report on the security situation for the Board of Directors and the Supervisory Board.	Information security[1]
Human- and Organizational Development Directorate	Human resource issues are reported to the ESC (Executive Steering Committee), and a report on the results of group-level engagement survey is prepared for the Supervisory Board.	Work-life balance Gender equality and equal pay for equal work Training and skills development
Occasional reporting to the governing body[2]		
Retail Customer Tribe	Submissions were made to the Board of Directors for the following: the policy for equal service opportunities for persons with disabilities the new product policy in compliance with consumer protection recommendations Regarding the complaint handling policy	Access to financial products and services
Human- and Organizational Development Directorate	Board of Directors submissions were made regarding the occupational health system and health insurance	Health protection and safety

[1] Information security and privacy protection constitute an important topic, which is managed by two separate areas of expertise.
[2] Only those areas or topics that are not covered in regular reporting are included.

It is not explicitly declared for the governing bodies and their committees how they consider sustainability impacts, risks, and opportunities when overseeing the Banking Group's strategy, major transactions, and risk management procedures. The bodies take positions based on the long-term interests of the Banking Group, and consideration is given according to generally applied principles. The Board of Directors' objectives and activities emphasize increasing shareholder value, efficiency and effectiveness, managing risks, and ensuring full compliance with external regulations, i.e., ensuring the most effective implementation of business, ethical, and internal control policies. The Board of Directors is responsible for ensuring the effectiveness of internal lines of defence and providing a sustainable business model that considers all risks, including ESG risks.

The Supervisory Board's responsibility extends to supervision of the lawfulness of the Company's operations, business conduct, and management, including directing the Company's internal audit organization and monitoring the operational effectiveness of internal defence lines.

[42] The material impacts, risks and opportunities have been identified as presented in the @ESRS SBM-3 disclosure requirement.
[43] A The Hungarian National Bank's Recommendation No. 10/2022 (VIII.2.) on climate change and environmental risks, as well as the integration of environmental sustainability considerations into the activities of credit institutions.

According to the provisions of the SRD II[44] directive, the remuneration policy must contribute to the company's business strategy, long-term interests, and sustainability. To facilitate all these, the Bank's Remuneration Policy and practice include that the remuneration of executives is based on value creation. Long-term sustainable value creation, and ethical behaviour is promoted in the multi-year deferral of performance-based remuneration and its subsequent risk adjustment.

Sustainability and Climate Change in Incentive Mechanism

ESRS 2 GOV-3, E1 GOV-3

Members of the Supervisory Board and the Board of Directors of OTP Bank receive only fixed remuneration in their capacity as members. Executive Board members and employee delegates of the Supervisory Board, in addition to their employment, fall under the scope of the Banking Group's Remuneration Policy. Most of the other committee members also fall under this Policy. Employees not covered by the Policy typically receive incentive bonuses.

Sustainability-related incentives are in place for members covered by the Remuneration Policy: the principle of the performance measurement and evaluation system is that the amount of performance-based remuneration – alongside the preliminary and subsequent evaluation of risks – is linked to the level of achievement of group/bank/subsidiary institutional and individual objectives within a two-tier performance measurement system. The range of institutional indicators is uniform at the institutional level. For individual indicators, the weight of one indicator among the objectives – except for the network – is generally a minimum of 5% and a maximum of 30%. The evaluation of institutional and individual objectives is done separately on a scale of 0-100% (based on the level and weight of performance indicators and target objectives). Performance evaluation is based on individual agreements and individual performance evaluations within the affected group.

The conditions of incentive mechanisms for those covered by the Banking Group's Remuneration Policy are approved by the Supervisory Board.

In performance evaluation, the measurement of specific sustainability-related objectives is done through the ESG and CSR indicator – as an individual indicator – which is considered a reference value. The "Environmental and Social Responsibility (ESG-CSR)" indicator is applied uniformly with a weight of 5% within performance-based remuneration for the first- and second-level managers of the Bank and the primary managers of the subsidiaries, and with a weight of 4% for regional managers. The following aspects are evaluated within the indicator: achieving the goals set out in the ESG strategy, applying significant ESG aspects during operations, implementing them into own business processes and internal regulatory documents, strengthening ESG awareness within the organization, providing quality data for the sustainability/integrated report by the set deadline, and properly operating CSR-related processes (especially: adequately supporting CSR initiatives related to the professional's field).

Climate-related considerations are taken into account as part of the ESG-CSR indicator for those covered by the Remuneration Policy. GHG emission reduction targets are not included in the performance evaluation.

Additional individual indicators related to sustainability are the following: The Banking Group measures compliance with the limits set in the Bank's risk appetite statement (RAS) within the individual indicators for the Deputy CEOs responsible for business and risk management and the CEOs of the subsidiary banks. The weight of the individual indicator is at least 5% and at most 10%.

The Banking Group measures prudent operation and the functioning of controls for all executives covered by the Banking Group's Remuneration Policy, with a weight of at least 5% and at most 10%. For first- and second-level managers, indicators measuring the strengthening of control function must also be included with a weight of 20%.

Based on Section 22 (2) of Act LXVII of 2019, the Bank does not prepare a remuneration report, so the consistency of the presented information with the remuneration report cannot be examined.

Due Diligence

ESRS 2 GOV-4

In the operation of OTP Group, certain elements of the sustainability due diligence process are implemented as part of the general group operations, not as a separate and continuous process.

[44] Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement

In its business practices, the Bank considers the interests of the corporation, shareholders, customers, and partners. The Bank always applies a governance system and operates bodies and committees that support and assist the organization in monitoring the interests of customers and partners, changes in business needs, and shaping its business policy and relationships with customers and partners accordingly (Compliance Policy).

The standing committees established by the Board of Directors of OTP Bank are the highest-level bodies in the group governance system, serving as decision-making, decision-preparing, and advisory bodies of the Bank. Their scope of responsibilities expanded to making thorough analyses and supporting materials-based considerations, including feedback provided by stakeholders. Several committees are dedicated to various aspects of risk management (Credit and Limits Committee, Group Operational Risk Management Committee, Committee on the Prevention of Money Laundering, Risk Assumption and Risk Management Committee).

The individual elements of the due diligence process applied by OTP Group are presented in the Sustainability Statement as follows. In identifying the elements, we built on the relationship between the due diligence elements presented in Chapter 4 of ESRS 1 and the ESRS disclosure requirements:

- Embedding due diligence in governance, strategy, and business model: @GOV-2, @GOV-3, @ESRS SBM-3
- Engaging with affected stakeholders in all key steps of due diligence: @GOV-2, @SBM-2, @IRO-1, @S1-2, @G1-1 policies
- Identifying and assessing impacts: this was implemented separately in connection with the preparation of this report, and is not integrated into the operation of the organization
- Taking actions to address those adverse impacts: action at material topics (@E1-3- E3-2- E4-3, @S1-4, @S4-4(1), @S4-4(2), @S4-4(3), @G1-3)
- Tracking the effectiveness of these efforts and communicating metrics and targets at material topics. (@E1-4, @S1-5, @S4-5(1), @S4-5(2), @S4-5(3), @G1-1).

Risk Management in Relation to Sustainability Reporting

ESRS 2 GOV-5

The sustainability reporting process is coordinated by the Marketing and Communications Directorate of OTP Bank, which establishes and operates internal controls. An important tool of risk management and internal control procedures is that reporting is carried out in close cooperation with the Bank's departments. According to OTP Group's governance model, OTP Bank, as the parent company, provides strategic control, guidance and cooperation with group members.

We identified changes in regulatory expectations, timely availability and accuracy of data as the main risk factors in the reporting process. When prioritizing risk factors, we considered the extent of the risk and the likelihood of occurrence. The risks associated with the timely availability of data are increased by changing regulatory expectations, given that it is necessary to modify the data collection methodology and the Sustainability Data Collection Platform, which is used by the Group to collect both quantitative and numerous narrative information, as well as providing new information compared to previous ones may encounter difficulties with data providers.

Risk Mitigation and Control Measures:

reporting entity level

- To ensure compliance with CSRD reporting obligations, a Project Steering Committee has been established, which continuously monitors the reporting and audit process.
- For quantitative information in sustainability reporting, we build on data and definitions already used by the Banking Group for other purposes, to mitigate the potential for errors due to definitional differences, as well as for those data risk management and control processes already implemented.
- Various tools such as explanations on the data collection platform and instructional videos assist the departments in the reporting and data collection process. In 2024, we requested feedback from the subsidiary banks on the usefulness of the support tools and improved them.
- The Marketing and Communications Directorate provide active support throughout the data collection process for any arising questions.

- During the preparation of the 2024 Sustainability Statement, interim data collection was also conducted in addition to the annual one, to check the data in a timely manner and reduce risks arising from the introduction of ESRS.
- The Sustainability Statement is approved by the Board of Directors and the Supervisory Board as part of the Annual Report before being published on the website.
- The 2024 Sustainability Statement as a whole is assured by an auditor based on a limited assurance engagement, in accordance with the regulations.
- For the first- and second-level managers of the bank and the primary managers of the subsidiaries, the ESG-CSR indicator is a mandatory part of performance-based remuneration, where the provision of quality data for the Sustainability Statement by the set deadline is an evaluation criterion.

data-level:

- Information collection through the Sustainability Data Platform makes data provision and reporting transparent and traceable.
- The four-eyes principle is applied to the collected information, with an approval function in addition to data entry in the data collection process.
- The data collection platform performs automatic checks based on multiple criteria, in addition to which the department coordinating the reporting also conducts checks. The discussions and error corrections related to the checks are traceable within the platform.
- We perform cross-checks between the data collection platform and data collected in other systems.
- After the reporting cycle, data providers receive feedback on the typical errors of the information provided through the data collection platform.
- We conduct consultations with the departments providing information regarding the correct interpretation and completion of narrative information.
- In case of narrative content, we aim to incorporate information from approved and documented sources.
- Approval is also required for narrative information.
- The information in the report is approved by the relevant departments.

1.3. Strategy

Strategy, Business Model and Value Chain

ESRS 2 SBM-1

Business Model, Products and Services

OTP Group's business model as a universal banking group aims to meet the financial needs of retail, private banking, micro- and small enterprises, medium and large enterprises, and municipal clients at a high level through branch networks, continuously developing digital and innovative remote service channels, as well as through agents and other contracted partners. The Banking Group served the financial needs of approximately 17 million clients at the end of 2024. The total revenue of the corporate group in 2024[45] was 4,276 HUF billion.

OTP Group is present in 10 countries in the Central and Eastern European region and entered the Central Asian region in 2023 with the acquisition of the Uzbek Ipoteka Bank. The parent bank of OTP Group, OTP Bank Plc., is a leading credit institution in Hungary. At the end of 2024, the Hungarian operation accounted for 48.52% of the Group's assets. In addition to its operations in Hungary, the Bank has foreign subsidiaries in a total of 10 countries through capital investments, typically holding 100% or nearly 100% ownership. Among the group members, OTP's Montenegrin subsidiary is also a market leader based on total assets, while the Bulgarian, Slovenian, and Serbian operations are the second largest in their respective local market. The Croatian and Moldovan subsidiaries rank fourth, and the Albanian subsidiary ranks third in terms of net loans in the local rankings of banks. Among the larger foreign subsidiaries, the Bulgarian accounted for 17.68%, the Slovenian 14.07%, the Croatian 8.72% (thus the Eurozone and ERM 2 countries accounted for 40.46% in total), and the Serbian 8.02% of the Group's assets.

[45] The consolidated corporate group covered by the report, OTP Group, is a corporate group consisting of more than 100 companies, and its own operations cover the activities of this corporate group.

Our acquisition strategy is based on creating shareholder value by achieving optimal operating size and leveraging OTP's expertise in regional markets. As a result of 24 bank acquisitions and one portfolio takeover carried out over more than two decades, significant experience has been accumulated within the Group in both the acquisition process and the integration and business-operational transformation projects within the Group.

The key banks and other financial companies within the corporate group offer a wide range of modern banking and financial services to both retail and corporate clients in Hungary and abroad: they collect demand and term deposits from their clients and offer a wide range of other savings forms, including – varying by country – pension services, government securities, investment funds, stocks, corporate bonds, and other securities and structured investments. In line with the strategy, the Group aims to ensure the conditions for stable operation and growth across economic cycles by maintaining a stable liquidity position. Some group members have an active presence in the capital markets: OTP Bank has issued bonds in multiple currencies and maturities in recent years, partly to comply with MREL requirements, targeting investors across a wide geographical range. Additionally, OTP Mortgage Bank, the Slovenian subsidiary, the Albanian subsidiary, and the Uzbek Ipoteka Bank have outstanding issued mortgage bonds and bonds.

On the asset side, group members provide retail mortgage loans and consumer loans (including personal loans, credit card loans, commercial credit, car loans, overdrafts, baby loans), corporate investment and working capital loans, municipal loans, and leasing services. Within the Group's net loans, mortgage loans accounted for 27.86%, consumer loans 25.58%, corporate loans 35.52%, micro and small enterprise loans 3.92%, and leasing 7.11% at the end of 2024. Depending on the balance sheet structure of the entity, group members invest their liquidity reserves in the money and capital markets (including interbank loans and corporate bonds) or receive intergroup financing. Additionally, the wide range of modern financial services offered by the banking and non-banking domestic and foreign subsidiaries includes asset and fund management, investment and treasury services, payment services, pension services, and other services (e.g., guarantees, factoring, letters of credit, bill discounting).

The non-financial companies within the Group, which collectively represent a smaller 2.21% proportion[46] *based on profit, cover activities such as real estate development and operation, agriculture, and private equity fund management. The range of products and services offered did not change significantly in 2024.*

Differences can be observed between countries in terms of business focus, the range of services and products offered, and sales channels. Regarding business focus, while the proportion of retail and corporate loans and leasing portfolios is relatively balanced in most countries of the Group compared to the overall Group ratios, in Ukraine the corporate and leasing portfolios account for over 90% of the outstanding loans, while in Russia the proportion of retail consumer loans reaches 99%, while the mortgage loan portfolio is negligible in both countries.

The process of selling the Romanian operation was completed in 2024. As a result of the exit, the Group does not conduct business activities in Romania.

The goal of the Banking Group is to continuously develop its services in the ever-evolving digital and technological environment to make them easily accessible, understandable, and secure for a wide range of clients. In addition to digitalization, OTP Group places great emphasis on sustainability, aiming to avoid negative environmental and social impacts, achieve positive impacts, and exploit potential business advantages. The Banking Group is committed to offering products that align with the real needs of clients and their capabilities, contributing to their financial well-being.

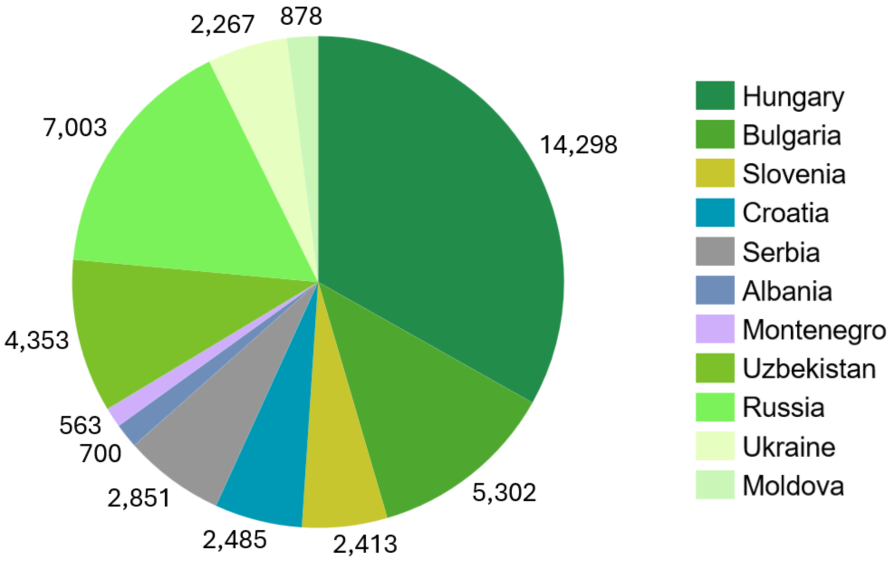
Our employees represent key value, and their high-level performance is the guarantee of OTP Group's results. As a responsible employer, our goal is to improve employee well-being. The Bank actively participates in developing financial awareness among the population and enriching cultural values.

OTP Group employed more than 43,118 people at the end of 2024.

[46] Profit after tax based on continuing operations.

Distribution of the number of employees of OTP Group by country

as of 31 December 2024, total employees, persons*



*The figure includes countries with more than 50 people, excluding those with fewer than 5 individuals.

Value Chain

Upstream Value Chain

Financial Services: The upstream value chain preceding OTP Group's activities includes suppliers providing products and services necessary for the Group operations and the provision of its products and services. The main activity of OTP Group is to provide financial services. For this activity material and energy-intensive procurements are not connected to raw materials, but rather for own operation. Service procurement is dominant, particularly in marketing communication, IT, and telecommunications services. The properties used by the Group for operational activities include both owned and leased assets. Corporate vehicles are typically owned by the Group.

Other activities: Among the Group's other activities, service sector companies have an upstream value chain similar to financial sector companies. The typical procurements of subsidiaries active in the real estate sector and those of the agricultural and food industry differ. Companies involved in the development, operation, ownership, and fund management of real estate (e.g. shopping centers, office buildings) have relatively greater environmental impacts, particularly in terms of building materials and energy needs. The raw material needs of agricultural and food industry companies, which also have relatively greater environmental impacts, are partly sourced from outside the Group, with significant intra-group procurement as well.

Downstream Value Chain

Financial Services: The downstream value chain following OTP Group's activities includes those involved in the sale of products and services and the customers who use these products and services.

An agent network also participates in the mediation of financial services; in 2024, the number of agents at the group level was 13,700 (additional information may be collected here).

The most significant environmental and social impacts of the Banking Group arise through those using financial services, primarily related to lending, which is the most impactful part of the value chain. In asset management, the downstream value chain is the managed assets, which is significantly smaller in business terms and impacts, and is present in five countries within OTP Group (Hungary, Bulgaria, Croatia, Serbia, Ukraine).

Other activities: Some service companies among the other activities directly sell their services to customers. Tenants are present in the value chain of the real estate sector of the Group. The products of agricultural and food industry companies reach consumers through a longer value chain.

ESG Strategy

Stability and sustainability are two of the cornerstones of OTP Group's corporate strategy. The Management Committee unanimously approved the Group's ESG strategy for 2021-2025 in 2021. It is reviewed annually to align with changes in the market and regulatory environment. The strategy, along with the related vision and mission, did not change in 2024.

OTP Group aims to play a regional leading role in financing the fair and gradual transition to a low-carbon economy and to build a sustainable future through responsible solutions. OTP Group has set a goal of achieving a green loan portfolio[47] of HUF 1,500 billion by 2025.

The Group defines its long-term sustainability, transparency, and ethical operation through stable management, responsible and transparent governance, being a responsible employer in the labour market, and an active participant in society. Our goal is to provide responsible and fair financial services tailored to customer needs, fostering open cooperation with our stakeholders based on trust while reducing our negative environmental impacts.

The strategy has three pillars: responsible service provider, responsible employer, and responsible social actor.

Vision

Responsible financial decisions and socially and environmentally adequate, ethical financial solutions are available for all economic participants and citizens in all of the countries covered by OTP Group's operations.

Mission

For us, sustainability means taking responsibility for our economic, social, and environmental impacts. We firmly believe that with our leading role in the Central and Eastern European region and our presence in Central Asia, our pioneering developments, conscious and ethical business operations, and exemplary partnerships, we create value and contribute to a sustainable future.

Our goal is to integrate into the operations of the departments involved in the ESG strategy for the relevant topics by 2025. In addition to the business opportunities the strategy includes identifying and managing significant risks and addressing social and governance targets.

Strategic goals	KPIs	2024 year-end result
Responsible service provider • Products and services promoting the green transition of the economy • Products and investment services aimed at promoting investments in a sustainable economy • Active ESG risk management	Group-wide, a total of HUF 1,500 billion in green loans by 2025	With 1,027 billion HUF in green loans, we have achieved/exceeded the target set for 2024
Responsible employer • Enhancing employee well-being and development, diversity and employee engagement	Increase the level of employee engagement, achieving the 75th percentile of the financial sector benchmark and the 75th percentile globally[1] ongoing at Group level. The financial sector target was 75% and the global target was 78%[2] in 2024.	At Group level, the employee engagement level was 77%, up 5% on the previous year, meeting the target for the **financial sector** but not the global target.
Responsible social actor • Significant reduction of emissions from own operations • Contribution to social goals and the UN Sustainable Goals (SDGs) through responsible products and services, as well as donations	Carbon neutrality partially offset by carbon credits by the end of 2022 (achieved), and the goal of net zero emissions for OTP Bank by 2030.[48]	We have been achieving the set goal since 2022.
	The goal is for OTP Bank to become a member of the S&P Dow Jones Sustainability Index by 2025	The Bank's score in the S&P Global Corporate Sustainability Assessment improved by 9%, or 4 points, in 2023 compared to the previous year[49]

[1] Based on the benchmark of more than 750 companies.
[2] The engagement score is an output value, which means it cannot be directly improved. For a more detailed methodological description, see: @ESRS S1-5.

[47] The definition of green loan portfolio can be found @Environmental Information.
[48] In the case of carbon neutrality partially offset by carbon credits, the carbon credit comes from a verified source, without restrictions on the type. Net zero emissions involve reducing greenhouse gas emissions as much as possible and neutralizing unavoidable emissions through carbon removal. The goal covers Scope 1-2 emissions.
[49] The latest available result as of 31 December 2024

The majority of subsidiary banks developed their ESG strategies by 2022, and with the approval of the ESG strategies of the Russian, Ukrainian, and Moldovan subsidiary banks in 2024, all subsidiary banks now have ESG strategies. In these strategies, the subsidiary banks have defined their own goals, which align with the objectives of OTP Bank. The subsidiary strategies address ESG risk management, development of green lending, organizational frameworks, social issues, and mitigating the environmental impacts of operations. The subsidiary banks have also defined the KPIs to measure the effectiveness of achieving the goals sets. The Board of Directors of OTP Bank is informed of the achievement of ESG goals and the annual review of plans.

Green Financing

The details of green financing are presented in the @Green lending target disclosure requirements.

OTP Group integrates green/climate-conscious lending into its business activities and aims to ensure that over time, any client in any sector can receive a loan under green conditions given the client has a green/sustainable goal they wish to achieve with the loan. The maturity of this process varies by country, industry, and customer segment.

The key sectors for green lending in the Group's portfolio are the following:

- Energy: renewable energy production, distribution, storage, and related loan purposes,
- Real estate: construction, purchase of green properties, as well as financing renovation of buildings that result in significant energy improvements,
- Transportation: electro-mobility.

Challenges

One of the significant challenges for OTP Group in sustainable finance is understanding, collecting, evaluating, integrating into internal processes, and reporting on the sustainability performance, plans, and strategies of its clients. From the clients' perspective, measuring and disclosing sustainability performance is an obligation affecting an increasingly broad customer base, impacting both corporate and non-corporate clients, but to a varying degree. According to our experience, the readiness of the client base managed by OTP Group to prepare the necessary data and report is heterogeneous, but it is moving in a favorable direction at an increasing rate. The primary difficulty for companies in providing sustainability data is that, since there were no such expectations previously, they did not measure this data, and they lack the necessary knowledge and systems to measure, store, and provide the data credibly.

In the coming years, numerous obligations and business needs related to sustainability data will emerge, affecting retail and corporate lending, risk management processes, various internal controlling and reporting processes, and external data provision and reporting processes, both at the parent bank and the subsidiaries. Prioritizing and appropriately managing this complex challenge on the IT system side is crucial to ensure that the Banking Group can meet its regulatory obligations and manage the risks and business opportunities arising from climate change.

Stakeholders

ESRS 2 SBM-2

The goal stated in OTP Group's corporate strategy in OTP Group's Management Report is to meet the needs and expectations of its clients, investors, and employees at the highest possible level.

Additionally, the Banking Group's ESG strategy expresses a commitment to behaving as a responsible partner with all its stakeholders, which is reflected in the strategy's three pillars: responsible service provider, responsible employer, and responsible social actor.

OTP Group's Code of Ethics stipulates that the goal concerning stakeholders[50] is to enforce the principles of ethical business conduct, and adherence to these principles is mandatory for all employees and agents alike.

Each member company of the Banking Group maintains relationships with the relevant groups according to its organizational characteristics and the characteristics of the stakeholder groups. The Banking Group cooperates with its most important stakeholders, and one of the goals of maintaining contact with stakeholders is to become informed of their opinions, as meeting expectations ensures the Group's social legitimacy and business success. We continuously seek feedback and consider it in the development of our strategies,

[50] those who fulfill contractual obligations for OTP Group and, in the course of their activities, meet a wide range of OTP Group clients or potential clients, provide services on behalf of OTP Group, and clearly appear in public as representatives of OTP Group while fulfilling their contractual obligations

activities, and programs. From the perspective of the business model and strategy, the opinions of clients, investors, employees, and regulatory bodies are the most relevant.

In the context of the materiality assessment and due diligence, the view and interests of stakeholders regarding the strategy and business model were not explored[51].

Key stakeholders	Purpose of engagement and cooperation	Method of engagement and cooperation
Customers, clients (retail, corporate)	Improving service quality, providing quality information related to services, understanding customer needs, protecting customer data	Customer satisfaction surveys, examining aspects important to customers, market research Informative and educational materials, videos Service-related information (e.g., account statements) Customer service (bank branch, telephone, video, internet) Complaint handling
Shareholders bondholders (and analysts)	Informing about the activities and operating environment of the Group, the Group's financial results, the development of external and internal factors affecting them, expected outlooks, and ESG performance. Understanding expectations.	Annual report, stock exchange reports and presentations General meeting Personal and virtual meetings Answering investor and analyst questions
Employees	Responsible employer practices, enhancing employee well-being and development, diversity, and employee engagement. Providing a healthy and safe work environment with equal opportunities, fair employment practices.	Employee engagement measurement, providing feedback opportunities Performance evaluation Meetings and consultations with employee representatives (e.g. trade unions) Intranet, internal communication
Regulatory bodies, authorities	Anti-money laundering, fair market competition, ensuring access to financial services, equal opportunities, economic intermediary, helping to achieve social goals, regulatory compliance, expanding green finance	Reports in compliance with legal requirements Ensure availability of publicly subsidized products Cooperation to prevent crime Consultations through representative bodies (banking associations)

OTP Group considers the expectations and opinions of interested parties and incorporates them into its strategy and business model.

The Board of Directors, the Supervisory Board, and the various committees receive regular reports on matters related to stakeholders. Members of the governing bodies have the opportunity to request information about the materials of any committee, as well as from any department of the Group.

The governing bodies were informed about the feedback from stakeholders – such as employees, customers, shareholders, and regulatory bodies:

- The Supervisory Board received a report on the group-level engagement survey process and its results.
- Semi-annual reports are submitted to the Board of Directors and the Supervisory Board on the experiences of handling customer complaints, the consumer protection investigations of the Hungarian National Bank (MNB, Supervisory Authority), and customer complaints received by foreign subsidiary banks.
- The governing bodies receive quarterly group-level information on the closed investigations of regulatory bodies, as well as on the MNB supervisory procedures and the status of the implementation of the recommendations made to the Bank. The investigation reports containing the results of the examinations prescribed by the MNB, to be carried out by internal audit, are reviewed and approved by the Supervisory Board or both the Supervisory Board and the Board of Directors, before being sent to the Supervisory Authority.
- The Board of Directors receives a comprehensive quarterly report on the implementation and progress of the ESG strategy.

1.4. Materiality Assessment

ESRS 2, E1, E2, E3, E4, E5, G1 IRO-1

The purpose of the materiality assessment is to enable OTP Group to identify the impacts, risks, and opportunities to be presented in the Sustainability Statement. The materiality assessment focused on determining whether a topic is material. The depth of examination of individual impacts, risks, and opportunities were carried out with this perspective.

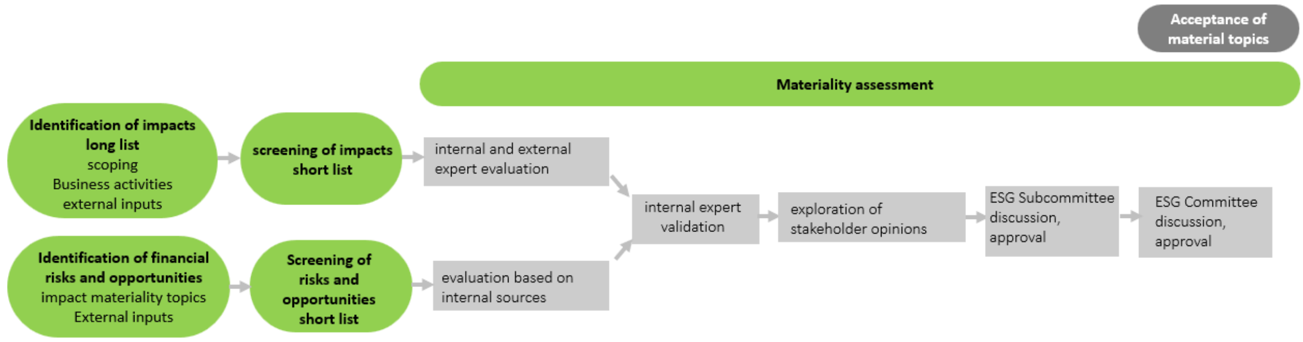
[51] During the materiality assessment, the opinions of the stakeholders are detailed by IRO-1.

The methodology for the procedure of identifying and evaluating impacts, risks, and opportunities was developed for the reporting process – in accordance with ESRS requirements – building on the existing processes of the Group where available. Management of impacts, risks, and opportunities is accomplished through several different processes within OTP Group (operation of the @ESG organization, implementation of the @ESG Strategy and @ESG Risk managemen). The risk management processes are presented under @ESG Risk managemen disclosure requirements.

In recent years, several materiality analyses have been conducted as part of the sustainability reporting process, aligning with GRI requirements. The most recent analysis preceding the current was completed in early 2022, and it examined the two dimensions of impact materiality and financial materiality. However, due to requirements of ESRS, the current materiality analysis presented below was prepared with a significantly revised and expanded methodology compared to the one before in 2022. The materiality analysis is planned to be reviewed annually, next time in the course of 2025.

The process of materiality assessment, including the methods, and the decision-making process are illustrated in the following diagram.

The OTP Group's double materiality assessment process



Identification and Evaluation of Impacts

During the materiality assessment, OTP Group focused on factors associated with an increased risk of adverse impacts. The activities within the Group provide a suitable starting point for identifying the increased risk of adverse impacts, therefore we grouped the companies included in OTP Group by activity sector and identified the impacts arising from their own activities and along the value chain.

We identified three relevant activity sectors: the most significant being (1) financial services; (2) the real estate sector - as several group members are involved in real estate development, operation, and ownership that is not related to the operation of OTP Group (e.g. office buildings, bank branches) but service external parties; (3) the agriculture sector - several companies are involved in agriculture and the food industry.

The long list of impacts was determined based on the ESRS topic list and additional inputs (GRI Standards 2021 topics, GRESB Real Estate Assessment criteria, UNEP FI Consumer Banking identification module, regulatory expectations, topics from the previous materiality assessment, benchmarks). The topics defined by ESRS were supplemented with OTP Group-specific content, and OTP Group-specific topics were also identified. Taxation, Financial awareness, Community engagement, Attitude shaping, Privacy (and information security, cybersecurity), Corporate culture (and compliance, anti-money laundering).

The criteria for evaluating and ranking impacts are shown in the table below.

Impact type	Assessment factors	
Actual negative	severity (scale, scope, irreversibility)	
Potential negative	severity (scale, scope, irreversibility)	likelihood
Actual positive	scale, scope	
Potential positive	scale, scope	likelihood

From the long list of impacts – based on the criteria and inputs presented above – we narrowed down the list of impacts to be evaluated for those where it is reasonable that a material impact may arise (short list).

The short list of sustainability impacts was evaluated using a scoring methodology in a multi-round iterative process involving internal experts, managers of the Banking Group, external experts, and stakeholders.

The extent of the impacts was determined based on objective data to the extent possible. Previous sustainability reporting data sources and additional internal information were used. To determine material impacts and topics with reasonable effort, we consistently aimed to rely on extensive information for the evaluation and, in addition to internal inputs, relied on generally accepted views within the profession (e.g. which sector has which material sustainability impacts).

The information characterizing the impacts is not comparable in most cases, so a scale was needed to be used for the evaluation on which these different types of information could be placed and compared. For this purpose, we used a scale of 0-5 for scoring the scale, scope, and reversibility of the impact in the case of negative impacts. Thus, the maximum score for an impact was 15.

If any characteristic of the impact received a score of 5, the impact became material regardless of the other criteria. For positive impacts, reversibility is not evaluated, so a greater impact was required to reach the materiality threshold.

The impacts were evaluated over the time period where their severity is expected to be the greatest.

Sustainability topics were evaluated at the ESRS subtopic or sub-subtopic level. A sustainability topic became material if at least one assigned impact reached a score of 9 based on the above evaluation.

We considered sub-subtopic level evaluation in all cases where ESRS identified a sub-subtopic, but we only evaluated at the sub-subtopic level if the identified impact could be separated into a sub-subtopic for OTP Group.

For the evaluation of the loan portfolio, we started from the activities of the financed companies based on NACE code classifications when estimating impacts and potential impacts. At the time of the analysis, there was no clear classification system that would match the categories appearing in ESRS with activity sectors. Therefore, we identified these sectors using and synthesizing various sources. To achieve the best approximation, we considered industries that also appeared in different sources as relevant and used the available experience regarding the sustainability impacts of different industries.

Regarding the impacts of the agriculture and real estate sectors, we considered sector-level materiality (where a sustainability topic is not material at the entire group level).

For climate-related issues, GHG emissions were specifically used. To identify the **impacts** of our own operations, we identified actual and potential future emission sources based on activities and along the value chain. For Scope 1-2 emissions, we used the already available data. For Scope 3 emissions, partial data were available for the loan portfolio and investment fund management for the year 2023 at the time of the analysis. For this information, please refer to Chapter @Climate Change disclosures and @Annual Report of OTP Group 2023. In addition to the direct impact, we also considered the importance of setting an example when evaluating the impacts.

The evaluation of the effects related to pollution and resource use and the circular economy was also carried out in the above manner, in relation to our own activities and the entire value chain, no further investigation was carried out.

The evaluation of impacts related to biodiversity was also carried out in the above manner, covering our own activities and the entire value chain, without further examination. Among the corporate group's agricultural companies, some operate in or near Natura 2000 protected areas. The activities of Agromag Plusz Kft. and Nemesszalóki Mezőgazdasági Zrt. affect protected areas, and to mitigate the impacts, the companies manage these areas by complying with nature conservation and environmental regulations and fulfilling the expected reporting obligations to the authorities.

Consultation with Stakeholders

We used various sources to understand the opinions and expectations of stakeholders, which were considered during the identification and evaluation of material impacts.

Among others, we used:

- ESG assessments and questionnaires: Sustainalytics, MSCI, Moody's.
- Residential TRI*M Index research (Cross-country brand and satisfaction international, nationally representative[52] residential research), which measured brand, satisfaction, and loyalty.
- Employee engagement surveys, particularly OTP Group's[53] 2023 engagement measurement, which included 28,990 responses.
- Specifically for OTP Group's materiality assessment, we sought opinions through an online stakeholder questionnaire from civil organizations and universities; authorities, supervisory authorities and public administration; financial analysts and stock exchanges; the media; and employee representatives. Based on the feedback received, one topic was included in the list of material topics (employees: work-life balance), as more than a third of the respondents rated it as material. Regarding impact materiality, all stakeholders received the same questionnaire. We also sought the opinions of financial analysts and stock exchange stakeholders from a financial materiality perspective. The questionnaire primarily contained multiple-choice questions, but there was also the opportunity to raise additional potentially material topics and, in the case of one question, to provide an open-ended response. Participants were informed about the background information needed to complete the questionnaire and the purpose of the questionnaire.

Stakeholders specifically affected by pollution and resource use and the circular economy were not consulted.

Identification and Evaluation of Financial Risks and Opportunities

The identification of financial risks and opportunities related to sustainability topics was the result of an iterative process.

As a starting point for identifying financial risks and opportunities (long list):

- We used the topics included in ESRS,
- Supplemented with inputs also used for impact materiality,
- SASB standards for the financial sector, and
- ESG rating topics.

Based on the latter two inputs, no new topics needed to be added.

The sustainability topics where relevant risks or opportunities might arise for OTP Group (short list) were identified in workshops and subsequent consultations with the involvement of OTP Bank's experts. Participants considered whether the risks and opportunities were relevant in the short, medium, or long term.

The deeper exploration and evaluation of risks and opportunities began for the relevant topics. The Banking Group does not use a threshold applicable to all areas for financial materiality. OTP Group experts did not consider it justified or practical to apply such a threshold, partly because different risks and opportunities can have different financial impacts. Therefore, during the evaluation we applied the threshold values (or derived conclusions) from the documents used for the evaluation, and if these were not available, we determined the threshold value during the materiality assessment.

OTP Group has detailed risk management policies and systems covering all types of risks (loan, country, counterparty, market, liquidity, operational, compliance), including ESG risk management, the practice of which is continuously evolving. OTP Group takes a holistic approach to ESG risks and ESG factors, integrating them into the risk management frameworks of the main risk types, i.e. treating ESG risk as a risk type rather than a stand-alone risk type. Sustainability risks are considered together with other risks.

Financial risks and opportunities arising from sustainability topics can originate from three main sources, which were examined as follows:

- For opportunities, the ESG strategy and annual plans are decisive, as the strategy focuses on exploiting material opportunities.

[52] Except for Moldova, Ukraine and Uzbekistan, where the survey was conducted based on an urban sample.
[53] The process of understanding the opinions of the employees of the Uzbek subsidiary will be introduced gradually, according to a unique schedule. In the Russian subsidiary, the engagement survey was carried out on a different platform and based on a list of questions.

- The implementation of the Climate & Environmental (C&E) Risk Materiality Assessment for the group-level assessment of sustainability risks related to lending activities started in 2024, in line with the European Banking Authority (EBA) requirements. The results of this assessment were not available at the time of the materiality assessment and the start of this reporting. Therefore, as an alternative solution for evaluating these risks, we analysed the results of the climate change stress test and the income from interest and net fees and commissions based on activities broken up by NACE codes. The matching of risks with activities was done in the same way as applied for impact materiality. Another source of information was the Environmental Risk Materiality Assessment available at some subsidiaries.
- Other topics representing relevant risks fall into the category of operational risks. OTP Group conducts an annual group-level Risk and Control Self-Assessment (RCSA) to identify operational risks. During the process, departments identify operational risks in their processes, their likelihood of occurrence in different cases, and link risk mitigation mechanisms, i.e., control functions and activities, to the identified operational risks. Among the risks identified in this process, those attributable to sustainability reasons were assigned to sustainability topics.

We evaluated relevant risks and opportunities on a 3-level scale (large, medium, small) based on (1) their potential magnitude and (2) their likelihood. **We considered medium/large and large/large risks and opportunities as material.**

Additional information to the assessment of climate change related topics:

In line with the general procedure applied during the identification and evaluation of impacts, the identification of risks and opportunities was also based on activities.

Regarding the assessment of transition and physical **risks** related to lending activities:

- OTP Group's 2023 group-level climate change stress test evaluated the risks as presented in the @Stress-test (For long-term impacts, the use of NGFS[54] climate scenarios in the banking sector is the generally accepted and mostly alternative-free approach.)
- The group-level stress test provided suitable basis for the evaluation, while some subsidiaries had their own environmental risk materiality assessments (C&E Risk Materiality Assessment), which cover other credit risks, among which we considered the assessments of the Bulgarian and Croatian subsidiaries as examples.

With regards to the assessment of financial risks related to own operations, the following was analysed:

- The annual group-level Risk and Control Self-Assessment (RCSA) 2023 provided the basis for the analysis of operational risks. During the annual self-assessment process, departments identify operational risks in their processes, their likelihood of occurrence in different cases, and link risk mitigation mechanisms to the identified operational risks. The annual RCSA results and their detailed evaluation were submitted to the Group Operational Risk Management Committee, and these results are also part of the calculation of operational risk management capital requirements. The RCSA measures the risks for the next year (short term), with the risk trend indicating medium and long-term risks. Climate-related hazards identified during the evaluation fell into the category of physical risks, and the risk of events occurring in the supply chain was also identified. Participants could identify any climate-related hazard or risk, and no prior exclusion of climate-related risks was made. Based on the applied methodology, similar to other non-climate-related risks, departments did not evaluate risks using a predefined hazard list and asset list. Climate change-related risks did not reach the materiality threshold in the RCSA evaluation.
- The Climate & Environmental Risk Materiality Assessment of the Bulgarian and Croatian subsidiary bank also examined operational risks, among other things, and the results were taken into account. The Croatian document classified the operational risks mainly due to extreme weather events (physical risk) as low-medium risk in the short to medium term and medium risk in the long term (which is not a material risk level according to the document's own classification). The Bulgarian analysis indicated moderate exposure.

[54] The Network of Central Banks and Supervisors for Greening the Financial System.

The above documents did not address the identification of assets and business activities that are incompatible with the transition to a climate-neutral economy or those requiring significant effort for this transition. The risks identified in relation to climate change were considered manageable for OTP Group.

For **financial opportunities**, we considered the ESG strategy (@Strategy) and annual plans as decisive, as the strategy focuses on exploiting material opportunities. Expanding the green loan portfolio is included as a financial opportunity in the ESG strategy. The strategy covered the time period up to 2025 at the time of the analysis.

The material impacts, risks, and opportunities related to climate change are presented in the @ESRS SBM-3 disclosure.

Validation of the evaluation and approval

The evaluation of impacts, risks, and opportunities was followed by a multi-round internal review. As part of this, the evaluation of impacts rated below but close to the materiality threshold was reviewed based on stakeholder feedback. Representatives of Hungarian subsidiaries and foreign subsidiary banks could also provide feedback on the materiality assessment.

The ESG Sub-Committee discussed the list of material impacts, risks, and opportunities and, after one modification, approved it by majority decision in accordance with the Sub-Committee's operating rules.

The ESG Committee discussed and approved the results of the materiality assessment. A unanimous decision was required for approval in accordance with the Committee's operating rules. The Chairman of the ESG Committee is a member of the Board of Directors.

The results of the materiality analysis were included in the Board of Directors' briefing on the agenda items of the ESG Committee's quarterly meetings.

ESRS SBM-3

OTP Group's Material Sustainability Impacts, risks and opportunities

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[55]	Short term	Medium term	Long term
E1 Climate Change								
Climate Change Mitigation								
OTP Group's impact stems from direct and indirect greenhouse gas emissions, exacerbating climate change. This effect is significant for the entire group. OTP Group's indirect emissions related to its loan portfolio (Scope 3) exceed Scope 1-2 emissions by several orders of magnitude, and significant Scope 3 emissions are also associated with asset managers. Direct emissions from operations and indirect emissions from energy consumption (Scope 1-2) are relatively small for most companies, given that they provide financial or other services. However, due to the Group's size, these emissions are significant overall. This impact is material for the entire group. Several group members, which are significantly smaller[56] compared to financial institutions, operate in the agricultural and food sectors, as well as the real estate sector, where these emissions are also relatively higher.	The Banking Group aims to facilitate climate change mitigation by reducing emissions associated with its lending and operations. By the end of 2024, it prepared a decarbonization (transition) plan for its loan portfolio. The ESG strategy has set a KPI for green lending for the period up to 2025. The balance sheet green exposure of the OTP Group is continuously increasing. In addition to efficiency measures, the use of green electricity plays a significant role in reducing Scope 1-2 emissions.	Actual negative impact		x	x	x	x	x
OTP Group, through its financial products, encourages the mitigation of climate change within its portfolio. Through its applied practices, the Banking Group also has a significant exemplary and awareness-raising impact, considering its wide customer base		Actual positive impact		x	x	x	x	x
A significant business opportunity for the Banking Group is the expansion of green lending that facilitates climate change mitigation in the countries where it engages in corporate lending and retail mortgage lending (there is no active green lending according to OTP standards in Ukraine).		Opportunity			x	x	x	x
@E1-SBM-3 This is material for OTP Group's lending activities because, in connection with climate change mitigation, transition risks arise for a portion of the customer base, which indirectly also poses a risk to the Banking Group. The extent of this risk is estimated through stress testing of the corporate portfolio.	Risk management is conducted within the framework of ESG risk management.	Risk			x		x	x
Climate Change Adaptation								
OTP Group's lending practices impact adaptation, either facilitating (by expecting or supporting with favourable conditions), hindering, or remaining neutral towards clients' adaptation efforts. The need for adaptation is strongly necessary in several sectors within the portfolio (e.g. mortgage loans, agriculture, real estate, construction sectors.	The Banking Group aims to facilitate adaptation to climate change through green lending. Risk management is conducted within the framework of ESG risk management.	Actual positive impact			x	x	x	x
The Banking Group strives to leverage the business opportunity arising from lending that facilitates adaptation to climate change.		Opportunity			x		x	x
E1-SBM-3 18 This also includes the physical risks associated with lending activities, as well as some transition risks (investments necessary for adaptation).		Risk			x		x	x

[55] For client-related topics, we have indicated only where the impact depends on the client's practice, the influence of the Group is indir ect.
[56] Sales revenue, balance sheet total, number of employees

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[55]	Short term	Medium term	Long term
Energy								
By financing energy-intensive industries, the Bank Group has a negative impact.	Within green loans, these goals represent a particularly large proportion, and financing is also significant in the affected sectors. The Banking Group addresses this topic through the methods and tools presented in the previous two topics.	Actual negative impact			x	x	x	x
The Group has a positive impact by providing incentive loans for renewable, carbon-free energy sources considered green during the transition, and by encouraging energy efficiency.		Actual positive impact			x	x	x	x
Similar to climate change mitigation and adaptation, the business opportunity arises within green lending, where the expansion of the use of renewable and green-certified energy sources plays a significant role.		Opportunity			x		x	x
Financing energy-intensive and fossil fuel-using companies poses credit and reputational risks for OTP Bank and its subsidiaries.		Risk			x		x	x
E3 Water and Marine Resources								
Water Withdrawal								
In OTP Group's corporate loan portfolio, the presence of sectors with high water withdrawal is significant. To better understand the impacts, it is necessary to investigate the practices employed by these companies.	There is an opportunity to finance these goals within green lending. The Banking Group's minimum expectation for its clients, which is monitored, is compliance with relevant environmental and social laws and regulations, as well as possessing the necessary permits and authorizations for their operations. Understanding clients' practices beyond these requirements is ongoing, in parallel with the evolving and strengthening regulatory expectations. Based on this, expectations that encourage responsible behaviour can be formulated.	Actual negative impact			x	x	x	x
Green lending finances activities that have a positive impact.		Actual positive impact			x	x	x	x
Financial risk primarily arises in relation to those loan clients who are unable to adequately manage changing or existing environmental expectations (e.g., stricter regulations, changing consumer preferences, fines) or face difficulties in ensuring the water needs of their activities. A deeper understanding of the risk requires further analysis.		Risk			x	x	x	x
E4 Biodiversity and Ecosystems [57]								
Direct impact drivers of biodiversity loss								
In the corporate loan portfolio of OTP Group, sectors potentially negatively impacting biodiversity and ecosystems are significant. To better understand these impacts, it is necessary to uncover the practices employed by the companies.	The minimum expectations set and monitored by the Banking Group for its clients include compliance with relevant environmental and social laws and regulations, as well as possessing the necessary permits and licenses for their operations (currently, there are significantly fewer requirements related to biodiversity compared to water).	Actual negative impact			x	x	x	x
The Banking Group indirectly influences the extent of these impacts through financing conditions and can encourage positive effects.	Understanding clients' practices beyond these requirements is ongoing alongside the evolving and strengthening regulatory expectations, which will form the basis for articulating expectations that encourage responsible behaviour.	Potential positive impact			x	x	x	x

[57] E4 SBM-3 No significant negative impacts were identified in terms of lnd degradation, desertification/soil sealing.

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[55]	Short term	Medium term	Long term
S1 Own Workforce OTP Group employs 43,118 people, so many impacts on its own workforce are significant.								
Working conditions: Work-life balance								
The Banking Group influences work-life balance through the provision of overtime, flexible employment opportunities, and access to childcare facilities. The family-related commitments of female employees are typically stronger, and the fact that approximately two-thirds of the Group's employees are women amplifies these impacts.	At OTP Group, various employee benefits and support systems are continuously available to help maintain employee well-being. The measures focus on the areas of working hours and flexibility, holidays and absences, well-being and recreation.	Actual positive impact		x		x	x	x
The effects may be negative if OTP Group practices do not adequately take employee considerations into account.		Potential negative impact		x		x	x	x
Working conditions: Health and safety								
Stress emerges as a relevant risk for a significant portion of employees, considering that most staff at the member companies work in non-hazardous positions. Occupational safety risks are more significant in agricultural companies.	OTP Group operates occupational health and safety programs to maintain a safe and healthy working environment. It is a common, ongoing practice within the group to conduct regular, preventive health examinations for employees and stress management is also supported by action packages.	Actual negative impact		x		x	x	x
Equal treatment and equal opportunities: Gender equality and equal pay for work of equal value								
This is a topic that strongly influences employee well-being, made even more important by the high proportion of female employees. The corporate group monitors the pay ratio between men and women in the same positions, and at the parent bank and most subsidiaries, this difference is minimal.	OTP Bank has a strategy for creating gender equality, and several subsidiary banks have specific diversity policies in place. The majority of group members continuously implement measures to promote equal opportunities and diversity. Leadership training and internal awareness campaigns are implemented to strengthen an inclusive mindset.	Actual positive impact		x		x	x	x
The proportion of female managers is consistently lower at higher levels. At some subsidiary banks, the difference is greater for employees in the same position.		Actual negative impact		x		x	x	x
Equal treatment and equal opportunities: Training and skills development								
OTP Group's training and skills development practices influence the sector and other employers due to its significant role as an employer. Access to training is always ensured. Performance evaluations at the Group's member companies follow different methodologies, with a smaller proportion of employees participating in this process at several member companies.	OTP Group provides a wide training portfolio for its employees. Professional and personal development training, as well as other (e.g. mandatory) training. These plans are developed with employee involvement and take into account the results of performance evaluations.	Actual positive impact		x		x	x	x
The impacts may be negative if OTP Group practices do not ensure equal access to training.		Potential negative impact		x			x	x
Equal treatment and equal opportunities: Employment and inclusion of persons with disabilities								
Due to its size and scope of activities (as a wide range of society interacts with its employees), the Banking Group could have a significant impact on the employment of persons with disabilities and the change in this employment culture.	The Banking Group prohibits all forms of discrimination, but measures to support the employment of persons with disabilities are not widely implemented.	Actual positive impact		x		x	x	x
Currently, the employment of these individuals is low at the group level.		Actual negative impact		x			x	x
Equal treatment and equal opportunities: Measures against violence and harassment in the workplace								
The large number of employees and the high proportion of female employees make this topic important, further emphasized by the lower proportion of female employees in higher positions (increasing the risk of abuse). No reported and confirmed cases of abuse have occurred, so the impact is potential.	The Banking Group implements measures related to the application of the Code of Ethics.	Potential negative impact		x		x	x	x
Equal treatment and equal opportunities: Diversity								
Due to the significant number of employees, the member companies of the Banking Group have both the opportunity and the role to implement diversity. OTP Group prohibits all forms of discrimination. (This topic partially overlaps with gender equality and the employment of persons with disabilities.)	*See: Gender Equality and Equal Pay for Work of Equal Value*	Actual positive impact		x		x	x	x
The Banking Group's practices provide room for improvement in implementing diversity.		Actual negative impact		x			x	x

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[55]	Short term	Medium term	Long term
S4 Consumers and end-users These topics are material for member companies providing financial products and services.								
Information security and data protection [58]								
The banks within the Banking Group hold a large amount of sensitive data about their customers. By protecting personal data and implementing information security and cyber protection, the Banking Group has a positive impact on its customers.	Security systems and workflows are constantly evolving, and staff training is also regular. The Group aims to use the most modern solutions for data management, data security and data leakage prevention, supported by organizational development, technical, customer education and cooperation measures. The parent bank continuously supports and monitors the anti-fraud efforts of its subsidiaries. The Banking Group's data management processes operate within a permanent framework, according to regular activities	Actual positive impact		x		x	x	x
Despite OTP Group's practices that prioritize safety and secure operations, it sometimes happens that customers suffer losses.		Actual negative impact		x		x	x	x
A breach of personal data protection, fraud, or violation of legal requirements, as well as successful attacks and incidents in the field of information security and cybersecurity, can cause significant losses to both the banks of OTP Group and their customers. Data protection deficiencies, violations, and potential incidents not only carry the risk of significant financial penalties but can also lead to customer complaints and loss of customers. Consequently, the reputation of the banks would decrease.		Risk		x			x	x
Access to quality information[59]								
Quality information provision ensures objective information and understanding of financial products for all customers. Its implementation affects customers' well-being and financial situation, as a financial product can have a significant impact on a customer's life. This topic is primarily important for retail and SME customers, and its significance is even more pronounced for vulnerable social groups. The practices of OTP Group have a positive impact.	Information and communication about banking products and services are highly regulated areas in most countries where OTP Group operates. Member companies support good financial decisions and knowledge expansion through educational videos and calculators, among other tools. The Group's member companies are continuously improving the understandability of financial services.	Actual positive impact		x		x	x	x
Despite the efforts made, opportunities for development can always be identified, given the complexity of financial products, information obligations and their continuous changes.		Actual negative impacts		x		x	x	x
Access to financial products and services [60]								
Access to financial products and services can support customers' well-being and prosperity. In addition, access for residents of disadvantaged areas and those in disadvantaged social situations is material. Ensuring access to financial products for disadvantaged customers requires careful consideration and strict regulation to protect the interests of depositors and prevent excessive indebtedness. The Banking Group can also support adequate housing, as mortgage loans are an important market segment in most areas of operation.	At the group level, the goal is to expand the range of products that are partially or fully available digitally, ensuring that these processes are as convenient and accessible to as many customers as possible. These solutions can also facilitate access for residents of disadvantaged areas. The Banking Group pays attention to imparting knowledge related to the use of online channels. Accessibility is continuously improving.	Actual positive impact		x		x	x	x
The accessibility cannot be considered comprehensive.	In addition to market-based products, the Banking Group ensures the availability of significant state-supported mortgage loan schemes in several countries.	Actual negative impact		x		x	x	x

[58] ESRS: Information-related effects on consumers and/or end-users: Protection of privacy (ESRS 1 AR 16) In addition to the protection of personal data, this topic at the OTP Group also includes information security and cyber security.
protection, as these are interrelated topics in the OTP Group, but not specifically mentioned in the ESRS.
[59] ESRS: Impacts related to information on consumers and/or end-users: Access to (quality) information (ESRS 1 AR 16)
[60] ESRS: Social inclusion of consumers and/or end-users: Access to products and services (ESRS 1 AR 16)

Impact/Risk/Opportunity	Management (The report will elaborate further in line with disclosure requirements.)	Type of Impact/Risk/opportunity	Concentration of Impact, Risk, Opportunity			Time period		
			Up-stream	OTP Group	Down-stream[55]	Short term	Medium term	Long term
G1 Business Conduct								
Corporate culture, compliance, anti-money laundering								
The business conduct of OTP Group not only affects its direct partners and stakeholders but also influences the attitude of employees and customers towards ethical business conduct. Corporate governance characteristics and transparent decision-making are also important to investors. The fight against money laundering is essential for the banks within the Banking Group, aiming to prevent customers' attempts at money laundering. From a societal perspective, careful and prudent practice is particularly important. Implementing ethical business conduct and ensuring legal operations are of utmost importance to OTP Group.	The foundations and guidelines for ethical business conduct are summarized in the Code of Ethics OTP Group operates an ethics reporting system and conducts annual ethics training for all employees. The Banking Group conducts regular mandatory training to increase the awareness of its relevant employees on AML/CFT. OTP Bank operates a separate whistleblowing system in relation to AML/CFT.	Actual positive impact		x		x	x	x
Despite OTP Group's emphasis on striving for ethical business operations, non-compliances cannot be completely eliminated.		Actual negative impact		x			x	x
Non-compliance with laws and regulations can result in fines and reputational loss. Banks are also expected to play an active role in preventing money laundering. Violating anti-money laundering rules can lead to liquidity problems and the termination of correspondent banking relationships. Breaching business ethics rules can cause dissatisfaction and complaints from employees and business partners.		Risk		x		x	x	x
Corruption and bribery								
The effectiveness of corruption prevention impacts the efficiency of resource utilization. Due to its size, OTP Group's anti-corruption practices can influence economic morale (especially within the sector). The practices implemented by OTP Group have a positive impact.	The fight against corruption is supported by an anti-corruption training system, the application of an anti-corruption clause among contractual partners, the expansion of which at group level is in progress, and regular risk assessments.	Actual positive impact		x		x	x	x
Even with careful and constantly evolving practices, abuse can occur.		Potential negative impact		x		x	x	x

Regarding the management of potential financial impacts of ESG risks, no provisions are made for ESG risks, and the management has not established a capital buffer for such risks. Based on the ECB's Novel Risk Recommendation, OTP Group has identified risks in Slovenia (OTP Bank Slovenia) and Bulgaria (DSK Bank) for which it has recognized impairment, which is also reflected in the consolidated IFRS9 ECL (expected credit loss). The additional capital requirement related to climate risks is not material. ESG aspects are expected to be included in the rating models of the Group in 2025. In the context of operational risk loss data collection, an ESG flag is used if an ESG risk factor can be identified behind the given loss event. No significant losses were realized in 2024 concerning material topics. The analysis of expected financial impacts and the estimation of expected financial impacts will be carried out in 2025.

OTP Group's risk management processes, prudent behaviour, and business planning practices ensure its resilience in managing sustainability impacts and risks, as well as leveraging opportunities. The Group conducted a @Stress-test to assess the potential impacts of climate change justified by both regulatory and business considerations. No resilience assessment was conducted in connection to the biodiversity and ecosystem topic, as it was not financially material. In order to properly address complex environmental challenges, the involvement of the banking sector is necessary, making it likely that further resilience analyses will be warranted in the future. The Banking Group continuously monitors market opportunities to exploit them and keeps track of regulatory expectations to respond appropriately.

Sanctions Supplement: OTP Group's operations are affected by various anti-corruption laws, sanctions enacted and applied by the UN, the UK and the EU, as well as the United States. In addition, OTP Group's operations in Russia are subject to various Russian countersanctions. In the course of its business activities, OTP Group may come into contact with organizations whose employees are considered public officials.

Applicable sanctions may restrict OTP Group's dealings with certain sanctioned countries, individuals and organizations. OTP Group is particularly exposed to risks related to economic sanctions imposed by the United States, the EU and the United Kingdom against Russia and the Russian-occupied territories of Ukraine, as well as certain targeted Russian and Ukrainian organizations and individuals, as well as entities owned or controlled by such targeted organizations and individuals.

The imposition of any current or future sanctions may result in OTP Group's existing or future customers being subject to sanctions, directly or indirectly. If OTP Group is unable to cease providing services to sanctioned parties within the permitted wind-down period (if any) and such customers continue to be subject to sanctions and/or are included in sanction lists, this may also expose OTP Group to the risk of being subject to sanctions. OTP Group cannot provide assurances that current or future sanctions targeting Russia, Russian companies and associated companies will not have a material impact on OTP Group's operations.

Litigation or investigations related to alleged or suspected violations of anti-corruption laws and sanctions may result in OTP Group being fined, restricted in its activities, revoked in its licenses, damaged in its reputation, and other adverse consequences on its activities and financial consequences. Additionally, violations of anti-corruption laws and sanctions regulations may result in financial disadvantage.

OTP Group also applies **entity-specific disclosures** to inform about the impacts of the following material topics:

- Water withdrawal is a material topic concerning the value chain, for which entity-specific disclosure will be developed later
- Direct impact drivers of biodiversity loss is a material topic concerning the value chain, for which entity-specific disclosure will be developed later
- Information security and data protection
- Access to (quality) information
- Access to financial products and services
- Corporate culture, compliance, anti-money laundering

1.5. Disclosure Requirements in ESRS covered by the undertaking's sustainability statement and general reporting policy

ESRS 2 IRO-2

Among the disclosure requirements and data points in the thematic standards of ESRS, we report those that are related to the material sub-topics for OTP Group. To link material topics and disclosure requirements, we used the EFRAG ID 177 – Links between AR16 and Disclosure requirements guideline, and the identification of data points was based on the interpretation of data point expectations.

Data points

We report voluntarily reportable data points if the required information can be produced without significant effort or if we have previously reported them. In several cases, we utilize the phased introduction option specified in the ESRS, and these data points are not included in the report.

Regarding environmental topics, only Climate Change Mitigation is material – in terms of impact materiality – for our own operations. We do not consider data points related to other E1 (climate change) topics, E3 (water and marine resources), and E4 (biodiversity and ecosystems) topics relevant for our own operations.

The material impacts and risks related to the S4 (Consumers and End-users) topic are specifically material for the clients and specific portion of clients of the (banks within the Group) (see @ESRS SBM-3). We report the related data points for these clients.

Policies, Actions and Targets

We disclose available policies, actions and targets in cases when they apply:

- to the entire OTP Group or nearly the entire group
- to the parent bank and subsidiaries, or for a smaller group that includes these member companies:
  - OTP Bank
  - Merkantil Bank
  - DSK Bank (Bulgaria)
  - OTP Bank Slovenia
  - OTP Bank Croatia
  - OTP Bank Serbia
  - Ipoteka Bank (Uzbekistan)
  - OTP Bank Ukraine
  - CKB (Montenegro)
  - OTP Bank Albania
  - OTP Bank Russia

Considering the mid-year sale of OTP Bank Romania, we do not present policies, actions, or objectives for this operation.

OTP Lakástakarék has a narrow scope of activity, focusing specifically on housing savings and loans, OTP Mortgage Bank focuses specifically on mortgage lending, the companies have a relatively small central organisation, and they use the branch network of the parent bank, the sales agents of OTP Financial Point Ltd. and other sales partners to carry out their specific business activities. The activities of the two subsidiary banks are therefore not presented separately.

- to asset managers in the context of Climate Change Mitigation, if relevant information has been disclosed in connection with SFDR[61] expectations, to ensure the information can be linked
  - OTP Fund Management,
  - OTP Real Estate Investment Fund Management,
  - PortfoLion Venture Capital Fund Management,
  - DSK Asset Management (Bulgaria),
  - OTP Invest (Croatia).

- and in case of Own Workforce (S1) topic, to companies with an active workforce of over 250 employees as of 31.12.2024:
  - the above banks,
  - CIL-Babér,
  - OTP Factoring,
  - Nádudvari Élelmiszer,
  - NAGISZ.

We report if the Group has not adopted a policy, action, or target for the given sustainability issue if these are not available for any of the companies listed above.

Conditional data points for minimum disclosure requirements for policies, measures and objectives are reported if they are relevant to the policy, measure or objective presented.

Metrics

For metrics, our goal is to fully report the relevant data points. We have set a threshold value in exceptional cases, specifically for the @ESRS S1-16 Compensation Metrics (pay gap and total compensation) disclosure requirement. The threshold value was determined to reduce reporting burdens. We refrain from obtaining data for metric components if it is negligible under reasonable assumptions and would require significant effort to determine.

The metrics have not been validated by an external body other than the service provider providing the assurance.

[61] Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosures in the financial services sector related to sustainability. The Ukrainian LLC AMC OTP Capital and the Serbian OTP INVEST DRUŠTVO ZA UPRAVLJANJE UCITS I ALTERNATIVNIM FONDOVIMA AD BEOGRAD are not covered, the Romanian OTP Asset Management was sold during the year and therefore no information is disclosed.

Entity-Specific Disclosures

We deemed it necessary to define entity-specific disclosures for those material topics named in the @ESRS SBM-3 disclosure requirement that were supplemented with OTP Group-specific content compared to the list in ESRS 1 AR16, and for S4 topics, as ESRS currently does not define metrics for these topics. Regarding E3 and E4 topics, the Banking Group did not collect information during the reporting period that would adequately characterize these impacts. Regulatory expectations and data to be requested from clients are under development in these matters. After finalizing these and implementing data collection, we will define entity-specific disclosures (if sectoral ESRSs covering these topics are not published in the meantime) and report them.

Operational control: The situation where the enterprise is able to direct the operational activities and relationships of an entity, location, operation or asset.

Business relationships: Business relationships include relationships in the upstream and downstream value chain of the enterprise and are not limited to direct contractual relationships.

Where associates or joint ventures are accounted for using the equity method in IFRS financial statements and are part of the Group's value chain, the Bank includes information about them together with the approach applied to other business relationships in the value chain. When the Bank determines impact indicators, the data of the associate or joint venture is not limited to the equity share owned but takes into account the impacts that arise through business relationships related to the Group's products and services.

The management, executive and supervisory bodies of OTP Group are the Board of Directors, Supervisory Board and Audit Committee of OTP Bank Plc.

Gender distribution of members of the management, executive and supervisory bodies, the percentage of female and male board members compared to all members, based on the number of employees expressed in persons at the end of the year.

The proportion of independent members of the boards is the number of independent members divided by the total number of board members based on the year-end data. Regarding the independence criteria for board members, the Bank considers the relevant provisions of Act V of 2013 on the Civil Code (Ptk.) to be guiding principles, the details of which are disclosed by the Bank in the document OTP Bank Plc. @Statement on the Independence of Board Members.

The breakdown by country applies to those countries where the Group has 50 or more employees and these employees represent at least 10% of the total number of employees. The number of employees is given in chapter S1 according to employees, the year-end headcount is reported, including active employees.

Total income is the sum of Interest income and income similar to interest income + Income from fees and commissions + Other operating income in the consolidated IFRS report for the year 2024.

2. Environmental Information

OTP Group aims to take a regional leadership role in financing a fair and gradual transition to a low carbon economy, and building a sustainable future. To achieve this objective, the Group significantly increased its green loan and corporate bond portfolio in 2024 and considers the preparation of its climate target-setting document[62] a milestone. Various aspects of the Group's risk management systems have been improved. OTP Group's objective is to reduce its environmental footprint resulting from its operations.

Material subtopic	Source of impact	Type of impact, risk, opportunity	Description of impact, risk, opportunity
E1 Climate change			
Mitigation of climate change Energy	entire OTP Group's own operations, loan portfolio, fund managers' investments	negative impact	Direct and indirect GHG emission
Mitigation of climate change Adaption to climate change Energy	loan portfolio, fund managers' investments	positive impact	Green financial products
Mitigation of climate change	entire OTP Group own operations	positive impact	Shaping mindsets through applied practices
Mitigation of climate change Adaptation to climate change Energy	loan portfolio	financial opportunity	Green financial products
		financial risk	Conversion and physical risks in the portfolio
E2 Water and marine resources			
Water withdrawal	loan portfolio	negative impact	Financing sectors with high water abstraction
		positive impact	Green lending
		financial risk	Water dependency and environmental compliance risk in the portfolio
E4 Biodiversity and ecosystems			
Factors directly causing biodiversity loss	loan portfolio	negative impact	Funding for sectors with negative impacts on biodiversity and ecosystems
		potential positive impact	The possibility of setting expectations to encourage responsible behaviour by customers

For a more detailed description of the impacts, risks and opportunities and how to manage them, see @ESRS SBM-3 and the following sections of this chapter.

2.1. Disclosures under the EU Taxonomy Regulation

2.1.1. EU Taxonomy Regulation Disclosures

Information to be disclosed by companies covered by Articles 19a or 29a of Directive 2013/34/EU of the European Parliament and of the Council (EU) 2020/852 on environmentally sustainable economic activities, based on the methodology set out in Commission Delegated Regulation (EU) 2021/2178. For the credit institutions of OTP Group, the reporting is based on exposures and balance sheets corresponding to the scope of prudential consolidation according to Section 2 of Chapter 2 of Title II of Regulation (EU) No 575/2013, as set out in Annex V, point 1 of the current Commission Delegated Regulation (EU) No 2021/2178.

OTP Bank is committed to sustainable financing and social responsibility.

Mandatory Disclosures

The Taxonomy Regulation applies to financial market participants that make available financial products and undertakings which are subject to the obligation to publish a non-financial statement or a consolidated non-financial statement pursuant to Article 19a or Article 29a of Directive No. 2013/34/EU of the European Parliament and of the Council, respectively (Article 1 (b) and (c) of Chapter I of (EU) 2020/852). Pursuant to Article 8 of the Taxonomy Regulation, any undertaking which is subject to an obligation to disclose non-financial information pursuant to Article 19a or Article 29a of Directive No. 2013/34/EU shall include in its non-financial statement or consolidated non-financial statement information on how and to what extent the

[62] This document defines a GHG target for 2030 in both absolute and relative terms, relating to category 15 of OTP Group's Scope 3 emissions, and identifies the main instruments to ensure the achievement of the target; however, it is not considered a transition plan according to the ESRS E1-1 disclosure requirement.

undertaking's activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of (EU) 2020/852 Regulation. OTP Group report is based on the exposures and balance sheet according to the scope of prudential consolidation in accordance with Regulation (EU) No. 575/2013, Title II, Chapter 2, Section 2 for the types of assets and accounting portfolios specified in point 1.1.2 of Annex V of Commission Delegated Regulation (EU) No. 2021/2178, including information on stock and flows, on transitional and enabling activities, and on specialized and general purpose lending.

The tables below present the consolidated information on OTP Group's mandatory KPIs under Regulation (EU) No. 2020/852 (Taxonomy Regulation), which have been prepared using the template published in Annex VI of Regulation No. 2021/2178. The gross carrying amount is based on the reference date of 31. December 2024.

OTP Group discloses the relevant KPIs on a consolidated basis, considering the scope of prudential consolidation, in accordance with Annex V, point 1.1.1 of EU 2021/2178. Accordingly, the exposures of the various subsidiaries, including those of fund managers and credit institutions, are part of the consolidated credit institution KPIs.

In regard to the publication of the table in Appendix 2 of the third Commission Notice of November 2024 (C/2024/6691 Commission Notice), OTP Group has chosen not to publish it in this reporting year, due to the late publication of the Notice. The publication of the table will be taken into account by OTP Group in the next reporting year. In the case of OTP Fund Management Ltd, the requirements for asset managers have been taken into account and the KPIs for asset managers is presented in a separate chapter.

The calculation of the main KPI indicators has been based on the best understanding of the requirements set out in the Delegated Regulation and the KPIs have been set accordingly.

In accordance with the legislation, the main KPI indicators are calculated as a proportion of total green assets, which is not equal to the Bank's total balance sheet. OTP Group's corporate loan portfolio is dominated by companies that are not subject to the obligation to disclose non-financial information under Articles 19a or 29a of Directive 2013/34/EU. As the eligible and aligned exposures to these entities are not included in the mandatory disclosure, they are disclosed in the (@green lending) section of this report. Exposures to non-EU subsidiary banks as defined above are also not covered by the mandatory reporting and are excluded from the calculation of the KPIs.

The qualitative disclosures required by Annex XI of the Delegated Regulation provide detailed information on the data and methodology used by the Bank.

The main stock and flow KPI indicators of OTP Group show the following changes compared to the previous year:

Mandatory GAR KPIs of OTP Group		2024		2023	
		Turnover	Capex	Turnover	Capex
Main KPI	Green asset ratio (GAR) Stock	0.10%	0.29%	0.05%	0.09%
Additional KPIs	Green asset ratio (GAR) Flow	0.13%	0.45 %	0.00%	0.01%

Significant efforts in green financing lead to improvements in key KPIs. For taxonomy aligned stocks, compared to the same data last year, the KPI shows a significant increase on both a capex and turnover basis. On turnover basis, our taxonomy aligned exposures increased from 0.05% to 0.10% and on a capex basis from 0.09% to 0.29% of GAR assets. The proportion of assets included in the calculation of the main KPIs within the total balance sheet remained broadly unchanged at around 65%. Both GAR assets and total bank balance sheet data increased by more than 13%.

Taxonomy- eligible and aligned exposures to financial institutions improved severalfold, one of the main reasons being the wider availability of taxonomy reports for financial corporations. Taxonomy-eligible exposures reach 2.5%, while taxonomy-aligned exposures reach 0.10%.

Taxonomy-eligible exposures to non-financial corporates exceed 8.5% on a turnover basis and the taxonomy-aligned ratio on turnover basis is above 3%.

With respect to exposures to households, in case only the substantial contribution (SC) criterion is met, the Bank does not report these exposures as taxonomy-aligned exposures, given that it cannot currently demonstrate compliance with the DNSH conditions.

In line with the interpretation of the third Commission Notice (C/2024/6691 Commission Notice) published in November 2024, the Bank interprets this category as its entire gros exposure to gross households (not limited to the exposure of the subsidiary banks operating in the EU).

For gross household exposures, the taxonomy-eligible ratio is close to 28%, while for exposures secured by real estate the ratio is 57%. For retail motor vehicle finance, the taxonomy-eligible ratio is close to 37%. Tables 1 to 5 published in Annex VI to Regulation 2021/2178, which are to be published by credit institutions in accordance with Article 8 of the Taxonomy Regulation, are presented below.

In calculating the eligibility and alignment KPIs according to the EU taxonomy for the managed assets, the OTP Group is making a restatement regarding the data for the 2023 financial year:

1. Assets considered for GAR calculation – Asset management data provided in lines 55-57 of Revenue-based (T-1)

On a Turnover basis Template 1 – Assets for the calculation of GAR Turnover, Row 55 – Assets under management Total [gross] carrying amount is restated by **+ 1,526,575** million HUF.

On a Turnover basis Template 1 – Assets for the calculation of GAR Turnover, Row 55 – Assets under management [CCM+CCA] of which towards taxonomy relevant sectors (Taxonomy-eligible) is restated by **+ 124,025** million HUF

On a Turnover basis Template 1 – Assets for the calculation of GAR Turnover, Row 55 – Assets under management [CCM+CCA] of which environmentally sustainable (Taxonomy-aligned) is restated by **+ 9,337** million HUF

2. Assets considered for GAR calculation – Asset management data provided in lines 55-57 of Capex-based (T-1)

On a Capex basis Template 1 – Assets for the calculation of GAR Turnover, Row 55 – Assets under management Total [gross] carrying amount is restated by **+ 1,526,575** million HUF.

On a Capex basis Template 1 – Assets for the calculation of GAR Turnover, Row 55 – Assets under management [CCM+CCA] of which towards taxonomy relevant sectors (Taxonomy-eligible) is restated by **+ 314,352** million HUF

On a Capex basis Template 1 – Assets for the calculation of GAR Turnover, Row 55 – Assets under management [CCM+CCA] of which environmentally sustainable (Taxonomy-aligned) is restated by **+ 14,882** million HUF

Therefore, the consolidated sustainability data for 2023 published in this report are not comparable to the data published in last year's report.

According to Article 8 of EU 2021/2178 financial undertakings and non-financial undertakings shall provide in the non-financial statement the key performance indicators covering the previous annual reporting period. OTP Group presents its consolidated, comparative GAR KPI-s for the previous reporting period, as required by Article 8, where Annex VI templates explicitly require the disclosure of the t-1 period. This included 'Template 1 – Assets for the calculation of GAR' and 'Template 3 – GAR KPI stock'.

OTP Group believes that these disclosure practices do not hinder the comparability of GAR KPI's as required by Article 8 of the legislation.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets, (million HUF) [turnover based]	Total environmentally sustainable assets, (million HUF) [capex based]	KPI[1]	KPI[2]	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**30,365**	**82,911**	**0.10%**	**0.29%**	**64.76%**	**27.43%**	**35.24%**

		Total environmentally sustainable activities, (million HUF) [turnover based]	Total environmentally sustainable activities (million HUF) [capex based]	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPI-s	GAR (flow)	10,625	35,351	0.13%	0.45%	58.52%	19.93%	41.48%
	Financials guarantees	-	-					
	Asset under management	15,963	29,556	0.37%	0.68%			

[1] based on the Turnover KPI of the counterparty
[2] based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
[3] % of assets covered by the KPI over banks´ total assets

Notes:

- Across the reporting templates: cells shaded in grey should not be reported.
- Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026.

1. Assets for the calculation of GAR – *Turnover based data*

	HUF million	Disclosure reference date 31 December 2024													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	16,727,599	3,950,274	30,345	776	7,922	12,245	719	18	0	0	887	0	0	0
2	**Financial undertakings**	2,157,696	53,932	2,208	776	401	430	84	18	0	0	0	0	0	0
3	Credit institutions	1,724,030	50,227	2,123	724	379	423	60	13	0	0	0	0	0	0
4	Loans and advances	1,145,822	50,227	2,123	724	379	423	60	13	0	0	0	0	0	0
5	Debt securities, including UoP	578,186	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	22	0	0		0	0	0	0		0	0	0		0
7	Other financial corporations	433,666	3,706	85	52	22	6	23	5	0	0	0	0	0	0
8	of which investment firms	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
12	of which management companies	6,625	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	6,625	0	0		0	0	0	0		0	0	0		0
16	of which insurance undertakings	1,966	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,669	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	297	0	0		0	0	0	0		0	0	0		0
20	**Non-financial undertakings**	877,837	74,200	28,137	0	7,521	11,816	635	0	0	0	887	0	0	0
21	Loans and advances	859,587	71,778	27,662	0	7,432	11,816	259	0	0	0	887	0	0	0
22	Debt securities, including UoP	18,159	2,332	386	0	0	0	376	0	0	0	0	0	0	0
23	Equity instruments	91	90	90		90	0	0	0		0	0	0		0
24	**Households**	13,692,065	3,822,141	0	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	6,014,461	3,422,059	0	0	0	0	0	0	0	0				
26	of which building renovation loans	127,700	127,014	0	0	0	0								
27	of which motor vehicle loans	743,909	273,068	0	0	0	0								
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	16,115	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Disclosure reference date 31 December 2024													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	12,303,916													
33	**Financial and non-financial undertakings**	9,719,235													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,935,346													
35	Loans and advances	6,561,296													
36	of which loans collateralised by commercial immovable property	0													
37	of which building renovation loans	0													
38	Debt securities	306,914													
39	Equity instruments	67,136													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,783,889													
41	Loans and advances	2,767,099													
42	Debt securities	14,052													
43	Equity instruments	2,737													
44	**Derivatives**	50,334													
45	**On demand interbank loans**	379,446													
46	**Cash and cash-related assets**	667,872													
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	1,487,029													
48	**Total GAR assets**	29,047,630	3,950,274	30,345	776	7,922	12,245	719	18	0	0	887	0	0	0
49	**Assets not covered for GAR calculation**	15,804,501													
50	**Central governments and Supranational issuers**	8,149,592													
51	**Central banks' exposure**	7,012,747													
52	**Trading book**	642,162													
53	**Total assets**	44,852,131	3,950,274	30,345	776	7,922	12,245	719	18	0	0	887	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	7,206	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	4,346,946	80,313	14,452	0	1,552	12,899	2,146	1,266	0	1,262	112	37	0	26
56	Of which debt securities	551,901	41,261	0	0	0	0	239	0	0	0	46,449	0	0	0
57	Of which equity instruments	526,720	39,053	9,822	0	898	8,924	1,907	14	0	184	56,560	133	0	22

	HUF million	Total [gross] carrying amount	Circular economy (CE) — of which towards taxonomy relevant sectors (Taxonomy-eligible)	of which environmentally sustainable (Taxonomy-aligned)	of which use of proceeds	of which enabling	Pollution (PPC) — of which towards taxonomy relevant sectors (Taxonomy-eligible)	of which environmentally sustainable (Taxonomy-aligned)	of which use of proceeds	of which enabling	Biodiversity and Ecosystems (BIO) — of which towards taxonomy relevant sectors (Taxonomy-eligible)	of which environmentally sustainable (Taxonomy-aligned)	of which use of proceeds	of which enabling	TOTAL (CCM + CCA + WTR + CE + PPC + BIO) — of which towards taxonomy relevant sectors (Taxonomy-eligible)	of which environmentally sustainable (Taxonomy-aligned)	of which use of proceeds	of which transitional	of which enabling
		Disclosure reference date 31 December 2024																	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	16,727,599	569	2	0	0	5,767	0	0	0	17,065	0	0	0	3,975,280	30,365	776	7,922	12,245
2	**Financial undertakings**	2,157,696	108	0	0	0	0	0	0	0	0	0	0	0	54,124	2,226	776	401	430
3	Credit institutions	1,724,030	0	0	0	0	0	0	0	0	0	0	0	0	50,287	2,136	724	379	423
4	Loans and advances	1,145,822	0	0	0	0	0	0	0	0	0	0	0	0	50,287	2,136	724	379	423
5	Debt securities, including UoP	578,186	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	22	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	433,666	108	0	0	0	0	0	0	0	0	0	0	0	3,837	90	52	22	6
8	of which investment firms	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	6,625	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	6,625	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	1,966	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,669	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	297	0	0		0	0	0		0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	877,837	461	2	0	0	5,767	0	0	0	17,065	0	0	0	99,015	28,139	0	7,521	11,816
21	Loans and advances	859,587	461	2	0	0	5,767	0	0	0	17,065	0	0	0	96,217	27,663	0	7,432	11,816
22	Debt securities, including UoP	18,159	0	0	0	0	0	0	0	0	0	0	0	0	2,708	386	0	0	0
23	Equity instruments	91	0	0		0	0	0		0	0	0		0	90	90		90	0
24	**Households**	13,692,065	0	0	0	0									3,822,141	0	0	0	0
25	of which loans collateralised by residential immovable property	6,014,461	0	0	0	0									3,422,059	0	0	0	0
26	of which building renovation loans	127,700													127,014	0	0	0	0
27	of which motor vehicle loans	743,909													273,068	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	16,115	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

			Disclosure reference date 31 December 2024																
	HUF million	Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	12,303,916																	
33	**Financial and non-financial undertakings**	9,719,235																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,935,346																	
35	Loans and advances	6,561,296																	
36	of which loans collateralised by commercial immovable property	0																	
37	of which building renovation loans	0																	
38	Debt securities	306,914																	
39	Equity instruments	67,136																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,783,889																	
41	Loans and advances	2,767,099																	
42	Debt securities	14,052																	
43	Equity instruments	2,737																	
44	**Derivatives**	50,334																	
45	**On demand interbank loans**	379,446																	
46	**Cash and cash-related assets**	667,872																	
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	1,487,029																	
48	**Total GAR assets**	29,047,630	569	2	0	0	5,767	0	0	0	17,065	0	0	0	3,975,280	30,365	776	7,922	12,245
49	**Assets not covered for GAR calculation**	15,804,501																	
50	**Central governments and Supranational issuers**	8,149,592																	
51	**Central banks' exposure**	7,012,747																	
52	**Trading book**	642,162																	
53	**Total assets**	44,852,131	569	2	0	0	5,767	0	0	0	17,065	0	0	0	3,975,280	30,365	776	7,922	12,245
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	7,206	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	4,346,946	7,019	185	0	73	4,351	22	0	1	1,914	0	0	0	95,855	15,963	0	1,552	14,262
56	Of which debt securities	551,901	300	0	0	0	19	0	0	0	0	0	0	0	88,268	0	0	0	0
57	Of which equity instruments	526,720	5,051	184	0	73	186	22	0	1	1,914	0	0	0	104,670	10,174	0	1,178	9,204

1. Assets for the calculation of GAR – *Turnover based data*
(T-1)

	HUF million	Disclosure reference date 31 December 2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13,420,637	3,018,478	12,435	0	974	1,007	15	0	0	0	0	0	0	0
2	**Financial undertakings**	2,012,646	4,288	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	1,301,023	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	854,447	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	446,575	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
7	Other financial corporations	711,623	4,288	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	59,625	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	59,624	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	1	0	0		0	0	0	0		0	0	0		0
12	of which management companies	26,032	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	26,032	0	0		0	0	0	0		0	0	0		0
16	of which insurance undertakings	1,797	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,795	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	1	0	0		0	0	0	0		0	0	0		0
20	**Non-financial undertakings**	176,625	21,188	12,435	0	974	1,007	15	0	0	0	0	0	0	0
21	Loans and advances	60,818	10,110	6,132	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	115,807	11,078	6,304	0	974	1,007	15	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
24	**Households**	11,231,366	2,993,002	0	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	4,524,697	2,694,148	0	0	0	0	0	0	0	0				
26	of which building renovation loans	127,689	127,416	0	0	0	0	0	0	0	0				
27	of which motor vehicle loans	446,413	171,438	0	0	0	0								
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	9,789	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Disclosure reference date 31 December 2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Total [gross] carrying amount	of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	11,562,435													
33	**Financial and non-financial undertakings**	9,385,343													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,860,587													
35	Loans and advances	6,712,884													
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities	146,932													
39	Equity instruments	771													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,524,756													
41	Loans and advances	2,492,214													
42	Debt securities	30,472													
43	Equity instruments	2,070													
44	**Derivatives**	41,967													
45	**On demand interbank loans**	574,648													
46	**Cash and cash-related assets**	605,799													
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	954,677													
48	**Total GAR assets**	25,679,052	3,018,478	12,435	0	974	1,007	15	0	0	0	0	0	0	0
49	**Assets not covered for GAR calculation**	13,930,092													
50	**Central governments and Supranational issuers**	6,307,758													
51	**Central banks' exposure**	7,401,137													
52	**Trading book**	221,197													
53	**Total assets**	39,609,144	3,018,478	12,435	0	974	0	0	0	0	0	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	173,787	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management*	3,177,939	144,741	10,195		1,038	9,157	1,566	1,175		1,175				
56	Of which debt securities	266,078	1,752	1,752		331	1,421	717	717		717				0
57	Of which equity instruments	359,496	8,443	8,443		707	7,736	14	0		0				

*restated

		Disclosure reference date 31 December 2024																	
	HUF million	Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13,420,637	0	0	0	0	0	0	0	0	0	0	0	0	3,018,493	12,435	0	974	1,007
2	**Financial undertakings**	2,012,646	0	0	0	0	0	0	0	0	0	0	0	0	4,288	0	0	0	0
3	Credit institutions	1,301,023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	854,447	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	446,575	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	711,623	0	0	0	0	0	0	0	0	0	0	0	0	4,288	0	0	0	0
8	of which investment firms	59,625	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	59,624	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	1	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	26,032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	26,032	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	1,797	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,795	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	1	0	0		0	0	0		0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	176,625	0	0	0	0	0	0	0	0	0	0	0	0	21,203	12,435	0	974	1,007
21	Loans and advances	60,818	0	0	0	0	0	0	0	0	0	0	0	0	10,110	6,132	0	0	0
22	Debt securities, including UoP	115,807	0	0	0	0	0	0	0	0	0	0	0	0	11,093	6,304	0	974	1,007
23	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	**Households**	11,231,366	0	0	0	0									2,993,002	0	0	0	0
25	of which loans collateralised by residential immovable property	4,524,697	0	0	0	0									2,694,148	0	0	0	0
26	of which building renovation loans	127,689													127,416	0	0	0	0
27	of which motor vehicle loans	446,413													171,438	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	9,789	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Total [gross] carrying amount	Disclosure reference date 31 December 2024																
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	11,562,435																	
33	**Financial and non-financial undertakings**	9,385,343																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,860,587																	
35	Loans and advances	6,712,884																	
36	of which loans collateralised by commercial immovable property																		
37	of which building renovation loans																		
38	Debt securities	146,932																	
39	Equity instruments	771																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,524,756																	
41	Loans and advances	2,492,214																	
42	Debt securities	30,472																	
43	Equity instruments	2,070																	
44	**Derivatives**	41,967																	
45	**On demand interbank loans**	574,648																	
46	**Cash and cash-related assets**	605,799																	
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	954,677																	
48	**Total GAR assets**	25,679,052	0	0	0	0	0	0	0	0	0	0	0	0	3,018,493	12,435	0	974	1,007
49	**Assets not covered for GAR calculation**	13,930,092																	
50	**Central governments and Supranational issuers**	6,307,758																	
51	**Central banks' exposure**	7,401,137																	
52	**Trading book**	221,197																	
53	**Total assets**	39,609,144	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	173,787	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	3,177,939													146,307	11,371		1,038	10,332
56	Of which debt securities	266,078													2,469	2,469		1,048	2,138
57	Of which equity instruments	359,496													8,457	8,443		707	7,736

1. Assets for the calculation of GAR – *Capex based*

	HUF million	Disclosure reference date 31 December 2024													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	16,727,599	4,002,781	80,382	767	45,373	10,740	304	38	0	0	33	0	0	0
2	**Financial undertakings**	2,157,696	53,508	3,106	756	719	695	109	22	0	0	0	0	0	0
3	Credit institutions	1,724,030	50,014	2,979	704	675	688	99	22	0	0	0	0	0	0
4	Loans and advances	1,145,822	50,014	2,979	704	675	688	99	22	0	0	0	0	0	0
5	Debt securities, including UoP	578,186	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	22	0	0		0	0	0	0		0	0	0		0
7	Other financial corporations	433,666	3,494	127	52	44	8	10	0	0	0	0	0	0	0
8	of which investment firms	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0
12	of which management companies	6,625	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	6,625	0	0		0	0	0	0		0	0	0		0
16	of which insurance undertakings	1,966	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,669	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	297	0	0		0	0	0	0		0	0	0		0
20	**Non-financial undertakings**	877,837	127,133	77,275	11	44,654	10,045	195	16	0	0	33	0	0	0
21	Loans and advances	859,587	124,733	76,343	11	44,573	10,045	90	16	0	0	33	0	0	0
22	Debt securities, including UoP	18,159	2,318	851	0	0	0	105	0	0	0	0	0	0	0
23	Equity instruments	91	81	81		81	0	0	0		0	0	0		0
24	**Households**	13,692,065	3,822,141	0	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	6,014,461	3,422,059	0	0	0	0	0	0	0	0				
26	of which building renovation loans	127,700	127,014	0	0	0	0	0	0	0	0				
27	of which motor vehicle loans	743,909	273,068	0	0	0	0								
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	16,115	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Disclosure reference date 31 December 2024													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	12,303,916													
33	**Financial and non-financial undertakings**	9,719,235													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,935,346													
35	Loans and advances	6,561,296													
36	of which loans collateralised by commercial immovable property	0													
37	of which building renovation loans	0													
38	Debt securities	306,914													
39	Equity instruments	67,136													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,783,889													
41	Loans and advances	2,767,099													
42	Debt securities	14,052													
43	Equity instruments	2,737													
44	**Derivatives**	50,334													
45	**On demand interbank loans**	379,446													
46	**Cash and cash-related assets**	667,872													
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	1,487,029													
48	**Total GAR assets**	29,047,630	4,002,781	80,382	767	45,373	10,740	304	38	0	0	33	0	0	0
49	**Assets not covered for GAR calculation**	15,804,501													
50	**Central governments and Supranational issuers**	8,149,592													
51	**Central banks' exposure**	7,012,747													
52	**Trading book**	642,162													
53	**Total assets**	44,852,131	4,002,781	80,382	767	45,373	10,740	304	38	0	0	33	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	7,206	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	4,346,946	104,814	27,998	0	5,363	22,635	5,351	1,334	0	1,331	205	169	0	142
56	Of which debt securities	513,985	46,449	0	0	0	0	300	0	0	0	19	0	0	0
57	Of which equity instruments	526,720	56,560	18,606	0	3,251	15,356	5,051	1,329	0	1,328	186	75	0	75

	HUF million	Disclosure reference date 31 December 2024																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	16,727,599	5,127	2,492	0	0	3,825	0	0	0	3	0	0	0	4,012,073	82,911	767	45,373	10,740
2	**Financial undertakings**	2,157,696	108	0	0	0	0	0	0	0	0	0	0	0	53,725	3,128	756	719	695
3	Credit institutions	1,724,030	0	0	0	0	0	0	0	0	0	0	0	0	50,113	3,001	704	675	688
4	Loans and advances	1,145,822	0	0	0	0	0	0	0	0	0	0	0	0	50,113	3,001	704	675	688
5	Debt securities, including UoP	578,186	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	22	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	433,666	108	0	0	0	0	0	0	0	0	0	0	0	3,612	127	52	44	8
8	of which investment firms	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	1,934	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	6,625	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	6,625	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	1,966	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,669	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	297	0	0		0	0	0		0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	877,837	5,019	2,492	0	0	3,825	0	0	0	3	0	0	0	136,207	79,783		44,654	10,045
21	Loans and advances	859,587	5,007	2,492	0	0	3,825	0	0	0	3	0	0	0	133,691	78,851	11	44,573	10,045
22	Debt securities, including UoP	18,159	12	0	0	0	0	0	0	0	0	0	0	0	2,435	851	0	0	0
23	Equity instruments	91	0	0		0	0	0		0	0	0		0	81	81		81	0
24	**Households**	13,692,065	0	0	0	0									3,822,141	0	0	0	0
25	of which loans collateralised by residential immovable property	6,014,461	0	0	0	0									3,422,059	0	0	0	0
26	of which building renovation loans	127,700	0	0	0	0									127,014	0	0	0	0
27	of which motor vehicle loans	743,909													273,068	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	16,115	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	HUF million	Total [gross] carrying amount	Disclosure reference date 31 December 2024																
			Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	12,303,916																	
33	**Financial and non-financial undertakings**	9,719,235																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,935,346																	
35	Loans and advances	6,561,296																	
36	of which loans collateralised by commercial immovable property	0																	
37	of which building renovation loans	0																	
38	Debt securities	306,914																	
39	Equity instruments	67,136																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,783,889																	
41	Loans and advances	2,767,099																	
42	Debt securities	14,052																	
43	Equity instruments	2,737																	
44	**Derivatives**	50,334																	
45	**On demand interbank loans**	379,446																	
46	**Cash and cash-related assets**	667,872																	
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	1,487,029																	
48	**Total GAR assets**	29,047,630	5,127	2,492	0	0	3,825	0	0	0	3	0	0	0	4,012,073	82,911	767	45,373	10,740
49	**Assets not covered for GAR calculation**	15,804,501																	
50	**Central governments and Supranational issuers**	8,149,592																	
51	**Central banks' exposure**	7,012,747																	
52	**Trading book**	642,162																	
53	**Total assets**	44,852,131	5,127	0	0	0	0	0	0	0	0	0	0	0	4,008,248	80,419	767	45,373	10,740
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	7,206	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	4,346,946	5,787	51		24	2,397	1	0	1	7	2	0	0	118,560	29,556	0	5,363	24,133
56	Of which debt securities	513,985	3	0		0	3	0	0	0	0	0	0	0	46,773	0	0	0	0
57	Of which equity instruments	526,720	5,784	51		24	2,394	6	0	1	2,394	2	0	2	72,369	20,069	0	4,681	16,786

1. Assets for the calculation of GAR – *Capex based*

(T-1)

	HUF million	Disclosure reference date 31 December 2023													
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13,420,637	3,038,192	23,138	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	2,012,646	3,358	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	1,301,023	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	854,447	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	446,575	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
7	Other financial corporations	711,623	3,358	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	59,625	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	59,624	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	1	0	0		0	0	0	0		0	0	0		0
12	of which management companies	26,032	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	26,032	0	0		0	0	0	0		0	0	0		0
16	of which insurance undertakings	1,797	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,795	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	1	0	0		0	0	0	0		0	0	0		0
20	**Non-financial undertakings**	176,625	41,833	23,138	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	60,818	21,221	13,844	0	0	0	0	0	0	0	0	0		0
22	Debt securities, including UoP	115,807	20,612	9,293	0	0	0	0	0	0	0	0	0		0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0
24	**Households**	11,231,366	2,993,002	0	0	0	0	0	0	0	0				
25	of which loans collateralised by residential immovable property	4,524,697	2,694,148	0	0	0	0	0	0	0	0				
26	of which building renovation loans	127,689	127,416	0	0	0	0	0	0	0	0				
27	of which motor vehicle loans	446,413	171,438	0	0	0	0								
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0			
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0			
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	9,789	0	0	0	0	0	0	0	0	0	0			

	HUF million	Disclosure reference date 31 December 2023													
		Total [gross] carrying amount	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
			of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	11,562,435													
33	**Financial and non-financial undertakings**	9,385,343													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,860,587													
35	Loans and advances	6,712,884													
36	of which loans collateralised by commercial immovable property														
37	of which building renovation loans														
38	Debt securities	146,932													
39	Equity instruments	771													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,524,756													
41	Loans and advances	2,492,214													
42	Debt securities	30,472													
43	Equity instruments	2,070													
44	**Derivatives**	41,967													
45	**On demand interbank loans**	574,648													
46	**Cash and cash-related assets**	605,799													
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	954,677													
48	**Total GAR assets**	25,679,052	2,993,002												
49	**Assets not covered for GAR calculation**	13,930,092													
50	**Central governments and Supranational issuers**	6,307,758													
51	**Central banks' exposure**	7,401,137													
52	**Trading book**	221,197													
53	**Total assets**	39,609,144	2,993,002												
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	173,787	0												
55	Assets under management	3,177,939	339,475	19,267		3,988	15,279	6,673	1,745		1,742				
56	Of which debt securities	266,078	3,648	3,648		1,281	2,367	5	5		2				
57	Of which equity instruments	359,496	15,619	15,619		2,707	12,913	1,740	1,740		1,740				

	HUF million	Disclosure reference date 31 December 2023																	
		Total [gross] carrying amount	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13,420,637	0	0	0	0	0	0	0	0	0	0	0	0	3,038,192	23,138	0	0	0
2	**Financial undertakings**	2,012,646	0	0	0	0	0	0	0	0	0	0	0	0	3,358	0	0	0	0
3	Credit institutions	1,301,023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	854,447	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	446,575	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	711,623	1	0	0	0	0	0	0	0	0	0	0	0	3,358	0	0	0	0
8	of which investment firms	59,625	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	59,624	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	1	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	26,032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	26,032	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	1,797	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	1,795	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	1	0	0		0	0	0		0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	176,625	0	0	0	0	0	0	0	0	0	0	0	0	41,833	23,138	0	0	0
21	Loans and advances	60,818	0	0		0	0	0	0	0	0	0	0	0	21,221	13,844	0	0	0
22	Debt securities, including UoP	115,807	0	0		0	0	0	0	0	0	0	0	0	20,612	9,293	0	0	0
23	Equity instruments	0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	**Households**	11,231,366	0	0	0	0									2,993,002	0	0	0	0
25	of which loans collateralised by residential immovable property	4,524,697													2,694,148	0	0	0	0
26	of which building renovation loans	127,689													127,416	0	0	0	0
27	of which motor vehicle loans	446,413													171,438	0	0	0	0
28	**Local governments financing**	0	0				0				0				0	0	0	0	0
29	Housing financing	0	0				0				0				0	0	0	0	0
30	Other local government financing	0	0				0				0				0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	9,789	0				0				0				0	0	0	0	0

	HUF million	Total [gross] carrying amount	Disclosure reference date 31 December 2023																
			Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
					of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	11,562,435																	
33	**Financial and non-financial undertakings**	9,385,343																	
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	6,860,587																	
35	Loans and advances	6,712,884																	
36	of which loans collateralised by commercial immovable property																		
37	of which building renovation loans																		
38	Debt securities	146,932																	
39	Equity instruments	771																	
40	Non-EU country counterparties not subject to NFRD disclosure obligations	2,524,756																	
41	Loans and advances	2,492,214																	
42	Debt securities	30,472																	
43	Equity instruments	2,070																	
44	**Derivatives**	41,967																	
45	**On demand interbank loans**	574,648																	
46	**Cash and cash-related assets**	605,799																	
47	**Other categories of assets (e,g, Goodwill, commodities etc,)**	954,677																	
48	**Total GAR assets**	25,679,052													3,038,192	23,138			
49	**Assets not covered for GAR calculation**	13,930,092																	
50	**Central governments and Supranational issuers**	6,307,758																	
51	**Central banks' exposure**	7,401,137																	
52	**Trading book**	221,197																	
53	**Total assets**	39,609,144													3,038,192	23,138			
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																		
54	Financial guarantees	173,787																	
55	Assets under management*	3,177,939													346,148	21,012		3,988	17,021
56	Of which debt securities	266,078													3,653	3,653		1,283	2,369
57	Of which equity instruments	359,496													17,359	17,359		4,446	14,652

* restated

2. GAR Sector information – *Turnover based data*

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (WTR)	HUF million	of which environmentally sustainable (WTR)
1	7022	131	3							24			
2	2932	1,756	35										
3	2511	515	2			3							
4	1920	42	2							1			
5	4711	40	8										
6	4730	379	379										
7	4646	2,048											
8	2120	376				376							
9	1062	3,444	3,251										
10	2016	20	1							4			
11	3811	64	2							12			
12	2059	2,524	62							467			
13	4531	19	19										
14	2720	0											
15	1039	4,950											
16	3511	9,066	1,994										
17	4519	72	2							13			
18	4931	4,562	2,199							251			
19	3523	224	205										
20	6420	5,502	5,044										
21	4950												
22	2910	0											
23	5510	309											
24	7010	15,274	10,266										
25	8020	15	0							3			
26	5310	811	396										
27	6492	587	14							109			
28	3514	0	0										
29	2442	1,065	1,065										
30	3513	1,010	1,008										
31	6110	176	2										
32	6120	36											
33	6203	0											
34	4520	660											
35	1082	23											
36	2351	2,293	210										
37	2221	1,779											
38	0520	0	0										
39	3522	7	4							0			
40	6820	21	19										
41	6831	5,642	1,124										
42	3020	17	8										
43	3512	8,691	794										
44	2443	8	8										
45	4671	13	0							2			
46	6920	1	1										
47	8220	8	8										
48	6209	18	0										
49	2012					0	0						
50	6201					256							

	Breakdown by sector - NACE 4 digits level (code and label)	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	7022													156	3		
2	2932													1,756	35		
3	2511													518	2		
4	1920													43	2		
5	4711													40	8		
6	4730													379	379		
7	4646													2,048			
8	2120					0				0				753			
9	1062													3,444	3,251		
10	2016													24	1		
11	3811													76	2		
12	2059													2,992	62		
13	4531	0												19	19		
14	2720													0			
15	1039	33				2,772								7,755			
16	3511													9,066	1,994		
17	4519													86	2		
18	4931													4,813	2,199		
19	3523													224	205		
20	6420													5,502	5,044		
21	4950																
22	2910													0			
23	5510									17,063				17,372			
24	7010	287				2,995								18,556	10,266		
25	8020													18	0		
26	5310													811	396		
27	6492													696	14		
28	3514													0	0		
29	2442													1,065	1,065		
30	3513													1,010	1,008		
31	6110	89												265	2		
32	6120	11												47			
33	6203													0			
34	4520													660			
35	1082	4								2				29			
36	2351	11	2											2,304	211		
37	2221													1,779			
38	0520													0	0		
39	3522					0				1				8	4		
40	6820													21	19		
41	6831													5,642	1,124		
42	3020													17	8		
43	3512													8,691	794		
44	2443													8	8		
45	4671													16	0		
46	6920													1	1		
47	8220													8	8		
48	6209	25												43	0		
49	2012													0	0		
50	6201													256			

2. GAR Sector information – *Capex based*

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCM)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (CCA)	HUF million	of which environmentally sustainable (WTR)	HUF million	of which environmentally sustainable (WTR)
1	7022	326	139										
2	2932	1,826	56										
3	2511	326	3			13							
4	1920	179	89										
5	4711	1,126	185										
6	4730	5,976	5,976										
7	4646	2,048											
8	2120	359	254			105							
9	1062	3,958	3,617										
10	2016	50	21										
11	3811	160	68										
12	2059	6,264	2,680										
13	4531	49	45										
14	2720	0											
15	1039	7,920								33			
16	3511	9,066	5,077										
17	4519	179	77										
18	4931	6,242	3,976										
19	3523	559	522										
20	6420	13,755	12,838										
21	4950												
22	2910	0	0										
23	5510	6,078											
24	7010	36,501	35,490										
25	8020	38	16										
26	5310	268	34										
27	6492	1,456	623										
28	3514	1	1										
29	2442	584	584			16	16						
30	3513	1,029	974										
31	6110	133	15										
32	6120	71											
33	6203	20											
34	4520	660											
35	1082	501											
36	2351	1,990	189										
37	2221	1,779											
38	0520	0	0										
39	3522	9	9										
40	6820	52	49										
41	6831	5,375	1,570										
42	3020	15	5										
43	3512	9,991	2,022										
44	2443	11	11										
45	4671	25	14										
46	6920	3	3										
47	8220	32	31										
48	6209	4	4										
49	2012					0	0						
50	6201	137	8			61							

Breakdown by sector - NACE 4 digits level (code and label)		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (CE)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (PPC)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	HUF million	of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	7022	65												391	139		
2	2932													1,826	56		
3	2511													339	3		
4	1920	3												182	89		
5	4711													1,126	185		
6	4730													5,976	5,976		
7	4646													2,048			
8	2120					0								464	254		
9	1062													3,958	3,617		
10	2016	10												60	21		
11	3811	32												192	68		
12	2059	1,247												7,511	2,680		
13	4531													49	45		
14	2720													0			
15	1039					858								8,811			
16	3511													9,066	5,077		
17	4519	36												215	77		
18	4931	669												6,911	3,976		
19	3523													559	522		
20	6420													13,755	12,838		
21	4950																
22	2910													0	0		
23	5510	115												6,193			
24	7010					2,967								39,468	35,490		
25	8020	8												46	16		
26	5310													268	34		
27	6492	290												1,746	623		
28	3514													1	1		
29	2442	2,451	2,451											3,050	3,050		
30	3513													1,029	974		
31	6110													133	15		
32	6120	20												91			
33	6203													20			
34	4520													660			
35	1082													501			
36	2351	41	41											2,031	230		
37	2221													1,779			
38	0520													0	0		
39	3522									3				12	9		
40	6820													52	49		
41	6831	35												5,410	1,570		
42	3020													15	5		
43	3512													9,991	2,022		
44	2443													11	11		
45	4671													25	14		
46	6920													3	3		
47	8220													32	31		
48	6209													4	4		
49	2012													0	0		
50	6201													198	8		

3. GAR KPI Stock – *Turnover based data*

% (compared to total covered assets in the denominator)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23.6%	0.2%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	2.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	2.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	4.4%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	8.5%	3.2%	0.0%	0.9%	1.4%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
21	Loans and advances	8.4%	3.2%	0.0%	0.9%	1.4%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	12.8%	2.1%	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	98.5%	98.5%		98.5%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
24	**Households**	27.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	56.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	99.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	36.7%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	13.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			Proportion of total assets covered
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	23.8%	0.2%	0.0%	0.1%	0.1%	37.29%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.1%	0.0%	0.0%	0.0%	4.81%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.1%	0.0%	0.0%	0.0%	3.84%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%	0.2%	0.1%	0.0%	0.0%	2.55%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.29%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.97%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.01%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.1%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	11.3%	3.2%	0.0%	0.9%	1.4%	1.96%
21	Loans and advances	0.1%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	11.2%	3.2%	0.0%	0.9%	1.4%	1.92%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.9%	2.1%	0.0%	0.0%	0.0%	0.04%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	98.5%	98.5%		98.5%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									27.9%	0.0%	0.0%	0.0%	0.0%	30.53%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									56.9%	0.0%	0.0%	0.0%	0.0%	13.41%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									99.5%	0.0%	0.0%	0.0%	0.0%	0.28%
27	of which motor vehicle loans													36.7%	0.0%	0.0%	0.0%	0.0%	1.66%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.04%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	13.7%	0.1%	0.0%	0.0%	0.0%	64.76%

3. GAR KPI Stock – *Capex based*

% (compared to total covered assets in the denominator)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23.9%	0.5%	0.0%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	2.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	2.9%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	4.4%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	14.5%	8.8%	0.0%	5.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	14.5%	8.9%	0.0%	5.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	12.8%	4.7%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	88.7%	88.7%		88.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	27.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	56.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	99.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	36.7%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	13.8%	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				Proportion of total assets covered
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	24.0%	0.5%	0.0%	0.3%	0.1%	37.29%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.1%	0.0%	0.0%	0.0%	4.81%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.2%	0.0%	0.0%	0.0%	3.84%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%	0.3%	0.1%	0.1%	0.1%	2.55%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.29%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.97%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.01%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.6%	0.3%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.5%	9.1%	0.0%	5.1%	1.1%	1.96%
21	Loans and advances	0.6%	0.3%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%	9.2%	0.0%	5.2%	1.2%	1.92%
22	Debt securities, including UoP	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.4%	4.7%	0.0%	0.0%	0.0%	0.04%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	88.7%	88.7%		88.7%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									27.9%	0.0%	0.0%	0.0%	0.0%	30.53%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									56.9%	0.0%	0.0%	0.0%	0.0%	13.41%
26	of which building renovation loans													99.5%	0.0%	0.0%	0.0%	0.0%	0.28%
27	of which motor vehicle loans													36.7%	0.0%	0.0%	0.0%	0.0%	1.66%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.04%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.8%	0.3%	0.0%	0.2%	0.0%	64.76%

3. GAR KPI Stock – *Turnover based*
(T-1)

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2023												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	12.0%	7.0%	0.0%	0.6%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	16.6%	10.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	9.6%	5.4%	0.0%	0.8%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%
24	**Households**	26.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	59.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	99.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	38.4%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	10.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2023																	
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	22.5%	0.1%	0.0%	0.0%	0.0%	29.92%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	4.49%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.90%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.91%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.00%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	1.59%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.13%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.13%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.06%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.06%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.0%	7.0%	0.0%	0.6%	0.6%	0.39%
21	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.6%	10.1%	0.0%	0.0%	0.0%	0.14%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.6%	5.4%	0.0%	0.8%	0.9%	0.26%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									26.7%	0.0%	0.0%	0.0%	0.0%	25.04%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									59.5%	0.0%	0.0%	0.0%	0.0%	10.09%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									99.8%	0.0%	0.0%	0.0%	0.0%	0.28%
27	of which motor vehicle loans													38.4%	0.0%	0.0%	0.0%	0.0%	1.00%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.02%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.4%	0.0%	0.0%	0.0%	0.0%	64.83%

3. GAR KPI Stock – *Capex based*
(T-1)

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2023												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	22.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	23.7%	13.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	34.9%	22.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	17.8%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	26.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	59.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	99.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	38.4%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2023																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	22.6%	0.2%	0.0%	0.0%	0.0%	29.92%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	4.49%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.90%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.91%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.00%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	1.59%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.13%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.13%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.06%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.06%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	23.7%	13.1%	0.0%	0.0%	0.0%	0.39%
21	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	34.9%	22.8%	0.0%	0.0%	0.0%	0.14%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.8%	8.0%	0.0%	0.0%	0.0%	0.26%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									26.7%	0.0%	0.0%	0.0%	0.0%	25.04%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									59.5%	0.0%	0.0%	0.0%	0.0%	10.09%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									99.8%	0.0%	0.0%	0.0%	0.0%	0.28%
27	of which motor vehicle loans													38.4%	0.0%	0.0%	0.0%	0.0%	1.00%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.02%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.3%	0.0%	0.0%	0.0%	0.0%	64.83%

4. GAR KPI Flow – *Turnover based data*

% (compared to total covered assets in the denominator)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	19.7%	0.2%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	6.8%	3.5%	0.0%	0.4%	2.6%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
21	Loans and advances	6.7%	3.5%	0.0%	0.4%	2.6%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	24.1%	0.0%	0.0%	0.0%	0.0%	24.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	23.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	65.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	99.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	30.1%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	13.0%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																	
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	19.78%	0.20%	0.00%	0.02%	0.15%	38.59%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.13%	0.01%	0.01%	0.00%	0.00%	4.16%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.07%	0.01%	0.01%	0.00%	0.00%	3.43%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.08%	0.01%	0.01%	0.00%	0.00%	2.83%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.60%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.40%	0.03%	0.00%	0.02%	0.01%	0.73%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	8.05%	3.53%	0.00%	0.35%	2.60%	2.21%
21	Loans and advances	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	8.05%	3.55%	0.00%	0.36%	2.61%	2.19%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	48.26%	0.00%	0.00%	0.00%	0.00%	0.01%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									23.12%	0.00%	0.00%	0.00%	0.00%	32.22%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									65.10%	0.00%	0.00%	0.00%	0.00%	9.72%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									99.48%	0.00%	0.00%	0.00%	0.00%	0.17%
27	of which motor vehicle loans													30.12%	0.00%	0.00%	0.00%	0.00%	3.18%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.04%	0.13%	0.00%	0.01%	0.10%	58.52%

4. GAR KPI Flow – *Capex based*

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
-	**GAR - Covered assets in both numerator and denominator**													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	20.2%	0.7%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	**Financial undertakings**	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3	Credit institutions	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Loans and advances	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
7	Other financial corporations	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
20	**Non-financial undertakings**	15.3%	11.8%	0.0%	8.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	Loans and advances	15.2%	11.8%	0.0%	8.9%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	23.0%	16.3%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
24	**Households**	23.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
25	of which loans collateralised by residential immovable property	65.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
26	of which building renovation loans	99.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
27	of which motor vehicle loans	30.1%	0.0%	0.0%	0.0%	0.0%								
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	**Total GAR assets**	13.3%	0.4%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	% (compared to total covered assets in the denominator)	Disclosure reference date 31 December 2024																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling	
-	**GAR - Covered assets in both numerator and denominator**																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.2%	0.7%	0.0%	0.5%	0.0%	38.59%
2	**Financial undertakings**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	4.16%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	3.43%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	2.83%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.60%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	0.0%	0.0%	0.0%	0.73%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.01%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
20	**Non-financial undertakings**	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%	11.8%	0.0%	8.8%	0.8%	2.21%
21	Loans and advances	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.6%	11.8%	0.0%	8.9%	0.8%	2.19%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	29.8%	16.3%	0.0%	0.0%	0.0%	0.01%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.00%
24	**Households**	0.0%	0.0%	0.0%	0.0%									23.1%	0.0%	0.0%	0.0%	0.0%	32.22%
25	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%									65.1%	0.0%	0.0%	0.0%	0.0%	9.72%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%									99.5%	0.0%	0.0%	0.0%	0.0%	0.17%
27	of which motor vehicle loans													30.1%	0.0%	0.0%	0.0%	0.0%	3.18%
28	**Local governments financing**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.00%
32	**Total GAR assets**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.3%	0.4%	0.0%	0.3%	0.0%	58.52%

5. KPI off-balance sheet exposures (Stock) – *Turnover based data*

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	1.8%	0.3%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	0.4%	0.0%	0.0%	0.3%

5. KPI off-balance sheet exposures (Stock) – *Capex based*

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	2.4%	0.6%	0.0%	0.1%	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	0.7%	0.0%	0.1%	0.6%

5. KPI off-balance sheet exposures (Flow) – *Turnover based data*

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024																
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

5. KPI off-balance sheet exposures (Flow) – *Capex based*

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024												
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**			
		of which towards taxonomy relevant sectors (Taxonomy-eligible)					of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			of which environmentally sustainable (Taxonomy-aligned)					of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)		
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total eligible off-balance sheet assets)		Disclosure reference date 31 December 2024																
		Circular economy (CE)				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)				of which environmentally sustainable (Taxonomy-aligned)			
				of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Summary of credit institution KPIs for OTP Group's EU subsidiary banks

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation – DSK

		Total environmentally sustainable assets, (million HUF) [turnover based]	Total environmentally sustainable assets, (million HUF) [capex based]	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**0.00**	**0.00**	**0.00%**	**0.00%**	**70.82%**	**27.90%**	**29.18%**

		Total environmentally sustainable activities, (million HUF) [turnover based]	Total environmentally sustainable activities (million HUF) [capex based]	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPI-s	GAR (flow)	0.00	0.00	0.00%	0.00%	47.48%	7.26%	52.52%
	Financials guarantees	0.00	0.00	0.00%	0.00%			
	Asset under management	14.61	35.97	0.02%	0.05%			

[1] based on the Turnover KPI of the counterparty
[2] based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
[3] % of assets covered by the KPI over banks´ total assets

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation – OBH

		Total environmentally sustainable assets, (million HUF) [turnover based]	Total environmentally sustainable assets, (million HUF) [capex based]	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**311.75**	**787.60**	**0.01%**	**0.03%**	**73.48%**	**20.94%**	**26.52%**

		Total environmentally sustainable activities, (million HUF) [turnover based]	Total environmentally sustainable activities (million HUF) [capex based]	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPI-s	GAR (flow)	276.50	678.12	0.04%	0.09%	54.02%	14.57%	45.98%
	Financials guarantees	0.00	0.00	0.00%	0.00%			
	Asset under management	27.91	78.57	0.04%	0.10%			

[1] based on the Turnover KPI of the counterparty
[2] based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
[3] % of assets covered by the KPI over banks´ total assets

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation – OBS

		Total environmentally sustainable assets, (million HUF) [turnover based]	Total environmentally sustainable assets, (million HUF) [capex based]	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	7,210.51	14,451.81	**0.19%**	**0.38%**	**62.55%**	**22.65%**	**37.45%**

		Total environmentally sustainable activities, (million HUF) [turnover based]	Total environmentally sustainable activities (million HUF) [capex based]	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPI-s	GAR (flow)	1,570.04	1,447.26	0.17%	0.15%	46.67%	16.42%	53.33%
	Financials guarantees	0.00	0.00	0.00%	0.00%			
	Asset under management	0.00	0.00	0.00%	0.00%			

[1] based on the Turnover KPI of the counterparty
[2] based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
[3] % of assets covered by the KPI over banks´ total assets

Notes:

- Across the reporting templates: cells shaded in grey should not be reported.
- Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026.

The separate report published by the OTP Fund Manager and the tables indicated in Annex XII of Regulation 2021/2178 are presented under a separate sub-heading.

General qualitative information on the content and methodology of KPIs published in Annex XI of Regulation No. 2021/2178:

The scope of assets and activities covered by the KPIs:

Asset portfolio covered

The calculation of the green asset ratio (GAR) for on-balance sheet exposures shall cover the following accounting categories of financial assets, including loans and advances, debt securities, equity holdings and repossessed collaterals:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income;
- investments in subsidiaries;
- joint ventures and associates;
- financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss;
- real estate collaterals obtained by credit institutions by taking possession in exchange for the cancellation of debts.

The ESG strategy's key element of OTP Group is to increase the green loan portfolio. The alignment of green lending with the EU Taxonomy is ensured through the Group's green frameworks. The presentation of the frameworks can be found in the @Voluntary GAR reporting.

In accordance with Article 7(1) of Regulation No. 2021/2178, exposures to central governments, central banks and supranational issuers shall be excluded from the calculation of the numerator and denominator of key performance indicators of financial undertakings.

Pursuant to Article 7 of Regulation No. 2021/2178, the following assets are excluded from the numerator of the GAR:

- financial assets held for trading;
- on-demand interbank loans;
- (c) exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive No. 2013/34/EU;
- derivatives;
- cash and cash-related assets;
- other categories of assets (e.g. goodwill, goods, etc.).

Based on the guidance in Annex III of EU Regulation No. 2021/2178, gross exposures have been aggregated in the relevant row of Template 1 of the GAR for credit institutions based on the separate report of OTP Fund Management. Exposures on assets under management are shown on a consolidated basis in the asset GAR indicator in summary template 0, based on data on the total assets of the Fund Manager.

Financial data are identified based on the Bank's analytical credit and risk database and FINREP balance sheet data. In respect of alignment with the taxonomy, data were generated through individual data requests or from publicly available data.

Findings concerning Annex VI of Regulation No. 2021/2178, worksheet '0'

The use of CAPEX and turnover-based reporting has necessitated the duplication of KPI cells.

The definition of the KPIs shall be based on the following components:

a) the numerator, which shall cover the loans and advances, debt securities, equities and repossessed collaterals, financing Taxonomy-aligned economic activities based on turnover KPI and Capex KPI of underlying assets.
b) the denominator, which shall cover the total loans and advances, total debt securities, total equities and total repossessed collaterals and all other covered on-balance sheet assets.

Pursuant to point 1.2.3. (Fees and commissions) of Annex V, KPIs for trading book items and fees and commissions are applicable from 1 January 2026.

Findings concerning Annex VI of Regulation No. 2021/2178, Template 1

The template has been duplicated on the basis of counterparty turnover and CapEx data. The numerators of the two GAR KPIs differ for (general) loans for unknown purpose, bond exposure and equity holdings to non-financial undertakings.

Exposures were analysed along the following customer segmentation:

- financial undertakings
- non-financial undertakings
- retail customers (with the following sub-categories: residential property, home renovation and car loans)
- local governments (only with the following sub-category: housing financing) – rental housing financing or known green loan purpose
- collateral obtained by taking possession, residential and commercial real estate

Tables T-1 are filled in using the latest version of the data as at 31.12.2023, where available.

Information on financial undertakings

The collection of data on the taxonomy reports of financial enterprises was carried out taking into account the latest available data. Pursuant to the financial materiality threshold, exposures that did not reach 0.01% of the portfolio's size in terms of taxonomy evaluation were not taken into account. When collecting and processing the taxonomy reports, the Bank made all reasonable efforts in order to ensure portfolio coverage is as comprehensively as possible.

Information on non-financial undertakings

The range of customers covered by the NFRD has been identified for each subsidiary bank, taking into account local regulations.

Filtering criteria (Hungary):

	Based on Accounting Act C./2000: in the two consecutive business years preceding the business year, on the balance sheet date, any two of the following three indicators exceeded the following limit:
Number of employees	> 250 persons
Total assets	> HUF 10 billion
Annual net sales revenue	> HUF 20 billion

For the application of the above filtering criteria, data compiled by an external data provider and existing in the banking systems were used.

Loans and debt securities exposures to non-financial undertakings were taken into account on the basis of known and unknown loan purposes. In the case of known loan purposes, transactions that have been designated on the basis of the Bank's eligibility and alignment checks have been taken into account. In the case of unknown loan purposes and for equity exposures, the counterparty's disclosed turnover and CAPEX eligibility and alignment information has been taken into account.

If no published information was available for the counterparty concerned, the Bank did not take into account the counterparty's exposures for the purposes of eligibility and alignment in the course of reporting.

We have made every reasonable effort to identify the NFRD-obliged companies that appear in the parent company consolidation. At the same time, in the absence of up-to-date, comprehensive data provided by a public authority or a market operator, it is conceivable that not all of our NFRD-obligated customers have been identified. The Bank's short-term plans include the full, up-to-date identification of the non-financial partners involved in the GAR report and the integration of the required data into the bank's IT systems.

Loans and advances belonging to the specialized financing segment that can be identified in the controlling system are examined for the special lending category. In the case of bond exposures, the debt securities invested in project financing exposures were examined.

Information on households

GAR for retail exposures to residential real estate or house renovation loans was calculated as a proportion of loans to households collateralised by residential immovable property or granted for house renovation purposes that is Taxonomy-aligned in accordance with the relevant technical screening criteria for buildings, in particular renovation and acquisition and ownership in accordance with Annex I and Sections 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, and 7.7 respectively of Annex II to Delegated Regulation (EU) No. 2021/2139 or Sections 3.1 and 3.2 of Annex II to Delegated Regulation (EU) No. 2023/2486, compared to total loans to households collateralised by residential immovable property or granted for house renovation purposes.

According to the Bank's interpretation, based on EU Regulation 2021/2178, gross exposure to households means the Bank's exposure to all households, not just loans secured by residential real estate. The taxonomic examination can be interpreted in the case of exposures secured by residential real estate, loans secured by non-residential real estate are excluded during the taxonomic examination.

In line with the spirit of the legal interpretation, in order to avoid duplication of exposures, the Bank has decided to show exposures related to building modernization as defined in Section 7.2 of Annex I of the Delegated Act only in row 28 of Template and to exclude these exposures from loans collateralized by residential immovable property.

GAR for consumer credit exposures for car loans shall be calculated as the proportion of loans financing cars complying with the technical screening criteria as laid down in Section 6.5 of Annex I to Climate Delegated Act. This GAR includes disclosures related to transition activities, as well as the disclosure of loan portfolios for loans granted only after the start date of the application of Regulation EU 2021/2178, as well as the publication of flow of loans. Given that the Bank is currently unable to verify DNSH compliance in the case of residential exposures, the Bank does not display data related to taxonomy-aligned residential real estate financing for 2024.

The value for special lending in this residential exposure category is the same as the taxonomy-aligned value.

The Bank was unable to identify any exposure to rental housing financing beyond any doubt, so the fields in this category do not contain any data. Based on the interpretation of the legislation, exposures related to other non-rental housing or known green loan purposes must be excluded from the numerator of the GAR.

For the given exposure class, the methodology used shall contain the gross carrying amount of commercial and residential repossessed real estate collaterals compliant with the technical screening criteria for buildings in Section 7.7 of Annex I to Delegated Act. The denominator contains the total gross book value of the commercial and residential real estate collateral seized by the credit institution.

Findings concerning Annex VI of Regulation No. 2021/2178, worksheet ‘2’

The Bank’s interpretation is that column (a) of the template should contain – in a breakdown by 4-digit NACE code – the core activities of all the Bank’s counterparties that fall within the scope of the NFRD.

The table contains exposures that are eligible and aligned to EU Taxonomy, per the given NACE code.

Findings concerning Annex VI of Regulation No. 2021/2178, worksheet ‘3’

In this template, the Bank has disclosed the GAR KPI for the loan portfolio, which have been calculated for the covered assets on the basis of the data reported in template 1, using the formulae provided in the template published by the Commission.

The Bank has duplicated this template for turnover-based and CapEx-based disclosures.

Findings concerning Annex VI of Regulation No. 2021/2178, worksheet ‘4’

The Bank has duplicated this template for turnover-based and CapEx-based disclosures. In disclosing information on changes in portfolio, the Bank has reported exposures incurred in the current year.

Findings concerning Annex VI of Regulation No. 2021/2178, worksheet '5'

In the calculation of the KPIs for off-balance sheet exposures (financial guarantees and assets under management), the Bank has used the data on covered assets provided in Table 1 and the formulas suggested in this table. Exposures for which information was not available in the Bank's systems are not considered and disclosed in this report.

Findings and publication regarding Annex XII to 2021/2178

Pursuant to Article 8, points 6-7 of Decree 2021/2178, the Bank makes the following disclosures, which we prepared on the basis of data published by the parties concerned.

In case a value of a cell is zero, the cell will not be filled, it will remain empty.

Compared to last year, with the exception of table 3, the values show no significant, small changes. The amount and share of economic activity in the taxonomy of electricity generation from nuclear energy has fallen to a third of the previous year's level in this reporting cycle, both on a turnover and capex basis.

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2: Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) -Turnover						Amount and proportion (the information is to be presented in monetary amounts and as percentages) -Capex					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.23	0.00%	0.23				0.01	0.00%	0.01			
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.23	0.00%	0.23				0.43	0.00%	0.43			
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,752.38	0.01%	2,752.38				5,914.98	0.02%	5,914.98			
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI							243.24	0.00%	243.24			
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3.88	0.00%	1.60		2.28		2.26	0.00%	2.26			
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	29,044,873.54	99.99%					29,041,469.33	99.98%				
8	**Total applicable KPI**	29,047,630.26	100%					29,047,630.26	100%				

Template 3 – Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Turnover						Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Capex					
		CCM + CCA		Climate change mitigation		Climate change adaptation		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00				0.10	0.00%	0.10			
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00									
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2,451.47	8.07%	2,451.47				5,791.00	7.28%	5,791.00			
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI							0.06	0.00%	0.06			
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.43	0.00%	0.43		0.00		0.07	0.00%	0.07			
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI							1.16	0.00%	1.16			
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	27,911.41	91.92%					74,626.96	92.80%				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	30,363.31	100,00%					80,419.34	100,00%				

Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) -Turnover						Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Capex					
		CCM + CCA		Climate change mitigation		Climate change adaptation		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.05	0.00%	0.05				0.02	0.00%	0.02			
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7.38	0.00%	7.38									
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	131.99	0.00%	131.99				15.31	0.00%	15.31			
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14.14	0.00%	14.14				299.37	0.01%	299.37			
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	304.35	0.01%	304.35		0.00		231.15	0.01%	231.15			
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.58	0.00%	1.58									
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	3,920,169.56	99.99%					3,922,120.35	99.99%				
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the numerator of the applicable KPI**	3,920,629.05	100.00%					3,922,666.19	100.00%				

Template 5 - Taxonomy non-eligible economic activities

Row	Economic activities	Turnover		Capex	
		Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,289.39	0.01%		
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.94	0.00%	22.95	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.75	0.00%		
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,925.52	0.01%	706.89	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.14	0.00%	1.15	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	25,092,408.15	99.98%	25,043,813.73	100.00%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	25,096,637.90	100.00%	25,044,544.72	100.00%

The data on nuclear energy and fossil gas activities published in the 2023 Financial Report are published below:

Template 1: Nuclear and fossil gas related activities (T-1)

Row	Nuclear energy related activities	YES/NO
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2: Taxonomy-aligned economic activities (denominator) (T-1)

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) -Turnover						Amount and proportion (the information is to be presented in monetary amounts and as percentages) -Capex					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,241.3	0.02%	4,241.3				5,831.8	0.02%	5,831.8			
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	25,851,399	99.98%					25,849,808	99.98%				
8	**Total applicable KPI**	25,855,640	100%					25,855,640	100%				

Template 3: Taxonomy-aligned economic activities (numerator) (T-1)

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Turnover						Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Capex					
		CCM + CCA		Climate change mitigation		Climate change adaptation		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3,997.4	32%	3,997.4				5,916.6	25%	5,916.6			
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI												
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	8,454	68%					17,564	75%				
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	12,451	100%					23,481	100%				

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities T-1

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) -Turnover						Amount and proportion (the information is to be presented in monetary amounts and as percentages) - Capex					
		CCM + CCA		Climate change mitigation		Climate change adaptation		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10.6	0%	10.6									
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI												
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI							171.4	0.01%	171.4			
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	507.2	0.02%	507.2				402.3	0,01%	402.3			
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI							16.4	0%	16.4			
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	3,374,915	99.98%					3,389,945	99.98%				
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the numerator of the applicable KPI**	3,375,433	100%					3,390,535	100%				

Template 5: Taxonomy non-eligible economic activities (T-1)

Row	Economic activities	Turnover		Capex	
		Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,708.3	0.01%	1,371.6	0.01%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI				
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	22,478,499	99.99%	22,463,733	99.99%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	22,480,207	100%	22,465,105	100%

According to the third Commission Notice (C/2024/6691 Commission Notice) Annex XII templates should be published on a flow basis. However due to the publishing date of the notice – November 2024 – OTP Group does not prepare Annex XII templates on a flow basis in the current reporting period.

Independent report published by the OTP Fund Manager

The following is the mandatory report for the OTP Fund Manager. The report for 2024 includes the data of the Fund Manager's subsidiaries[63] as well, while the report for 2023 includes the exposures of OTP Fund Manager as a separate legal entity, which limits the comparability of the results for the two years.

Reference date: 31 December 2024

	in HUF million
The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: Turnover-based: **0.80%** CapEx-based: **1.66%**	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: **22,290** CapEx-based: **45,959**
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities, Coverage ratio: **63.87%**	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: **2,776,316**
Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI. -	The value in monetary amounts of derivatives: -
The proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **1.39%** For financial undertakings: **4.95%**	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **38,685** For financial undertakings: **137,523**
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **39.90%** For financial undertakings: **24.89%**	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **1,107,738** For financial undertakings: **691,142**
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **7.24%** For financial undertakings: **11.19%**	The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **201,019** For financial undertakings: **310,588**
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: **10.43%**	Value of exposures to other counterparties and assets **289,622**
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI: ***87.53%***	The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI: ***2,430,102***
The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI: ***7.62%***	Value of all the investments that are funding Taxonomy-eligible economic activities, but not taxonomy-aligned: ***211,491***

[63] DSK Asset Management EAD, LLC AMC OTP Capital, OTP Alapkezelő Zrt., OTP INVEST DRUŠTVO ZA UPRAVLJANJE UCITS I ALTERNATIVNIM FONDOVIMA AD BEOGRAD, OTP Invest d.o.o.

	in HUF million
Additional, complementary disclosures: breakdown of numerator of the KPI	
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:
For non-financial undertakings: Turnover-based **0.68%**	For non-financial undertakings: Turnover-based **18,755**
Capital expenditures-based: **1.47%**	Capital expenditures-based: **40,872**
For financial undertakings Turnover-based **0.00%**	For financial undertakings Turnover-based: **1**
Capital expenditures-based: **0.00%**	Capital expenditures-based: **9**
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	Value of Taxonomy-aligned exposures to other counterparties and assets:
Turnover-based: **0.13%**	Turnover-based: **3,526**
Capital expenditures-based: **0.18%**	Capital expenditures-based: **5,079**

Breakdown of the numerator of the KPI per environmental objective **Taxonomy-aligned activities:**		
1. Climate change mitigation		
Enabling activities:	Turnover: **0.06%** CAPEX: **0.19%**	Turnover: **1,552** CAPEX: **5,363**
Enabling activities:	Turnover: **0.46%** CAPEX: **0.82%**	Turnover: **12,899** CAPEX: **22,635**
2. Climate change adaptation		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **5** CAPEX: **3**
Enabling activities:	Turnover: **0.05%** CAPEX: **0.05%**	Turnover: **1,262** CAPEX: **1,331**
3. The sustainable use and protection of water and marine resources		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **11** CAPEX: **26**
Enabling activities	Turnover: **0.00%** CAPEX: **0.01%**	Turnover: **26** CAPEX: **142**
4. The transition to a circular economy		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **112** CAPEX: **27**
Enabling activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **73** CAPEX: **24**
5. Pollution prevention and control		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **24** CAPEX: **1**
Enabling activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **1** CAPEX: **1**

Breakdown of the numerator of the KPI per environmental objective Taxonomy-aligned activities:		
6. The protection and restoration of biodiversity and ecosystems		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **2**
Enabling activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**

OTP Fund Management publishes the following report for the financial year 2023:

	in HUF million
The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below:
Turnover-based: **0.54%** CapEx-based: **1.05 %**	Turnover-based: **14,222** CapEx-based: **27,842**
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities. Coverage ratio **83,22 %**	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: **2,644,791**
Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI. -	The value in monetary amounts of derivatives: -
The proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **0.72%** For financial undertakings: **3.06%**	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **19,087** For financial undertakings: **81,042**
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **35.43%** For financial undertakings: **44.25%**	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **937,141** For financial undertakings: **1,170,413**
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **6.29%** For financial undertakings: **7.40%**	The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **166,292** For financial undertakings: **195,762**
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: **2.84%**	Value of exposures to other counterparties and assets **75,053**
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI: ***79.69%***	The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI: **2,107,555**
The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI: ***14.73%***	Value of all the investments that are funding Taxonomy-eligible economic activities, but not taxonomy-aligned: **389,520**

Additional, complementary disclosures: breakdown of numerator of the KPI	
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:
For non-financial undertakings: Turnover-based **0.50%** Capital expenditures-based: **1.01%** For financial undertakings Turnover-based **0.00%** Capital expenditures-based: **0.00%**	For non-financial undertakings: Turnover-based **13,283** Capital expenditures-based: **26,679** For financial undertakings Turnover-based: **0** Capital expenditures-based: **0**
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: **0.04%** Capital expenditures-based: **0.04%**	Value of Taxonomy-aligned exposures to other counterparties and assets: Turnover-based: **938** Capital expenditures-based: **1,163**

Breakdown of the numerator of the KPI per environmental objective Taxonomy-aligned activities:		
1. Climate change mitigation		
Enabling activities:	Turnover: **0.04%** CAPEX: **0.15%**	Turnover: **1,038** CAPEX: **3,988**
Enabling activities:	Turnover: **0.35%** CAPEX: **0.58%**	Turnover: **9,157** CAPEX: **15,279**
2. Climate change adaptation		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **4** CAPEX: **3**
Enabling activities:	Turnover: **0.04%** CAPEX: **0.07%**	Turnover: **1,175** CAPEX: **1,742**
3. The sustainable use and protection of water and marine resources		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**
Enabling activities	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**
4. The transition to a circular economy		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**
Enabling activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**
5. Pollution prevention and control		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**
Enabling activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**

6. The protection and restoration of biodiversity and ecosystems		
Transitional activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **2**
Enabling activities:	Turnover: **0.00%** CAPEX: **0.00%**	Turnover: **0** CAPEX: **0**

Contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation.

The KPI covers equity and bond assets within the funds and portfolios managed by Fund Manager and its subsidiaries. Collective investment forms representing a significant portion of each portfolio were considered only if the ESG service provider used by Fund Manager (MSCI ESG Research) can break down underlying investments, excluding state securities.

The coverage is further limited as the data reporting obligations under Articles 19a and 29a of Directive 2013/34/EU only extend to a limited group of target companies receiving Fund Manager's investments, so for a significant portion of investments, the Fund Manager and the ESG service provider do not have usable data.

63.87% of the 11 billion EUR assets managed by the Fund Manager and its subsidiaries were considered. In terms of the evolution of the GAR ratio over time, the calculated GAR ratio increased from 0.54% to 0.8% on a turnover basis and from 1.05% to 1.66% on a CAPEX basis. For each activity, only activities related to mitigating climate change and adapting to climate change were fully considered in this reporting period. Activities related to sustainable use and protection of water and marine resources, transition to circular economy, and pollution prevention and reduction were only provided by non-financial companies.

Fund Manager relied solely on data provided by the ESG service provider (MSCI ESG Research) when calculating the KPIs and did not use any other external ESG providers or conduct its own data collection.

Due to the data provision of MSCI ESG Research, the breakdown taxonomy aligned activities of OTP Fund Manager is only possible according to transitional and enabling activities, in the Annex VI templates of OTP Group. OTP Fund Manager’s monetary amount of taxonomy aligned activities dislosed according to Annex IV also consist of those taxonomy aligned activities which have not received a transitional or enabling flag, hence the two values are different.

An explanation of the nature and purpose of the economic activities aligned with the Taxonomy and an explanation of the evolution of the economic activities aligned with The taxonomy over time from the second year of implementation, distinguishing between business-related and methodological and data-related elements.

Explanation of the nature and objectives of the economic activities aligned with the taxonomy, and the explanation of the evolution of these activities over time starting from the second year of implementation, distinguishing between business-related, methodological, and data-related elements.

OTP Fund Management does not have a general, overarching goal for economic activities aligned with the taxonomy but considers the environmental objectives of sustainability when evaluating a given investment, focusing primarily on greenhouse gas emissions, waste and pollutant emissions, and water stress.

In calculating the eligibility and alignment KPIs according to the EU taxonomy for the managed assets, the OTP Group is making a restatement regarding the data for the 2023 financial year. Therefore, the consolidated sustainability data for 2023 published in this report are not comparable to the data published in last year's report.

The OTP Climate Change Fund

The OTP Climate Change Fund integrates sustainability considerations into investment decision-making as follows:

The Fund's reference index is aligned with its investment strategy (70% MSCI ACWI IMI SDG 7 Affordable and Clean Energy Select Index + 25% MSCI EMU Climate Change ESG Select NETR EUR + 5% RMAX). The two MSCI indices in the reference index are ESG-focused. Using an ESG-type benchmark supports achieving the ESG goals outlined in the investment policy by overweighting companies with high ESG scores compared to those with low ESG scores, following a methodology equivalent to the Fund's investment policy.

The MSCI ACWI IMI SDG 7 Affordable and Clean Energy Select Index aims to support SDG 7 goals (affordable, sustainable, and clean energy for all), one of the 17 sustainability goals adopted in the UN's 2030 Agenda.

The MSCI EMU Climate Change ESG Select Index aims to consider sustainability aspects in its composition and adjusts company capitalization based on low emissions and positive contributions to climate change.

During the investment strategy, we filter securities in the reference indices to create a shortlist of interesting investment targets for the Fund. Companies in the reference indices are already ESG-screened, and companies with more than 5% of their revenue from arms manufacturing or tobacco sales cannot be included.

The shortlist may include securities not in the reference index but are seen as contributing to sustainable development or having good ESG ratings within their industry. Companies without ESG ratings but contributing to sustainability goals or leading their industry in sustainability may also be included with limited weight.

Companies with more than 5% of their revenue from arms manufacturing or tobacco sales cannot be included in the shortlist. The Fund also does not invest in companies with more than 50% of their revenue from coal, natural gas, or oil extraction.

The final portfolio must consist of at least 70% of shares that, in addition to contributing to the preservation of the planet, have good, sustainable ratings in the ESG approach. Good, sustainable ratings are defined as MSCI ratings between AAA-BBB for developed market shares and AAA-BB for emerging market shares.

The Fund's primary goal is to mitigate climate change and promote adaptation to climate change. The Fund aims to achieve this goal in line with Article 16 of the Taxonomy Regulation by investing in companies whose activities, primarily through their products, directly contribute to other companies' significant contributions to combating climate change. The Fund does not have a sustainability objective but commits to investing at least 51% in sustainable investments, including 10% in environmentally sustainable investments aligned with the taxonomy.

OTP Omega Fund of Funds

The Fund invests in other actively and passively managed funds in accordance with the fund of funds structure. The research advisor (MSCI) publishes an ESG rating for some funds, but not for others. This depends partly on the business considerations of the ESG consultant, but also partly on the business considerations of the individual fund managers themselves. The Fund does not have a sustainability objective but commits to investing at least 51% of its investments in sustainable programs, within which it will not invest in taxonomy-aligned environmentally sustainable investments.

OTP Ecotrend Fund

The Fund seeks to make a commitment to promoting environmental features, primarily through its bond portfolio. The Fund plans to invest partly in green government bonds to finance or refinance expenditures that promote the transition to a low-carbon, climate resilient and environmentally sustainable economy. Thus, it falls into one of the six green sectors: renewable energy, energy efficiency, waste and water management, land use and use of living natural resources, clean transport, and adaptation. The Fund does not have a sustainability objective, nor does it have a commitment to a minimum ratio of sustainable investments.

The KPI data calculated by the Fund Manager for the year 2024 and its breakdown compared to the year 2023 have changed due to the portfolio compositions, coverage, and the expansion of available data. The Fund Manager did not examine the individual effects of the change factors, and a trend regarding the change cannot be determined from data of two years alone.

Description of the compliance with Regulation (EU) No. 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties.

OTP Fund Management is committed to taking sustainability risks into account in its investment decisions and to continuously increasing the number of SFDR-rated products that invest in a significant share of sustainable investments.

For funds and portfolios that have a commitment to sustainable investment under the Taxonomy Regulation, the EU taxonomy DNSH indicators are considered in addition to the sustainability indicator calculated by the ESG data provider selected by the Fund Manager to determine Taxonomy compliance, in accordance with the commitment of the fund/portfolio concerned.

The Fund Management currently has one Fund (OTP Climate Change Fund) or which the Fund Manager has committed that at least 10% of the investments will be aligned with the EU Taxonomy. (This ratio was approximately 30% in the fund at the end of 2024).

2.1.1. Voluntary Reporting

OTP Group wishes to present its sustainability efforts in the most transparent way possible. For this reason, it takes the opportunity to present its green portfolio, its composition, the calculation methodology used and the underlying definitions in the voluntary green portfolio report.

In addition to reporting the mandatory green asset ratio set by the Taxonomy Regulation, the Bank discloses the total composition of its green portfolio, as defined by the Bank, and the relevant ratios based on other market and regulatory standards beyond the Taxonomy regulation.

One of the key objectives of OTP Group's ESG strategy is the continuous expansion of its green portfolio. The Group actively finances the region's green transition and has introduced a green asset KPI at the subsidiary level in line with local ESG strategies to monitor and promote this goal. By the end of 2024, the green portfolio reached HUF 1,027 billion, marking a 56% increase compared to the previous year's green portfolio.[64].

Further detailing of objectives continued, and OTP Bank Management Committee approved specific targets for 2025, segmented into retail and corporate categories. The Group has committed to achieving HUF 1,500 billion in green loan portfolio volume by 2025 through dynamic expansion across all key customer segments.

The corporate green portfolio grew by 64% compared to the previous year, with sustainable corporate assets representing over 80% of the total sustainable portfolio. The proportion of sustainable exposures relative to gross book value reached 2,3%, reflecting an improvement of more than 50% from the previous year.

The corporate green bond portfolio grew by 35% year-over-year, maintaining a consolidated gross book value ratio of 40%, while its share within the sustainable portfolio exceeded 5%.

The majority of the retail green portfolio is linked to Hungarian entities. The portfolio's green share increased by more than 13% compared to the previous year, a trend expected to continue as data quality improves. The retail segment's share within the total sustainable portfolio approached 19%.

OTP Group as green loan portfolios in nine countries: Hungary, Bulgaria, Slovenia, Croatia, Serbia, Uzbekistan, Montenegro, Albania, and Moldova. Green financing is ongoing.

OTP Group integrates green/climate-conscious[65] lending into its business activities and aims to ensure that over time, any customer in any sector can receive a loan under green conditions if the customer has a green/sustainable goal they wish to achieve with the loan. The maturity of this process varies by country, industry, and customer segment.

[64] Increasing the green portfolio is one of the main action packages related to the three climate change subtopics according to the ESRS
[65] The Group does not specifically address the sub-topics set out in the ESRS.

The expected impact of green lending on reducing GHG emissions is presented in the @E1-4 disclosure requirement, but this has not been measured so far.

OTP Group's Green Portfolio

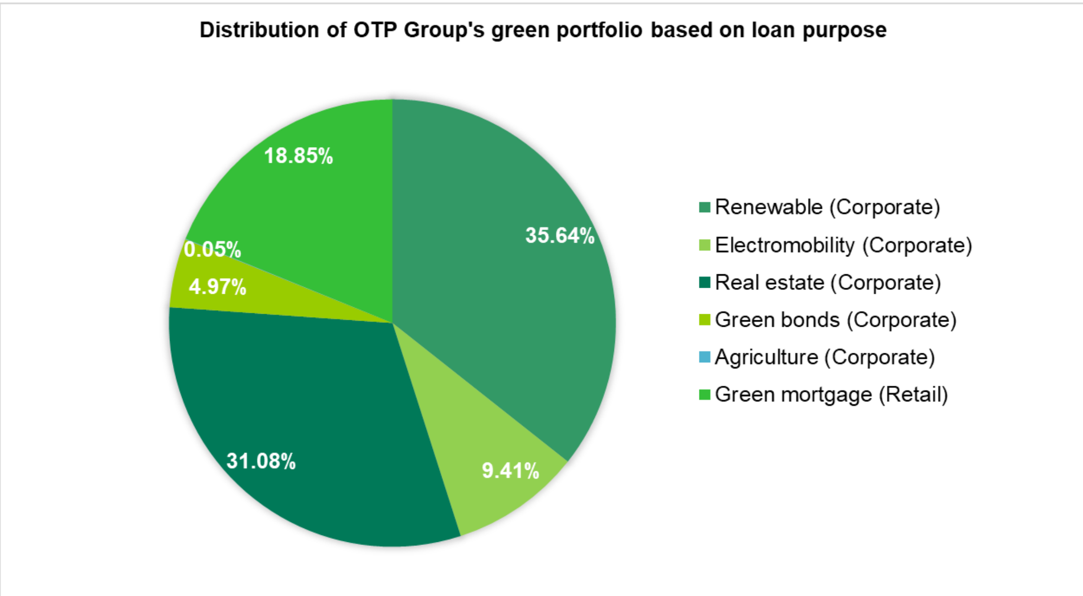
OTP Group's sustainable frameworks are defined by the Green Lending Framework, the Sustainable Finance Framework, the MNB's green housing, as well as green corporate and municipal capital requirement discount programs, and the EU Taxonomy. OTP Group considers exposures that meet the criteria defined in these frameworks as green exposures, records them as green loans in its internal databases, and sets quantitative targets for these exposures. Hereinafter, we refer to this as the OTP Group's green portfolio.

To demonstrate the correlations with the mandatory GAR report figures, the table below presents the OTP Group's green portfolio in proportion to the total balance sheet total and the GAR asset total data defined in the mandatory report under the Taxonomy Regulation.

The table takes into account the exposures determined by the OTP Group that meet the sustainable criteria detailed below and are recorded as green. The figures include green loan and bond exposures of enterprises outside the EU, as well as exposures of clients who are not subject to the NFRD/CSRD during the reporting period, i.e., those that cannot be included in the mandatory GAR report.

		Green Portfolio as defined by OTP Group			
	Gross book value*	Green portfolio	Green portfolio as a proportion of gross exposure by customer segment	Green portfolio as a proportion of Total assets	Green portfolio as a proportion of Total GAR assets
	HUF million	HUF million	%	%	%
Total assets	**44,852,131**				
Total GAR assets	**29,047,630**				
Non-financial corporations	10,597,072	833,809	7.87%	1.86%	2.87%
Loans and advances	10,187,983	782,721	7.68%	1.75%	2.69%
Debt securities	339,126	51,088	15.06%	0.11%	0.18%
Other	69,964				0.00%
Households	13,692,065	193,634	1.41%	0.43%	0.67%
Green portfolio of OTP Group**		**1,027,443,09**		**2.29%**	**3.54%**

*According to Gross Book Value of EU Taxonomy
** As defined in 2.3



This allocation demonstrates the portfolio's diversification and balance across various green investment areas. Renewable energy and corporate real estate projects represent a significant portion of the green portfolio, with electromobility and residential mortgage loans also significant. Although agriculture and corporate green bonds account for smaller portions, they contribute to the portfolio's year-over-year growth.

OTP Group's Green Loan and Sustainable Finance Frameworks

The Group has developed its green loan and sustainable finance frameworks by taking into account internation best practices.

The @Green Loan Framework, endorsed by external experts (SPOs), was updated and approved in July 2023 by the Hungarian National Bank. This ensures that loans meeting the conditions of the framework are eligible for the MNB's Green Corporate and Municipal Capital Relief Program Category B, which defines the scope of "eligible transactions under the framework".

Throughout 2024, various IT and controlling developments were implemented. However, further significant improvements are required in the data infrastructure for sustainable exposures to ensure efficient group-wide tracking and the utilization of non-financial data for classification.

OTP Group identifies corporate exposures as part of its green portfolio based on loan purpose and individual transaction assessments, shaped to be in line with EU Taxonomy and MNB's green capital relief program, where applicable. Taxonomy-aligned exposures are classified according to the EU Taxonomy's technical screening criteria (TSC).

Similarly, retail exposures in OTP Group's sustainable green portfolio are assessed based on their loan purpose and compliance with one or more green criteria defined in frameworks aligned with the EU Taxonomy. The Group did not assess compliance with DNSH (Do No Significant Harm) and MSS (Minimum Social Safeguards) criteria.

Green Loan Framework

The Green Loan Framework defines the general principles of green lending and has been extended beyond Hungary to the following countries: Bulgaria, Slovenia, Croatia, Serbia, Albania, and Montenegro.

As part of the 2023 expansion to subsidiaries, the framework was broadened to include green loan purposes most relevant to OTP Group's portfolio and the climate mitigation and adaptation priorities of the specific countries. The framework covers the following sectors named in the EU Taxonomy and the CBI (Climate Bond Initiative) Taxonomy:

- EU Taxonomy: energy, manufacturing, transportation, construction & real estate, forestry, waste management
- CBI Taxonomy: energy, industry, transportation, buildings, land use and marine sources, waste and pollution control

The framework also allows for water management-related financing.[66]

Scope of the framework applies to non-retail customers, including multinational corporations, SMEs, municipalities, and residential housing associations. The Green Alignment Assessment Tool (GAAT) is used to evaluate loan eligibility, with country-specific conditions and supporting documents.

Compliance with EU Taxonomy includes the verification of minimum safeguards (MS), where applicable.

Sustainable Finance Framework

OTP Group's funding activities continued to be supported in 2024 by the @Sustainable Finance Framework, covering both environmental and social sustainability areas. This framework was updated in 2024 with external expert[67] validation and is available on OTP Group's @website.

[66] Drought poses a significant physical climate change risk related to the crop production activities of agricultural clients. Investments aimed at mitigating this risk involve, either partially or entirely, water supplementation activities that affect the quantitative and qualitative state of surface and/or groundwater.
[67] SPO: Second Party Opinion

Under this framework, OTP Bank and its subsidiaries can issue green and social financial instruments, including bonds (sustainable financial instruments), in compliance with: ICMA[68] Green Bond Principles, 2022; ICMA Social Bond Principles, 2023; LMA[69] Green Loan Principles, 2023 and the LMA Social Bond Principles.

The framework includes the following restrictions: Sustainable financial instruments cannot be used to finance fossil fuel production, nuclear energy production, weapons and defense-related activities, mining, gambling or tobacco-related activities.

Eligible green categories for financing[70]:

- green buildings
- renewable energy
- clean transportation

Eligible social categories for financing:

- Job creation and unemployment mitigation programs, particularly those addressing economic crises or social disruptions, including SME financing with positive social impact

OTP Group is committed to annual investor reporting within one year of issuing a sustainable financial instrument, continuing until all proceeds are allocated. The 2023 @Allocation report and @Impact report are available on OTP Group's website. The 2024 reports will be published in summer 2025.

OTP Mortgage Bank publishes on its @website nn annual report on the allocation of proceeds from green mortgage bond issuances, ensuring transparency and alignment with Green Bond Principles and the underlying Hungarian Central Bank Green Mortgage Loan program, where applicable.

Corporate Green Lending

In 2024, OTP Group significantly expanded its green loan and bond portfolio, in line with its ESG strategy. The combined corporate green loan and bond portfolio grew from HUF 508 billion to HUF 834 billion, strengthening OTP's role in financing a fair and gradual transition to a low-carbon economy.

Within the green portfolio, the corporate loan portfolio – primarily comprising large corporate and project finance loans – continued to expand in 2024. This growth was driven by financing projects in renewable energy sources and sustainable real estate development. Additionally, financing for energy production from sustainable fuel sources (e.g. biomass and biogas power plants) increased.

The number of green SME loans more than doubled, exceeding HUF 90 billion in total volume.

In Hungary, Széchenyi Investment Loan Max+ was introduced, a state-supported green investment loan for micro, small, and medium-sized enterprises (SMEs). Within this program a special green variant, option D – based on the KAVOSZ[71] criteria – was launched, to offer preferential interest rates for green investments that align with OTP Group's definitions of green financing.

To further integrate sustainability principles into lending, OTP Group implemented internal developments, which are expected to drive additional growth in green loan volumes.

Subsidiaries continued the momentum from 2023, with a strong focus on renewable energy financing and electric vehicle financing. The composition of renewable energy financing varies by country, depending on geographical and regulatory conditions, influencing the balance of solar, wind, and hydropower investments.

[68] International Capital Market Association
[69] Loan Market Association
[70] The exact criteria are included in the framework.
[71] KAVOSZ coordinates the state-subsidized loan.

In real estate financing, meeting the conditions defined in the EU Taxonomy based on primary energy demand calculations poses a significant challenge. At the member state level, the regulatory environment related to energy-efficient buildings and the availability of official documents (energy certificates) vary, which greatly complicates the provision of EU Taxonomy-based green loans in the real estate sector.

Retail Green Lending

The green loan portfolio for retail customers reached HUF 193 billion by the end of 2024.[72]

In 2024, nearly HUF 25.68 billion was disbursed under the two green products introduced in 2023: OTP Green Mortgage Loan and the Green "Évnyerő" Mortgage Loan. Both products are designed for the purchase and construction of new homes and energy-efficient home renovations. The difference between the two products is the repayment structure.

The Hungarian Green Home Program (ZOP) loans, available in 2021-2022, still represent a major share of the retail green portfolio. This portfolio exceeds HUF 150 billion and is primarily used for energy-efficient new home purchases and construction.

In Croatia, the subsidiary bank's green home loan portfolio saw strong growth in the second half of 2024, reaching HUF 15 billion by year-end. The Sunny Loan product supports new home (apartment or house) construction and purchases and used home purchases and renovations if they meet energy efficiency criteria.

2.2. Climate Change

Policies

ESRS E1-2, E3-1, E4-2

Group Credit Risk Policy

Key content: As OTP Group continues to expand its international exposure, the complexity of lending processes and the range of credit products it offers have increased. This policy establishes the minimum credit risk management requirements at the Group level to ensure an efficient and structured risk management process. The primary objective of credit risk management is to enable safe business growth by maintaining the quality of the loan portfolio while staying within the Group's risk appetite. The Banking Group takes a holistic approach to environmental and climate risks as part of ESG risks, and ESG risks are integrated into the risk management framework for the main risk types. An ESG credit risk management framework has been incorporated into the Group Credit Risk Policy, which sets out the assessment methodology for assessing ESG risks for the non-retail segment and leasing transactions (see @2.4.2).The document aims to establish a framework that provides sufficient flexibility to adapt to changing market conditions. The policy is related to significant risks identified in the loan portfolio concerning climate change mitigation, climate change adaptation, and energy transition.

Scope: This is a group-wide policy, applicable to domestic and international banking subsidiaries, in addition to financial subsidiaries, including leasing companies.

Accountable for implementation: The policy is reviewed annually and approved by OTP Bank's Board of Directors.

Reference to third-party standards: MNB expects financial institutions under consolidated supervision to consider group-level risk management requirements, including ESG-related risks, within the general risk management requirements established by law, as outlined in the MNB Recommendation 11/2022 (VIII.2.) on credit risk undertaking, measurement, management, and control (paragraph 11). The policy is in line with the EBA guidelines on loan origination and monitoring (EBA/GL/2020/06).

[72] The amount shows the current exposure of green product structures disbursed in Hungary and certain subsidiaries, a significant domestic portion of which is accounted for in the MNB's green capital requirement discount program for housing purposes. The above figure does not include the green mortgage loan portfolio tied to non-green structures.

Corporate Lending Policy / Operational Lending Limits and Guidelines (OLLP)

Key content: The Corporate Lending Policy (OLLP) defines the general principles of corporate lending, including segment- and product-specific guidelines, related financing conditions and operational lending limits. This policy provides a structured approach to financial risk assessment while ensuring consistent ESG risk integration across the Group's corporate lending activities. The corporate lending policy aims to set general corporate lending guidelines and risk appetite and to define a set of tools to enforce this, including ESG risk-related content. As part of this, lending guidelines for environmental and climate risks and guidelines for the assessment of financial risks based on these risks have been included in the policy. The lending policy also includes limits related to ESG risks. In this way, the policy is linked to the significant risks identified in the loan portfolio in the areas of climate change mitigation, climate change adaptation and energy.

Scope: This policy serves as a Group-wide lending standard, with subsidiaries required to integrate the ESG elements into their local lending policies. Exceptions: The Russian and Uzbek subsidiaries are not required to implement ESG provisions in 2025, but ESG-related guidance has been shared with them for voluntary adoption.

Accountable for implementation: The Hungarian corporate lending policy is approved by OTP Bank's Board of Directors. The subsidiaries' lending policies are approved by their respective local decision-making bodies.

Climate Change Mitigation policies in Asset Management

Key content: Certain OTP Group asset management companies have adopted climate change mitigation policies as part of their Sustainable Finance Disclosure Regulation (SFDR).[73] These commitments are outlined in the Principal Adverse Impact (PAI) Statement, which assesses the negative environmental impact of investment portfolios. These policies also comprehensively address climate change. OTP Fund Management primarily aims to reduce greenhouse gas emissions, particularly the carbon footprint, and decrease energy consumption intensity in sectors with significant climate impact by carefully selecting new investments and, if necessary, phasing out existing investments. OTP Real Estate Fund Management strives to achieve and maintain a declining trend in indicators related to GHG emissions and energy use. DSK Asset Management has formulated the general goal of mitigating impacts.

Scope: OTP Asset Management, DSK Asset Management, and investment portfolio of OTP Real Estate Investment Fund Management.

Accountable for implementation: The CEOs of the companies are responsible for the implementation of the policies.

Availability: The policies are available to the public on the companies' websites as part of the PAI statements (@OTP Fund Management, @OTP Real Estate Investment Fund Management, @DSK Asset Management).

OTP Group does not have a policy related to water, biodiversity, and ecosystems. The development of policies related to water, biodiversity and ecosystems must be preceded by a deeper analysis of the emerging risks in these areas.

Nevertheless, OTP Group's Code of Ethics declares the corporate group's commitment to environmental sustainability and environmental values (see @4.1. Corporate Governance).

Targets

ESRS E1-4, E3-3, E4-4, E1-9

OTP Group has defined two main goals regarding climate change: firstly, a portfolio-specific GHG emission reduction target as part of its **climate target setting**; and secondly, a goal related to **green lending.**[74]

[73] Sustainable Finance Disclosure Regulation, Regulation (EU) 2019/2088

[74] These goals should be interpreted as objectives in the subtopics of Climate Change Mitigation, Climate Change Adaptation, and Energy

Climate target setting

In line with regulatory expectations, in 2024 OTP Group defined targets[75] to reduce its financed GHG emissions by 2030. These targets are derived from Net Zero 2050 (NZE 2050) scenarios of the International Energy Agency (IEA) and national decarbonization plans as required by regulation, but they take into account the portfolio composition of OTP Group (in terms of countries and portfolio segments broken down by borrowers' activity types).

The Group-level targets were built up from country-, asset class- and sector-specific targets that were taken over either from the IEA's NZE 2050 sector-specific trajectories, which are by definition aligned with the objective of the Paris Agreement, or from national decarbonization plans whose GHG emission trajectories until 2030 are reasonably close the relevant sector-specific emission trajectories of the IEA's NZE 2050.[76]

The interpretation of the targets OTP Group has set is the following: if the economic environment of OTP Group progresses alongside the IEA's Net Zero 2050 scenarios, then OTP Group's financed emissions should reach the pre-defined targets, unless the Group turns to the financing of borrowers which are more carbon-intensive relative to the average of the economy than the current ones. Thus, these targets should be interpreted much more like a "baseline scenario" on which OTP Group's financed emissions progress if the worldwide transition to a carbon-neutral economy is successful. It is important to emphasize that OTP Group alone cannot ensure that these targets will be met if the economic environment follows a completely different trajectory. OTP Group alone cannot enforce the carbon-neutral transition either in the world economy, or in the countries, in which the Group is active. OTP Group can however put in place a number of measures to alter its course away from the path of the general economic environment to some extent (see more below).

OTP Group's targets for the reduction of its own financed carbon footprint are set for a range of scopes. The Group's primary goal is to reduce the financed Scope 1-2 emissions of its loan portfolio, excluding sovereign exposure, by 2030[77]. This target is based on the methodology for calculating financed emissions (Scope 3 emissions / Category 15), which we present in the @E1-6 disclosure requirement. OTP Group's primary goal relates to the intensity of financed GHG emissions, i.e., the amount of financed Scope 1-2 GHG emissions per euro of exposure (g CO_2eq / euro)[78]. This is a relative target, as it focuses on reduction compared to the base year (2023), not the level to be achieved in 2030[79]. The metric underlying the target, which is limited to financed Scope 1-2 emissions excluding sovereign exposures, provides the most reliable and robust indicator for tracking the Group's financed emissions.

In addition to relative reduction targets, current legislation also requires OTP Group to set targets for absolute financed GHG emissions by 2030. We derive absolute targets from relative reduction targets, using a "static balance sheet assumption" (in line with various regulatory practices, such as EBA stress test procedures): that is, we assume that the Group's balance sheet and its structure will not change until 2030. Although this is not a realistic assumption, applying other assumptions would be highly speculative. OTP Group considers absolute reduction targets for financed GHG emissions to be subordinate to relative reduction targets: OTP Group will interpret that it has achieved its goals if the relative reduction targets are met, even if the absolute targets published here are not met simultaneously (e.g., due to future acquisitions, increasing market share, etc.).

The Group's relative reduction target for 2030 for financed Scope 1-2 emissions - excluding the sovereign portfolio - is -29.8% compared to the 2023 base year, i.e., the reduction of the 2023 emission intensity of 219 gCO_2eq / euro or 0.57 g CO_2eq / forint in the defined portfolio segment and emission type to 154 g CO_2eq / euro (0.40 gCO_2eq / forint, assuming an unchanged forint/euro exchange rate) by 2030. This reduction target defined according to the composition of the Group's existing portfolios is consistent with the IEA NZE 2050 scenario's reduction target for the global economy.

[75] These targets apply to the GHG emissions related to the financing directly provided by the members of OTP Group, and not to the GHG emissions related to the assets managed by OTP Group's asset and fund management members.
[76] Defining target was executed by OTP Group's staff internally.
[77] Interim targets between 2023 and 2030 were not set as they were not deemed to be reasonable: the underlying metrics have a level of uncertainty due to data quality and methodological reasons that do not enable setting smaller, eventually annual targets. Also, the benchmark scenarios – such as NZE 2050 of IEA – do not have forecast points for intermittent targets until 2030.
[78] However, the Group is required to report its financed GHG emissions in HUF due to CSRD requirements. Therefore, the baseline and outcome levels of the reduction target are reported in g CO2eq/HUF. We assume that the HUF/EUR exchange rate of the base year (2023) remains unchanged, and the effects of exchange rate fluctuations are excluded when assessing the achievement of the targets.
[79] Relative targeting is indeed beneficial because it helps to avoid distortions caused by changes in the size of the Group, such as acquisitions, divestitures, or fluctuations in market shares.

OTP Group's target settings for financed Scope 1-2 emissions and without the sovereign portfolio			
	2023, base year	Climate target setting 2023-2030	2030, target
Total financed Scope 1-2 emissions (t CO_2eq)	9,183,905	static balance sheet assumption	6,447,102
Total loan volume from all PCAF-asset classes except sovereign (HUF million)	16,024,767		16,024,767
Financed Scope 1-2 GHG intensity of the portfolio without sovereign (g CO_2eq / HUF)	0.57	-29.8%	0.40
CAGR of targeted reduction rate (2023-2030):		*-4.9%*	

OTP Group sets targets for all GHG emissions, including scope 3 emissions, and for the entire portfolio, including sovereign exposures, in accordance with the Partnership for Carbon Accounting Financials (PCAF) Standard scope 3 emissions category 15. In this portfolio and emission scope, there are many items for which the quantification of the financed emissions for the base year or for any future years will remain very speculative and will lack robustness due to a series of methodological issues. Therefore, the OTP Group will consider its climate targets for financed emissions to be met in the future even if it only achieves the above relative emission reduction target for financed Scope 1-2 GHG emissions, excluding sovereign emissions, but does not meet its targets that also include financed Scope 3 emissions and sovereign exposures.

OTP Group's target settings for all financed GHG emissions (including financed Scope 1, 2 and 3)			
	2023, base year	Climate target setting	2030, target
Total financed GHG emissions (t CO_2eq)	25,007,832	static balance sheet assumption	16,855,279
Total loan volume from all PCAF-asset (HUF million)	22,058,449		22,058,449
Financed GHG intensity of the portfolio in all PCAF asset classes (g CO_2eq / HUF)	1.13	-32.6%	0.76
CAGR of targeted reduction rate (2023-2030):		*-5.5%*	

Disclaimers and potential future revisions of targets

It is important to emphasize that the quantification methodology of financed GHG emissions still contains a very high degree of uncertainty. Therefore, changes in this methodology and the underlying data that alter the results of the estimations on the Group's financed GHG emissions and make retrospective corrections necessary – possibly even in terms of magnitudes – should be expected. Furthermore, the monitoring of the financed emission reduction targets of OTP Group will inevitably make it necessary that the Group revises either the targets themselves or – more likely – the base year data compared to which those targets were set. The following events and developments might justify such retroactive revisions and *a posteriori* adjustments necessary (non-exhaustive list): a) having more reliable (reported and measured) emission data from borrowers; b) changes in price levels (inflation); c) changes in portfolio composition, d) changes in public policies with regard to climate change or any other issues; or e) any other unforeseeable event that make such adjustments reasonable.

OTP Group reserves all rights to adjust retroactively either the base year estimates of its financed GHG emissions or any other GHG-related indicators related to its GHG reduction targets or the targets themselves, if this is justified by the circumstances. If such retroactive adjustments are necessary to undertake, the Group shall provide satisfactory explanation for them.

Measures to reduce financed GHG emissions

The Group will monitor the pathway on which its financed GHG emissions progress until 2030, to assess whether reaching the reduction targets is still realistic. Also, the regulatory environment of the key GHG emitting industries will remain key in the decarbonization process.

However, OTP Group can take some measures by which it is able to decrease its financed GHG emissions on its own.[80] A non-exhaustive list of such measures is listed in the table below alongside their estimated impacts on the Group's financed GHG emissions per exposure volume.

[80] As these measures are related to the "business-as-usual" application of the lending policy, it is not reasonable to support them by a CAPEX and OPEX plans – which are more reasonable for industrial companies that have to undertake large investments into technological shifts.

Some of the measures (more green loans and transition financing, financing more electric cars) assume that the Group would increase the share of the greener, low-emission exposures and thus lower its financed GHG intensity measure. Other measures (cutting financing to coal-fuelled power plants, to the mining industries, to pollutive industries and to vehicle finance) assume that the Group would exit from the financing of high GHG-emitter industries and replace them with lower ones. Lowering financing ratios would decrease the Group's share in responsibility for the borrowers' GHG emissions.

When interpreting the above list of measures, it is important to note that the Group might decide on the implementation of these measures on a discretionary basis, but it does not commit automatically to taking all or even any of these measures.

Furthermore, when deciding whether to introduce any of these measures, it also considers factors other than the reduction of financed GHG emissions. These factors may include the Group's financial interests, social responsibility, and the impacts on its environment and stakeholders, feasibility, or energy security.

List of potential steering measures and their estimated impacts on OTP Group' financed Scope 1-2 emissions per euro of exposure impacted		
Short name of measure	**Impact in g CO_2 emission / HUF of exposures impacted**	**Description of measures**
1. More green loans	-2.29	Share of green loans would increase
2. Lower financing ratios	-0.76	The loan volume weighted average financing ratio (attribution factor) would be decreased
3. Cutting financing to coal-fueled power plants	-2.01	Annulate all loans where borrowers' electricity production is fueled by coal in more than 25% and provide the same amount of loans to average companies
4. Cutting finance to the mining industry	-2.64	Annulate all loans to the mining industry and provide the same amount of loans to average companies
5. Less financing to heavy industries	-0.25	Decrease loans to cement, steel, iron, aluminum, chemicals by 50% and replace them with loans to the "rest of the economy" (service sector)
6. Less vehicle loans	-0.60	Decrease the amount of vehicle loans and provide the same amount of loans to an "average" client (based on total portfolio average emission intensity)
7. More electric cars	-0.38	An increase of electric cars within the car finance

Note: the interpretation of the above table is the following: the estimated impact indicates the amount of GHG emissions in grams of CO_2eq per one euro of exposure impacted by the measure. E.g. – 0.38 CO_2eq / euro in case of measure "7. More electric cars" means that the Group's Scope 3 / Category 15 GHG emission would decrease by 0.38 g CO_2eq if 1 euro of loan amount would be allocated to a car loan financing an electric car, whereas 1 euro of loan would be withdrawn from (or not provided to) a car loan financing an "average vehicle" (that is mostly a petrol-fueled one). Therefore, if we were to perform the same operation for HUF 1,000, the Group's financed scope 1 and 2 emission would decrease by 380 g CO_2eq

The impacts of the measures presented in the table above were estimated using the following method: assuming a static balance sheet, we examined the effect of replacing higher GHG-intensity assets with lower GHG-intensity assets. We calculated the Group's exposure-weighted financed GHG emissions for both and then their difference. The GHG intensity of each asset was estimated using the same methods as those later presented in the section on GHG emissions (@Emissions, GHG Intensity). The impact calculation was based on the 2023 GHG intensity of each asset type and was static in the sense that we did not consider potential changes in the GHG intensity of each asset type by 2030, nor were the measures scalable. It should be noted that some measures can only be applied to a limited extent by the exposures: for example, the Group cannot withdraw more financing from coal-based power producers than it currently has exposure to such clients. Furthermore, when estimating the impacts of the measures, we did not consider factors that might hinder their implementation, such as the contractual maturities of existing exposures or the limited demand for "less polluting" loans, etc. Therefore, the list of measures described above should be interpreted more as possible decision directions rather than a detailed and feasible action plan.

The approval of the climate target setting document by the Executive Steering Committee is planned for 05.02.2025.

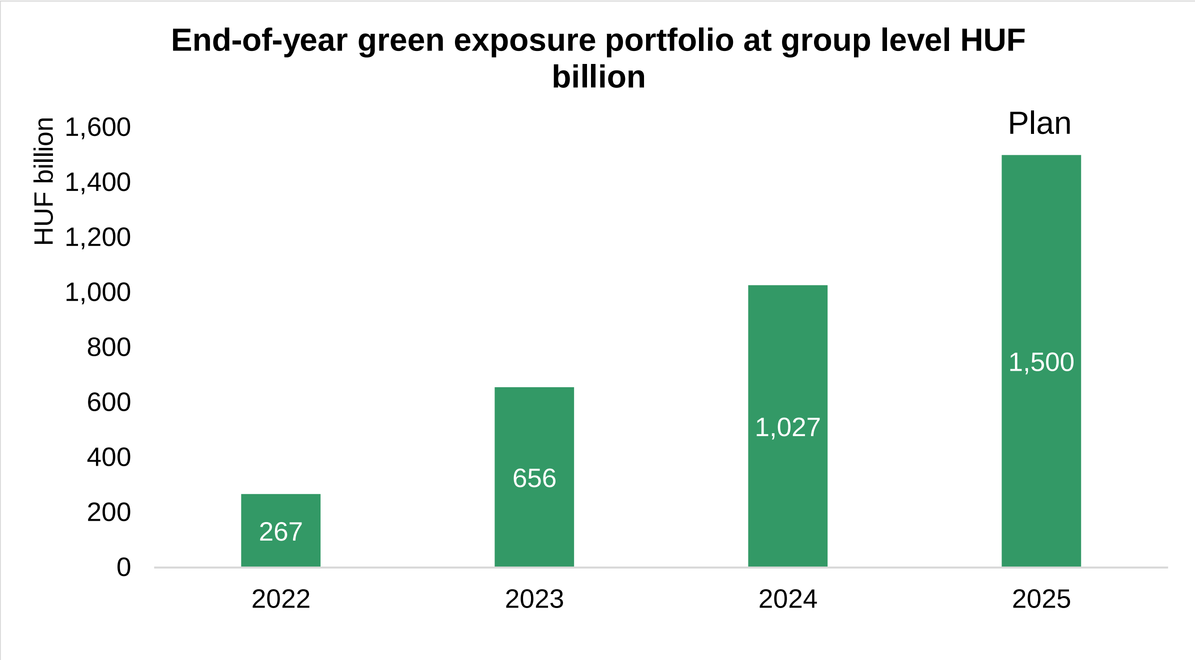
OTP Group does not have a transition plan; a decision on its development is expected in the near future.

Green lending target

As in its ESG strategy declared in 2021, OTP Group's unchanged goal is to play a regional leading role in financing a fair and gradual transition to a low-carbon economy and to build a sustainable future with responsible solutions.[81]

The Banking Group plans to build a green loan portfolio worth HUF 1,500 billion by 2025.

Green lending is a goal in all countries except Russia and Ukraine. In Russia consumer lending is predominant, so green lending is not a goal. In Ukraine, due to the war, there is no green lending that meets the standards, and its development is not a goal until the conflict is resolved.



Green exposures refer to corporate green loan and bond exposures, as well as retail green loan exposures, according to OTP Group's own definition (see. @green portfolio).

The goal for the green portfolio is not based on scientific evidence; it aligns with OTP Group's objective to finance the transition to a low-carbon economy. Achieving this goal will result in revenue growth for the corporate group. The relevant departments of OTP Group participated in setting this goal.

Additional targets

We do not publish a group-level goal for operational activities related to climate change mitigation. Partial targets for Scope 1-2 emissions currently exist at the subsidiary level for some subsidiaries. A group-level target, consistent with the Paris Agreement and based on the same reference, is planned for 2026, with further details to be developed in the next period. Emissions are continuously monitored, but the effectiveness of measures to reduce emissions is not currently measured.

OTP Bank's goal set in its 2021 ESG strategy is to achieve carbon-neutral operations by 2030. This absolute target covers Scope 1-2 emissions, with a recorded net-zero emission of 0 tCO_2e, without specifying a base year. Net-zero emissions involve reducing greenhouse gas emissions as much as possible and neutralizing unavoidable emissions through carbon removal. The goal is not based on scientific evidence; the relevant departments of OTP Bank participated in its development. OTP Bank's market-based Scope 1-2 emissions were 6,644 tCO_2e in 2024[82]. OTP Bank primarily uses green energy for electricity, with about three-quarters of emissions coming from natural gas use and vehicle fuel consumption. The preparation of a plan to reduce emissions intensity related to properties and the fleet has begun, with an ESG Committee resolution to complete it in 2025.

[81] Green financing is an objective in all three climate change-related subtopics named in the ESRS, and OTP Group does not treat these topics separately. We have not identified a base year for the objective; we have been measuring green exposures in the portfolio since 2022.
[82] Comparability with previous years is not feasible due to the different reporting methodology required by the ESRS.

Some foreign subsidiaries have expressed their commitment to reducing operational emissions in their ESG strategies. Several subsidiaries have achieved significant results, primarily through green energy procurement. Emissions are continuously monitored, but the effectiveness of measures to reduce emissions is not comprehensively measured.

OTP Group currently does not have goals related to water, biodiversity, and ecosystems; developing these goals requires deeper analysis. The corporate group currently does not monitor the effectiveness of its policies and measures in these areas (the Group currently only has measures related to water).

Actions and resources

ESRS E1-3, E3-2, E4-3

OTP Group has defined two main packages of measures regarding climate change: firstly, the portfolio-specific measures defined within the **climate target setting** detailed in the @E1-4 disclosure requirement, and secondly, the **green lending** measures[83] presented in chapter @2.1.2 and @Credit Rating. The measures of OTP Fund Management are represented by the funds with environmental objectives presented in chapter @2.1.1. Measures to reduce GHG emissions from operations are of lesser significance and are presented in aggregate.

Measures to Reduce Scope 1-2 Emissions

Primarily, the larger banks in the Banking Group are implementing or planning to implement measures to reduce carbon dioxide emissions. Among the planned measures, the procurement of green electricity has the greatest impact; in 2024 OTP Bank, OTP Bank Slovenia, OTP Bank Croatia, and OTP Bank Serbia mainly covered their consumption with green electricity. These practices are planned to continue in 2025. Additionally, planned measures include lighting replacement, boiler replacement, optimization of heating and cooling, insulation, and solar panel installation. OTP Bank Serbia and OTP Bank Albania have moved to more energy-efficient central buildings, with the Albanian bank's headquarters being LEED Gold certified. The effectiveness of the implemented measures is monitored at the subsidiary level using various methods, and the results are not aggregated.

OTP Group has not yet defined measures related to biodiversity and ecosystems. A more detailed assessment of the impacts is necessary before developing appropriate measures.

Emissions, GHG Intensity

ESRS E1-6: GHG

OTP Group's gross Scope 1, Scope 2, and Scope 3 GHG emissions are presented in the table below.

[83] These measures should also be interpreted as actions in the subtopics of Climate Change Mitigation, Climate Change Adaptation, Energy, and Water Withdrawal.

OTP Group's GHG emissions							
	Retrospective				Milestones and target years		
	Base year 2023	Comparison 2023[1]	2024	2024/ 2023	2025	2030	Annual% target value / Base year
Scope 1 GHG emissions							
Scope 1 gross GHG emissions (tCO_2e)	n.a.	n.a.	118,470	n.a.	n.a.	n.a.	n.a.
Percentage of GHG emissions from regulated emissions trading schemes in Scope 1 (%)	0	0	0	0	0	0	0
Scope 2 GHG emissions							
Scope 2 gross GHG emissions – location-based (tCO_2e)	n.a.	n.a.	58,076	n.a.	n.a.	n.a.	n.a.
Scope 2 gross GHG emissions – market-based (tCO_2e)	n.a.	n.a.	48,834	n.a.	n.a.	n.a.	n.a.
Significant Scope 3 GHG emissions							
Total[2] gross indirect (Scope 3) GHG emissions (tCO_2e)	25,007,832	25,007,832	24,835,989	-1%	n.a.	16,855,279	-5.5%
15. Investments	25,007,832	25,007,832	24,835,989	-1%	n.a.	16,855,279	-5.5%
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2e)	n.a.	n.a.	25,012,535	n.a.	n.a.	n.a.	n.a.
Total GHG emissions (market-based) (tCO_2e)	n.a.	n.a.	25,012,535	n.a.	n.a.	n.a.	n.a.

[1] Note: The issues disclosed in the "Comparative 2023" column are based on the composition of OTP Group as at 31 December 2024 and differ from the "Base year 2023" data, which represents OTP Group as at 31 December 2023. There are no other differences in methodology.
Biogenic emissions in 2024 were 734 tones.
[2] Note: The total gross indirect emissions of OTP Group (Scope 3) do not include funded emissions related to assets managed by the Group's subsidiaries acting as fund managers, as these assets are not part of the Group's consolidated assets (as they are not owned by OTP Group). The emissions for the year 2023 do not include the OTP Bank Romania group.

Allocation of OTP Group Scope 1-2 emissions, 2024		
	Consolidated financial reporting group	**Operational management**
Scope 1 gross GHG emissions (tCO_2e)	114,940	3,530
Scope 2 gross GHG emissions – location-based (tCO_2e)	53,668	4,409
Scope 2 gross GHG emissions – market-based (tCO_2e)	41,561	7,273

Among the Scope 2 emissions, OTP Group members cover part of their electricity consumption with green electricity certified by guarantees of origin or renewable energy certificates. 36.49% of the total electricity consumption comes from such sources. There is no district heating consumption certified by guarantees of origin. 31.23% of energy consumption related to Scope 2 emissions comes from consumption certified by guarantees of origin. The certificates are provided to the subsidiaries by utility providers.

GHG intensity based on revenue	Comparison	2024	%, 2024/2023
Total GHG emissions per net revenue (location-based) (tCO_2e/million HUF)	n.a.	5,85	n.a
Total GHG emissions per net revenue (market-based) (tCO_2e/million HUF)	n.a.	5,85	n.a.

Scope 3 / Category 15 emissions

Scope 3 / 15 emissions are also referred to as "OTP Group financed emissions" or "our financed emissions". In this section of the report, we first present OTP Group's financed emissions and later describe the underlying estimation methodology.

Scope 3 / Category 15 emissions in 2023

The below table provides an overview on OTP Group's financed emissions (Scope 3 / Category 15) in 2023 by PCAF asset classes and by the type of emission scope of the clients. OTP Group considers the most reasonable and reliable indicator of its financed emissions to be the sum of financed Scope 1-2 emissions of all PCAF asset classes without sovereigns, which accounted for 9.2 million tons CO_2eq. This is the most meaningful indicator of OTP Group's financed carbon footprint, as Scope 3 emission estimates are very speculative and so are emission estimates for sovereign exposures in general. The bulk (73%) of this financed Scope 1-2 emissions is coming from the business loan segment. A material contributor with a 20% share was the vehicle financing portfolio. Financed emissions of the real estate related portfolios (whether residential or commercial) represent a fraction of the total financed emissions – in line with macro-statistics of buildings' share in global GHG emission.

OTP Group's financed GHG emissions broken down by PCAF asset classes, 2023 (w/o OBR Group)						
PCAF asset class	PCAF average data quality score	Total exposure	Financed Scope 1 emission	Financed Scope 2 emission	Financed Scope 3 emission	Total finance emissions
(Unit of measurement):		*(HUF million)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*
Listed equity and corporate bonds	4.4	488,160	158,577	31,489	451,391	641,457
Business loans, unlisted equity and project loans	4.2	8,284,605	5,266,204	1,222,157	10,763,652	17,252,014
Commercial real estate financing	5.0	570,766	44,075		n.a.	44,075
Mortgages	4.1	5,134,422	651,600		n.a.	651,600
Vehicle loans	4.8	1,546,814	1,809,803		n.a.	1,809,803
Total without sovereign debt	**4.3**	**16,024,767**	**9,183,905**		**11,215,043**	**20,398,948**
Sovereign debt	1.4	6,033,682	2,543,807	487,273	1,577,804	4,608,884
Total (all PCAF asset classes)	**3.5**	**22,058,449**	**12,214,985**		**12,792,847**	**25,007,832**

Regarding the financed GHG intensity (financed emissions / outstanding financing volume), which forms the basis of OTP Group's main climate target (financed emission reduction targets), the most relevant indicator with the smallest estimation uncertainty is also the Group's financed Scope 1-2 intensity excluding the sovereign portfolio, which was 0.57g CO_2eq / HUF in 2023. The most GHG-intensive portfolio segments were the corporate segment and vehicle financing.

Financed GHG intensity (financed emissions / loan volume provided) of OTP Group's portfolio in 2023, w/o OBR Group				
PCAF asset class	Financed Scope 1 intensity	Financed Scope 2 intensity	Financed Scope 3 intensity	Total emission intensity
(Unit of measurement):	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*
Listed equity and corporate bonds	0.32	0.06	0.92	1.31
Business loans, unlisted equity and project loans	0.64	0.15	1.30	2.08
Commercial real estate financing	0.08		n.a.	0.08
Mortgages	0.13		n.a.	0.13
Vehicle loans	1.17		n.a.	1.17
Total without sovereign debt	**0.57**		**0.70**	**1.27**
Sovereign debt	0.42	0.08	0.26	0.76
Total (all PCAF asset classes)	**0.55**		**0.58**	**1.13**

Financed GHG emissions (Scope 3 / Category 15) of OTP Group in 2024

OTP Group prepared a preliminary estimation for its financed emissions for 2024. These estimations were based on the same approach as in the estimates for 2023, however on less complete data. The underlying reason for the latter is that much essential data[84] to quantify the financed emissions of OTP Group was not available before the cut-off date of the recent Integrated Report.

[84] For example: financial figures (such as total assets and revenues) of corporate borrowers for the business year of 2024, because these will have to be published only by May 2025 in many countries, whereas calculations of financed GHG emissions of OTP Group had to be submitted to the auditor by the beginning of February 2024.

The below table provides an overview on OTP Group's financed emissions (Scope 3 / Category 15) in 2024 by PCAF asset classes and by the type of emission scope of the clients.

OTP Group's total financed emissions broken down by emission scopes and asset classes as for 2024						
PCAF asset class	**PCAF average data quality score**	**Total exposure**	**Financed Scope 1 emission**	**Financed Scope 2 emission**	**Financed Scope 3 emission**	**Total finance emissions**
(Unit of measurement):	(1-5)	*(million HUF)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*
Listed equity and corporate bonds	4.4	549,420	169,045	32,618	472,556	674,219
Business loans, unlisted equity and project loans	4.1	8,558,410	4,339,808	1,095,399	10,094,675	15,529,883
Commercial real estate financing	4.8	706,425	47,570		n.a.	47,570
Mortgages	4.1	6,035,650	586,892		n.a.	586,892
Vehicle loans	4.6	1,980,147	2,025,430		n.a.	2,025,430
Total without sovereign debt	**4.2**	**17,830,052**	**8,296,763**		**10,567,231**	**18,863,994**
Sovereign debt	1.4	8,871,078	3,312,631	623,254	2,036,110	5,971,995
Total (all PCAF asset classes)	**3.3**	**26,701,130**	**12,232,648**		**12,603,341**	**24,835,989**

The financed GHG intensity of OTP Group (financed emissions / financed volume) in 2024, according to the most relevant indicator with the smallest estimation uncertainty, was 0.47 g CO_2eq / HUF, which is 19% lower than in 2023. This significant decrease can be explained by several factors: the weakening of the HUF against the EUR in the meantime (excluding the exchange rate effect, the change in Group's financed GHG intensity would have been only -13%). Other reasons for the decrease include: some major polluters repaid their loans, other larger polluters significantly increased their balance sheets while the loans provided by the Banking Group remained unchanged (thus the "attribution factor" allocating the debtor's GHG emissions to Group decreased), and the financing ratio of heavy machinery, which is more GHG-intensive, decreased in the vehicle financing portfolio. In addition, changes in the quality of the data used also affected the results. Overall, it can be said that OTP Group had no influence on most of the factors causing the decrease in its financed carbon footprint and will not have any influence in the future. Therefore, it is important to emphasize that the decreasing trend observed between 2023 and 2024 cannot be projected into the future; on the contrary, this relatively significant change in the Group's financed GHG emissions highlights the shortcomings and low robustness of the carbon footprint calculation methodology defined by the PCAF standard, so a similar magnitude but opposite change cannot be ruled out in the next year.

Financed GHG intensity (financed emissions / loan volume provided) of OTP Group's portfolio in 2024				
PCAF asset class	**Financed Scope 1 intensity**	**Financed Scope 2 intensity**	**Financed Scope 3 intensity**	**Total emission intensity**
(Unit of measurement):	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*	*(g CO_2eq / HUF)*
Listed equity and corporate bonds	0.31	0.06	0.86	1.23
Business loans, unlisted equity and project loans	0.51	0.13	1.18	1.81
Commercial real estate financing	0.07		n.a.	0.07
Mortgages	0.10		n.a.	0.10
Vehicle loans	1.02		n.a.	1.02
Total without sovereign debt	**0.47**		**0.59**	**1.06**
Sovereign debt	0.37	0.07	0.23	0.67
Total (all PCAF asset classes)	**0.46**		**0.47**	**0.93**

Financed Emissions of Managed Assets

Besides the above, OTP Group has group members which are asset and fund managers. Estimated financed GHG emissions associated with the assets managed by these Group members amounted to 5.8 million tonnes CO_2eq in 2024 (for all emission types, calculated on a coverage-adjusted basis). The estimation of financed GHG emissions of the assets managed was performed by MSCI as an external service provider (except for assets in real estate funds, which is OTP Group's own internal estimate).

OTP Group does not consider the funded issuance related to the assets managed by the fund and asset management Group members as part of the Group's funded issuance, as the Group does not own these assets nor are they included in the consolidated assets of OTP Group.

Financed GHG emissions related to assets managed by OTP Group's fund and asset management members in 2024					
Asset class	PCAF average data quality score	Managed assets	Coverage-adjusted financed emissions (Scope 1 and 2)	Coverage-adjusted financed emissions (Scope 3)	Coverage-adjusted financed emissions (Total)
(Unit of measurement):	*(1-5)*	*(HUF billion)*	*(tons CO_2eq)*	*(tons CO_2eq)*	*(tons CO_2eq)*
Assets not in real estate funds	3.7	4,209	1,616,427	3,210,721	4,827,148
Assets in real estate funds	5.0	691	4,055	16,386	20,441

GHG removals and carbon credits and Internal carbon pricing

ESRS E1-7, E1-8

In 2024, within the corporate group, OTP Bank purchased carbon credits amounting to 7,000 tCO_2e. This amount covers OTP Bank's total Scope 1-2 emissions. The carbon credits retired during the reporting period were verified according to the Verified Carbon Standard by Verra. The Bank considers it essential that the project supported through the offsetting is implemented in the country where the Banking Group operates. Therefore, the only project supported by the purchase is the Sant Nikola Wind Farm near Kavarna, Bulgaria, which is the largest wind farm in the country. The project is a reduction project and does not qualify as a corresponding adjustment under Article 6 of the Paris Agreement.[85]

OTP Bank's goal of carbon-neutral operations includes the use of carbon credits as well. The use of carbon credits does not hinder the achievement of the net-zero target for Scope 1-2 by 2030, considering that OTP Bank has begun developing emission reduction plans based on energy efficiency and renewable energy use. Additionally, as compensation for the Bank's operational carbon footprint, we plan to replace the carbon credits purchased based on our current practice with so-called 'ecosystem restoration certificates'.

In collaboration with Pilisi Parkerdő Zrt. as a partner, we aim to develop a 400-hectare nature conservation area, the so-called Budakeszi Vadaskert, with a complex urban forest approach. This development somewhat places the economic aspects of the classic triad of forest functions – economic, conservation, and public welfare – into the background in order to preserve and enhance the natural and ecological values of forests and promote ecotourism development that aligns with the natural values of forest areas. The Bank has multiple goals in regard to this project: it offers a platform for professional collaborations and scientific work in biodiversity, climate adaptation, carbon sequestration, and ecosystem services. On the other hand, it is suitable for promoting sustainability awareness among our employees by focusing on the non-financial aspects of forest area usage; furthermore, the project can also shape the Bank's image.

The corporate group does not apply internal carbon pricing.

Transition plan and consideration of biodiversity in strategy and business model, significant negative impacts

ESRS E4-1

The disclosure requirement is presented as part of the @ESRS 2 SBM-3 .

2.3. Reporting policy regarding chapter E

Green lending criteria and definitions used in the voluntary Green Portfolio Report

Green exposure defined based on the bank's green definition: on-balance loans, advances, leasing, and bond exposures that have undergone an internal green rating process and meet the technical screening criteria of any of the following frameworks: OTP Group Green Loan Framework, OTP Group Sustainable Finance Framework, the green housing, green corporate and municipal capital requirement discount program of the Hungarian National Bank, and the NHP Green Home.

As for all Hungarian banks, the main criteria that underpin the bank's green definitions are the Green housing capital requirement discount program 2020-2021 and the Green corporate and municipal capital requirement discount program 2020-2021 of the Hungarian National Bank. These national programs define the baseline criteria for the green portfolios reported by the Bank.

[85] The project is 100% a mitigation project, implemented 100% in the EU, and certified 100% based on recognized quality standards.

For information on the compliance with the EU Taxonomy eligibility and alignment criteria of the bank's framework, please see

@OTP Group Green Loan Framework

@OTP Group Sustainable Finance Framework

Green criteria for non-financial corporations are set out in the following frameworks:

- OTP Group Green Lending Framework
- OTP Group Sustainable Finance Framework
- Green corporate and municipal capital requirement discount program of the Hungarian National Bank

These frameworks form the basis of OTP Bank's voluntary green lending portfolio.

The update of the @OTP Group Green Loan Framework, also supported by an external expert opinion (SPO), was approved by the Hungarian National Bank in July 2023. This also ensures that loans that meet the conditions of the Bank's Framework are eligible for the Green corporate and municipal capital requirement discount program of the Hungarian National Bank as „Category B" transactions, which defines the scope of "eligible transactions under a Framework".

The Green Loan Framework covers nonresidential customers, from large multinational corporations to micro-enterprises, including municipalities and condominiums.

Retail green lending

In terms of residential green lending, the Green housing capital requirement discount program of the Hungarian National Bank and the NHP's Green Home program form the core of the lending. These programmes comply with the specifics of Hungarian legislation - and EU legislation, e.g. (9/2023 (25.V.) of the Decree on the Definition of the Energy Performance of Buildings and the NZEB requirements - ensuring that the OTP Group's definition of green for residential green lending is in line with the relevant legislation.

Main differences between the mandatory EU taxonomy indicators and the voluntary green portfolio:

The voluntary GAR portfolio is defined in a centrally maintained Group controlling database, monitored monthly, and extends to companies and households that are not subject to NFRD, as well as those outside the EU. Compliance with criteria is assessed by the Bank's experts.

In contrast, the mandatory GAR KPIs of the OTP Group are prepared semi-annually with the help of dedicated internal data requests, in accordance with the methodology prescribed by the regulation – EU 2021/2178, using only the Taxonomy KPIs and their gross carrying amount (exposures) with unknown use of proceeds of companies that fall under the NFRD in corporate financing and those exposures with known use of proceeds that are aligned with EU Taxonomy.

Scope 1-2 emissions

50. a Emission of the Group preparing consolidated financial statements: emissions derived from the assets listed in the balance sheet of entities belonging to the consolidated accounting group according to IFRS, in a financial control approach, including emissions derived from assets under IFRS 16.

50. b Entities (except under 50. a) under operational control including investees (such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements of the consolidated accounting group), as well as contractual arrangements that are joint arrangements not structured through an entity (i.e. jointly controlled operations and assets). **Operational control:** Operational control (over an entity, site, operation or asset) is the situation where the undertaking has the ability to direct the operational activities and relationships of the entity, site, operation or asset.

48. b The Group is not subject to emission trading schemes, therefore Scope 1 GHG emissions from regulated emission trading schemes are not relevant.

The calculation methodology for Scope 1 and 2 emissions is the same for sections 50.a and 50.b.

48. b In those instances when the invoice for the consumption is not available, estimates will be made for the missing items. Given the small amount of this emission item, this does not cause significant uncertainty in Scope 1-2 emissions.

48. a, AR 43. a The Scope 1 emission calculation includes emissions resulting from fuel/energy consumption of vehicles, natural gas, and the use of air conditioners and server coolers. CH4 and N2O content of biogenic emissions is calculated separately from the Scope 1 emissions. Ratio of biofuel consumption is calculated by using default values; If the fuel consumed has a different biofuel-content, then individual ratios are used.

48. b If the quantity of emissions from air conditioners and server coolers is not available, an estimate will be made. This does not cause a high degree of uncertainty in Scope 1 emissions, considering the small amount of this type of emission.

For the calculation the latest IPCC report is used, which is currently the Sixth Assessment Report (AR6).

The Group discloses non-mechanical GHG emissions related to agricultural production in accordance with the GHG Protocol Agricultural Guidance, the calculation calculation was carried out using a calculator developed by AKI Agrárközgazdasági Nonprofit Kft. The emission source categories considered in the calculator were determined in accordance with the GHG Protocol, and the methods were developed based on the methodology published in 2006 by the Intergovernmental Panel on Climate Change (IPCC), taking into account the 2019 amendments (IPCC 2006, IPCC 2019). The calculator quantifies CO2, CH4, and N2O emissions related to crop production and livestock farming. For crop production, the following were determined: N2O emissions from the use of synthetic and organic fertilizers; CO2 emissions from the use of urea and CAN-type fertilizers; CO2 emissions from soil liming; N2O emissions from crop residues; and indirect N2O emissions (from atmospheric deposition and nitrate leaching). For livestock farming, CH4 emissions from animal digestion and CH4 and N2O emissions from manure management were determined.

AR43. c Biogenic emissions are calculated separately from other Scope 1 emissions.

Scope 2 emissions are related to electricity and district heating consumption. OTP Group discloses Scope 2 emissions separately as location-based and market-based emissions.

Sources of emission factors:

Scope 1: Emissions from mineral and biofuels, as well as natural gas: local NIR (National Inventory Report) or IPCC 2006 guidelines. Fuel calorific value: local NIRs or EMEP/EEA air pollutant emission inventory guidebook. In Slovenia, the Slovenian Environmental Agency. Non-biogenic emissions from biofuels: DEFRA. Other fuels: DEFRA or another credible source from the member company. The emission factors used comprehensively cover all greenhouse gases.

Scope 2: Electricity: market-based emission factors are provided by utility providers, in the absence of which the Group uses the residual mix factors of the AIB (Association of Issuing Body) where available. In countries where residual mix is not available, the local and market factors are the same, with the source of emission factors being the IFI harmonized grid factors. The emission factor for electricity includes only CO2.

For district heating, the Group uses the emission factor provided by MATÁSZSZ in Hungary, the Energy Institute Hrvoje Požar in Croatia, and Bureau Veritas in Slovenia. For other countries, the DEFRA factor is used. The local-based and market factors are the same. The emission factors include all relevant greenhouse gases.

For renewable electricity purchased through contractual instruments (Guarantees of Origins or Renewable Energy Certificates) the market-based emission factor applied is 0.

AR 45. D. The share of contractual instruments is calculated as the total amount of electricity purchased from renewable contractual agreements, divided by the total amount of electricity purchased. Information about the types of contractual instruments is determined in the Guarantees of Origins or Renewable Energy Certificates.

AR 43. Biogenic emissions related to Scope 2 are not relevant for the Group.

AR 46. Scope 3 emissions**:**

AR 46 c, d., i. OTP Group has conducted a high-level estimation of Scope 3 GHG emissions for Categories 1-14 using the PCAF Score 5 / Option 3c methodology. Therefore, the calculation exclusively focuses on Category 15.

Category 15 emissions – emissions financed through investments

AR 46. A., b. Scope 3 / Category 15 GHG emissions of OTP Group are those that are related to emissions of clients to which OTP Group provides funds in the form of loans or equity, or through investing into their securities. The general logic of allocating such emissions to the bank is the following: we take the clients' (borrowers') total GHG emissions, then we allocate them to the Group in proportion to the financing ratio of the client / borrower (e.g. the client's loan outstanding / the client's total assets or the client's loan outstanding / financed asset of the client.

When covering clients' (borrowers') GHG emissions, all emission types have to be included as requested by the relevant EU-regulation: Scope 1 emissions (resulting from fossil fuels that the client burns directly), Scope 2 emissions (resulting from the production of electricity and heating that the client uses) and Scope 3 emissions (all emission that arise in the client's supply chain). The reliability by which these estimations can be measured or at least estimated is very different: Scope 1 emissions could ideally be even measured or at least estimated with a relatively low level of uncertainty, if client would measure and report them (which is not the case for most OTP Group clients). Scope 2 emissions cannot be measured, only estimated with some uncertainty: while the volume of electricity or heat used by the client could be ideally measured and reported by the client (though it is not the case for the bulk of OTP Group's portfolio), the underlying GHG emissions of such energy used can only be estimated, but not measured (as those depend on the actual fuel mix of the grid from which the client bought such energy). Scope 3 emissions of clients can only be estimated with a very large level of uncertainty, as even the clients do not fully control, and thus have not enough information of the emission profile of their supply chain (except for a few exceptions). Therefore, OTP Group considers only estimations on clients' Scope 1 and 2 emission indicators as relatively reliable ones, whereas we deem estimations on Scope 3 emissions of clients (borrowers) to be completely speculative.

OTP Group quantifies its financed emissions based on the methodology described by the PCAF Standard[86] as requested by relevant EU regulation (ESRS/CSRD). The essence of the approach is that a bank providing funds to a client has to use the client's GHG emission as a basis and then allocate part of it to the bank's financed GHG emissions based on the client's financing ratio (called also the "attribution factor", equal to the loan provided to the client / value of the financed asset or the total assets of the client). This financing ratio defines the share of GHG emission of the borrower which the financing bank can be made responsible for (according to the underlying regulation). GHG emission of the clients should be quantified on emission values measured and reported by the client. However, by end of 2024, most borrowers of OTP Group have not reported (and many of them not even measured) their own GHG emissions. In fact, OTP Group has reported emission data only from 111 of its corporate clients (accounting for less than 4% of the total business loan portfolio) and even most of these are not audited by an independent third party. The availability of reported corporate emission data might improve somewhat as CSRD will apply to more and more companies. As the first step to enhance the accessibility and quality of data, OTP Bank plans to analyze the gap regarding internal data management processes.

Therefore, OTP Group had to prepare its own estimations for its borrowers' GHG emissions. These estimations were based on the financial figures (such as revenues and total assets) of clients (borrowers) and GHG emission intensity factors (e.g. on emissions / revenue by activity types) from external data providers. OTP Bank – as a PCAF signatory – has access to emission intensity factors that were made available by PCAF.[87] However, the PCAF-databases do not provide emission intensity factors for all countries and/or asset types which are relevant for OTP Group: in such cases, proxies of similar (in economic and environmental terms) countries or asset types were used.

OTP Group prepares the estimate of financed GHG emissions disclosed in this document based on the same methods and data as in its Pillar 3 disclosures on ESG risks.

[86] PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

[87] In case of corporate loans and bonds and equity exposures, OTP Group relied on the emission intensity factors of the PCAF/Exiobase dataset. Emission intensity data in this dataset relies on environmentally extended IO tables, and thus does not cover (mostly) downstream Scope 3 emissions. Therefore, our estimations on clients' Scope 3 emissions might be underestimated – however, there are no reliable estimations on downstream emission intensity factors for a wide spectrum of industries and countries according to our knowledge. Intensity data in the PCAF/Exiobase dataset is from the year 2019 as it was made available by PCAF in 2024 – relying on data from 2019 to estimate borrowers' emissions in 2023/2024 might lead to some overestimation as national emissions (in countries where OTP Group is present) mostly stagnated between 2019-2024, whereas price levels – and thus average sizes of loans or average levels of revenues – have gone up.
For commercial and residential real estate loans, OTP Group relied on emission intensity factors of residential and commercial buildings (either per building or per m^2) the PCAF/CRREM (Carbon Risk Real Estate Monitor) dataset. Data in this dataset is from the year 2023. It has to be noted that emission intensity factors from this dataset sometimes differs from that published by national authorities. Also, PCAF/CRREM does not provide data separately for Scope 1 and Scope 2 emissions of buildings, only for the combination of them.
For vehicle loans, OTP Group relied on emission intensity factors from the PCAF Motor Vehicle Loan Dataset. Although this dataset provides intensity factors for a wide range of different vehicles and car types, OTP Group relied only on the emission intensity by country and main vehicle types (passenger car, van, heavy vehicle).
For the sovereign exposures, OTP Group relied on the exact same data sources as they were provided in the chapter on "Sovereign debt" of the PCAF Standard.

GHG intensity

AR 53. A., b., c. GHG intensity ratio is calculated by the following formula: *Total GHG emissions (tCO2eq) / Net revenue (Monetary unit in million HUF)*. GHG intensity ratio is calculated with both the location-based and the market-based method.

AR 53. D. The calculation of net revenue is in accordance with the accounting standards applied to financial statements. Net revenue is the sum of Interest income and income similar to interest income + Income from fees and commissions + Other operating income in the 2024 consolidated IFRS report of OTP Bank Nyrt. Consolidated Income Statement.

2.4. ESG risk management

The Group pays particular attention to managing ESG risks and implementing climate protection aspects into business practices. The Banking Group's risk management and business area pay special attention to integrating various risks related to green loans.

OTP Bank has detailed risk management policies covering all types of risks (credit, market, liquidity, operational), which are in line with the laws regulating prudent banking operations:

The assessment of the adequacy of ESG risk management is primarily based on the recommendation 10/2022 (VIII.2.) issued by the Hungarian National Bank (Green Recommendation), which describes the expectations for credit institutions regarding climate change and environmental risks, as well as the enforcement of sustainability aspects. The recommendation sets specific expectations for managing environmental risks. Compliance with the Green Recommendation is regularly reported to the Board of Directors, the Management Committee, the ESG Committee, and the Risk Management Committee.

The Bank also monitors the supervisory and regulatory expectations of the European Banking Authority (EBA) and the European Central Bank (ECB). The ECB has direct supervisory authority (JST) over DSK Bank in Bulgaria and OTP Bank Slovenia, so compliance with these institutions' expectations receives special attention in examining and managing environmental and climate risks. DSK Bank, OTP Bank Slovenia and OTP Bank Croatia have integrated ESG Risk factors into their risk management system with local supervisory expectations.

The Bank manages its sustainability-related risk management guidelines based on the following non-public documents:

- Organizational and Operational Regulations
- OTP Banking Group Governance Regulations
- The internal defense lines system at OTP Bank
- The Rules of the Remuneration Policy of OTP Bank and the Banking Group
- The Rules of the Performance Measurement and Evaluation System of OTP Bank and the Banking Group subsidiaries
- The Guidelines for the Leading Bodies and Standing Committees of the Banking Group Credit Institutions
- Group Credit Risk Policy
- Group-Level Trading Market Risk Management
- Market Risk and Foreign Exchange Risk Management for the Trading Book
- OTP Group Risk Strategy
- OTP Group Risk Appetite Statement
- Corporate Lending Policy / Operational Lending Limits and Guidelines (OLLP)
- The CEO's directive on managing the greenwashing risk of OTP Bank
- Corporate Client Risk Management Manual (OTP Bank)
- OTP Banking Group Risk Appetite Framework
- Collateral Valuation Policy
- Operational Risk Management Policy

The Bank develops its ESG risk management practices based on the following voluntary standard expectations:

- NGFS, The Network of Central Banks and Supervisors for Greening the Financial System
- GHG, Greenhouse Gas Protocol
- PCAF, Partnership for Carbon Accounting Financials

2.4.1. ESG Risk Management Function and Integration of ESG Risks into Risk Management Procedure

OTP Bank has incorporated ESG risks into its group-level risk management guidelines and procedures, enabling the identification and management of these risks to minimize emerging credit, reputational, regulatory, and legal risks. ESG risk management within OTP Group is integrated into various levels of the risk ecosystem: OTP Group Risk Strategy, OTP Group Risk Appetite Statement, the risk management frameworks for different risk types, and the Operational Lending Limits and Guidelines. OTP Group applies a gradual approach to ESG-related risk limits, and the Risk Appetite Statement and Group-Level Operational Lending Limits and Guidelines (OLLP) already include such restrictions.

In connection with the **group-level risk strategy** for 2023-2025, a group-level risk strategy with ESG relevance will be defined, aiming for a higher level of implementation of ESG risk factors. The ESG risk strategy will define additional ESG-level focus programs to strengthen ESG risk awareness. The ESG risk strategy includes assessing the short (<1 year), medium (1-5 years), and long-term (>5 years)[88] physical and transitional risk factors resulting from climate change in the portfolio (Climate and Environmental Materiality Assessment) for significant sectors. As a result, it will further develop the ESG-relevant parts of the risk appetite and set limits to serve the Bank's long-term sustainable portfolio more effectively. The assessment also supports the preparation of the Group-Level Climate and Environmental Risk Heatmap and the implementation of all identified relevant "E" (environmental) factors.

2.4.2. Credit Risk

Corporate Credit Risk Management

To manage the credit risk aspect of ESG risks, OTP Group has been applying its ESG risk management framework in corporate lending since 2021. The main elements of the framework are the ESG exclusion list, the sectoral ESG risk heatmap, and the ESG risk assessment.

The ESG exclusion list defines activities in which OTP Group does not participate directly due to their controversial nature and impact. The sectoral ESG risk heatmap includes the ESG risk categorization of each economic activity in the NACE classification, considering the environmental and social impact of the respective industry.

The ESG risk assessment includes determining ESG risk categories at client and transaction levels, including client due diligence in predefined cases. The Group applies a different method for leasing transactions where the financed asset is motorized; in these cases, the ESG risk category is determined based on the estimated environmental impact of the asset's engine (considering European vehicle emission standards). ESG aspects are considered in individual corporate lending decisions. The methods are continuously developed in line with the expansion of available data and methodologies.

In corporate lending – as for the Hungarian operations – the Hungarian National Bank (MNB) prescribes the application of a special examination framework and a minimum ESG questionnaire for client due diligence related to environmental and climate risk assessment, starting from 2025 with a phased implementation. The Bank is working to ensure compliance with the recommendation according to the schedule outlined in the recommendation.

In the Corporate Lending Policy / Operational Lending Limits and Policies (OLLP) – with the exception of the Uzbek and Russian subsidiary banks – lending guidelines from an environmental and climate risk perspective, as well as financial risk assessment guidelines based on environmental risks, have been formulated. As part of the policy, financing guidelines and examination frameworks related to renewable energy production, a key element of green lending, are also included. OTP Group currently has an internal, non-public guideline related to financing coal mining and coal-based energy production activities. The review is currently in progress, and upon its completion, the Group intends to make this policy public.

[88] These time horizons are different from the time horizons used in OTP Group, in line with the EBA's expectations.

Regarding credit risk, the group also applies limits related to the corporate ESG risk management process. A group-level limit is applied to the ESG exclusion list, and in 2023 a new numerical limit was introduced in the Hungarian operations and certain subsidiaries to limit the proportion of new transactions with high ESG risk ratings within new risk-taking. The range of applied limits is gradually expanding, and the limits are recorded in the Risk Appetite Statement or the Corporate Lending Policy, currently not public. Compliance with the limits is regularly monitored on a quarterly and monthly basis. The methodology is continuously developed, with plans to introduce additional risk limits and apply ESG-specific lending guidelines.

From 2023, monthly internal reports on group-level ESG credit risk exposure are prepared for the corporate loan portfolio for the Credit and Limit Committee, and quarterly for the Board of Directors.

Collateral management

In the case of collateralized commercial real estate, the ESG assessment methodology developed by OTP Mortgage Bank has been applied in the Hungarian operations since February 2023. This is due to the bank's significant exposure to commercial real estate, where the proper ESG-relevant evaluation is a primary consideration.

The current rating is based on simplified ESG factors (E, S, G), and the general factors will be expanded based on the relevant factors detailed in the C&E Materiality Assessment. ESG data fields have been created in the bank's corporate loan registry system, and the process of populating these with actual content is partially automated from the information available in the state Lechner Knowledge Center database, with the most important data being the indicator of the energy efficiency of the collateral. The sharing of the collateral ESG methodology with subsidiaries is currently ongoing.

For subsidiaries, the implementation of ESG methodologies for collateral related to vehicles is in progress according to pre-agreed deadlines. Merkantil Bank has its own ESG methodology for leasing assets according to the appendix of the current Group Credit Risk Policy. In this regard, the methodologies presented below show the practice of OTP Bank, and the implementation in subsidiaries is currently ongoing.

Immovable property

OTP Mortgage Bank considers and records the location, technical, and energy characteristics of commercial or residential real estate in its own records during the valuation of real estate collateral. As a result of the developments already implemented, ESG-specific data fields have been created for real estate collateral in the corporate segment's collateral registry system.

In the retail segment, residential properties taken as collateral are classified into the following risk categories based on their energy rating on the energy certificate or estimated energy efficiency, which are updated quarterly to monitor the portfolio-level transition risk:

- Low (A+++, A++, A+, A, B)
- Medium (C, D)
- Moderately high (E, F)
- High (G, H, I)

During the real estate collateral valuation process and related monitoring activities, the following physical risk elements are integrated:

- drought
- flood
- heatwave

Movable Property

For movable collateral relating to vehicles, OTP Bank has also developed an IT-supported framework for identifying ESG risks. The guidelines and methodologies related to this are continuously shared with subsidiaries. As a result, vehicle-type movable collateral is classified into ESG1/2/3/4 categories, and the classification result is displayed in the corporate collateral registry system.

The "ESG card" has been created in the collateral registry system to collect and store environmentally relevant data, distinguishing between two types:

- Vehicle: passenger car, SUV, truck, bus, caravan, moped, motorcycle, agricultural machine/tractor, boat, airplane, other vehicle, trolleybus, tram, trailer/semi-trailer, and
- Other movable: solar power plant technology

The classification into vehicle-type risk categories is done automatically based on the characteristics of the asset (considering EURO motor standards), and the exposure of the movable collateral portfolio.

Stress-test

ESRS E1 SBM-3

Climate change mitigation is a significant risk associated with OTP Group's lending activities, primarily as a transition risk, including expectations related to decarbonization. The extent of this risk is estimated through stress testing of the corporate portfolio. The transition risk related to climate change mitigation is partly linked to energy, as increasing energy efficiency and reducing the use of fossil fuels are necessary to mitigate climate change. The risk of adaptation to climate change associated with lending is a physical risk, and part of the transition risks (investments required for clients' adaptation) also fall into this category.

The Bank's 2023 group-level climate stress-test (resilience analysis) examined climate-related (transition and physical) risks both in **a long-term strategic perspective and in the short term** (not broken down by ESRS topics). Due to the different time dimensions, the climate stress-test consists of two elements with different approaches. This assessment is presented to and approved by the Board of Directors as part of the annual ICAAP assessment.

As part of the Internal Capital Adequacy Assessment Process (ICAAP), ESG risks affecting the Banking Group are also assessed. ESG risks refer to risks related to or arising from these factors, which may result from the Bank's investment, lending, and other activities. The Banking Group approaches ESG risks and factors holistically, integrating them into the risk management frameworks of the main risk types, meaning ESG risk is not treated as a separate risk type within the internal capital adequacy assessment process.

According to the Bank's assessment, risks arising from ESG factors within credit risk are not considered significant. The Group does not create additional capital requirements for ESG risks under ICAAP; the management of ESG factors and related risks is carried out through different processes and controls.

As part of the Internal Capital Adequacy Assessment Process (ICAAP), the Bank last conducted a climate change stress-test in 2023. This test assesses the Group's short, medium, and long-term exposure to physical and transition risks related to climate change. This assessment covers credit risks related to the corporate portfolio, market risks related to the trading book, and operational risks related to short-term transition risks.

The stress-test scenarios are prepared with different forecasting horizons.

a) Short-medium term (next 3 years) forecast, focusing primarily on transition risk, and a strategic, long-term (until 2050) forecast covering both transition and physical risks.
b) The long-term, strategic analysis examines the potential impacts on the Banking Group along the three usual NGFS climate scenarios (orderly transition, disorderly transition, hot house) until 2050.

The Bank also examined exposure according to two risk types:

a) a transition risk
b) a physical risk.

The basis for comparison during the exposure assessment was the exposure of an "average bank operating in the Eurozone." The assessment was carried out by comparing various country-level indicators (for transition risk: the carbon intensity of the economies of the Bank's operating countries, for physical exposure: country-level risk ratings from various organizations).

The results showed that the countries within the Banking Group's operating area might be more exposed to transition risks compared to the Eurozone average, as their economies are more carbon-intensive (in terms of GHG emissions per unit of GDP) than the Eurozone average (although this difference is smaller when calculated at purchasing power parity, which eliminates distortions due to different price levels in countries).

For *physical risks*, the assessment showed that the general exposure of the countries within the Banking Group's operating area is not higher than the Eurozone average. Additionally, as part of the long-term analysis, we quantified the expected credit loss ratios along the three NGFS climate scenarios (orderly transition, disorderly transition, hot house) until 2050. The more precise estimates for the corporate loan portfolio were extrapolated[89] to the Banking Group's entire balance sheet, covering all OTP Group assets including the analysis of additional risks.

In this process, we projected the results of the European Central Bank's 2021 top-down banking system stress test (based on the NGFS scenarios used therein) onto the composition of the Banking Group's portfolio. These results showed that under scenarios assuming a successful carbon-neutral transition (orderly transition, disorderly transition), the Banking Group's lending losses may increase minimally – by a few basis points – in the short term, while under the "hot house" scenario, the increase in losses is more significant – but still manageable – in the period after 2040 (approximately +15 basis points loss per year).

Additionally, the Banking Group's climate stress-test framework includes a **short-medium term** (3-year horizon) corporate credit risk model, which specifically focuses on the transition risk of companies, as the long-term strategic analysis also indicated that the Banking Group's exposure to this risk type is higher compared to an average bank operating in the Eurozone.

This short-medium term corporate credit risk model estimates the expected default rates of corporate borrowers in various sectors based on the country and sector-level gross value added (GVA) paths of the "short-term disorderly" scenario published in the ECB's 2022 bottom-up banking system stress test,[90] and later in the European Banking Authority's 2023 stress-test.[91] The model results show that corporate credit losses would remain manageable even under the assumed "short-term disorderly" scenario. This model does not include physical risks, as the general approach is that physical risks materialize in the long term in negative climate scenarios, while transition risks are dominant in the short-medium term. OTP Group has also integrated these models into its prudential stress-test framework, which was examined by supervisory authorities – most recently during the 2024 SREP.

OTP Group does not create its own climate scenarios that consistently cover[92] all relevant macroeconomic and social indicators alongside climate parameters. OTP Group – similar to other credit institutions – uses the consistent scenarios of NGFS, IEA, ECB, and EBA, which include climate, commodity price, and macroeconomic parameters, along with the detailed assumptions provided by the issuing institutions.

The above analyses – conservatively – do not take into account that the Banking Group can also adapt to the circumstances, for example, by reducing its financing in vulnerable regions by 2050 in the long-term model. If these were considered, the additional losses would be even lower.

Credit Rating[93]

In line with regulatory expectations, the Bank has started developing risk modeling procedures related to climate change and environmental risks and integrating them into its current lending processes. To develop the bank model related to climate risks, a basic database relying on geospatial data was created, which helps determine the relationship between the financial data of companies financed by the Bank and climate risk data. To map potential data sources, acute and chronic physical risks significantly affecting Hungary were identified. After examining the data content and accessibility of various online data sources, the basic data of the ESG physical risk database were procured and processed. The mapping of additional material acute and chronic ESG risk factors will continue to expand at the group level.

[89] By extrapolation, we mean that we assume that the loss rate on the other assets of the Banking Group is equal to the loss rate on the corporate loan portfolio.
[90] 2022 SSM Climate Risk Stress Test, https://www.bankingsupervision.europa.eu/press/pr/date/2022/html/ssm.pr220127~bd20df4d3a.en.html
[91] https://www.eba.europa.eu/risk-and-data-analysis/risk-analysis/eu-wide-stress-testing/stress-test-2023
[92] In business practice, commonly accepted scenario-setting organizations such as the NGFS or the International Energy Agency (IEA), or even the European Central Bank or the European Banking Authority, do this.
[93] Action on climate change mitigation, adaptation and energy.

The Bank primarily considers it justified to apply ESG aspects in the PD (Probability of Default) model. The Bank considers environmental risks within credit risk relevant by default, primarily concerning the exposure of collateral to acute or chronic physical hazards (e.g., property damage caused by weather events, water scarcity, and drought in agriculture), as well as potential new investment costs arising from transition risk.

Credit Rating System

Assessing physical risks involves significant technical challenges, including the need for detailed geographical data to determine the severity of potential weather events at different locations.

In line with regulatory expectations, the Bank started developing risk modeling procedures related to climate change and environmental risks and integrating them into current lending processes in 2023. Currently, the procedure has been developed and applied only for OTP Bank, and the method is continuously being expanded to other entities of the Banking Group.

The implementation of the developed ESG module into the customer rating system has been completed, thus ESG factors were considered in the rating of joint ventures by the regulatory deadline. Based on the developed physical risk module and the energy efficiency of residential collateral, the integration of ESG factors into mortgage loan assessment has begun.

To determine physical risk exposure, the Bank uses a simplified climate risk heat mapping method, which offers a quick and efficient way to map physical risks for entire portfolios by sectors, sub-sectors, and geographical areas. The determination of physical risk exposure depends on the following factors:

Risk = f (Vulnerability [V], Hazard [H], Insurance [I]):

The vulnerability indicator varies by sector code: The vulnerability scores assigned to NACE codes can have values of:

a) very low
b) low
c) medium
d) high
e) very high

Vulnerability scores are determined for each identified physical risk, reflecting their relative impact on the affected sector.

The risk indicator varies by location unit:

a) low (4)
b) medium (3)
c) high (2)
d) very high (1)

hazard scores are assigned to each climate risk, reflecting their relative importance to the given location

The score indicates the extent to which the given location is exposed to the given physical risk (the customer's location is determined using the collateral address, the company's site address, the company's headquarters address). The following risk indicators were used:

a) **Drought Index:** Over the past 10 years, Hungary has experienced severe droughts. For example, the 7-week period starting in mid-June 2022 was catastrophic for Eastern Hungary. It hardly rained for weeks, and the economic loss of the autumn harvest in the eastern part of the country was nearly total. Agriculture is the most vulnerable sector to drought, so the current assessment focuses on the agricultural sector. The Palfai Drought Index (PAI), developed in Hungary for users in agriculture and water management, has been used since the early 1980s to numerically characterize droughts. The Bank uses the modified Palfai Drought Index to identify the impact of drought risk.

b) **Flood Index:** Directive 2007/60/EC on the assessment and management of flood risks (commonly referred to as the Floods Directive or FD) mandates that all river basin districts identify areas where there is a significant potential flood risk or where such occurrences are likely. In Hungary, the flood risk concept defined in the Directive can be divided into three areas:

- Flooding along unembanked watercourses
- Flooding due to the failure or insufficient size of flood protection embankments
- Flooding caused by precipitation and rising groundwater levels

Flood risk data providers: The Hungarian government announced the second revised river basin management plan (VGT3) in April 2022. The preliminary vulnerability and risk assessment maps prepared during the

c) Storm Index: a storm is defined as an adverse weather phenomenon with a wind speed of at least 20 m/s. The storm risk index indicates the number of days in a year when the maximum wind gust speed reaches or exceeds 20 m/s.

d) **Frost Index:** Frost is categorized into spring, autumn, and winter frost.

- Spring frost: At the risk location, a temperature of minus 2°C or lower measured at a height of two meters above ground level during the spring period

- Autumn frost: At the risk location, a temperature of minus 2°C or lower measured at a height of two meters above ground level during the autumn period

- Winter frost: At the risk location, a temperature of minus 15°C or lower measured at a height of two meters above ground level during the winter period

The frost risk index indicates the number of days in a year when the minimum temperature does not exceed minus 2°C at two meters above ground level. Late spring frosts can have severe impacts on agriculture and forestry.

Relevant ESG risk factors for the development of the ESG Data System physical risk database				
	Temperature related	Wind related	Water-related	Surface cover related
Chronic	Changing temperature (air, freshwater, marine water)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Heat stress		Precipitation or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water stress	
Acute	Heat wave	Cyclones, hurricanes, typhoons	Drought	Avalanche
	Cold wave/freeze	Storms (including snow, dust and sandstorms)	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Wildfire	Tornado	Flooding	Subsidence
			Glacial lake outburst	

2.4.3. Managing operational risks

In terms of operational risk, severe weather conditions can affect business continuity, and there is reputational risk from failing to adapt to the continuously increasing regulatory and supervisory ESG requirements.

The management of ESG risks within the operational risk framework began in 2021 and remained unchanged in 2024. During the annual, group-level process-based risk and control self-assessments, respondents also evaluate the expected losses for the following year from an ESG relevance perspective, which is also included in scenario analyses.

Quarterly monitoring is associated with the ESG operational risk tolerance value applied at the group level. We also monitor loss data from an ESG impact perspective, including ESG data quality aspects.

2.4.4. Managing Market Risks

In market risk management, sustainability risks are considered in accordance with the Green Recommendation. The risk management has established ESG rating-based position limits for trading and discretionary portfolios. For the latter, the Bank also applies an ESG exclusion list. The consideration of principal adverse impacts (PAI) in discretionary portfolio management (DPM) is done using MSCI standardized PAI statements, available from 1Q 2023. The standard report covers all identified indicators, except for fossil fuels and energy efficiency due to data gaps. Portfolio coverage shows an improving trend. Currently, the observation of principal adverse impacts is ongoing, with no associated limits or explicit policy. Weekly stress-tests are conducted on the ESG risks of corporate bond portfolios in both the trading and banking books.

2.4.5. Liquidity Risks

Given its relevance, Integrated Risk Management has begun developing an integration methodology for assessing liquidity risks related to ESG risks.

2.4.6. ESG Risk Management at OTP Fund Management

At OTP Fund Management, ESG risk management is an integral part of the comprehensive risk management framework. The sustainability risk level of funds and portfolios is determined based on ratings[94] provided by MSCI ESG Research, ranging from CCC (worst) to AAA (best).

When creating and rebalancing portfolios, the expected sustainability risk level is considered, and if the risk exceeds the expected level, measures are taken to reduce it.

Funds with SFDR ratings must meet specific criteria, primarily regarding the minimum proportion of sustainable investments and the ESG rating of investments.

OTP Fund Management regularly prepares reports on sustainability risks, which are sent to portfolio managers and management, and quarterly summaries are presented to the Board of Directors. During investment decision-making, portfolio managers must ensure that the aggregate sustainability risk of their portfolios is in line with the expected level.

OTP Fund Management does not invest in companies involved in controversial weapon-related transactions or in government bonds of countries with authoritarian regimes, and it emphasizes the environmental impact of investments, including greenhouse gas intensity, waste and harmful substance emissions, and water usage.

[94] ESG ratings measure and evaluate a company's resilience to long-term, industry-relevant environmental, social, and governance (ESG) risks. The assessment is conducted in comparison with industry peers, and the ability to manage these risks is also taken into account in relation to exposure to industry-relevant ESG risks.

3. Social Information

3.1. Own Workforce

The employees of OTP Group represent one of its most important values and a crucial building block of its success. Business goals can only be achieved with well-prepared and committed employees. OTP Group demonstrates a responsible employer attitude towards all its employees.

Material impacts, Risks and Opportunities

ESRS S1 SBM-3

Regarding own workforce, the impacts always arise within the entire OTP Group's operations.

Material sub sub-topic	Type of impact, risk, opportunity	Description of impact, risk, opportunity
Working conditions		
Work-life balance	positive impact	The implementation of practices that consider work-life balance affects a large number of employees
	potential negative impact	The risk of practices that do not adequately consider employee interests
Health protection and safety	negative impact	In addition to typically non-hazardous jobs, stress emerges as a risk for a large portion of employees
Equal treatment and opportunities for all		
Gender equality and equal pay for work of equal value	positive impact	Due to the high proportion of female employees, the impact is significant; the pay ratio between men and women in the same positions differs only slightly at most member companies
	negative impact	The proportion of female leaders at higher management levels is consistently lower
Employment and inclusion of persons with disabilities	positive impact	The size of the corporate group and its wide customer base allow it to significantly impact the employment of people with disabilities
	negative impact	Currently, the employment rate of people with disabilities is low
Diversity	positive impact	The size of the corporate group allows it to significantly impact the implementation of diversity, and all forms of discrimination are prohibited
	negative impact	The practices of the Banking Group provide opportunities for development
Training and skill development	positive impact	Access to training is ensured, and regular performance evaluations are conducted at several subsidiaries
	potential negative impact	It may arise in practices that do not ensure equal opportunities
Measures against violence and harassment in the workplace	potential negative impact	The risk of abuse is high due to the size of the corporate group and the composition of its workforce

For a more details about the impacts, risks and opportunities, as well as their management, see @ESRS SMB-3 and the following sections of this chapter.

The topics gender equality and equal pay for work of equal value; diversity; employment and inclusion of persons with disabilities; being addressed together.

The workforce includes:

- employees and
- non-employee contracted workers,
- as well as individual entrepreneurs who have contracted with an OTP Group member company to perform specific work.

The significant impacts identified during the double materiality analysis cover all individuals within the workforce who may be significantly impacted by the Banking Group.

The majority of the workforce at the Banking Group, 43,118 people, are employees working under full-time or part-time contracts. OTP Group's influence on external workers is more limited, as their working conditions and terms are not solely influenced by OTP Group. The Banking Group's practices focus on employees within the own workforce.

The significant or potentially significant impacts affect most employees, and no significant impact has been identified that is specific to certain countries/regions. The number of employees varies significantly by country, therefore the magnitude of the impact differs by country (see @ESRS S1-5).

The operations of the Group do not involve significant negative human rights aspects, such as the risk of child labor, forced labor, or compulsory labor. Additionally, there are no negative impacts on the workforce resulting from the implementation of transition plans aimed at reducing negative environmental impacts. The significant impacts identified for OTP Group's own workforce can be both positive and negative, depending on the Banking Group's practices. The Banking Group strives to achieve positive impacts while mitigating or avoiding negative impacts.

Identifiable negative impacts,[95] such as health and safety risks and workplace violence and harassment risks, primarily occur in individual cases, while stress risk affects a broader range of employees.

We aim to achieve positive impacts in work-life balance, gender equality and equal pay for equal work, training and skills development, and the diversity and the employment of people with disabilities. Activities aimed at achieving positive impacts do not differ based on employees' contractual relationships, although most measures have a well-identified target group (e.g., women, people with disabilities). Positive impacts vary by country, depending on which area or activity a particular group member places greater emphasis on.

To protect vulnerable groups (gender, ethnicity, religion, age, disability, family status), a group-level policy (Code of Ethics) is in place, which includes the prohibition against discrimination and measures against workplace violence and harassment, applicable to the entire workforce.

OTP Group members identify and manage health and safety impacts differently, in compliance with local regulatory requirements. Most companies conduct regular risk assessments to ensure a safe working environment. At the group level, employees of companies engaged in agricultural activities work in higher-risk roles (typically involving animals and machinery).

Policies related to own workforce

ESRS S1-1

Code of Ethics

Key content: The comprehensive policy for OTP Group's own workforce is the Code of Ethics of OTP Bank Plc and OTP Group (presented in the @4.1. Corporate Governance disclosure requirement). OTP Group's Code of Ethics expects respect for human rights, emphasizes equal treatment, workplace safety, principles for preventing harassment, and fair employment. It recognizes OTP Group's responsibility to respect human rights. OTP Group supports open dialogue and provides opportunities for feedback.

The Code of Ethics explicitly includes the goal of eliminating discrimination - including harassment - and promoting equal opportunities, as well as diversity and inclusion. It specifies the following forms of discrimination: based on ethnicity, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin, and other forms of discrimination covered by EU regulations and national law.

External Expectations Related to Material Topics for Own Workforce: Related external expectations on relevant topics related to our own workforce: expectations on human rights and labour standards were guided by international guidelines, the UN Guiding Principles on Business and Human Rights (UNGP). The Code is harmonised with the sections on human rights and labour principles of the UN Global Compact, as well as with the human rights chapter of the OECD Guidelines for Multinational Enterprises, and with the core conventions of the International Labour Organisation (ILO), including on freedom of association, collective bargaining rights, equal pay and protection against discrimination in the workplace.

Policies outside the Code of Ethics are described in each sub-chapter, by topic.

[95] In the materiality assessment, we identified that most impacts can be both positive and negative. The negative impact mentioned above should be understood as focusing on avoiding negative impacts in these topics, while the goal for other topics is to achieve positive impacts.

Processes for engaging with own workforce

ESRS S1-2

Within OTP Group, engagement with the workforce and employee representatives occurs through multiple channels, always complying with legal requirements.

Employee Engagement Survey

OTP Group annually conducts a commitment survey, which is the most comprehensive and wide-ranging tool for employee feedback and expression. All employees of the member companies[96] are invited to take part. In the 2024 commitment survey, 91% of the invited employees, totaling 31,134 individuals, responded at the group level. The response rate exceeded 80% in all countries except Slovenia. The Uzbek Ipoteka Bank participated in the survey for the first time. More about the survey @ESRS S1-5.

Employees provide anonymous feedback through a dedicated platform on issues related to compensation, work organization, and human capital development. Based on the results of the survey at the organizational unit level, unit leaders develop an annual action plan in collaboration with the employees.

The operational responsibility for the employee survey lies with the Managing Director of the Human and Organizational Development Directorate of OTP Bank, ensuring appropriate involvement of stakeholders in the process and supporting the company's management in the evaluation of survey results.

The Banking Group communicates the results of the survey and action planning, as well as the implemented actions through internal channels (the most commonly used platforms are the corporate intranet, internal newsletters, and employee forums and meetings). The results are presented to the management in Presidential, Divisional, and Regional reports, as well as in the Executive Steering Committee report.

The engagement survey database allows for the analysis of the positive and negative impacts of employment by different employee demographic groups.

At the group level, the effectiveness of collaboration with employees is measured through the engagement survey: by employee participation rate, the nominal and relative values of key engagement indicators, employee evaluations of the previous year's action plans, the year-over-year changes in commitment metrics, and comparison to global benchmark values in the financial sector.

Consultation

Most of OTP Group's subsidiaries[97] have trade unions, with which the head of human resources regularly consults on employee-related issues.

OTP Group has not entered into a global framework agreement with employee representatives regarding the respect for human rights of its workforce.

Processes to remediate negative impacts and channels for own workforce to raise concerns

ESRS S1-3, S1-17

OTP Group companies utilize various mechanisms to provide opportunities for both employees and external workers to voice their complaints and grievances. These mechanisms include anonymous options to ensure that employees can use these channels with confidence. The ethical reporting system is available to the entire workforce (see @Business Conduct).

Trade unions also play an important role in raising employee concerns and addressing potential negative impacts, as well as providing information (@S1-2). Additionally, several countries have occupational safety representatives. Besides the internal channels provided by the Banking Group, employees also have legal options available, depending on local institutional frameworks, allowing them to initiate proceedings directly by approaching the courts, which we consider a suitable channel for raising concerns.[98]

[96] At the group level, the vast majority of employees receive an invitation. In terms of size, agricultural companies, which are not negligible in size at the group level, do not participate in it. Domestic subsidiaries involved in the survey: CIL Babér Ltd., BookYourDoctor Online Ltd.., Real Estate Investment Fund Management Ltd., Merkantil Bank Ltd., Merkantil Leasing Ltd., OTP Fund Management Plc., OTP Ecosystem Ltd., OTP Life Annuity Plc.. , OTP Factoring Ltd., OTP Hungaro Project Ltd., OTP Real Estate Ltd., OTP Real Estate Lease Ltd. , OTP IngatlanpontLtd., OTP Mortgage Bank Ltd, OTP Card Factory Ltd., OTP Building Society Ltd., OTP Mobil Service LLC, OTP Home Solutions Ltd., OTP Funds Servicing and Consulting Ltd., OTP Financial Point Ltd., OTP PortfoLion Ltd., OTP Travel Ltd.

[97] OTP Bank Plc., OTP Financial Point Ltd., OTP PortfoLion Ltd., OTP Travel Ltd., DSK Bank, OTP banka d. d. (Croatia), OTP banka Srbija a.d. (Serbia), Crnogorska komercijalna banka a.d.(Montenegro), Ipoteka Bank.

[98] The occupational safety authority and labor inspection institutions can also function as complaint mechanisms; however, their primary role is regulatory, so we list their procedures in the Governance chapter in relation to legal compliance (GRI 2-27).

Employee complaints are handled in accordance with the procedures and time limits set out in the law and in the ethics and internal labour regulation documents. Employees may lodge a complaint regarding the protection of their rights in accordance with the Code of Ethics and, where applicable, the internal labour regulations and collective agreements, which are accessible and available to all employees.

Nearly 17% of OTP Group's ethical reports were submitted by its own employees, namely 106.[99] No monetary compensation was initiated in any case. Within OTP Group, there were no discrimination reports or justified discrimination cases involving its own workforce. No complaints regarding discrimination against OTP Group's own employees were submitted to the national contact points considering the OECD guidelines for multinational enterprises. Two complaints were submitted to the trade union, which were resolved without monetary compensation. No internal occupational safety complaints were received during the reporting year.

A total of 57 labor proceedings were initiated against OTP Group companies in the reporting year. During the year, 17 proceedings from 2024 and 20 from previous years were concluded. 15 labor lawsuits resulted in payment of fines. The compensation amount was HUF 235 million, a significant part of which was a fine paid due to practices from previous periods (HUF 226 million).

A total of 166 complaints were received through the above-mentioned channels.

Targets

ESRS S1-5

The group-level engagement survey is the primary tool used by OTP Group to comprehensively measure, evaluate, and monitor progress in all areas related to its employees, including the material topics identified within the framework of the double materiality analysis[100]. The objective related to the level of **engagement** represents OTP Group's overall goal for its employees and the topics affecting them. OTP Group's practices contribute directly to increasing engagement, so this goal covers all the important issues related to employee well-being.

Engagement is an extremely complex indicator[101], as it depends on numerous factors that affect employee satisfaction, well-being, and long-term commitment to the company. One of the key indicators of OTP Group's engagement model is the engagement score. It is an output score that cannot be directly improved. The elements of the survey, the drivers, are specific experiences (e.g. community building, empowerment, recognition, etc.) through which an organization can positively or negatively influence engagement. The drivers of the engagement survey are statements with which agreement is measured on a 5-point scale. Engagement is a complex indicator that reflects the average proportion of positive responses to the statements included.

OTP Group aims to continuously increase employee engagement and to achieve the 75th percentile of the financial sector benchmark and the global 75th percentile at Group level. The financial sector target was 75% and the global target was 78% in 2024. OTP Group's engagement level reached 77% compared to 2023, an increase of 5 percentage points, exceeding the financial sector benchmark.

There has been a positive shift in all engagement topics (so-called drivers). The indicator has moved in a positive direction in most countries (Slovenia and Russia being exceptions). The most significant improvements, exceeding 5 percentage points, occurred in Bulgaria, Montenegro, and Serbia.

The goal is a relative target, comparing the Group's performance with other large companies and global benchmarks[102]. The Group measures the achievement of this goal on an annual basis. The survey is conducted every October, with the results being available at the end of November.

Annual action plans are developed based on the survey results, resulting in the implementation of measures during the execution phase. The action plan and its follow-up serve as effectiveness measurement indicators.

[99] The identification of the reporter cannot be precise due to the possibility of anonymity.
[100] The themes identified in the ESRS are not mentioned by name in the survey or in the objectives, and OTP Group does not disaggregate the survey subcomponents into ESRS themes.
[101] Qualtrics Employee Engagement
[102] The external benchmark result is based on more than 20 million responses from over 750 companies, at least 20% of which are part of the Fortune 500. The financial sector benchmark includes 121 companies with 3.3 million responses. The global 75th percentile represents the upper quartile based on all responses.

The survey covers the operations of OTP Group in 11 countries, encompassing the vast majority of employees (see @S1-2). In terms of its content, the survey includes all factors affecting employee engagement, covering topics such as:

- Workplace Atmosphere: Respectful treatment, trust in direct supervisors, open and honest communication, freedom of expression, openness to ideas and opinions, importance of employee well-being to senior management and the organization, work-life balance
- Performance Initiatives: Recognition for good work/performance-based rewards, constructive feedback on work performance, responsibility for one’s performance, clear distinction between roles, understandable expectations, appropriate professional knowledge, learning/development opportunities, good career prospects, attracting excellent professionals
- Work Environment: Appropriate authorizations, access to resources and information, sustainable workload, helpful direct supervisor, cooperation within and between teams, effective decision-making processes, workplace safety, and health protection

The survey is conducted based on international methodology, ensuring the tracking of trends of results through the provided structure and questionnaire. External and internal benchmarks are used in data analysis to contextualize and evaluate results. The external benchmark is based on responses from over 700 companies, with the financial industry benchmark comprising 121 companies from the bank sector. The global 75th percentile benchmark represents the top quartile of responses to all questions.

The survey preparation tasks were carried out in international working group collaboration within OTP Group, with each country contributing to the content and methodological development of the survey. In 2024, the company made minor technical adjustments based on working group feedback.

The non-target objectives related to the engagement measurement, if any, are described in each sub-chapter, by topic.

Taking action on material impacts on own workforce

ESRS S1-4

At the group level, the employee engagement survey (see @S1-5) serves as the basis for annual action planning, process improvement, and the implementation of further measures and programs. Despite improving values, the group-level development focus remained on **ensuring career opportunities**, developing and simplifying processes that **ensure employee well-being**, and **senior management involvement** in employee dialogue in 2024.

The key measures are presented by topic in the following subsections (@S1-4, @S1-4, @S1-4, @S1-4, @S1-4).

OTP Group's guidelines, objectives, and practices outlined in the Code of Ethics emphasize not causing or contributing to significant negative impacts (see @S1 SBM-3).

The management of impacts affecting employees is carried out by the HR departments of each group member - their headcount depending on the organization's size. The legal and compliance department support the handling of complaints, investigation of ethical reports, ensuring legal compliance, and the compliance department is responsible for measures against workplace violence and harassment. OTP Group aims to employ an adequate number of internal human resources with experience and expertise in these areas and external experts are engaged if necessary. The adequacy of resources is indirectly characterized by the results of employee engagement surveys, employee complaints, and legal compliance. Improvement in engagement is observed, and the number of employee complaints is not considered high relative to the number of employees.

Characteristics of Employees

ESRS S1-6

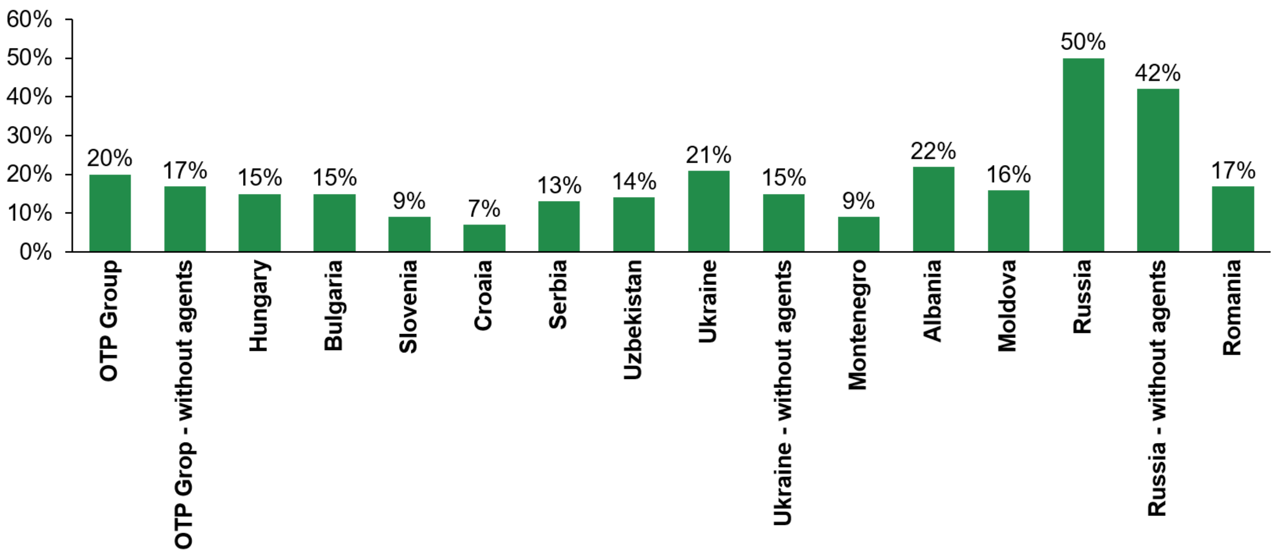
At the group level, the number of active employees decreased from 44,468 to 43,118. This change is primarily explained by the sale of the Romanian subsidiary. The distribution by age and gender changed minimally compared to the previous year: the ratio of women to men among active employees changed from 66 % to 65 %. The distribution of employees by country is presented in the @SBM-1 disclosure requirement.

OTP Group Employee headcount, persons, as of 31 December						
	2023			2024		
	Total	Men	Women	Total	Men	Women
Employees, total	**44,468**	**14,986**	**29,482**	**43,118**	**15,293**	**27,825**
Full time employees	42,236	14,565	27,671	40,984	14,887	26,097
Part-time employees	2,232	421	1,811	2,134	406	1,728
Permanent employees (employees with indefinite-term contracts)	43,096	14,740	28,356	41,827	14,980	26,847
Temporary employees (employees with fixed-term contracts)	1,372	246	1,126	1,291	313	978
There were no employees with non-guaranteed working hours at the end of 2024.						

Employee turnover, 2024	OTP Group
Turnover rate (%)	**20.03%**
Employees left (prs)	**8,918**
Percentage of employees leaving – compared to the total by categories	
male (%)	17.57%
female (%)	21.35%
under 30 years (%)	39.91%
between 30-50 years (%)	16.28%
over 50 years (%)	12.89%

Employee turnover, 2024

ratio of employees leaving compared to the closing number (persons) by country)



In Russia and Ukraine, there is typically a high turnover rate among sales agents, so we also present the ratios excluding the employed agents.

3.1.1. Gender Equality and Diversity[103]

Policy

ESRS S1-1

Beyond the Code of Ethics, the following policies regulate the issue of diversity:

Strategy for Gender Equality

Key content: In 2021, OTP Bank developed a strategy to promote gender equality, aiming to ensure equal opportunities for women. The Bank has set strategic goals to ensure equal opportunities for all employee groups, creating an open and inclusive workplace free from discrimination and disadvantage, and supporting a diverse, professionally outstanding, and collaborative work culture.

Scope: The strategy applies to OTP Bank.

Accountable for the implementation: In ethical matters, the compliance managing director, who reports directly to the President-CEO, is responsible and reports to the Ethics Committee.

Availability: The strategy is publicly available on the Bank's @website and accessible online on internal platforms for stakeholders.

Reference to third-party standards: The strategy complies with the relevant Hungarian legal requirements (Act CCXXXVII of 2013 (Hpt.) Section 112 (3) f)), as well as the recommendations of the Hungarian National Bank and the European Banking Authority's EBA-GL-2017-12 guidelines. The handling of complaints related to discrimination is included in the @S1-3 disclosure.

OTP Bank regularly analyses key indicators for talent attraction and employee development opportunities, with a focus on building a group-level leadership community and developing key skills to build international professional knowledge and community.

Subsidiary Policies

Some subsidiaries also have diversity policies that prohibit workplace discrimination and support equal opportunities. Due to space constraints, we present the main content, application scope, and responsible parties for these policies.

Key content, scope and accountable for the implementation: In Bulgaria, DSK Bank renewed its "Diversity, Inclusion, and Belonging" policy in 2024. The policy emphasizes gender equality and equal pay for equal work. The Head of Human Resources and Transformation Division is responsible for the policy. A dedicated team supports the implementation of the policy. A specific methodology has been developed for continuous monitoring and review of these topics. Regular reviews are conducted based on real data, involving senior management, and the topic is a regular agenda point at the Nomination and Remuneration Committee and the Supervisory Board of the bank.

Key content, scope and accountable for the implementation: In Slovenia, the subsidiary's Diversity, Inclusion, Equality, and Belonging (DIEB) policy declares the bank's commitment to these topics. The Head of Human Resources is responsible for the implementation of the policy. The policy aims to enforce the principle of a discrimination-free and harassment-free workplace for all employees and throughout the employee lifecycle, recognizing individual differences. The document requires the definition of plans and measures, as well as leadership responsibility for maintaining a diverse corporate culture. It also defines engagement measurement indicators (KPIs) to track diversity goals on an annual, quarterly, or monthly basis.

Key content, scope and accountable for the implementation: The Croatian subsidiary's Diversity and Inclusion Policy aims to create a discrimination-free, open, and inclusive workplace and support a diverse, professionally outstanding, and collaborative work culture. The document applies to all employees. The implementation of the policy is supported by specific action plans and training, with a dedicated responsibility for compliance with internal rules and international standards, referencing the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The highest level of responsibility for the policy's implementation lies with the CEO.

[103] „We present the practices related to the sub-subtopics of 'Gender Equality and Equal Pay for Equal Work,' 'Diversity,' and 'Employment of Persons with Disabilities' in a consolidated manner.

Taking action on Gender Equality and Diversity

ESRS S1-4

The principles of the Code of Ethics are incorporated into internal regulations in various ways. Generally, the internal regulations of OTP Group members stipulate that positions must be filled and performed according to specific conditions related to the type and level of qualifications, work experience, and other criteria, in accordance with the complexity, responsibility, and specific description of the positions, without any discrimination.

It is considered good practice in Slovenia that ensuring diversity and equal opportunities is enshrined not only in the corporate charter and the Code of Ethics but also in policies related to the selection of executive board members, as well as in regulations aimed at preventing workplace discrimination, mobbing, and other forms of psychosocial risks.

Most group members continuously implement measures to promote equal opportunities and diversity. The introduced measures are typically monitored, but criteria for effectiveness are not always defined. Here are some programs, without claiming completeness:

In 2024, OTP Bank launched new diversity programs**:**

- The international Women Network program is implemented with the involvement of subsidiary banks, preparing and encouraging women for higher-level leadership roles. Additionally, a series of webinars for female leaders and a mentoring program aim to support the career development of the most talented female leaders.
- The launch of OTP Digital GirlPower Program supports the employment of women in digital and IT fields through a dedicated talent pipeline program.
- To eliminate unconscious prejudice, diversity-supporting, awareness-raising training materials are being prepared for leaders and employees on gender equality and diversity topics. The "Openness and Inclusion" digital training material, which covers all employees, also serves as a foundation for future inclusive leadership development programs.

At DSK Bank, the issues of diversity and equal opportunities are managed by the dedicated Culture & Change team since 2024. The team has set clear and forward-looking goals. The bank has reviewed the methodology for measuring gender pay gaps; regular KPI reporting and senior management meetings were established to monitor diversity and inclusion topics. Detailed internal rules and procedures are being developed to monitor diversity and pay gaps. A dedicated procedure is being developed for returning from maternity/paternity leave, supported by the LaDySK community for easier reintegration. The goals of the LaDySK community, composed of female leaders, have been redefined to increase the chances of women being among the potential candidates for B-1[104] level positions. The community has a clear activity plan and a coordinator team to support development.

In accordance with the Gender Equality Act, OTP Bank Serbia has defined a package of measures focusing on six topics. The measures address:

- equal access to information within the bank
- addressing gender differences in health insurance, e.g., additional benefits for pregnant women and newborns
- promoting gender equality by giving preference to male candidates, while ensuring non-discrimination
- maintaining balanced gender ratios in top management
- Using gender-sensitive language to influence the elimination of stereotypes relating to specific genders
- disaggregation of relevant data by gender and submitting it to the competent institutions.

The subsidiary measures the effectiveness of its actions, including the number or absence of court cases related to gender equality and based on employee feedback received in this regard.

The Uzbek subsidiary has established a separate reporting line within the HR Directorate for employees to report potential violations of equal opportunities, in addition to the ethical reporting line.

The Russian subsidiary, in line with legal requirements, has introduced regulations and quotas for employing people with disabilities. The quota is determined based on the proportion of the workforce.

The Ukrainian subsidiary has made a separate e-learning course available on the topic of interactions with people with disabilities.

[104] DSK Bank senior management

Targets Related to Gender Equality and Diversity

ESRS S1-5

OTP Bank set measurable goals in 2021 in the so-called "Strategy for Achieving Gender Equality" document (without a specified timeframe).

The goal is to have at least one female member on the Board of Directors and the Supervisory Board. The Bank also considers the legal requirement that members of the governing bodies must have appropriate knowledge, skills, and experience, which remain the primary and essential criteria for selecting suitable candidates. The goal was established considering relevant Hungarian and European Union recommendations[105]. Since 2021, the Board of Directors has had one female member.

Succession planning for leadership positions is consciously designed and monitored at various leadership levels. In order to ensure an adequate number of internally promotable female candidates in the company's leading roles, OTP Group's leadership succession practice set a target of at least a 30% female candidate ratio in 2024.

The goal of the Uzbek subsidiary is to maintain the current level of employee satisfaction (84) and to have no discrimination complaints. The achievement of this goal is measured through internal surveys and feedback systems.

Diversity metrics

ESRS S1-9, S1-12

Gender distribution of senior management, OTP Group 31/12/2024	Man	Female
Number of senior manager (person)	66	16
Proportion of senior managers (%)	80.49%	19.51%

Age distribution of employees, %, 31/12/2024	OTP Group
under 30 years	18.68%
between 30-50 years	60.70%
over 50 years	20.62%

Within OTP Group, the proportion of employees with disabilities is 1.23% (531 people). In Hungary and most subsidiaries, the collection of data on the number of people with disabilities is not legally restricted.[106] DSK Bank employs the most people with disabilities, their number is 186. Local laws define who qualifies as a person with a disability and member companies use these definitions.

Remuneration metrics (pay gap and total compensation)

ESRS S1-16

The average pay gap between female and male employees in OTP Group, expressed as a percentage of the average pay level of male employees, is 34,83%. This difference is due to the fact that men and women typically hold different positions, with a higher proportion of men being in higher-paid positions.

In OTP Group the ratio of the total annual compensation of the highest-paid individual to the median total annual compensation of all employees (excluding the highest-paid individual) is 172.

3.1.2. Training and skill development

Training and development activities are directly linked to corporate strategies to ensure alignment with both employee needs and organizational objectives. The aim of training programs is to develop employees' professional competencies, contributing to the group's competitiveness and compliance with regulatory requirements. Additionally, training supports the enhancement of employee engagement, which is crucial for increasing overall organizational efficiency.Access to skill development is described in @S1-4.

[105] Including the recommendation No. 11/2019 (V.6.) of the Hungarian National Bank and the guideline No. EBA-GL2017-12 of the European Banking Authority.
[106] For Serbia, Russia, and Uzbekistan information is not available.

Taking actions on training and skill development

ESRS S1-4

OTP Group offers a wide range of training and development programs (from leadership and professional programs, soft and hard skills training, external training and conferences, to individual and group online courses)[107] to support the professional growth of employees. Group members adapt to local needs based on their own requirements and situations, so each organization develops the skills and knowledge of its employees according to its own priorities. OTP Bank formulates training recommendations at the group level, the implementation of which varies by country due to different legal and regulatory environments and other local conditions.

All employees of the Group receive training, and every employee has the right to continuously develop their knowledge and skills in line with business and personal development priorities. Mandatory trainings are typically designed through a planning process. These plans combine mandatory training required by legal regulations with the development of employees' professional competencies. Training plans are developed with employee involvement, and where performance evaluations exist, their results are taken into account. Subsidiary banks have the opportunity to utilize the parent bank’s e-learning trainings, the organization, execution, and feedback of which are the responsibility of the subsidiaries.

The completion of training sessions is monitored by Group Members, primarily by the employee's supervisor and the training area specialist and draw the attention of the employee's manager if training has not been completed. Records are provided by the training framework.

The training budget is planned annually as part of the global annual budgeting process. The training budget is prepared in line with identified training needs, business strategies, and priorities. In 2024, OTP Bank's total financial expenditure for direct training and development purposes (including all trainings) amounted to approximately HUF 2 billion. This represents approximately 1% of PEREX (personnel expenses), which aligns with industry best practices according to international corporate benchmarks.

A good practice in relation to training planning is the Slovenian subsidiary's talent management principle, which considers every employee as talent. The subsidiary categorizes its programs into three groups: leadership development programs, expert development programs, and general development programs. Leadership development has received significant emphasis in recent years, and OTP Bank plans to implement a series of workshops for them in the coming year as well. Leaders have their own training budget, which they can primarily use for the professional development of employees. The development programs available to all employees focus on well-being and personal growth (e.g. motivation and optimism, life in the digital world).

In Ukraine, training goals and plans are developed through an extensive consultation process involving employees to ensure that their expectations align with the subsidiary bank's strategy. The aim is to train at least 80% of employees, thereby supporting their professional development, job satisfaction, and long-term commitment to the company.

Group members implement numerous improvements in the scope of training or training organization year after year. Below are some examples of developments introduced by group members in 2024, without aiming for completeness:

At the group level, international talent management programs have been implemented as part of the OTP Academy framework. Professional academies include IT Academy, Agile Academy, Chapter Leader Academy, and Retail Academies.

Specifically related to ESG, the Risk Academy Foundation’s ESG Module, an English-language training course available to everyone, was completed by more than 1,000 colleagues working in risk management across the group. To enhance environmental awareness, OTP Bank piloted a 3-month awareness program called GreenStorm, with about 40 participants.

OTP Bank has made skill development training available in three main areas based on the previously introduced leadership role model, covering the topics of change, performance, and engagement. Skill development training was organized for employees based on requests received from various departments and the most important market trends. Both leaders and employees could choose from the available trainings based on training discussions held with their respective evaluative leaders.

[107] We consider this continuously implemented training program package as an action.

In Serbia, the Skill4U educational program has been introduced for all employees, allowing them to select the most suitable educational materials and development trainings through the House of Benefits online platform. The program helps to reduce skill gaps, increases engagement, supports career development, and enhances employee satisfaction and well-being, while also contributing to the company's talent development and organizational agility goals.

CKB planned extensive leadership training for directors as part of a corporate culture change project.

The Ukrainian subsidiary developed a new competency matrix focusing on gaining soft and hard skills to facilitate the development of business-critical skills. A new feedback platform has been introduced, allowing employees to provide feedback in regards to the training programs.

In Russia, a comprehensive Learning & Development strategy was adopted at the end of 2023 to modernize and improve the bank's learning and development processes. This includes updating training programs, improving processes and technologies, increasing automation, developing a feedback culture, and involving additional resources. The strategy was implemented in 2024. Key indicators, for which target values were defined, measure employee engagement, retention (turnover), the effectiveness of internal training programs, and leadership evaluations.

NAGISZ Zrt. and Nádudvari Élelmiszer Kft. focused on developing the competencies and leadership skills of managers throughout the year.

Performance goals and development goals are set within the annual performance management process, tailored to individual development needs necessary for doing the specific work or even develop further. Performance evaluation, including the assessment of goals and competency/value-based behaviour, is conducted within the evaluation process. Group members evaluate the performance of the employees in different ways. At OTP Bank, evaluations are conducted twice a year, while in agile areas, this process is divided into quarterly cycles.

At subsidiaries, the employees working at the head office undergo at least annual performance evaluations, while the employees in branch network participate in quarterly performance evaluations based on goal agreements. These evaluation systems focus on achieving individual and organizational goals, competencies, and feedback methods. In 2024, Ipoteka Bank conducted only KPI evaluations and plans to introduce performance and career development evaluations in 2025.

Targets related to training and skills development

ESRS S1-5

OTP Group members set numerous subsidiary-specific goals in the area of training and skills development, such as the implementation of training plans, achieving goals set in competency matrices, and indirectly related to satisfaction and engagement. Due to their diversity and lesser significance at the group level, we refrain from detailing these goals.

Training and skills development metrics

ESRS S1-13

Annual training per employee, number of hours, 2024	
	OTP Group
Senior manager	110
Middle manager	80
Employee	31
Men	27
Women	41
Average 2024	**36**
Average 2023	34

Employees receiving regular performance and career development reviews, %, 2024	
	OTP Group
Proportion of senior managers (%)	89.65%
Proportion of middle managers (%)	87.90%
Proportion of employees (%)	68.96%
Proportion of men (%)	66.35%
Proportion of women (%)	72.26%
Proportion of total (%)	**70.91%**

3.1.3. Health and safety in the workplace

OTP Group strives to maintain safe working conditions and preserve the health and safety of its employees.

Policies

ESRS S1-1

The occupational safety regulations of the subsidiaries are considered as policies related to workplace health and safety, which are always prepared in compliance with local laws to ensure legal compliance. These regulations are independently prepared by group members, and we refrain from presenting them individually due to their lesser significance.

Key content: OTP Bank Occupational Safety Regulation is a comprehensive occupational safety prevention strategy aimed at implementing the requirements for safe and healthy working conditions in accordance with the Occupational Safety Act. The regulation uniformly defines the responsibilities for occupational safety tasks across the entire workplace and regulates the processes for performing specific occupational safety tasks. Subsidiary regulations also focus on creating and maintaining safe working conditions.

Accountable for the implementation: The relevant regulation of OTP Bank was adopted by the CEO. The responsible manager for occupational safety activities at the Bank is the head of the CEO's Cabinet. As group members, CEOs are responsible for adopting the policy, supported by the heads of operations and local occupational safety officers in implementation.

Ensuring availability: Occupational safety regulations are available in internal regulatory repositories.

Reference to external requirements: The framework for occupational safety is provided by local legal requirements.

Actions on health and safety

ESRS S1-4

OTP Group operates workplace health and safety programs to maintain a safe and healthy work environment. These programs include targeted activities to prevent accidents, minimize workplace risks, and protect the physical and mental health of employees, including risk analysis, occupational safety training, and the physical design of a safe workplace. These activities[108] are being routinely operated within the group, with minor annual developments due to changes in legal requirements or independent initiatives by subsidiaries. OTP Group employees primarily work in low-risk positions from an occupational safety perspective, and the framework for occupational safety is regulated in accordance with legal requirements, with activities implemented accordingly.

The effectiveness of occupational safety and occupational health processes is monitored and evaluated in various ways by subsidiaries. Internal audits support compliance with health and safety regulations, and feedback from stakeholders, especially from employees, plays a significant role in evaluating initiatives. At companies with works councils, regular consultations are held with institutionalized employee representatives on occupational safety issues.

Considered as a good practice, OTP Bank investigates near-miss incidents in addition to accidents and shares lessons learned and best practices with affected employees through extraordinary training.

In Russia, an audited occupational health and safety management system is operated based on legal requirements, recognized standards, and recommendations. The management system includes regular briefings, training, and periodic checks of occupational safety knowledge for stakeholders. Preventive and periodic medical examinations, including psychiatric evaluations, are organized, as well as daily pre- and post-travel health checks for employees with transportation-related duties. These measures cover all facilities and employees.

Key measures include ensuring a safe and healthy work environment; operating and auditing the occupational health and safety management system; regular briefings, training, and education on occupational safety knowledge; providing voluntary health insurance for employees; organizing pre- and periodic medical examinations, including psychiatric evaluations; and conducting pre- and post-travel health checks.

In the context of workplace health and safety, measures include health promotion and preservation programs, as well as stress management programs, which are presented below.

[108] We do not consider these as measures according to the ESRS; however, it is important to describe the existence of these practices for context.

The scope of key measures covers every country and applies to all employees, with any deviations noted separately. The timeframe for implementing key measures varies by country and depends significantly on the type of measure.

Health preservation

It is a general, ongoing practice within the group to conduct regular **preventive health examinations** for employees[109].

OTP Bank provides occupational health examinations for all positions, even though it is not a legal requirement. Pre-employment and periodic medical examinations are conducted according to the schedule set by health authorities. Within the framework of OTP Bank's occupational health services, 9,540 examinations were conducted by the end of September. The examinations are tailored to the specifics of the job. Office and customer service employees undergo basic examinations, while those in higher-risk positions also undergo specialized examinations.

The Bank and its 24 domestic subsidiaries[110] provide high-quality health insurance services for employees. As a result, 6,835 participated in screening examinations or received care for complaints one or more times during the year. Among them, 4,577 employees utilized the annual screening package, which we consider positive in terms of prevention and health awareness. By the end of 2024, HAGE, NAGISZ Zrt., and Nádudvari Élelmiszer Kft. introduced employer health insurance offering health insurance services and sum insurance for senior employees.

The parent bank and subsidiaries offer various welfare programs for employees. These typically include lectures, webinars, workshops, health days, screenings, and vaccinations. The programs are diverse, varying by company, and primarily focus on health promotion, mental and physical health, and stress management, and are continuously available to all employees.

The Slovenian subsidiary places a strong emphasis on health promotion. In 2024 it continued the previously established practice of active breaks, encouraging refreshing office exercises, and holding health promotion webinars. To earn the "Heart-Friendly Bank" title, they implemented a safety and resuscitation workshop, among other initiatives.

Stress management

OTP Bank conducted a renewed psychosocial risk assessment in 2024 to promote mental well-being, examining health status, stress, and workload anonymously. 12% of employees participated in the survey, and the results served as the basis for further health programs.

To manage workplace stress, the Bank operates a program with supportive conversations: providing mental health professionals, psychologists, and coaches to support employees in difficult, mentally demanding situations. This service is available to all employees free of charge and is provided by an external partner (otp.meghallgatunk.online). The conversations follow the guidelines of the International Coach Federation (ICF) and mental health frameworks, and the confidentiality of the conversation is ensured. The service is increasingly used by employees year after year, with over 1,000 conversations held in 2024.

Employee skill development training (e.g., mindfulness, stress management, effective assertive communication) is available twice a year for Bank employees. Training is organized based on demand, with an average of 350 employees participating in these sessions each semester.

Among Hungarian companies, NAGISZ Zrt. and Nádudvari Élelmiszer Kft. launched training projects for managers in 2024 to learn stress and life management, and energizing techniques. Participants received personalized support through individual coaching.

[109] Ipoteka Bank has initiated the development of Voluntary Health Insurance (VHI) and the PUSH30 programme to promote healthy lifestyles among employees, in addition to compulsory insurance and health screening.
[110] In addition to mandatory insurance and health screenings, Ipoteka Bank has initiated the development of voluntary health insurance (VHI) and the PUSH30 program to promote a healthy lifestyle among employees.

In Montenegro, as part of the CKB Open Training program, employees had the opportunity to participate in training on flexibility and stress management, effective time management, and conflict resolution. As part of the CKB Wellbeing program, lectures were organized for employees on topics such as improving sleep quality, tips and strategies for overcoming physical and mental obstacles, and a lecture on the world of extraordinary responsibility from the perspective of a heart surgeon.

Targets Related to Workplace Health and Safety

ESRS S1-5

OTP Group strives to maintain safe working conditions. The low number and severity of accidents demonstrate the effectiveness of these efforts. OTP Group monitors and reports workplace accidents and injuries. Three subsidiaries have set measurable goals specifically related to workplace health and safety. For goal achievement, see @ESRS S1-14 Health and Safety Metrics disclosure.

- In Serbia, the goal is to reduce the number of workplace injuries in 2025 compared to 2024. The goal applies to the entire bank and all workplaces, with a focus on reducing injuries at bank premises. In 2024, there were a total of 14 injuries (13 minor and 1 serious). The goal was set based on workplace risk assessments and preventive inspections at bank premises. The measurement method has not changed from previous years, and the method for recording workplace injuries is defined by the local occupational safety and health law.

- The goal of the Uzbek subsidiary is to maintain zero workplace accidents. Monitoring is conducted through quarterly reviews.

  The main goal of the Ukrainian subsidiary in the area of occupational safety is also to maintain a zero injury and accident rate, which complies with the requirements of the Ukrainian Occupational Safety Law and the regulations on occupational safety services. The target value has been met; no accidents were registered in 2024.

Health and Safety Metrics

ESRS S1-14

Based on legal requirements and/or recognized standards or guidelines, the percentage of persons covered by the company's health and safety management system within the company's own workforce is 83%[111]. In those subsidiaries where such a system is in place, the number of persons covered is 100%[112]. Such a system is not in place in small subsidiaries.

Work-related injuries and illnesses, 31/12/2024	OTP Group 2024
Number of accidents (pcs)	
employees	66
Accident rate (per 1 million hours worked)	
employees	0.85
Occupational illnesses (pcs)	
employees	0
Total number of calendar days lost due to work-related accidents and illnesses (pcs)	1,384
Number of fatal accidents and illnesses (pcs)	
employees	0

Working hours are mainly the number of hours actually worked, based on the time sheets. Where full records were not available, hours were estimated as the number of staff multiplied by the average annual hours worked.

[111] Apart from the small member companies, OTP Bank Croatia and CKB do not have such a system, and these member companies also comply with the legal requirements, including training of employees in occupational safety and health, risk assessment, and assessment of the adequacy of working conditions.
[112] The exception is OTP Bank Albania, where the rate is 99.71%.

3.1.4. Work-life Balance

Beside Code of Ethics, the work-life balance is covered by separate internal regulations according to specific practices that vary by country, in line with the applicable Labor Code in each country.

Action on work-life balance

ESRS S1-4

OTP Group continuously strives to achieve work-life balance, which can be particularly important in positions where working hours or activities carry specific stress factors. Various employee benefits and support systems are continuously available within OTP Group to help maintain employee well-being.[113]

The measures primarily focus on working hours and flexibility, leaves and absences, and welfare and recreational areas within the group. Effectiveness is monitored through regular employee engagement surveys and feedback collected after specific events and initiatives. Employee participation and engagement levels indicate the success of these measures.

89% of OTP Group employees positively evaluate that their direct supervisor supports them in maintaining work-life balance. This result exceeds the international industry benchmark (87%) and shows a 1 percent improvement compared to the previous year. Simultaneously, 81% of employees feel that their workload is manageable, representing a 3-percent improvement compared to 2023 and exceeding the benchmark value. Solutions for flexible employment and work-life balance, as well as a wellbeing/family-friendly approach, exist at all subsidiary banks, tailored to the legal and operational possibilities of the respective country. The above-average results within OTP Group are significantly supported by the practice of home office, part-time employment opportunities, managerial support, and family-friendly measures such as organizing summer camps and reward vacations or other benefits. (OTP Bank financially supports the use of paternity leave by paying 100% of the absence fee for the entire duration).

OTP Group offers opportunities for **atypical employment**, including part-time employment, remote work, and home office. Most countries provide flexible working arrangements.

- The Slovenian subsidiary holds the Family-Friendly Company certification, under which 16 measures are continuously available to various target groups to achieve better work-life balance. The certification is confirmed annually through an external audit.
- In Serbia, a hybrid work model (50% home office for employees whose job requirements allow it) and flexible working hours were introduced in 2024. A birthday leave policy was introduced, allowing employees to take an additional day off.
- The Uzbek Ipoteka Bank introduced a flexible work schedule in 2024. Additionally, it provided summer camp opportunities for employees' children.
- In Russia, a large-scale community program was created, with a total of 1,500 individual users in 17 communities. The common feature of these communities is that they focus on hobbies and personal interests, emotional intelligence development, talent development, and were created through employee initiatives.

3.1.5. Measures Against Workplace Violence and Harassment

Policies

ESRS S1-1

The prohibition of workplace violence and harassment is declared at the group level in the Code of Ethics (@G1-1, @S1-1).

Key content: Beyond the Code of Ethics, CKB within the Banking Group has a separate policy for handling workplace harassment (Mobbing Policy). The policy prescribes detailed procedures for handling discrimination cases.

[113] These are considered as actions.

Scope: The policy applies to CKB's own employees.

Accountable for implementation: The Head of Human Resources is responsible for implementation.

Consideration of the interests of key stakeholders: Employees were given the opportunity to provide feedback or file complaints regarding the effectiveness of anti-harassment measures, contributing to the continuous improvement of the policy. The policy was reviewed and amended in 2024.

Reference to third-party standards: Compliance with legal requirements, including the prohibition of workplace harassment and labour laws.

Availability: The document is accessible to employees on the internal intranet platform.

Measures against violence and harassment in the workplace

ESRS S1-4

The Banking Group implements measures related to the application of the Ethical Code on this topic (see @G1-3). The measures are considered effective and appropriate, given the low number of workplace violence and harassment cases (@S1-17).

3.2. Reporting policy regarding Chapter S1

Engagement indicator: one of the key indicators of OTP Group's engagement model is the engagement score. It is an output score that cannot be developed directly. Drivers are specific experiences (e.g. community building, empowerment, recognition, etc.) through which an organisation can positively or negatively influence engagement. Engagement survey drivers are statements with which agreement is measured on a 5-point scale. Engagement, a composite indicator, reflects the average of the proportion of positive responses to the statements included.

S1-6 An employee is defined as any worker who has a direct employment contract with one of the Group's subsidiaries. The report includes only employees who are part of the active workforce. OTP Group consists of more than 100 subsidiaries, and we provide comprehensive metric data, except for certain specified exceptions. The presentation of policies, measures, and objectives related to the workforce covers large subsidiaries (with more than 250 employees). (see also @ESRS 2 IRO-2).

S1-6 50 a, b The number and distribution of employees at the end of the year are expressed in terms of the number of employees in service. We provide breakdowns in countries where the Group has 50 or more employees, who represent at least 10% of the total workforce. For gender breakdowns, the 'Other' category is not used; OTP Group's records include male and female genders, which are recorded based on the identity card.

Permanent employees: those employed under an indefinite-term employment contract.

Temporary employees: those employed under a fixed-term employment contract.

Non-guaranteed hours employees: the number of working hours is not specified in the employment contract.

The classification of full-time and part-time employees is based on the local regulations of each country.

S1-6 50 c When calculating turnover, the number of departed employees is the total number of employees who left the Group during the reporting period, including those who left voluntarily, were dismissed, retired, or passed away. The turnover rate is the number of departed employees divided by the year-end headcount.

S1-6 52 a, b The definition of a region in the report: country.

S1-6 50 d The employee data comes from the records of the companies' registration systems.

S1-9 AR 71 The Group applies the following definitions to senior management:

- OTP Bank Nyrt.: CEO and all of their deputies;
- Hungarian subsidiaries: the top executive of the subsidiary AND the managers covered by the remuneration policy;
- foreign subsidiary banks: The top executive of the bank (CEO) and their deputies, or the direct managerial level below the CEO (CEO-1).

S1-9 66 a, b At the senior management level, the gender distribution is determined based on the headcount (number of individuals) according to year-end data.

The number of employees by age group is expressed in headcount, i.e., the number of employees (individuals) at the end of the year. The age groups are as follows: under 30 years old (including the 30th birthday); between 30 and 50 years old (including the 50th birthday); over 50 years old.

S1-12 AR 76 Persons with disabilities include those employees who are classified as persons with disabilities under the relevant local legislation.

S1-12 77 The proportion of persons with disabilities among own employees: the number of employees with disabilities, divided by the total number of employees, in headcount, as of the balance sheet date (December 31).

S1-13 83 a, AR 77 A regular performance review is defined as a review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year.

The Group considers all evaluations carried out to be accepted by management. The denominator includes the number of employees at the end of the year, expressed in headcount, broken down by gender and employee category.

For each S1 data point, employee categories are:

- Senior management: The definition is the same as the definition of senior management used to publish S1-9 – Diversity indicators.
- Middle management: Employees who are not part of the senior management group, but have professional and human resource management responsibilities for a permanent organizational unit, as defined at the company level.
- Subordinates: All employees who are neither senior managers nor middle managers, according to the definition defined at the company level.

S1-13 83 b, AR 78 When calculating the average training hours per employee, the total training hours are divided by the number of employees at the end of the year used for S1-6 disclosures. The trainings reported under this publication include all trainings except school-based trainings and vocational qualification trainings. Recurring training (e.g. compliance, safety, occupational safety, etc.) is also included.

S1-14 The disclosure will apply to employees in 2024, in accordance with the definitions used for S1-6 disclosures.

Accidents to be recorded include accidents (including serious injuries and deaths) that occur during the reporting period. Accidents while commuting to work are only work-related if the Group is responsible for organizing commuting to work.

S1-14 88 c The accident rate is given per 1,000,000 hours worked.

The number of working hours is primarily the number of hours actually worked, based on the working time record. Where there was no complete record, the number of hours was estimated as the product of the number of employees and the average number of hours worked per year.

S1-14 88 e The Group publishes the number of days lost due to work-related accidents, work-related health impairments and deaths due to health impairments for employees.

Lost days are calculated as the first full day and the last day of absence. Calendar days are taken into account in the calculation.

S1-16 97 a Calculation of the gender pay gap (%) is: (Average gross hourly wage level of male employees - average gross hourly wage level of female employees) / (Average gross hourly wage level of male employees). The hourly wage level is the total benefit divided by the number of hours worked. The total allowance is the total annual payment.

The calculation includes data on all employees of Group entities that have at least 15 employees on the balance sheet date.

S1-16 97 b The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual). The calculation includes the basic salary and all other benefits and remuneration (additional or variable elements). Due to the difficulties of data aggregation, the median data for employees includes data for a total of about 38,000 employees.

S1-17 103 a The Group discloses the total number of incidents of discrimination, including harassment, reported in the reporting period.

S1-17 103 b, c The Group Discloses the number of complaints submitted through the channels available to its own workforce during the reporting period and the total number of fines, penalties and compensations.

3.3. Clients

Safety and secure operations are paramount for OTP Group. To this end, we assess and manage risks affecting our operations and establish strong protections against fraud attempts.

In developing our products and ensuring the accessibility of our services, we adhere to ethical and consumer protection principles and regulations that provide modern, high-quality, and fair services that meet customer needs. We are committed to the financial well-being of our customers and offer products that align with their real needs and capabilities. Financial products and services are often complex and understanding them requires proper communication practices from the Banking Group. We always strive for clear, understandable communication and customer service.

Material Impacts, Risks

ESRS S4 SBM-3

In all cases, the impacts and risks are aroused by member companies providing financial products and services to customers.

Material sub-topic	Type of impact, risk, opportunity	Description of impact, risk, opportunity
Information security and data protection[114]	positive impact	The banks of the Banking Group possess a lot of sensitive data about their customers, and the implementation of personal data protection and information security has a positive impact.
	negative impact	Despite strong protection, customers may still suffer damage.
	financial risk	Data protection deficiencies and successful information security and cybersecurity attacks pose a risk.
Quality information[115]	positive impact	The provision of quality information positively influences customers' well-being and financial situation through a better understanding of financial products.
	negative impact	Due to the complexity of financial products, the obligations of information provision, and their changes, there is always room for improvement.
Access to Financial products and services[116]	positive impact	The accessibility of financial products for people with disabilities and disadvantaged customers helps improve the well-being of these customer groups.
	negative impact	Accessibility cannot be considered comprehensive.

For a more detailed description of the effects, risks and opportunities, and their management, see @SBM-3 and subsequent sections of this chapter.

Information security and data protection

The Banking Group's banks hold a lot of sensitive customer data. The protection of personal data and information security, and cybersecurity breaches or improper handling, can undermine customers' sense of security and cause harm. Successful attacks and incidents can also cause significant losses for the Banking Group, thus posing financial risks.

Nowadays, a significant portion of property crimes (fraud) is committed online. This phenomenon is global and widespread, and it is observed that property crimes are mostly committed online for both the parent bank and subsidiaries of OTP Group. In response to these trends, legislators increasingly regulate banks' preventive tasks.

Based on regular evaluations and analyses of fraud experiences and victimization processes, we have found that the digitally less skilled segment may be negatively affected (see below for more details on the most affected customer groups). The insufficiently cautious use of financial products (e.g., mobile applications) from a security perspective and fraud can negatively impact the protection of their personal data. Given that fraud

[114] Impacts on consumers and/or end-users related to information: Privacy protection (ESRS 1 AR 16). At OTP Group, this topic encompasses not only the protection of personal data but also information security and cyber protection, as these are interconnected topics within the Banking Group, although the ESRS does not specifically name the latter.
[115] ESRS: Impacts on consumers and/or end-users related to information: Access to (quality) information (ESRS 1 AR 16)
[116] ESRS: Social inclusion of consumers and/or end-users: Access to products and services (ESRS 1 AR 16)

attempts increasingly occur in the digital space, the means of defense are also digitalized, and understanding and effectively using these tools can be challenging for the mentioned customer group.

Quality information

Quality information provision ensures objective information and understanding of financial products for all customers. Its implementation affects customers' well-being and financial situation, as a financial product can significantly impact a customer's life, contributing to achieving financial or life goals (e.g. mortgage, consumer loan, savings products). Vulnerable customers often hesitate to approach financial service providers, especially if they struggle with literacy. For digital services, using electronic devices can be an insurmountable barrier for many. Simple and transparent product design allows consumers to use products appropriately and builds trust. If these individuals do not have access to financial products, it can make it more difficult for them to buy a home, pursue further education, save effectively, and thus worsen their living conditions.

The quality of information primarily affects the most affected customer groups listed below. To prevent negative impacts and achieve positive effects, we have created a Financial Awareness Strategy, continuously improved the comprehensibility of our documents, and published educational and informative materials. The Banking Group pays attention to imparting knowledge related to using online channels.

Access to Financial Products and Services

Access to financial products and services can help or hinder customers' well-being and success. In addition to accessible services for people with disabilities, access for residents of disadvantaged areas and those in disadvantaged social situations is significant.

Access to products and services primarily affects the most affected customer groups listed below. To prevent negative impacts and achieve positive effects, we continuously improve both physical and digital accessibility. In Hungary, we have established a mobile bank branch and are working on launching Social Lab social projects. At the group level, we continuously expand the range of partially or fully digitally accessible products. The Banking Group provides access to state-supported mortgage schemes in several countries.

The management of these impacts and risks is detailed in the chapter.

Most Affected Customer Groups

The most affected consumer groups in the listed impacts are as follows:[117]

- Financially vulnerable individuals: These customers rely heavily on financial services to meet their basic needs, often with limited financial knowledge and resources. They are more likely to fall victim to poor financial management and fraud.
- Elderly customers: This group often has less familiarity with digital services. Those with lower digital literacy are at greater risk of cyber threats and misuse of digital financial services. They are also more likely to be misinformed and may find it difficult to understand complex financial products and services.
- Children and young adults: Due to their age and inexperience, they are particularly vulnerable to data protection impacts and marketing strategies that may exploit their inexperience.
- People with disabilities: They may face challenges accessing physical or digital services. They may need accessible branches, services, and digital products to use financial services effectively.

OTP Group's customer policies are in line with the EU's consumer protection-related relevant regulations, which have been implemented in Hungarian law[118]. Respect for human rights is declared in the Code of Ethics

[117] Segmented by financial status (income level, creditworthiness, and dependence on financial support), age, digital literacy, and disability status. The segmentation was carried out by OTP Bank Slovenia, but we consider it appropriate at the group level.

[118] a./ Act XLVIII of 2008 on Essential Conditions of and Certain Limitations to Business Advertising Activity; Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC, and 2002/65/EC of the European Parliament and of the Council, and Directive 2005/29/EC amending Regulation (EC) No 2006/2004 of the European Parliament and of the Council

b./Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices; Articles 85 and 86 of the Treaty of Rome (EEC Treaty); Council Regulation 19/65/EEC on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices

c./ Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices; Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council, and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (Directive on Unfair Commercial Practices)

d./ Act CVIII of 2001 on Certain Issues of Electronic Commerce Services and Information Society Services; Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ("Directive on electronic commerce")

e./ Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises; Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive

(@Code of Ethics) and is thus incorporated in all customer policies, applied in the customer interaction processes and included in the measures to ensure and/or enable remediation.

Processes for engaging with consumers and end-users about impacts

ESRS S4-2

To improve the customer experience, OTP Group regularly collects customer feedback and measures customer satisfaction. We measure retail customer satisfaction at the group level in a unified manner using the TRI*M methodology, supplemented by the NPS[119] and SQM[120] methodologies at some subsidiaries. We analyze information by customer segments (e.g. entry-level, juniors, premium customers). Through TRI*M, we measure the overall satisfaction and loyalty of our own banks as well as all significant competitor banks' customers, along with the factors that most determine satisfaction. We conduct one measurement per country annually, with a representative[121] sample of 1,000 people.

Complaint handling is also a tool for engaging with customers (see @S4-3).

The Banking Group does not engage in regular cooperation with consumer organizations or consumer representatives.

Customer-Centric Product Development

To support customer-centric product, process, and service development, we established a group-level framework in 2024. OTP Group Service Design Framework emphasizes understanding customers and other stakeholders involved in the development process before starting the design. The framework is based on service design methodology and includes research and design tools that support data- and research-based product and service development. We introduced the framework at the group level to ensure high-quality services for customers at all OTP Group members. The Service Design Framework is available in Hungarian and English to assist all colleagues and partners involved in designing or developing banking products, services, or processes. The central pillar of the framework is the Service Design Portal, a practice-oriented guide and knowledge base. The framework also includes a one-day customer-centricity training, a service design methodology card set, digital tool templates, personal support from the Service Design Group, the Research Group, or the CX Design CoE, and a Service Design Playbook for leaders.

To better understand customer opinions, the Montenegrin subsidiary introduced the Customer Live Voice initiative in 2024. Workshops held under this initiative allow customers to provide feedback on their satisfaction with services, what they appreciate, what they dislike, and what changes they would like to see. Workshops have been held with young customers, retirees, and sailors so far.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-3

The Banking Group members provide a wide range of complaint channels for their customers. Complaint handling processes are regulated, and complaint handling is non-discriminatory and in line with internationally recognized human rights. Group members respond to complaints in accordance with the local legal environment. The Banking Group strives to engage in dialogue with complainants to achieve a prompt resolution. In the case of justified complaints, OTP Group aims to restore the original state or establish an appropriate state and, in individual cases, apply compensation considering fairness.

2002/87/EC, repealing Directives 2006/48/EC and 2006/49/EC, and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) No 648/2012
f./ Act CLXII of 2009 on Consumer Credit; Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC
g./ Government Decree 83/2010 (III. 25.) on the determination, calculation, and disclosure of the Annual Percentage Rate Indicator
h./ Government Decree No. 82/2010 (III. 25.) on calculating and announcing deposit interest rates and returns on securities
i./ Government Decree 144/2018 (VIII. 13.) on certain issues of Information on issues related to the provision of information on fees for consumer payment accounts (PAD) Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014
[119] Net Promoter Score – customer satisfaction metric
[120] Service Quality Management, which examines the quality of retail and SME branch customer service
[121] By age, gender, educational attainment, type of settlement, and regional distribution

Channels Available to Customers for Submitting Complaints

Customers can submit complaints through the ethical reporting system (see @G1-1) and complaint reporting channels (website, telephone customer service, in person at branches, by postal mail). Customer access is not restricted on any channel, and at OTP Bank, inquiries received through other channels (e.g., social media) are also forwarded to the complaint handling area. At the Slovenian subsidiary, customers can submit complaints to any bank email address, as all employees must enter received complaints into the complaint handling program.

In Hungary and Bulgaria, in addition to the listed channels, customers can also submit complaints to the National Bank and the financial arbitration body in EU member states where group members operate.

OTP Group informs customers about complaint reporting channels, the complaint investigation process, through websites, publications, written communication with customers, regulations available in bank branches, and social media. The channels are clearly usable for generally prepared customers. We do not specifically examine the level of trust in the channels, but the fact that complaints are received through the channels implies customer trust in the company and the operation of the channels.

OTP Group handles and stores the content of reports and related data confidentially in accordance with applicable laws and its Code of Ethics. (ld. @G1-1).

Ensuring the Effectiveness of Complaint Handling, Tracking Issue

The tracking of raised and handled complaints at OTP Bank and several subsidiaries (DSK Bank, Slovenian, Croatian subsidiaries, and CKB Bank) is done in dedicated complaint handling systems or other IT systems (Ipoteka Bank, Ukrainian and Albanian subsidiaries). At subsidiaries where these are not available, operational processes support effective complaint handling. Individual identifiers are allocated to the complaints, making them easily trackable in the systems. Each case has a clearly designated responsible employee or group who reviews and resolves the issue. Customers are informed about the complaint handling process and any necessary actions.

Monthly, quarterly, and annual reports are prepared on the number, status, and resolution times of received complaints. These reports help track process effectiveness and identify areas for improvement. By analyzing aggregated data, we identify recurring problems that indicate potential systemic weaknesses and enable corrective actions. We track the frequency of use of each channel. Traffic analysis provides insight into which channels customers prefer and helps identify issues related to the channels. We evaluate response times: delays may indicate deficiencies that need to be addressed.

In Bulgaria, customer satisfaction with complaint handling processes is measured using surveys, in Slovenia through telephone interviews. Feedback on complaint handling is also collected in Serbia, Albania, Montenegro, and Moldova. Feedback helps improve the effectiveness of complaint handling.

In the case of errors affecting multiple customers or significant financial losses, complaint handling collaborates with the relevant department to track error corrections.

Improving Complaint Handling

OTP Group pays special attention to continuously improving its services, based on information and experiences revealed during complaint investigations.

Several group members improved their complaint handling systems in 2024.

OTP Bank began developing a new complaint handling interface in 2024. The new structure will enable the automation and process control of various complaint handling processes. Among other goals, it aims to facilitate processing times and reporting.

DSK Bank conducted a comprehensive development: they analyzed complaint handling processes and their key indicators, identified main problems, created standard workflows with clear steps and responsibilities, renewed complaint handling policies, and provided development training and communication skills training for employees to improve complaint handling quality. They improved the transparency of complaint handling for affected customers by communicating the status of complaints. The Customer Experience Committee, chaired by the bank's CEO, reviews incoming complaints monthly.

The Slovenian subsidiary made several improvements to the complaint handling software to better protect customer data, store attached files more transparently and improve the overview of complaint types. They conducted numerous training sessions for different bank departments on the complaint handling process and software use.

The Croatian subsidiary improved communication between departments to respond to complaints more quickly.

CKB introduced new complaint handling software that ensures all complaints are automatically directed to the expert group responsible for the specific service. The system significantly accelerated complaint handling processes.

Number of Customer Complaints

OTP Group handles a large number of complaints year after year. Through the harmonization of complaint handling procedures and definitions, the content of complaint handling data is becoming increasingly uniform at the group level. However, the different cultures and financial knowledge in each country also influence customer complaint habits, so the customer complaint data of subsidiaries is not comparable.

Customer complaints	2024
Number of closed complaints	~581,000 pcs
Number of substantiated complaints	~308,000 pcs

Beyond complaints, OTP Group received a total of 612 ethical reports through the Ethical Reporting System in 2024, of which 106 were from employees, and the remaining from customers and other stakeholders. The number of reports from customers cannot be specified due to anonymity.

The number of reports received through other channels was 7,811 in 2024, the vast majority of which were received by the Ukrainian and Moldovan subsidiaries. The Ukrainian data includes all other reports, not just those from customers and not just complaint-related reports (The Albanian and Russian subsidiaries could not provide data).

Combining reports from these channels, the total number of customer complaints received by OTP Group was approximately 589,000.

In 2024, there were no serious human rights incidents related to customers in OTP Group.

OTP Group does not currently require its business partners to have channels available for submitting complaints. The Banking Group makes recommendations for terminating business relationships with customers based on all facts and circumstances available and usable by the Banking Group, including the actual or potential negative impacts of the recommendation on other customers.

3.3.1. Information Security and Data Protection

Policies

ESRS S4-1

Anti-fraud Policy

Key content: The policy covers the evaluation of current fraud prevention and management practices, mapping future fraud trends, assessing the financial organization's involvement, responding to trends, and defining related goals and tasks. The policy declares that OTP Group ensures the prevention, detection, and investigation of fraud in accordance with legal requirements and the guidelines of European and domestic financial supervisory authorities. It summarizes the regulatory environment, general goals of combating fraud – emphasizing the role of employees – and defines the principles and basic concepts of anti-fraud activities, as well as the place of the fraud prevention function within the internal defense lines system.

The policy outlines OTP Group's tasks for preventing fraud, highlighting the criteria for detecting and uncovering fraud, the efficiency of information flow, real-time transaction monitoring, investigating suspicious events, and necessary actions, provisions for determining or excluding internal perpetration, the role of education, forums related to fraud prevention, and the role of feedback. It also includes provisions for fraud risk self-assessment. It details the main tasks of the Fraud Competence Center and the framework for cooperation with various internal control functions and departments. The policy is further detailed by the Fraud Prevention Strategy and additional internal regulations and procedures, which are shared at the group level.

Scope: The policy applies to the entire OTP Group organization, as foreign subsidiaries must also transpose the regulations through an implementation annex. Fraud prevention and management activities apply to all customers and all activities and services of the Banking Group.

Accountable for implementation: The Executive Steering Committee is accountable for the policy's implementation. The Committee monitors anti-fraud functions that significantly impact customers, measures activities, and determines corrections if necessary.

Availability: An @excerpt of the policy is available on the Bank's website, making it accessible to stakeholders. The policy's requirements are integrated into the Banking Group's procurement processes, and potential suppliers must attach a declaration during the tender process stating that they have understood and will comply with the relevant policies of the Banking Group during cooperation.

Consideration of the interests of key stakeholders: Continuous monitoring of fraud events has mapped the general characteristics and traits of victimized groups. These have been incorporated into the detailed rules of fraud prevention and management activities, while the principles were uniformly defined for all stakeholder groups during policy development.

Reference to third-party standards: Compliance with legal requirements, European and domestic financial supervisory authorities' guidelines, and MNB Recommendations.

In 2024, most subsidiaries implemented the tasks and procedures of the Fraud Competence Center (CSEKK), OTP Bank's anti-fraud policy, OTP Banking Group's anti-fraud strategy, or are in the process of establishing the conditions for implementation. The second set of anti-fraud regulations issued for implementation in 2024 (detailed description of OTP Bank's fraud prevention process; procedures for the Investigation Department's activities; Fraud Forum rules of procedure) is also being adopted.

Security Policy

Key content: The Security Policy aims to summarize security principles, outline the main directions of security activities, and collectively define, facilitate, and support the proper, lawful, safe, and prudent operation of the Banking Group, considering international and domestic laws, recommendations, expectations, and guidelines. The Security Policy complies with international and domestic laws, recommendations, expectations, and guidelines.

Scope: The Security Policy is a group-level regulatory document, and its implementation is mandatory for OTP Group members operating in Hungary and abroad.

Accountable for implementation: The Security Directorate is responsible for implementing the policy and reports to the Executive Steering Committee at least once a year.

Availability: The policy is available in the internal regulatory repository.

In addition to these policies, the adoption of OTP Bank's ICT (information and Communication Technology) and information security policy is underway, and its group-level implementation will also be required.

Data Protection Policy

Key content: The Data Protection Policy is part of the Compliance Policy (see @G1-1). The policy states that the Banking Group respects fundamental rights and ensures full compliance with data protection principles when handling personal data and transferring data to third parties. OTP Bank and the affected OTP Banking Group members handle personal, bank, securities, or pension fund secrets that come to their knowledge with a high level of protection as required by law.

Scope: Group-level operations are unified in terms of data protection, with all companies implementing the relevant compliance minimum standards in accordance with the laws of the respective country, making the policy's scope group-wide.

Accountable for implementation: The Data and Consumer Protection Department coordinates the policy's implementation. The head responsible for banking data management and protecting customers' personal data is the Deputy CEO of the Digital Division and the Data Protection Officer (directly accountable to the highest management of the data controller or processor; does not accept instructions from anyone regarding their duties). The practices of group members are not uniform but always comply with local legal requirements. Where there is a Data Protection Officer, they are responsible.

Availability: OTP Bank's policy is available on the @website, and subsidiaries also publish it.

There were no significant changes in the policies in 2024. Supervisory recommendations were incorporated into procedures but did not result in substantial modifications.

Actions

ESRS S4-4

Information security and Fraud Management

This section first provides information on the measures related to information security and fraud management, followed by a presentation of the measures grouped by their nature.

The Executive Steering Committee (ESC), OTP Bank's coordination and operational decision-making forum, includes discussions on fraud-related topics, ensuring coordination with business areas at the highest level.

Decisions on necessary measures for a predefined range of suspicious fraud events are made at various committee levels. As a best practice, committees involve representatives from the business or other areas directly affected by the suspicious event, members of the governance body, and representatives from other committees (e.g. Group Operational Risk Management Committee and internal control functions).

Internal communication between organizational units is constant, with continuous analyses of fraud committed against customers, and sharing of experiences with all relevant departments. The continuous evaluation and analysis work is fed back into the decision-making process and used to determine appropriate measures. Based on experiences, we develop necessary competencies and adjust the organizational structure.[122] In combating fraud, we uphold the following principles:

- Protection of customers and the bank
- Zero tolerance
- Primacy of fraud prevention
- Completeness
- Speed
- Objectivity and proportionality
- Integrity and the role of employee ethics
- Importance of cooperation
- Emphasis on feedback and innovation

Since fraud behaviours are constantly changing, key measures must also be adapted to these ever-changing circumstances. This activity is not time-bound. Immediate, as quick as possible action is essential. Time-bound tasks are those defined by laws, regulations, and recommendations issued by legislators, which include deadlines for us.[123] We always adhere to the specified deadlines, which are indicated when presenting the relevant measures.

We continuously develop the technology used, exploring the possibilities of applying artificial intelligence during developments. We pay special attention to following best market practices. In technological developments and education, we consider surveys that contain customer needs related to the given process. Our latest survey on "customer bank security awareness" was completed in December 2023 and evaluated in 2024.

OTP Bank's Cyber Defense Center enables a wide-ranging and high-quality[124] education for employees involved in the Banking Group's fight against fraud, creating a positive impact that extends beyond the workplace to broader social groups. Education is a continuous activity.

The measures listed below affect all activities of the Banking Group and all customer groups, except where otherwise indicated in the text.

These practices generally apply to all measures listed below.

[122] The principles are defined by the Anti-Fraud Policy and the Anti-Fraud Strategy.
[123] MNB regulations and recommendations regarding the prevention, deterrence, and management of fraud.
[124] Globally recognized certifications: CompTIA Information Technology (9 certifications), Blue Team Level 1 for handling cybersecurity incidents (7 certifications), Microsoft Cybersecurity (2 certifications), ITILv4 (2 certifications), and GIAC Forensic Examiner for conducting computer forensic investigations (1 certification).

Organizational changes

In 2024, the Bank's Security Directorate implemented significant organizational changes to reduce fraud against customers, enable the prompt reporting of fraud incidents, and recover stolen funds. These changes included human resource reallocation and staff development. Units were created with dedicated tasks to combat fraud and perform related activities (e.g. Investigation Department, Fraud Management Support Department, Fraud Competence Center).

Supporting Subsidiaries' Anti-Fraud Efforts

The parent bank continuously supports and monitors subsidiaries' anti-fraud efforts, strengthening or establishing anti-fraud capabilities where they were not previously available. In 2024, subsidiaries also established dedicated anti-fraud coordination or fraud prevention organizational units.

At subsidiaries where a comprehensive fraud monitoring system is not currently in place (Croatia, Serbia, Uzbekistan, Ukraine, Albania, Moldova), the implementation, selection, or feasibility study of a comprehensive or e-channel fraud monitoring system based on existing monitoring capabilities is underway. The Security Group Management Department supports the anti-fraud activities of foreign subsidiaries and strengthens their effectiveness by sharing best practices and raising awareness, organizing and conducting presentations and workshops, and striving to optimize subsidiaries' own local practices and processes (e.g. anti-fraud communication workshop). A significant result of this is the increasingly intensive use of the Fraud Information Sharing SharePoint platform, created at the end of 2023 to share fraud prevention information more effectively. Subsidiaries receive regular (monthly) feedback on platform utilization.

The Cyber Defense Center addresses cross-border fraud types and perpetrator groups through group-level indicator sharing and incident management to detect and neutralize their impact.

Managing Product-related Risks

The Banking Group considers identified risks when developing new products and services and modifying existing ones. To protect products and services we apply protective measures proportional to the risks, and strive to achieve the highest level of security, with special attention to conducting electronic transactions in cyberspace.

Developments

Numerous technical and software developments have been made to prevent fraud.

Following the development of the Bank's Cyber Defense Center, we can detect and take necessary actions within a short time against written or visual misuse of the OTP brand in the online space. This solution has managed the removal and reporting of thousands of phishing sites and misleading advertisements to authorities, contributing to preserving customers' assets and avoiding significant rights violations. As a result of our brand protection activities, 23.664 social media posts and 127 social media accounts were taken down. These measures significantly reduced Foxpost-type fraud[125], resulting in a positive social impact.

To reduce phone fraud, we implemented several developments, one of the most significant being the ability for all InternetBank/MobileBank users to verify the identity of the caller claiming to represent the bank through the mobile application.

In Hungary, we will join the state Central Fraud Filtering System (KVR) coordinated by the MNB, with the necessary technical and system development completed in 2024.

As part of the CyberShield Program, a recommendation was developed to facilitate communication with victims of online financial fraud through the cooperation of the Hungarian National Bank, the Ministry of Justice, and the Hungarian Banking Association. Our bank fully complies with these provisions in communication with customers.

The Slovenian subsidiary launched a development project to manage customer losses due to fraud. The project aims to reduce customer losses even if they result from customers' insufficient caution or lack of understanding of digital solutions. The bank operates a special @website to inform customers about fraud types and protecting their data.

The Ukrainian subsidiary implemented an information security management system compliant with the ISO/IEC 27001:2015 standard, certified by an external party. Additionally, it received independent certification

[125] Foxpost fraud: one of the most common types of phishing scams. A buyer applies for a product advertised on an online classifieds site and wants to arrange delivery via Foxpost. You send a link to the seller with a fake Foxpost page, the seller (victim) navigates to the fake OTP internet bank login page. Here, the data entered with the intention of logging in is used by the abusers in real time, to register a new device for mobile banking.

for compliance with the PCI DSS 4.0 payment system security standard and the SWIFT Customer Security Program standard.

Customer Education

Based on the characteristics of actual or potentially negative impacts on customers, we strive to mitigate these impacts through customer education. We centrally support subsidiaries on certain issues (e.g., workshop on anti-fraud communication best practices) and expect them to organize up-to-date customer-side education independently. OTP Bank and subsidiaries communicate with customers through various channels (e.g. website, internet banking, social media), warning them about fraud and deception.

OTP Bank developed a segmented, continuously expanding educational campaign to inform existing and potential customers and, more broadly, society, increasing security awareness. The campaign presents target groups with the types of fraud that threaten them and the Bank's protective measures. In case of fraud or abuse, we ask customers to report incidents immediately, providing a phone number and email address directly connected to the Fraud Management Department. Several radio spots ran on the topic, warning older people in clinics, newspapers, radio, and TV programs, and addressing young people beyond the online space in their favourite shows. All these efforts directed them to an @educational page where they could test their knowledge.

We distributed 150.000 leaflets in bank branches informing about fraud methods and avoidance possibilities. To reach older, rural customers who do not or barely use electronic channels, we partnered with Mediaworks, distributing 200.000 brochures on the most common fraud methods to households through county newspapers.

In the fall of 2022, the Hungarian National Bank, the Hungarian Banking Association, the National Police Headquarters, the National Security Service's National Cyber Defense Institute, and the National Media and Infocommunications Authority launched a joint communication and education campaign as part of the previously mentioned **CyberShield program**. The organizations continuously examine consumer habits, their changes, and fraud patterns and cybersecurity risks observed in financial transactions. They consider international trends, incorporate these experiences into their professional work, and ultimately use them to enhance the financial system's security and increase customers' financial awareness. OTP Bank also participates in these activities. As a result of the cooperation between the National Bank of Hungary, the Ministry of Justice and the Hungarian Banking Association, a recommendation has been prepared to facilitate communication with victims of online financial abuse, and the Bank will comply with its provisions in all its communications with customers.

The Slovenian bank runs a special @website to inform customers about types of fraud and how to protect their data.

The Ukrainian subsidiary also participated in a fraud prevention campaign, the Ukrainian #Fraudster Goodbye online initiative, under the auspices of the National Bank of Ukraine, organizing various training sessions and courses on different fraud scenarios.

Collaborations

OTP Bank dedicates significant resources to establishing various collaborations. By involving sectoral advocacy organizations, it makes proposals for developing sector-wide unified solutions for customer education and protection, as well as for more effective customer protection through supervisory or legal standards. Our bank representatives regularly participate in the working committees of the Hungarian Banking Association.

The Cyberlab operates within the framework of cooperation between OTP Bank and ELTE,[126] where ELTE students conduct research on cybersecurity topics. The Bank defines the research topics. The goal is always to find quick and effective defense methods and practical implementation possibilities.

OTP Bank Plc. cooperates with the National Police Headquarters, establishing 24-hour contact to assist the authorities in taking quick and effective action.

Our bank actively participates in the work of the Information Security Section of the Scientific Association for Infocommunications (EIVOK – National Community of Electronic Information Security Leaders). The Bank supports and hosts EIVOK's regular meetings and lecture series to enable other organizations to have a positive social impact in cybersecurity through experience sharing.

Damages[127]

OTP Bank continuously analyzes customer damages to improve the efficiency and development of its systems. Constant adaptation to changes in fraud behaviours is reflected in the Bank's protective systems. For example, in 2024 there were more than 100 minor or major modifications to the rules applied in the real-time monitoring system for fraud prevention. At the group level, active experience sharing occurs during regular fraud prevention meetings. We monitor customer damage data at the group level. Where there are significant values or trends, we request additional measures from the group member.

In the case of customer damages, we ensure correction through regulated and consistent evaluation and analysis work, feedback, and, if necessary, the introduction of measures with responsible parties and deadlines. This is followed by feedback on the effectiveness of the corrective steps, with regular reporting to management.

OTP Bank always compensates the customer if the damage was caused by the Bank's fault (e.g. certain banking systems did not function or functioned improperly at a given moment). Compensation is carried out in accordance with the regulations in force in the respective country at all subsidiaries.

Data protection

The Banking Group's data management processes operate within constant frameworks and regular activities. These processes are designed in accordance with data protection laws, with a focus on purpose limitation and necessity. Customers are always informed about data management processes related to their personal data. The compliance control tools monitor the adequacy of data protection processes. These include audits to check the legal compliance of individual products and processes, and recommendations for action in case of deficiencies. OTP Bank cooperates with the Banking Association and authorities, regularly participating in the Banking Association's data protection working group meetings.

Data protection training is mandatory for everyone at the group level. Consumer protection training is mandatory for colleagues dealing with customers or product development at OTP Bank and some domestic subsidiaries.

Designated data protection officers in OTP Group banks ensure that data management expectations (e.g. supervision of personal data management, data minimization principle, handling high-risk data) are met. To this end, data protection officers participate in professional training annually.

Customers have access to complaint handling options in case of abuses due to OTP Group's data management practices, and suspicions of ethical violations (including human rights abuses) can be reported through the ethical reporting system.

Customer reports and complaints are examined, and if data protection deficiencies or errors are identified during the investigation, improvements are initiated for the affected product, service, or process. OTP Bank's Data and Consumer Protection Department informs the data protection officer network and compliance officers about the prescribed measures for identified deficiencies through newsletters. The Data and Consumer Protection Department regularly conducts risk analysis studies in the data and consumer protection area to assess significant negative impacts. In preventing and mitigating risks, the Department cooperates with other departments and makes recommendations for incorporating appropriate measures into processes.

Customers have access to complaint handling options in case of abuses due to OTP Group's data management practices, and suspicions of ethical violations (including human rights abuses) can be reported through the ethical reporting system. Among the data breaches that occurred in OTP Group, 130 incidents happened at OTP Faktoring due to incorrect addressing. Another 21 data leakage incidents occurred at the

[126] Eötvös Loránd University
[127] Damages characterize the effectiveness of the measures, not the measures themselves.

Slovenian subsidiary, primarily due to administrative negligence, and another 12 incidents occurred at the Croatian subsidiary bank due to incorrect addressing.

GRI 418-1 Breaches of customer privacy and **personal data, OTP Group, 2024**		
number of substantiated complaints by external parties	(cases)	39
number of complaints by regulatory authorities	(cases)	17
number of breaches of customer privacy	(cases)	37
number of data theft incidents	(cases)	0
number of times data were lost by the organization	(cases)	0

For legal proceedings related to data protection violations see @G1-4.

Targets

ESRS S4-5

The Fraud Prevention Strategy includes goals directly and indirectly related to information security and data protection:

- Obtaining ISO 27001 Information Security Management System certification for the Cyber Defense Center's information security incident management process by December 31, 2025
- Executing business-side tasks according to the schedule for implementing the MNB Central Fraud Filtering System at OTP Bank and using data from the operational system for monitoring activities, with a target start date of July 1, 2025
- Installing cameras on 200 ATMs by the end of 2025, based on the 2024 baseline year, to increase the chances of identifying individuals involved in fraud.

Some goals expect the implementation of specific measures, while others set targets for reducing fraud (in addition to the above, several sub-goals are outlined in the strategy). The goals are partly absolute and partly relative, and some, as well as the effects of measure-related goals, can be monitored with statistical data. Based on data on fraud events, we monitor both the frequency of fraud and the damage caused, along with the exact development of methods and the characteristics of the affected customer base.

Goals are generally set for a one-year period. Based on the analysis of results, we determine whether the goal has been achieved or if further measures are needed. We do not modify the goal until it is achieved.

The achievement of goals is measured through trend analysis of values measured and periodically reported at relevant points in the group-level risk framework. We analyze data on frauds committed against customers within daily, bi-weekly, weekly, monthly, and quarterly trend tracking frameworks and intervene immediately if necessary. Data is also reported to the governing bodies.

The goals were defined based on results from evaluation and analysis activities, aiming to reduce factors identified as risks in our reports. Customer involvement was achieved through public forums, marketing questionnaires, various surveys, and feedback. We involved organizational units affected by fraud prevention in goal setting through continuous communication and had each unit review the finalized goals.

To ensure the stability of terms used in the goals, we included the basic concepts of anti-fraud activities in both the Bank's Anti-Fraud Policy and Strategy, creating a unified terminology for describing various fraud activities in everyday language, facilitating effective information flow during cooperation and communication between different organizational units.

Policies, standards, and other documents considered in goal setting:

- The Banking Group's Anti-Fraud Policy and other internal regulations
- OTP Bank's Fraud Risk Self-Assessment and the accompanying action plan
- Commission Delegated Regulation (EU) 2018/389 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council regarding regulatory technical standards for strong customer authentication and common and secure open standards of communication
- Regulation (EU) 2022/2554 of the European Parliament and of the Council of December 14, 2022, on digital operational resilience for the financial sector (DORA)
- ISO27001 standard
- MNB Recommendation 12/2022 (VIII.11) on the establishment and operation of internal defense lines and governance and control functions of financial organization"
- MNB Recommendation 5/2023 (VI.23) on the prevention, detection, prevention, and management of fraud observed through payment services"

3.3.2. Access to Quality Information

Policies

ESRS S4-1

Responsible Marketing Policy

Key content: The policy states that OTP Bank is committed to responsible marketing of its products, prioritizing fair commercial communication, accurate information, and product recommendations. OTP Bank ensures that existing and prospective customers are accurately, clearly, and comprehensively informed about products and services and their conditions of use, complying with consumer protection regulations. The Bank is committed to not encouraging irresponsible spending through borrowing, not promoting overconsumption, helping consumers manage finances reasonably while considering sustainability, and not suggesting that repaying loans is easy.

Scope: The policy applies to OTP Bank and is recommended for subsidiaries.

Accountable for implementation: The Head of OTP Bank's Marketing and Communications Directorate is responsible for implementing the policy.

Availability: The policy is available on the @website and in the internal regulatory repository, and the Marketing Director has shared it with subsidiaries via email.

Reference to third-party standards: The policy requires compliance with the Hungarian Advertising Code, based on the International Chamber of Commerce's Advertising and Marketing Communication Code, developed by the Self-Regulatory Advertising Board.

The implementation of the responsible marketing policy is supported by the group-level Tone of Voice handbook, which defines the communication style. Clear and understandable language is a fundamental goal and expectation. The handbook provides templates and guidelines for bank communication (from customer letters to digital and social media platforms and advertisements). New employees in the Marketing and Communications Directorate participate in internal training on clear communication, which includes using the handbook. Regular training, repetition, and practical examples are provided to ensure clear communication becomes a core competency for communication staff.

Financial Education Strategy

Key content: The strategy aims to increase the number of customers who navigate finances confidently and consciously, managing their finances with a product portfolio that supports their goals.

Scope: The strategy was in effect for OTP Bank in 2024 and will be extended to subsidiaries in 2025.

Accountable for implementation: The strategy was adopted by the ESG Committee in 2024, and the Head of the Marketing and Communications Directorate is responsible for its implementation.

Reference to third-party standards: The motivation was OTP Bank's commitment to the UNEPFI Principles for Responsible Banking, aiming to reduce negative and increase positive social impacts in financial awareness and access. The MNB also expects financial institutions to focus on developing financial awareness as part of their social responsibility.

Actions

ESRS S4-4

Customer Education

OTP Group places great emphasis on educating customers about various financial products and using digital channels and tools. The Banking Group's banks conduct education according to their practices, with the parent bank and several subsidiaries improving their information and communication practices throughout the year.

At OTP Bank, customer education is part of the expectations for branch network colleagues and their job responsibilities. Customer service advisors in branches are tasked with educating walk-in customers on using self-service channels, such as ATMs, InternetBank, and MobileBank applications. This expectation also applies to other advisory roles.

For credit products, OTP Bank always emphasizes responsible borrowing to customers. The website provides the Hungarian National Bank's information on the risks of excessive indebtedness and other MNB Financial Navigator materials.

In recent years, OTP Bank has conducted several media campaigns to increase financial awareness, conducting research to determine target groups and messages. Research shows that family patterns significantly influence young people's money management, but parents often do not realize this and intentionally avoid discussing finances in their children's presence. Due to the importance of the topic, our year-end campaign in 2024, like the previous year, emphasized the importance of children's financial education and family discussions about money. Our goal is to help more parents recognize the importance of financial education and provide specific guidance to support them. The campaign highlighted the topic's importance and provided specific tips for parents on the @website, social media content, newspaper articles, and podcast discussions.

Our series "Finance Made Simple," launched in collaboration with RTL's online platform and Bank360, continued in 2024. In the videos, OTP Bank and Bank360 experts discuss and propose solutions to financial questions arising from typical life situations

The bank also aims to build financial awareness on its social media platforms. In addition to existing social media channels, we launched two new channels (Instagram, TikTok) in 2024, focusing on this topic. We regularly share content on everyday banking and financial products and services, with special attention to data security.

In 2024, OTP Bank's branch locator on the website was updated to provide more accurate results and display services and other information, including accessibility conditions, in a clear and filterable manner.

We plan to implement the Financial Education Strategy, define goals, quantify them, and plan and launch developments and activities by 2025.

DSK Bank regularly publishes financial educational articles, training materials, and videos on the "DSK Helps" website and YouTube channel. They organize annual campaigns to promote the use of electronic channels. For example, many elderly customers find it challenging to pay at POS terminals, thinking it is costly or unsafe. The Meta campaign targeted them and their children, who can explain the details to their parents. They created an information booklet for retirees on using ATMs, card payments, and savings options.

The Slovenian subsidiary offers financial literacy programs for customers, with videos and various useful information on their website: @Vsi smo lahko Bogatajevi | OTP banka. The 2023 videos present basic financial knowledge and tips through the life of an imaginary Slovenian family. They also provide useful advice and information for vulnerable groups (flyers in branches and online at @Finančna pismenost | OTP banka).

OTP Bank Croatia participates in initiatives by the Croatian Banking Association aimed at promoting responsible financial behaviour among customers. Additionally, they publish tips and rules for safe online shopping on their website and social media channels.

OTP Bank Serbia's branch staff support customers in expanding their knowledge of products, mobile applications, bank cards, ATMs, and other digital channels. To teach more customers to use digital services independently, they organize special events, with administrative staff also assisting in knowledge transfer in branches.

Ipoteka Bank regularly publishes video content on financial knowledge on social media platforms. They also actively participate in initiatives like Global Money Week and Cybersecurity Awareness Month.

To encourage transactions through digital channels, they launched a pilot project in six branches, equipping Meeter Greeter staff with comprehensive toolkits (e.g., dialogue scripts, detailed process descriptions, and special badges) to help less digitally skilled customers transition to digital platforms.

The Ukrainian subsidiary published consumer information materials from the National Bank of Ukraine (e.g., on "#FinancialCybersecurity" and "Know Your Rights: Insurance") on their website and social media channels. OTP Bank Ukraine supported the UCulture team for six months in creating a lecture series on Ukrainian financial history. All recorded video materials are publicly available on the bank's YouTube channel and the UCulture website.

The Montenegrin subsidiary publishes financial educational materials on their website and social media. The subsidiary typically posts graphic materials and short videos on social media, and articles and guides on the website.

In 2024, they introduced the Meeter Greeter position in three branches, responsible for welcoming customers and demonstrating digital products, especially for older customers. This includes explaining the use of ATMs and bank cards, as well as activating and demonstrating the CKB GO mobile application. They plan to introduce this position in more branches in 2025. Throughout the year, they conducted targeted campaigns to promote digital services, offering cash incentives or cashback. The digital platforms support multiple languages to serve a diverse customer base. The website and mobile application include step-by-step tutorials and guides to help customers learn to use digital services.

The Albanian subsidiary participated in the Albanian Banking Association's financial education campaign and the state financial culture campaign. They also organized a year-long project providing advice and tips on financial literacy and education as their initiative.

The Russian subsidiary tested a "stories" feature in the mobile application to increase customer knowledge about new offers and changes.

Clarity

In 2024, several Group members implemented developments to improve the clarity of financial services.

At OTP Bank, texts for retail customers are written and edited by the Service Design Group colleagues based on customer-centricity and clarity. The goal is to improve text clarity (clarity of information and tasks, structure, transparency, relevance) and ensure that texts align with the requirements outlined in the Tone of Voice Handbook.

The Croatian subsidiary worked on introducing a new content management system in 2024, emphasizing clear communication and removing banking jargon from texts. They collaborated with an NMC (non-marketing communication) company specializing in this area. Workshops were held with all content owners on clear and simple wording.

The Serbian subsidiary's communication strategy includes providing accurate, transparent information in a way that is easily understandable for the average person. Knowing that legal and regulatory provisions are often complex to understand during customer communication, the bank strives to simplify the content's essence. Communication materials are visually tailored to target groups for better understanding. They use graphical representations to simplify financial presentations and developed a personal financial manager within the mobile application to help customers manage their budgets transparently. They increasingly use video format to present their products and services.

The Uzbek subsidiary uses simple and clear language in its materials, avoiding banking jargon. They provide clear and detailed information on all products, highlighting key benefits and potential risks. Ipoteka Bank develops sample dialogue scripts for front-office staff, guiding consistent, polite, and knowledgeable information provision and advice.

The Montenegrin subsidiary's customer experience team regularly visits branches to discuss the best ways to welcome customers, approach different situations, and provide accurate and useful information. To continuously improve communication, they actively seek and incorporate customer feedback. In 2024, they introduced the SQM system, which tracks and measures customer satisfaction by branches, products, and employees. The bank offers various communication options for customers to get direct information. Customer service has expanded to include video calls and live chat, in addition to phone calls, international calls, and email communication.

The Russian subsidiary conducts training for employees to explain complex financial issues clearly. They continuously improve customer documents, simplify complex terms, and replace banking jargon to make information easily understandable. All key conditions for products and services are presented clearly and structured, with references to sections where detailed conditions can be found. They collect customer feedback and adapt communication based on needs.

For legal proceedings related to violations of marketing communication and information provision rules see @G1-4.

Targets

ESRS S4-5

We will set comprehensive, measurable goals for quality information based on the Financial Education Strategy, first at the parent bank and then extending to the group level, focusing on:

- increasing the number of customers who navigate finances confidently and consciously
- ensuring customers have a product portfolio that supports their individual goals
- improving the positive brand impact and perception of OTP Bank

The quantification and operationalization of goals will take place in the future. We did not measure the effectiveness of policies and measures related to quality information in 2024.

3.3.3. Access to Financial Products and Services

Policies

ESRS S4-1

The principles of access to products and services are also defined in the **Compliance Policy** (see detailed presentation in @G1-1), with the provision that the Banking Group ensures ethical and consumer protection principles and regulations in product development and service accessibility, providing modern, high-quality, and fair services that meet customer needs.

Accessibility Strategy

Key content: In accordance with legal requirements, OTP Bank has an Accessibility Strategy and internal regulations for serving customers with disabilities. The strategy presents the methodology of needs assessments conducted among customers with disabilities, describes the main measures and results achieved since 2007 to ensure equal access for these customers, and sets goals for the next two years. The strategy is regularly reviewed, most recently in 2023.

Scope: The strategy applies to OTP Bank, and the document "Group Recommendation for Compliance with Accessibility Expectations" assists subsidiaries in achieving accessibility.

Accountable for implementation: The strategy was adopted by the Management Committee, and the Deputy CEO of the Retail Division is responsible for its implementation.

Availability: Branch staff learn about the strategy's content through mandatory training, while colleagues not directly interacting with customers can participate in voluntary training.

Consideration of the interests of key stakeholders: The strategy is based on needs assessments conducted among customers with disabilities.

Reference to third-party standards: The strategy complies with the Hpt.[128] the Accessibility Act,[129] and NGM Decree 22/2016 (VI. 29.).[130]

Actions

ESRS S4-4

Accessibility

OTP Group continuously improves the accessibility of its infrastructure. To comply with the European Accessibility Directive[131] by the 2025 deadline, OTP Bank and the Slovenian subsidiary have implemented several measures in both physical and digital accessibility.[132]

Physical Accessibility

By the end of 2024, OTP Group branches and ATMs largely ensured access for customers with mobility impairments.

To support customers with mobility impairments:

- 1,110 branches are accessible to customers with mobility impairments (all branches in Hungary except one heritage branch, over 70% of branches in Bulgaria, Slovenia, Croatia, Ukraine, and Montenegro, and over 25% of branches in Serbia, Uzbekistan, Moldova, and Russia). In Hungary, branches where wheelchair access is only possible with a mobile ramp have installed a disability bell for customers to signal the need for assistance.
- 2,730 ATMs are accessible to customers with mobility impairments (all ATMs in Croatia and Russia, and some ATMs in Hungary, Slovenia, Serbia, Ukraine, Albania, and Moldova)

To support customers with visual impairments:

- 386 branches have tactile guide paths (in some branches in Hungary and Russia, and one branch in Croatia)).
- 444 branches have customer call devices with physical buttons featuring Braille to help visually impaired customers request assistance from staff (in some branches in Hungary, Bulgaria, and Croatia).
- 3,361 ATMs have Braille labels (in Hungary, Slovenia, Serbia, Uzbekistan, Ukraine, Moldova, and Russia), of which 1,411 ATMs are fully accessible for the visually impaired in Hungary. These ATMs are equipped with headphone jacks that provide narration through headphones during transactions, and the screen can be completely darkened during such transactions.

To support deaf and hard-of-hearing customers:

- 342 branches are equipped with induction loop devices, which help the hard-of-hearing by providing support through headphones and amplifying the staff's voice for those with hearing aids (in all branches in Hungary and Croatia).
- 341 branches are equipped with sign language interpreter tablets, offering sign language interpretation services supported by SINOSZ (Hungarian Association of the Deaf and Hard of Hearing) (in all branches in Hungary and some branches in Serbia).
- 64 branches have staff who speak sign language (in some branches in Hungary and Serbia).

[128] Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises
[129] Act XVII of 2022 on the General Rules of Compliance with Accessibility Requirements for Products and Services
[130] Decree 22/2016 (VI. 29.) of the Ministry for National Economy on the rules prescribing equal access to financial services for persons with disabilities in credit institutions.
[131] Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services
[132] The relevant national legislation has not yet been adopted in Bulgaria and Croatia.

Accessibility of branches and ATMs in OTP Group		Branches	ATMs
Persons with reduced mobility	Proportion of accessible access points for people with mobility impairments	76%	49%
Persons with visual disabilities	Proportion of accessible access points for the blind and visually impaired	27%	25%
Persons with hearing disabilities	Proportion of branches accessible to the hearing impaired	22%	-

OTP Bank collaborates with relevant advocacy organizations, such as SINOSZ, to provide sign language interpretation services and with the Hungarian Federation of the Blind and Partially Sighted (MVGYOSZ), remaining open to their service development suggestions.

The bank informs customers about accessibility measures on its @website. Additionally, the branch locator on the @website OTP Bank provides information under the "Accessibility Information" section about the solutions available for customers with mobility, visual, or hearing impairments at each branch.

Key developments in 2024:

OTP Bank installed tactile guide paths in 151 branches, sign language interpreter tablets in 171 branches, and induction loops in every branches. Over 100 accessible ATMs were also deployed. The related internal online training was renewed, and all branch network employees completed it by September 2024. The training is mandatory for all new employees.

DSK Bank purchased all new ATMs with modules for connecting external headphones, deploying about 30 such machines in 2024.

The Slovenian subsidiary conducted accessibility assessments for all branches and began renovation work. They are introducing keyboard adjustments for ATMs (highlighting the middle key and the top left key) in line with renovation possibilities and replacements. Text-to-speech solutions will be introduced on Bankart-provided ATMs in 2025. Guidelines and instructions for working with vulnerable customers were prepared for employees.

The Croatian subsidiary installed 13 new induction loop devices in 2024. Induction loops will be standard equipment in all renovated branches.

The bank started collaborating with the digital startup Inclusio (inclusio.rs), which helps people with disabilities access public places like banks, post offices, and shops. It notifies employees at these locations about the person's arrival and provides information about their issue and the type of assistance needed.

In 2024, OTP Bank Ukraine conducted technical assessments for physical accessibility in 21 branches.

CKB Bank employees received training on assisting individuals with special needs, and clear signs and directions were placed to help customers navigate branches easily.

The Russian subsidiary installed ramps, yellow circles on doors, yellow stripes, and tactile paving for customers with mobility impairments. They updated training materials for employees.

Digital Accessibility

The accessibility of websites and digital platforms is also part of compliance with the EU directive.

By the end of 2024, the websites of OTP Bank, DSK Bank, and the Croatian, Serbian, Uzbek, and Russian subsidiaries, as well as the internet banking and applications of OTP Bank and the Croatian, Serbian, and Russian subsidiaries, were partially accessible.

During the design and development of websites and applications for OTP Bank and Hungarian subsidiaries with retail websites and/or applications, and during content editing activities, we considered the WCAG 2.1 "A" (and in some cases "AA") level recommendations, supporting navigation with alternative tools and the use of screen readers. Comprehensive accessibility testing is planned for the first half of 2025. Full accessibility of internet banking and mobile banking is also in progress, to be completed in 2025.

The Slovenian subsidiary launched a project to make digital channels accessible according to WCAG 2.2.

From 2024, built-in browser tools are available on the website for individuals with special needs. Texts for those with mental disorders were supplemented with short formulations and non-textual elements (simple and clear images, diagrams).

For legal proceedings related to violations of accessibility rules, see. @G1-4.

Access points in low populated or economically disadvantaged areas by type

GRI G4: FS13. Due to its extensive branch network, OTP Group provides significant accessibility for personal financial management in disadvantaged areas in several countries. However, branch and ATM density is lower in these areas. Only some group members have information about competitors in these areas. [133]

The Bulgarian, Serbian, and Russian bank networks are roughly equivalent to other banks in these areas, with the Bulgarian ATM network being denser than competitors. The Croatian bank's access points are sparser in both disadvantaged and non-disadvantaged areas compared to competitors. The Ukrainian bank has two branches in low-density areas, important for providing financial services to Hungarian-speaking customers. The Uzbek bank is present in all regions of the country, with a stronger presence in densely populated areas compared to competitors.

Access points in disadvantaged areas[1]	Branches		ATMs	
OTP Bank – Hungary[2]				
Access points – pcs (% of total access points)	57	(18%)	197	(10%)
New access points – pcs (in % of new ones)	0	(0%)	11	(12%)
Access points terminated – pcs (% of total terminated)	6	(24%)	8	(22%)
Change from previous year (%)	-10%		+2%	
DSK Bank – Bulgaria				
Access points – pcs (% of total access points)	47	(18%)	170	(18%)
New access points – pcs (in % of new ones)	0	(0%)	7	(21%)
Access points terminated – pcs (% of total terminated)	1	(5%)	5	(10%)
Change from previous year % [3]	N/A		N/A	
OTP Bank Slovenia				
n.a. – no disadvantaged areas defined				
OTP Bank Croatia				
Access points – pcs (% of total access points)	9	(9%)	30	(7%)
New access points – pcs (in % of new ones)	0	N/A	1	(7%)
Access points terminated – pcs (% of total terminated)	1	(50%)	0	(0%)
Change from previous year (%)	-53%		+7%	
OTP Bank Serbia				
Access points – pcs (% of total access points)	8	(5%)	38	(13%)
New access points – pcs (in % of new ones)	0	(0%)	0	(0%)
Access points terminated – pcs (% of total terminated)	0	(0%)	0	(0%)
Change from previous year (%)	0%		-3%	
OTP Bank Albania				
Access points – pcs (% of total access points)	6	(12%)	22	(14%)
New access points – pcs (in % of new ones)	0	(0%)	2	(40%)
Access points terminated – pcs (% of total terminated)	0	(0%)	2	(33%)
Change from previous year (%)[3]	N/A		N/A	
CKB – Montenegro				
Access points – pcs (% of total access points)	0	(0%)	15	(14%)
New access points – pcs (in % of new ones)	0	(0%)	0	N/A
Access points terminated – pcs (% of total terminated)	0	(0%)	0	(0%)
Change from previous year (%)	N/A		0%	
Ipoteka Bank - Uzbekistan				
Access points – pcs (% of total access points)	0	(0%)	0	(0%)
New access points – pcs (in % of new ones)	0	(0%)	0	(0%)
Access points terminated – pcs (% of total terminated)	0	(0%)	0	(0%)
Change from previous year (%)	N/A		N/A	
OTP Bank Russia				
Access points – pcs (% of total access points)	5	(6%)	5	(4%)
New access points – pcs (in % of new ones)	0	(0%)	0	(0%)
Access points terminated – pcs (% of total terminated)	0	(N/A)	3	(8%)
Change from previous year (%)	0%		0%	
OTP Bank Ukraine				
Access points – pcs (% of total access points)	2	(3%)	40	(23%)
New access points – pcs (in % of new ones)	0	N/A	5	(31%)
Access points terminated – pcs (% of total terminated)	0	(0%)	0	(0%)
Change from previous year (%)	0%		+60%	
OTP Bank Moldova				
n.a. – no disadvantaged areas defined (based on changed methodology)				

[1] Micro-regions/districts defined by social, demographic, housing and living conditions, local economy and labor market, as well as infrastructure and environmental indicators, which are defined as such by the legislation of the given country (@S4).
[2] OTP Merkantil branches are not present in disadvantaged areas.
[3] There were no disadvantaged areas defined last year.

[133] In Slovenia, and Moldova, disadvantaged regions cannot be identified.

Mobile Bank

In March 2024, the first OTP Mobile Bank Branch was launched in Hungary, providing personal service in towns without a bank branch. By the end of 2024, three mobile buses were operating across the country. The Mobile Bank Branch is a specially designed vehicle with two workstations, allowing us to serve two customers simultaneously in a comfortable, modern, and discreet environment similar to our branches. The workstations have access to live banking systems, enabling us to offer comprehensive services primarily to our retail customers.

Social Lab

Our new initiative, OTP Group Social Lab, aims to maximize the impact of social projects aligned with OTP Bank's commitments under the UN "Principles for Responsible Banking" framework, specifically in the Financial Health & Inclusion impact area.

During the concept development, we established a standardized methodology for Social Lab's social sustainability projects, with the following main stages:

1. Identifying social challenges: Mapping, prioritizing challenges, and defining an impact area for the project
2. Problem definition: Identifying the problem space within the selected social challenge through exploration/research and selecting a well-defined problem
3. Solution alternatives: Mapping and prioritizing solution alternatives for the selected problem by involving relevant internal and external stakeholders. The prototype of the selected solution alternative is developed through an iterative process based on stakeholder feedback
4. Scaling: Designating the business area responsible for operating and scaling the prototype business model, which takes over operations and implements the solution's scaling

In 2024, we identified social challenges and defined problems. We prioritized solution alternatives and selected those for which we will launch test projects in 2025. The test projects will focus on disadvantaged groups and youth.

Housing Loans

The company provides housing loans on a market basis, significantly aiding home acquisition in several countries due to its market presence. At the end of 2024, OTP Group had approximately 510,000 active housing loan contracts, with about 59,000 new loans. Around 42% of these were Hungarian contracts, but DSK Bank, the Slovenian, Croatian, Serbian, Uzbek subsidiaries, and (relative to the country's size) CKB Group also had significant housing loan portfolios.[134]

In addition to market-based products, the Banking Group offers significant state-supported housing loan schemes in several countries. OTP Bank plays a prominent role in these schemes, with around 91,000 active contracts for state-subsidized Home Creation loans at the end of the year. The Croatian subsidiary had over 5,000, and Ipoteka Bank had nearly 15,000 state-supported housing loans.

Preventing Over-Indebtedness

One aspect of access to financial products is preventing customer over-indebtedness. This is ensured by the appropriate lending policy and regulatory framework within the Banking Group. Our lending regulations are based on the current lending policy, including customer and product-level lending conditions. This framework ensures that lending conditions and related obligations are transparent, clear, and understandable for new or already financed customers.

The product conditions derived from the lending policy ensure that we minimize lending risks at both product and customer levels, including the level of indebtedness. This applies equally to all our products and customers.

We continuously monitor the ratio of Stage 3 loans according to IFRS and report on it in our reports. (We do not collect separate information on loans for disadvantaged customers.) In case of market or economic changes, we intervene in the condition system to preventively enforce the prevention of increased lending risks, ensuring that our customers' and potential customers' situations and solvency do not deteriorate.

[134] OTP Bank Russia does not offer mortgage products, and this service is not significant at OTP Bank Ukraine.

Targets

ESRS S4-5

We will define goals related to the availability and accessibility of products and services – beyond legal compliance – through the @Social Lab, and have already set goals for accessibility.

Accessibility

The European Union's Directive 2019/882 on accessibility requirements for products and services applies to OTP Group's EU subsidiaries with retail branches, websites, or digital platforms. The directive covers the accessibility of branches, ATMs, and digital platforms (websites, internet banking, mobile banking).

OTP Bank aims to design and develop both physical (branch and contact center, ATM network) and digital (Mobile and InternetBank) channels to ensure that customers with disabilities can access all services and products, in line with new legal requirements.

Our goal is to equip all OTP Bank branches with tools to support customers with disabilities by June 2025, including tactile guide paths, customer call systems, sign language interpreter tablets, induction loops, mobile ramps, and disability bells. We aim to ensure that all ATMs have screen reader software and font size increase options (or use large fonts by default), expanding screen reader software functions to all available features (see @S4-4). Our goal is to ensure that OTP Bank's website and digital channels comply with the WCAG 2.1 standard at level A.

Since 2007, the Bank has aimed for accessibility and has an Accessibility Strategy. The strategy is regularly reviewed and fine-tuned, with developments aligned with it and legal changes.

To develop and improve appropriate service processes, the Bank maintains regular contact with relevant advocacy organizations (see @S4-4).

We continuously monitor the implementation of supportive tools for accessibility, maintaining the current status in the Branch Unified Master Database. We also continuously monitor the completion of internal training to develop staff sensitivity and preparedness according to our standard training processes.

The Ukrainian subsidiary aims to make 5 more branches accessible in 2025.

3.4. Reporting policy for heading S4

S4-3 AR23: The amount of compensation does not include refunds for transactions.
GRI 418-1: Number of confirmed cases of misuse of customer personal information in the organization's sphere of interest. Each case is included for only one type, there is no overlap between the types.

Bank branch: A branch is a physical outlet where customers can get human assistance and at least daily banking services are available (in addition to cash and transit services).

ATM: a device that allows at least automatic withdrawals.

S4-4 31a: Accessibility data refers to all branches and ATMs in countries.

Accessible drawers for disabled people: accessible part open to the public, safe to leave in case of emergency, and objects and equipment can be used in the building as intended.

Bank branch with guide lane: Guide Lane: A strip placed on the floor of a branch to help blind and partially sighted customers navigate within the branch.

Physical push button on the call ticket: Braille-labeled physical button on the caller.

Induction loop: induction signal amplifier/ audio frequency loop amplification system. The induction loop was developed to make sound information more understandable to people with hearing impairments, enabling them to absorb and understand it without problems.

Sign interpreter: Sign language interpreters, or sign interpreters for short, mediate between hearers who do not know sign language and those who are deaf or hard of hearing. Not only is speech translated into signing, but also, if necessary, signage into speech. For people with communication difficulties, sign language interpretation services use articulation interpretation services to ensure their understanding of communication situations in everyday life. A sign interpreter enables communication using a multimedia device.

Sign Language Associate: The agent uses basic sign language to establish contact with deaf and hard of hearing customers.

Total Accessible Accounts: The number of accounts where one of the previous three options is available, counting only once for accounts with multiple options.

Total number of hearing-impaired accessible accounts: the number of accounts where one of the previous three options is available, counting only once the number of accounts where more than one option is available.

ATM accessible for disabled people: accessible, open to the public part can be accessed, safely left in an emergency, and objects and equipment can be used in the building for their intended purpose.

GRI G4: FS13: Branch and ATM definition see S4-4 31a: Accessibility of branches and ATMs in OTP Group. Total amount and percentage of access points in sparsely populated or economically disadvantaged areas by country and type (branch/ATM). These areas were defined differently from country to country.

The definition of these areas varies from country to country. In Hungary, the so-called districts to be developed are defined by the Government Decree 290/2014 (XI. 26.). In Bulgaria, the "a" areas defined by the EU regional aid maps. In Croatia, areas defined by the Law on Special State Care Areas. In Serbia, municipalities with less than 12,000 inhabitants. In Uzbekistan, areas with lower than average population density as defined by Decree No 98 of the President of the Republic of Uzbekistan. In Ukraine, municipalities with a population of less than 50 000 inhabitants. In Montenegro, the northern, agriculturally oriented areas of the country. In Albania, areas with a low population density as defined by the Albanian Statistical Office, LAU2 (Local Administrative Units level 2). In Russia, municipalities with a population of less than 50,000 inhabitants.

4. Governance Information

4.1. Corporate Governance

For OTP Group, transparent operations and ethical business conduct are of paramount importance. Ensuring legal compliance, reducing risks, and effectively enforcing business, ethical, and internal controls are key objectives. Adhering to ethical norms and principles not only ensures legal compliance but also fosters trust, cooperation, and fair behaviour within the organization. The corporate culture of the Banking Group is characterized by long-term thinking and responsible attitudes, striving for sustainability. At the same time, OTP Bank is mindful of its legal obligation to ensure the profitable operation of OTP Bank and OTP Group for the benefit of its depositors, shareholders, and investors. These two aspects must be balanced and interact with each other.

During the operation of the corporate group, special attention is paid to transparency, regulation, the definition of internal responsibilities, and thus to actual compliance with the broadest environmental, social, and regulatory expectations.

Disseminating and promoting these topics among employees is of paramount importance throughout the Banking Group. Therefore, it aims to familiarize and encourage employees to comply with them through the following means: intranet news and articles, branch knowledge management, international conferences, e-learning training, and a network of compliance officers.

The place where the impacts and risks arise is the entire OTP Group, its own operations, with the exception of the fight against money laundering, which is essential for the Group's banks.

Material subtopic	Type of impact, risk, opportunity	Description of impact, risk, opportunity
Corporate culture, compliance, fight against money laundering	positive impact	The implementation of ethical business conduct and ensuring legal operations are of paramount importance to OTP Group. Preventing money laundering attempts by customers has a significant positive impact on society.
	negative impact	Non-conformities cannot be completely eliminated even with careful behaviour.
	financial risk	Non-compliance with regulations can result in fines and reputational damage. Violation of anti-money laundering regulations also poses a financial risk.
Corruption and bribery	positive impact	Effective prevention of corruption brings important social benefits.
	negative impact	Even with careful and continuously evolving practices, abuse can occur.

For a more detailed description of impacts, risks and opportunities and their management, see @SBM-3 and the following sections of this chapter.

Policies on Corporate Culture and Business Conduct[135]

ESRS G1-1

The two most defining policies of OTP Group regarding corporate culture and business conduct are the Code of Ethics and the Compliance Policy. The Code of Ethics includes the Gift Policy as an appendix. The Compliance Policy includes the Sanctions Policy, the Anti-Corruption Policy, and the Anti-Money Laundering and Counter-Terrorism Financing Policy. The most important policies of OTP Group, or their extracts, are publicly available on the OTP Bank website @Due Diligence information.

Code of Ethics

Key content: OTP Bank adopted its group-level Code of Ethics in 2006, which continuously evolves in line with external and internal changes and expectations. The Code of Ethics of OTP Bank and OTP Group sets out clear and unambiguous guidelines and expectations for ethical business conduct for the entire OTP Group and those associated with it, to protect the values of OTP Group. The Code of Ethics defines behavioural expectations for employees, outlines the business ethical commitments of OTP Group, and details the reporting method expected in case of violations of the Code of Ethics. It is a fundamental expectation for all employees of OTP Group to perform their work in full compliance with moral and professional standards. Familiarity with the Code of Ethics and tracking changes is also a fundamental expectation for all employees and business partners.

[135] The G1-1 disclosure requirement expects the presentation of information related to promoting corporate culture, in addition to policies. We consider these as measures and objectives according to the ESRS.

The Code of Ethics also includes provisions on gifts and corruption prevention. The Gift Policy, which details the rules, restrictions, monetary limits, and prohibitions on gifts and invitations, and the method of record-keeping, is an appendix to the Code. The Code declares the corporate group's commitment to environmental sustainability and environmental values.

The Code did not change significantly in 2024.

Scope: The Code of Ethics applies to the entire OTP Group, imposing obligations on executives, employees, and agents.[136]

Accountable for implementation: The Board of Directors and the Supervisory Board bear the governance and organizational responsibility for compliance, including the Code of Ethics.

Availability: Familiarity with the Code is ensured through mandatory training and is also available in the internal regulatory repository and on the Bank's @website. The Gift Policy is only available in the internal regulatory repository.

Consideration of the interests of key stakeholders: The organizational units of the Banking Group, as the most important stakeholders, reviewed and shared their comments and suggestions during the creation of the Code of Ethics and related regulations.

Reference to third-party standards: The Code of Ethics is based on international standards, best practices, and operational experiences that consider the expectations and practical feasibility for OTP Group members. These include the International Code of Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the core conventions of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights. To ensure uniform application, the group-level Code serves as the basis for local regulations for all subsidiaries and some affiliates of OTP Group, considering possible deviations due to national characteristics or specific regulatory environments. The list of external guidelines and relevant legislation underlying the Code of Ethics is included in the @Documents governing the application of the Code of Ethics of OTP Bank and OTP Group.

Code of Ethics for Partners

Key content and scope: OTP Group expects its partners to adhere to the principles of the Code of Ethics. Therefore, in addition to the Code of Ethics, there is also a group-level Partner Code of Ethics. This Code aims to set out clear and unambiguous guidelines and expectations for ethical business conduct for those associated with OTP Group. OTP Group strives to ensure that all its suppliers, business, agents, and other contractual partners commit to complying with the provisions of the Code of Ethics or the Partner Code of Ethics (or their equivalent regulations) by accepting the General Terms and Conditions, a separate contractual provision, or a declaration of acceptance.

Availability: The Code is part of the General Terms and Conditions and is also publicly available on OTP Bank’s @website.

In other aspects, the Partner Code of Ethics is identical to the Code of Ethics.

Compliance Policy

Key content: The purpose of the Compliance Policy is to summarize the principles related to the compliance of OTP Bank, designate the main directions of independent compliance activities, which collectively define, promote, and support proper, legal, safe, and prudent operation, based on the expectations and guidelines formulated by senior management, considering applicable laws, regulatory guidelines, and internal regulations. The Compliance Policy defines the principles for operating the compliance function. The Policy is guiding and to be followed by OTP Group members. Each group member creates its own (local group-level) compliance policy and develops the regulations and tools to ensure its implementation, based on the principles of the Bank's Policy, adapted to the complexity of their activities and the differences in their size, and in the case of foreign group members, the laws of the respective country.

[136] Agents: those who fulfill contractual obligations for OTP Group and, in the course of their activities, interact with a wide range of OTP Group's clients or potential clients, provide services on behalf of OTP Group, and clearly appear as representatives of OTP Group in public while fulfilling their contractual obligations. This includes temporary employees and individual contractors supplying labour to the undertaking, as defined by the ESRS.

The Compliance Policy requires the Bank to develop ethical norms and internal professional standards, summarized in the Code of Ethics and the Partner Code of Ethics. The principles of corporate governance (responsible corporate management) also appear in the Compliance Policy. In line with responsible corporate governance, the Bank applies guidelines that promote compliance with internationally recognized rules and standards of responsible corporate management, ensuring transparency and accountability through the public disclosure of information related to its management and operations.

In line with OTP Group's geographical presence, markets, business, and customer relationships, a sanctions compliance policy is applied to ensure compliance with economic, financial, and trade sanctions imposed by the European Union, the United Nations Security Council, the relevant office of the United Kingdom, and the United States. Additionally, local laws and national sanctions applicable to individual group members are also considered. OTP Group has a unified Sanctions Compliance Policy and sanctions procedures that set minimum requirements for OTP Bank and its affected subsidiaries. The applicable sanctions may restrict OTP Group's business activities with certain sanctioned countries, individuals, and organizations. In line with its sanctions compliance policy, OTP Group prohibits or restricts involvement in business activities, financial, investment services, or products that may violate applicable sanctions regulations. The prohibitions also aim to prevent participation in transactions and business behaviours that may directly or indirectly circumvent or evade applicable sanctions.

OTP Group has policies, procedures, and numerous monitoring measures to ensure compliance with relevant sanctions regulations. Accordingly, customers and financial transactions must be screened against sanctions lists, including but not limited to those of the European Union, the United Nations, the United Kingdom, and the United States, as well as national sanctions lists applicable to the respective Group member. In addition to screening customers and financial transactions, OTP Group has introduced further processes for active banking transactions with sanctions/sensitive involvement, where each identified transaction is separately evaluated by examining relevant factors.

The Bank also publishes a group-level policy on financing services related to the defense industry on its website, which is also part of the Compliance Policy.

Scope: The Compliance Policy applies to the entire Bank, all organizational units, and activities. The Compliance Policy is applied at the group level, as it is guiding and to be followed by the Banking Group members. The Sanctions Compliance Policy is a group-level document.

Accountable for implementation: The Board of Directors and the Supervisory Board bear the governance and organizational responsibility for compliance, including the entire Compliance Policy.

Availability: The Compliance Policy is available in the internal regulatory repository and on the Bank's @website, as is the @Sanctions Compliance Policy.

Consideration of the interests of key stakeholders: The Bank's organizational units reviewed the policy during its creation.

Reference to third-party standards: The Bank establishes and operates internal defense and security lines based on the main principles and requirements defined by the MNB Recommendation, which promote the organization's prudent, reliable, and efficient operation in compliance with laws and internal regulations. This is in line with the guidelines of European financial supervisory authorities and the recommendations of international financial regulatory bodies. Additionally, the Compliance Policy refers to numerous legal requirements. The main content of the Sanctions Compliance Policy has been detailed above.

Anti-Money Laundering and Counter-Terrorism Financing Policy

Key Content: The goal of the Banking Group's anti-money laundering and counter-terrorism financing activities is to effectively prevent and combat the laundering of assets derived from criminal activities and the financing of terrorism. The policy includes that the corporate group prepares a group-level risk assessment for combating money laundering and terrorism financing, which is reviewed at least annually, to identify, analyze, evaluate, and manage money laundering and terrorism financing risks. Furthermore, it categorizes its customers into risk categories and applies customer due diligence measures appropriate to the risk category. During customer due diligence, the "Know your customer" principle is applied to create a customer profile and screen suspicious transactions that do not fit the customer profile, reporting to the financial intelligence unit (FIU) if necessary. AML/CFT requirements are mandatory at the group level. Deviations are only possible with the parent bank's permission due to local legal requirements, supervisory expectations, and recommendations.

Scope: According to the policy's provisions, OTP Bank defines the group-level requirements, procedures, and workflows related to AML/CFT activities.

Availability: The policy is available in the internal regulatory repository and on the Bank's @website.

Reference to third-party standards: The policy is designed to comply with the internal regulations governing the prevention and combating of money laundering and terrorism financing, as well as the financial and asset restrictive measures imposed by the European Union and the United Nations Security Council, and the relevant sections of the General Business Rules.

In terms of other features, the policy is identical to the Compliance Policy.

Anti-Corruption Policy

Key Content: OTP Group is committed to fighting corruption and has declared zero tolerance for bribery and all forms of illicit advantage. The policy aims to define the principles of OTP Group's anti-corruption activities, identify areas particularly exposed to the risk of corruption, and serve as a fundamental document for the Banking Group's anti-corruption activities in developing the necessary regulatory documents and during the anti-corruption activities of the affected employees. The provisions of the policy are to be applied together with the group-level Code of Ethics and Partner Code of Ethics.

Scope: The policy applies to all employees, contractual partners, and any other persons involved in the activities of the Group members.

Accountable for implementation: The Board of Directors and the Supervisory Board bear the governance and organizational responsibility for compliance, including the entire Compliance Policy.

Availability: The policy is available in the internal regulatory repository and on the Bank's @website. Given the importance of anti-corruption measures in business relations, Group members pay special attention to ensuring that all employees and contractual partners are fully aware of the policy's provisions. To this end, Group members always provide free access to the policy and expect their employees and contractual partners to familiarize themselves with the document, applying an anti-corruption clause (see @G1-3). Training related to the Anti-Corruption Policy is part of the Compliance policy @training program.

Reference to third-party standards: The provisions of the Anti-Corruption Policy have been developed in accordance with the applicable domestic and international[137] anti-corruption laws and the Wolfsberg Group Anti-Corruption Guide[138].

The policy is identical to the Compliance Policy.

Actions and targets

Taking action on Corporate Culture and Compliance

Ethical Reporting System

According to the expectations of the Code of Ethics, OTP Group employees are required to draw attention to any illegal practices, violations of the rules and values outlined in the Code of Ethics, or any practices that may lead to abuse, by notifying the affected parties or their immediate supervisor. This should be done through the contact points of OTP Bank Compliance Directorate or the compliance area of the affected OTP group member.

[137] (a) United Nations Convention against Corruption (Act CXXXIV of 2005), (b) the Treaty on the Functioning of the European Union, (c) Convention drawn up on the basis of Article K.3 (2) (c) of the Treaty on European Union on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, (d) Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector (e) Council Decision (EU) 2008/852/JHA of 24 October 2008 on a network of contact points against corruption, (f) Act C of 2012 on the Criminal Code, (g) Act XXV of 2023 on complaints, public interest reports and rules related to whistleblowing, or the relevant provisions of the legislation in force at any time replacing the listed legal acts.
[138] "The Wolfsberg Group – Wolfsberg Anti-Bribery and Corruption (ABC) Compliance Programme Guidance (2017)"

External parties can also make ethical reports or ask questions related to the Partner Code of Ethics through the same channels.

Ethical reports can be made in person during working hours, by letter, phone, email, or through the contact points of the compliance area of the affected OTP group member, as well as through the dedicated online Reporting System. Reports can also be made anonymously. The ethical reporting system operates continuously. OTP Group handles all reports, inquiries, and investigations confidentially, in compliance with applicable laws and regulations, and with the protection of the whistleblower.

The Banking Group member sends an acknowledgment of receipt to the whistleblower within seven days of receiving a written report through the Reporting System and provides general information on the procedural and data processing rules under the Whistleblower Act.

The Banking Group members investigate the contents of the report as soon as possible, but no later than thirty days from the receipt of the report. The thirty-day processing period can be extended in particularly justified cases, with simultaneous notification of the whistleblower. In such cases, the whistleblower must be informed of the expected date of the investigation and the reasons for the extension. Even if extended, the investigation period cannot exceed three months. The Banking Group members inform the whistleblower in writing about the investigation or its omission and the reasons for the omission, as well as the results of the investigation. Written notification can be omitted if the Banking Group member has verbally informed the whistleblower, who has acknowledged the information.

All participants in procedures related to reports are required to act independently, fairly, impartially, and in accordance with the Code of Ethics. To ensure fair procedures, the reported person is allowed to present their position on the report, either personally or through their legal representative, and to support it with evidence.

According to the procedures for operating the ethical/violation reporting system, the head of the Ethics Department[139] decides on the closure of the first-instance procedure based on the investigation report, determining whether there was a violation of the law and/or the provisions of OTP Group Code of Ethics, and may propose measures to remedy the violation/ethical norm violation, or to take measures to avoid, prevent, and reduce the risks of violations or breaches of the Code of Ethics. If the affected party (the whistleblower or the person affected by the report) disagrees with the results of the investigation (first-instance procedure), they can appeal in writing to the Ethics Committee, as the second-instance body, within 15 days of receiving the notification, through the reporting channels.

If required by law, the Ethics Department initiates the procedure of the competent authority under the conditions specified therein. If a criminal complaint appears justified, it should be made in consultation with the Security Directorate, which is responsible for official contacts in criminal matters.

The head of the Ethics Department immediately notifies the head of the President-CEO organization and the Supervisory Board if the report concerns the Bank's senior executives or senior managers; the first executives of Hungarian or foreign subsidiaries; or if it concerns the activities of the Compliance Directorate. In the framework of an ethical procedure, incidents, including cases of corruption and bribery, can be immediately, independently, and objectively investigated outside the reporting system. If such a report is received by the complaint handling department, it must immediately refer the matter to the Ethics Department. The Ethics Department decides on classifying the case as an ethical procedure, which is investigated as detailed above.

Ethical training

OTP Group considers it particularly important to familiarize employees with ethical norms and the ethical reporting system, and to raise awareness among them. Therefore, it conducts annual ethical training for all employees, and it is mandatory for sales agents to complete the training within a specified period from the start of their work. The training aims to enable all employees to act ethically and responsibly through the acquired knowledge, contributing to the establishment of fair and just operations within the company. The training material provides comprehensive guidance on the ethical behaviour expected within OTP Group. The main points of the training include: ethical foundations; conflict of interest; ethical behaviour inside and outside the bank; political involvement; finances in the workplace; corruption, undue influence; mutual respect and cooperation. The training material helps understand and address the aforementioned issues, promoting ethical behaviour and decision-making through practical examples and guidelines. The Banking Group regularly reviews and monitors the understanding and adherence to ethical norms.

The role of leaders is crucial in conveying the expected behaviours, so leaders also undergo separate, annual leadership ethical training. This helps them handle any issues related to ethical questions that may arise. The

[139] From January 1, 2025, Integrity Department at OTP Bank; the name of the relevant class is not uniform among group members

main points of the training include: the importance of leading by example; leadership challenge: creating an appropriate work environment; equal treatment; managing conflicts of interest.

The Code of Ethics also sets specific expectations for leaders: OTP Group leaders make every effort to ensure that employees are familiar with the rules of the Code of Ethics. It is important to create a work environment where employees feel safe and comfortable. They support employees in raising ethical questions and issues in good faith without facing any retaliation. OTP Group leaders lead by example in fully adhering to the principles of the Code of Ethics. It is particularly important for leaders to set an example in terms of appropriate tone, language, demeanour, gestures, and communication. They are responsible for maintaining a culture of ethical operation, ensuring compliance with the principles and provisions of the Code by employees, which they monitor using the lawful tools at their disposal. The expectations set out provide guidance, as the Code cannot contain comprehensive instructions for appropriate actions in all situations and circumstances

In connection with compliance activities, the Bank provides a training program tailored to the organization's needs, ensuring appropriate participation opportunities, time frames, budgets, and resources for employees, and this is also expected of Group members.

The compliance function monitors the education and training of OTP Bank employees, ensuring that all new hires receive the knowledge necessary to perform their work at a high level. Where deficiencies are identified, it supplements the knowledge or refreshes the knowledge acquired during previous training. The training plan is based on compliance risk assessment, legal obligations, and internal expectations. The plan consists of compliance orientation for new hires, as well as ad-hoc or annual refresher mandatory training for employees. The organizational units responsible for the compliance function prepare their own training materials and any related tests and determine the criteria for the participants of each training. The training materials are reviewed at least annually, and the annual training plan is modified as necessary to meet the needs identified by the compliance risk analysis and other development plans.

Taking action against Money Laundering

The main measures related to combating money laundering include the training program and the operation of the whistleblowing system.

Enhancing AML/CFT Awareness

To increase the AML/CFT awareness of the Banking Group's affected employees, regular (at least annual) mandatory training sessions are held. The AML/CFT training is conducted in two ways by the Banking Group's banks[140]. For some subsidiaries, the training is mandatory for all employees, while for others, it is mandatory for those involved in AML/CFT-related activities during the bank's business operations and those who interact with customers, as well as their managers. The training is typically conducted online, but there are also instances of in-person training. The training topics usually include an overview of the regulatory environment, current updates, and case studies. The training concludes with a test.

The training is mandatory for all employees at DSK Bank, OTP Bank Slovenia, Ipoteka Bank, OTP Bank Ukraine, OTP Bank Albania, OTP Bank Moldova, and OTP Bank Russia.

In Hungary (OTP Bank and Merkantil Bank), training is provided to those involved in AML/CFT-related activities during the Bank's business operations and those who interact with customers, as well as their managers, based on the requirements of the Act on the Prevention and Combating of Money Laundering and Terrorist Financing (the AML/CFT Act) and the Hungarian National Bank (MNB) regulation. OTP Bank ensures that its managers and employees involved in the prevention and combating of money laundering and terrorism financing receive the necessary depth of preventive training and at least annual refresher training (together: general training) and take a written exam (including exams conducted in an electronic system). The Bank provides more detailed specialized training at least once a year for employees who interact with customers. Merkantil Bank's annual training is conducted in e-learning format and concludes with an online exam.

[140] The topic is relevant at the banks of the Banking Group, and the trainings are also presented in this area.

OTP Bank Serbia complies with the Serbian Anti-Money Laundering Act regarding training, which is mandatory for those establishing business relationships with customers and conducting transactions.

The Croatian subsidiary also follows legal requirements, with training provided to employees who interact with customers and senior management.

CKB Montenegro has identified employees and senior executives exposed to AML/CFT risks (those directly or indirectly interacting with customers, transaction executors, compliance, internal audit, security, operational risk management employees, senior management, and the Supervisory Board) and they receive training.

At the Romanian subsidiary, training was mandatory for employees responsible for or involved in AML/CFT or KYC (Know Your Customer) processes.

To expand employees' AML knowledge, the Banking Group also shares information on properly conducted customer due diligence, thorough customer knowledge, and behaviours indicative of AML suspicion (e.g., strawman suspicion, unjustified cash use) on internal banking forums (intranet, professional newsletter) according to current trends.

AML Whistleblowing System

OTP Bank operates a whistleblowing system for reporting illegal activities related to the prevention and combating of money laundering and terrorism financing. If OTP Bank violates the Anti-Money Laundering and Counter-Terrorism Financing Act (the AML/CFT Act), employees can send anonymous notifications through the whistleblowing system operated for this purpose. The investigation is conducted within thirty days by an employee designated by the head of the Compliance Directorate for reports involving the Anti-Money Laundering and Counter-Terrorism Financing Department or its employees, and by the head of the Anti-Money Laundering and Counter-Terrorism Financing Department or an employee designated by them in other cases. The designated person prepares a report on the investigation results, including action proposals, deadlines, and responsible persons. The head of the Compliance Directorate approves the report on the investigation results and ensures the proper implementation of its contents. If justified by the investigation results, the designated person immediately reports to the competent authorities. The whistleblowing system operates continuously.

Taking action against Corruption

OTP Group's anti-corruption measures include the anti-corruption training system, which is part of the Ethical training (see the same disclosure requirement above). Risk assessments and anti-corruption investigations, presented in the @G1-3 disclosure, also support the fight against corruption.

Prevention and Detection of Corruption and Bribery[141]

ESRS G1-3

The @Anti-corruption Policy and the @Compliance Policy stipulate that OTP Bank must strive to include an **anti-corruption clause** in all contractual relationships and regulatory documents. This clause requires parties to act carefully and minimize corruption risks during cooperation with contractual partners, especially in the tendering and preparation process. Deviation from the anti-corruption clause is only allowed in exceptional cases, based on the individual assessment of the contracting department, with the contracting department assuming the risk and responsibility. The deviation or omission of the anti-corruption clause must be reported to the compliance area with justification. The extension of the clause's application to group members is planned gradually in 2025.

The organizational units or activities of group members that may be affected by corruption risks vary. The @Anti-corruption Policy lists the activities most exposed to corruption risks: handling gifts and representation expenses; charity and sponsorship; contact with contractual partners; undertaking contractual obligations; investments, asset purchases, management, maintenance; hiring new employees; purchasing, managing, selling real estate. It also states that the Banking Group shall pay attention to all activities not listed that carry corruption risks.

[141] We consider this disclosure requirement to be an action under the ESRS.

Group members determine the organizational units or activities that are the current focus of anti-corruption activities based on an annual **risk-based assessment**. Additionally, OTP Bank's Compliance area conducts anti-corruption investigations according to its own defined anti-corruption investigations, which the Bank gradually implements. This is a continuous/periodically recurring investigation with no predetermined deadline. The plan includes examining areas with increased corruption risks, such as supplier or agent activities.

To effectively enforce the provisions of the Anti-Corruption Policy, OTP Group develops detailed rules and procedures. Group members are expected to adopt anti-corruption rules, contractual provisions, implement relevant procedures, and consistently comply with them.

The general training and information practices related to corruption and bribery are detailed in the @G1-1 disclosure.

Annual ethical training, which includes the topic of corruption, is mandatory for all OTP Group employees. Thus, the training programs cover 100% of employees in functions exposed to corruption and bribery risks.

To **detect** corruption and bribery, the organizational unit/person responsible for the compliance function of the affected group member monitors the implementation of the Policy in the group member's activities and its compliance with applicable laws, as well as all other relevant expectations and best business practices. If the organizational unit/person responsible for the compliance function detects or receives information about any anomalies or irregularities, they initiate a review of the provision, modify it if necessary, and ensure that the identified deficiency or irregularity is brought to the attention of the governing bodies. The governing bodies of group members monitor the implementation of the Policy by receiving annual reports on the fulfillment of the expectations outlined in the Policy.

Violations of the provisions of the Anti-Corruption Policy can be reported through the channels specified in the @Code of Ethics and @Partner Code of Ethics , and the investigation is conducted according to the procedures for operating the ethical/violation reporting system[142] (see @Ethical Reporting System).

According to the Banking Group's Conflict of Interest Policy, the person under investigation and the investigator are separated when handling corruption and bribery allegations and cases. It is a fundamental business interest and legal obligation of the Bank to ensure that the personal interests of its senior executives, members of its governing bodies, and employees do not conflict with the business interests and commitments of the Bank, OTP Group, and its clients.

Corruption and Bribery Cases

ESRS G1-4

No convictions of guilty of violating anti-corruption and anti-bribery laws have been made against members of OTP Group. In 2024, there were two confirmed cases of corruption and bribery at the Uzbek Ipoteka Bank, which is considered a public legal case by the bank, although the case was eventually closed under internal investigation, no decision was made by an official body. The cases were reported in the local media and were subsequently investigated. During the investigations by the official bodies, the bank decided to investigate the cases internally, using its option to do so. In both incidents, the employees concerned were held responsible and dismissed. No termination of contract with a business partner was necessary.

In the first case, a financial adviser at a bank branch accepted money for assistance with a mortgage application. The bribe was paid before the loan application was formally submitted. As a result of an internal investigation by the compliance team, the consultant's employment was terminated. In the second case, two employees of another bank branch attempted to provide assistance to a third party in connection with a mortgage loan by falsifying documents. The illegal activity took place before the third party had submitted the loan application. In this case too, the employee's employment was terminated.

Measures taken to address violations of procedures and standards related to combating corruption and bribery are detailed in @G1-3.

[142] Complying with Section 116 of the Credit Institutions Act, as well as the internal whistleblowing reporting system under the Whistleblower Protection Act

Legal Procedures

Above is a summary of the closed regulatory procedures and the amounts of fines paid by OTP Group members.

GRI 2-27 Closed proceedings by authorities, and other legal procedures, fines paid, OTP Group – 2024						
	All closed cases	Number of significant cases	All cases closed with fines	Total fine paid	Fine charged for practice applied in 2024	Fine charged for practice applied in earlier period
	pcs			HUF million		
violation of competition rules [1]	3	0	3	2.1	2.1	0
violation of consumer protection rules	256	0	55	69.3	28.5	40.8
violation of rules on equal opportunity (own workforce)	2	0	0	0	0	0
violation of rules on equal opportunity (not own workforce	0	0	0	0	0	0
violation of accessibility rules	0	0	0	0	0	0
supervisory procedures	138	3	64	584.7	572.5	12.3
violation of IT security / Cyber security rules	0	0	0	0	0	0
violation of taxation rules	2	0	1	0.2	0	0.1
violation of environmental rules	1	0	1	0.4	0.4	0
violation of marketing communication rules	1	0	1	0.5	0.5	0
violation of information provision rules	6	0	6	6.6	6.6	0
violation of marketing communication and information provision rules	0	0	0	0	0	0
violation of data protection rules	19	1	3	215.0	6.5	208.5
Violation of anti-corruption and anti-bribery rules	0	0	0	0	0	0
violation of labor law rules	6	0	0	0	0	0
violation of health and safety rules	1	0	1	0.3	0	0.3
other proceedings	5	0	0	0.2	0.2	0
Total 2024	**440**	**4**	**135**	**879.4**	**617.4**	**262.0**

The regulatory practices of individual countries can differ significantly, which contributes to the significant differences in the number of procedures.
[1] This also includes cases related to violations of antitrust and monopoly rules.

In 2024, three competition law proceedings were ongoing involving members of the Banking Group, one each against OTP Bank, Ipoteka Bank in Uzbekistan and OTP Bank of Russia. Of the three closed competition law cases, one involved Ipoteka Bank, which was fined HUF 600,000 by the Monopoly Prevention Committee for non-compliance with marketing communication rules related to microloan advertising. Two cases involved the Russian subsidiary, with fines totaling HUF 1.5 million.

Due to its significance, we present the ongoing competition law case against OTP Bank. The so-called Interchange case, a repeated procedure, began in 2021. In 2009, the Hungarian Competition Authority (GVH) fined OTP Bank HUF 281 million in the Interchange (interbank commission) case, alongside Mastercard, Visa, and several other banks. OTP Bank challenged the decision in court: in March 2017, the appellate court annulled the GVH's fine decision and ordered a new procedure, which the Supreme Court upheld, rendering the 2009 fine decision null and void. The GVH had already refunded the paid fine. Following the court's guidance, the GVH initiated a new (repeated) competition supervision procedure against the parties in June 2021, which was still ongoing in 2024.

Other significant procedures:

In 2024, the Hungarian National Bank (MNB) concluded a supervisory procedure initiated in 2022 against OTP Bank regarding payment services, resulting in a HUF 102 million fine and requiring the Bank to implement measures for violating several legal provisions.

The Bulgarian Commission for Personal Data Protection (CPDP) fined DSK Bank HUF 209 million for violating personal data protection rules in a 2019 case, with a final decision in 2024.

The Montenegrin Central Bank fined the Montenegrin subsidiary HUF 424 million for deficiencies in internal control systems and operational risk management following a fraud incident at a bank branch (payment occurred after the reporting period).

The Albanian National Bank conducted a procedure against the Albanian subsidiary, requiring the Bank to modify two practices, but no fine was imposed.

In 2024, there were no non-compliance incidents regarding voluntary codes related to product and service information or marketing communication.

In 2024, two legal proceedings related to equal opportunity were closed within OTP Group member company, at OTP Bank Serbia. None of these four cases resulted in fines.

In 2024, there were a total of 14 discrimination-related reports[143] within OTP Group. Nine at OTP Bank, two at OTP Bank Romania, and one each at Bulgarian DSK Bank, Montenegrin CKB subsidiary, and OTP Factoring. None of the cases were found to be justified.

4.2. Reporting policy for heading G1

G1-3 21. b: In the case of anti-corruption and bribery training programs for employees in risky functions, when calculating the percentage of employees working in vulnerable functions covered by these programs, the group takes into account employees who completed the training program during the reporting period and those who were assigned to complete the program, whether or not they completed it by the reporting date.

G1-4 23. a: The Group publishes the number of convictions for violations of anti-corruption and anti-bribery regulations and the total amount of fines imposed during the reporting period. The reported figures do not include judgments which may be the subject of appeal or which are still pending at the reporting date.

G1-4 24.a, GRI 2-27: The disclosure requirements for non-compliance are presented together by the Group, but the expectations of the ESRS and the GRI Standards 2021 GRI 2-27 indicator used as entity-specific disclosure differ in part in relation to non-conformities on different topics.

- G1-4 24. the number of convictions for breaches of anti-corruption and anti-bribery legislation;
- GRI 2-27 non-compliance with laws and regulations;

The Group publishes information by topics of violation; there is no overlap between cases per topic. The Group publishes the total number of cases closed. It publishes the total number of cases with fines and the amount of fines paid, including:

- Fines for practices during the reporting period: practice still in place at the time the fine was imposed;
- Fines for practices belonging to an earlier period: the practice complained of had already ceased in a previous year before the fine was imposed.

The Group shall publish the number of significant cases of non-compliance. Non-compliance is significant where:

- the fine for a case reaches HUF 10 million;
- several fines paid for the same practice amount to HUF 10 million;
- a case not involving the imposition of a fine is normally considered not significant, except if the competent area of expertise of the Group Member considers otherwise.

For Discrimination Cases and Elimination Measures, discrimination (as defined in the ESRS) means discrimination based on gender identity, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation; It also includes cases of harassment as a specific form of discrimination.

The Group reports the total number of cases of discrimination received, including separately the number of cases of discrimination against own workforce (S1-17 103. a). The Group also reports the number of cases of legitimate discrimination, including cases of discrimination against an entity's own workforce.

[143] Information on cases of discrimination against an entity's own workforce can be found in Chapter S1 - Own workforce

5. Appendix

The professional experience of the members of the Supervisory Board and the Board of Directors (governing bodies)

Senior management and executive members of the Board of Directors of OTP Bank

Internal members

Dr. Sándor Csányi:
Chairman of the BoD
Chairman & CEO

From 1980 he worked at the Tax Revenue Directorate and then at the Secretariat (Banking Supervision Section) of the Ministry of Finance then from 1983 to 1986, he was Head of Department at the Ministry of Agriculture and Food Industry. From 1986 to 1989 he was a senior department head at the Hungarian Credit Bank (MHB).

From 1989 to 1992 he was Deputy CEO of K&H Bank.

He has been the Chairman and CEO of OTP Bank Plc. since 1992.

He is Vice Chairman of the Board of Directors of MOL Plc. and Co-Chairman of the Chinese-Hungarian Business Council.

In 2022, through contributing 100% of the shares of Bonitás 2002 Zrt. and Hungerit Zrt. as well as substantial cash, he founded Unity Asset Management Foundation, which acts as his “Family Office” and manages sizable investments.

Bonitás 2002 Zrt. is the holding company that oversees his investments in agriculture, the food industry, real estate and asset management, which comprise some 240 directly or indirectly owned companies.

Bonitás 2002 Zrt. is one of the largest investors in agriculture and food industry in the CEE region through Bonafarm Group, Hungerit Zrt. and KITE Zrt. generating a total annual revenue of EUR 2.5 billion with more than 9,500 employees and with a total of 40,000 hectares of cultivated farmland. The Bonafarm Group is vertically integrated with agricultural companies producing the raw materials for food processors: Hungary’s largest meat processor, Pick Szeged Co and MCS Vágóhíd Zrt., the dairy company Sole-Mizo Zrt. and the winery Csányi Pincészet Zrt. It also has significant investments in real estate and construction companies as well as in venture capital and real estate funds through the Bonitás Venture Capital and Real Estate Fund. The size of venture capital fund is EUR 20 million and the average VC investment is between EUR 900,000 and EUR 2 million, while the size of the real estate fund is EUR 80 million. Bonitás 2002 Zrt.’s portfolio also includes the largest hungarian private hospital, BEK Zrt.

Péter Csányi
Deputy CEO
Digital Division

He began his career in 2006 at Merrill Lynch’s London office as an intern and he was working part-time on corporate finance projects for financial institutions while attending university as well.

From 2007 to 2011, he was an analyst in Deutsche Bank's London office and then a financial advisor in the field of corporate finance (for Central and Eastern European corporate customers).

From 2011-2016, he worked for McKinsey & Company Inc. as a senior consultant mostly working on banking related projects.

He joined OTP Bank in 2016 as managing director of the Digital Sales and Development Directorate. After the agile transformation at the Bank, he became responsible for the management of the Omnichannel Tribe from 2019. In addition, since January 2021, he was the head of the Daily Banking Tribe.

Since March 2021, he has been the Deputy CEO of OTP Bank, the head of the IT Division (as of 1 May 2021 Digital Division) and the Member of the Management Committee. Since July 2023 he is the Chairman of the Executive Steering Committee.

He has been a member of OTP Bank's Board of Directors since 16 April 2021.

From 2020 he has been Chairman of the Supervisory Board of OTP banka d.d. in Croatia. He is also a member of the OTP Mobil Kft. Supervisory Board, the Board of Directors of PortfoLion Ltd., and the Supervisory Board of Fizz.hu (Ecosystem Ltd.). He is also the head of the Digitization Working Group of the Hungarian Banking Association and a member of the Mastercard European Advisory Board and the vice president responsible for digital transformation of IVSZ IT Association of Hungary.

László Wolf
Deputy CE
Commercial Banking Division

From 1983 after graduation, he worked at the Bank Relations Department of the National Bank of Hungary for 8 years, and then he was head of Treasury at BNP-KH-Dresdner Bank between 1991 and 1993.

From April 1993 he was managing director of OTP Bank's Treasury Directorate, and since 1994 he has been the head of Commercial Banking Division as Deputy CEO of OTP Bank Plc.

Since 2003 he has been a member of DSK Bank's Supervisory Board.

He has been a member of OTP Bank's Board of Directors since 15 April 2016.

External members:
Tamás György Erdei
Deputy Chairman of the BoD
BSc Business Administration

He began his professional career at OTP, in a variety of administrative roles (his last position was branch manager), before going on to work at the Ministry of Finance in the area of bank supervision

From 1983 he was employed by the Hungarian Foreign Trade Bank, where he gradually worked his way up through the ranks. In 1985 he became managing director, in 1990 he was appointed Deputy CEO, then in 1994 he became CEO, and from 1997 until the end of March 2012 he was Chairman & CEO.

Between 1997 and 2008, and between 2009 and 2011, he was the elected president of the Hungarian Banking Association.

He is the Chairman of the Supervisory Board of the International Children's Safety Service.

He has been a member of OTP Bank's Board of Directors since 27 April 2012. He has been the Chairman of OTP Bank's Risk Assumption and Risk Management Committee, and he was a member of the Nomination Committee between 2014 and 2020.

He has been the Deputy Chairman of the Board of Directors of OTP Bank Plc. since April 2019 and the Chairman of the Work-out Committee since October 2019.

He has been Chairman of the Board of Directors at OTP Factoring Ltd. since December 2019.

Gabriella Balogh
Chemical engineer, MSc Economics, specialization in marketing

She worked as a marketing associate between 1993 and 1998, as director of the Marketing Department from 1998 to 2005 and as managing director of the Marketing and Sales Directorate between 2005 and 2008 at OTP Bank Plc.

She has been the managing director of GoodStep Consulting Kft. since 2008. She fulfilled group management tasks as a member of the Board of Directors at the Central European Media and Publishing Company between 2010 and 2017. She has been co-owner and Board of Directors member of Net Media Plc. since 2016. She is Presidium member and Chairwoman of the Marketing and Media Board of the Hungarian Football Federation. She is the Chairwoman of the Supervisory Board of Művészetek Palotája Ltd. Since 2023 she has been the Member of the Board of Directors of Richter Gedeon Plc.

She has been a member of OTP Bank's Board of Directors since 16 April 2021.

Mihály Baumstark
BSc Agricultural Business Administration,
MSc Economics

He was employed by the Ministry of Agriculture and Food Industry between 1978 and 1989. When he left the Ministry he was Deputy Head of the Investment Policy Department. Then he was managing director of Hubertus Bt., and from 1999 to 2011 he was deputy CEO and then Chairman & CEO of Villányi Winery Ltd. (now Csányi Winery Ltd.). He is currently retired.

He was a member of OTP Bank's Supervisory Board from 1992 to 1999 and has been a non-executive member of OTP Bank's Board of Directors since 1999. He has been Chairman of OTP Bank's Ethics Committee since 2010, as well as a member of its Remuneration Committee since 2011. He was the member of the Nomination Committee between 2014 and 2020.

<u>Dr. István Gresa</u>
PhD Business Administration and Economics

He has been working in the banking sector since 1989. Between 1989 and 1993 he was branch manager of Budapest Bank's Zalaegerszeg branch.

From 1993 he was director of OTP Bank's Zala County Directorate, and from 1998 he was the managing director of the Bank's West Transdanubian Region.

From 1 March 2006 until 14 April 2016 – when he retired – he was Deputy CEO of OTP Bank Plc., the Head of the Credit Approval and Risk Management Division. He was Chairman of the Board of Directors at OTP Factoring Ltd. between 2006 and 2017.

He has been a member of OTP Bank's Board of Directors since 27 April 2012.

<u>Antal György Kovács</u>
MSc Economics

He began his professional career in 1990 at the Nagyatád branch of K&H Bank, where he worked as a branch manager between 1993 and 1995.

He has been working at OTP Bank Plc. since 1995, first as a county director and from 1998 as the executive director of OTP Bank's South Transdanubian Region. From 1 July 2007 to 31 December 2022 he was the head of Retail Division as OTP Bank's Deputy CEO.

He has received additional training at the International Training Centre for Bankers and on various courses held by the World Trade Institute.

Between April 2007 and April 2012 he was Chairman of the Supervisory Board of OTP banka Hrvatska d.d.

He was the Chairman of the Supervisory Board of OTP Bank Romania SA from 12 December 2012, until the sale of the Romanian subsidiary bank.

He has been Chairman of the Board of Directors of OTP Mortgage Bank Ltd. and OTP Building Society Ltd. since 24 April 2014.

Between 15 April 2016 and 27 April 2023 he was a member of OTP Bank's Board of Directors, on 28 April 2023 the General Meeting of OTP Bank elected him as non-executive member of the Board of Directors.

<u>György Nagy</u>
Msc International Economics

He was a founding owner of Wallis Holding (founded in 1990) and he managed the Wallis Group as CEO until 2000. He founded Westbay Holding Kft. in 2004, the company's portfolio includes several successful investments.

He has been a member of OTP Bank's Board of Directors since 16 April 2021.

<u>Dr. Márton Gellért Vági</u>
General Secretary
Hungarian Football Federation

From 1987 to 2000 he was lecturer at University of Economic Science of Budapest (today Corvinus University of Budapest) and from 1994 onwards associate professor and head of department. He has a university doctorate and a PhD in economics. He has authored or co-authored more than 80 studies, essays and books.

Between 2000 and 2006 he worked at the State Holding and Privatisation Co. (ÁPV Zrt.) as managing director, Deputy CEO and then CEO.

Between 2006 and 2010 he was the Chairman of the National Development Agency.

In various periods between 2000 and 2010, he was the Chairman of the Board of Directors of Magyar Villamos Művek, Paks Nuclear Power Plant and the National Textbook Publishing House. Between 2002 and 2010, he was a member of the Board of Directors of Földhitel és Jelzálogbank Nyrt., and the Chairman of the Board of Directors for 4 years.

Since 2010 he has been general secretary of the Hungarian Football Federation.

He was a member of UEFA's HatTrick Financial Assistance Committee between 2011 and 2023. He has been a member of FIFA's Financial Committee since 2017 and since 2023 he has been one of the Vice Presidents of the UEFA National Teams Competition Committee.

He was a member of OTP Bank's Supervisory Board between 2011-2021.He was a member of OTP Bank's Audit Committee between 2014-2021. He was a member of OTP Bank's Nomination Committee between 2020-2021.

He has been a member of OTP Bank's Board of Directors since 16 April 2021.

Dr. József Zoltán Vörös
Professor emeritus, academician
University of Pécs

He has been a member of the Hungarian Academy of Sciences since 2013. Between 1990 and 1993 he was the dean of the Faculty of Business and Economics, Janus Pannonius University (JPTE) in Pécs. In 1993 he attended a course in management for senior executives at Harvard University.

From 1994 he was a professor at JPTE, from 2021 he has been professor emeritus. He was the senior Vice Rector of the University from 2004-2007, between 2007 and 2011 he was the Chairman of the Economic Council of the University of Pécs.

He has been a non-executive member of OTP Bank's Board of Directors since 1992. He has been the Chairman of OTP Bank's Remuneration Committee since 2009, and member of its Risk Assumption and Risk Management Committee since 2014.

Members of the Supervisory Board of OTP Bank Plc.

Tibor Tolnay
Chairman of the SB

From 1989 to 1994, he was the director of State Construction Company No. 21. From 1994 to 2015 he was the Chairman & CEO of the already privatized Magyar Építő Joint Stock Company.

He has been the managing director of Érték Ltd. since 1994.

From 2018 to 2021 he was the President of the National Association of Entrepreneurs and Employers, since 2021 co-President.

Since 1992 he has been a member of OTP Bank's Supervisory Board, and Chairman of the Supervisory Board since 1999. He was a member and Deputy Chairman of OTP Bank's Audit Committee between 2007 and 2011 and has been again since 2014. He has been the Chairman of OTP Bank's Nomination Committee since 2020.

Dr. József Gábor Horváth
Deputy Chairman of the SB
Retired Lawyer

From 1983 he worked for the Hungarian State Development Bank. He has been a lawyer since 1986, and from 1990 to 2023 he run his own law firm, which was specialised in corporate finance and corporate governance.

He has been a member of the Supervisory Board of OTP Bank since 1995 and was a member of MOL Plc.'s Board of Directors between 1999 and 2014.

He has been Deputy Chairman of OTP Bank's Supervisory Board since 2007. He was Chairman of OTP Bank's Audit Committee between 2007 and 2011 and has been again since 2014. He has been a member of OTP Bank's Nomination Committee since 2020. He was a member of the Board of Directors of INA Industrija Nafte d.d. from 2014 to 2018.

Dr. Tamás Gudra
BSc Business Administration, Lawyer

He worked as an auditor from 1993 to 2001 at Deloitte & Touche. Between 2001 and 2003 he was an accounting expert of subsidiaries at the Accounting and Tax Directorate of the Hungarian Oil and Gas Public Limited Company (MOL Rt). Then he was managing director at the Auditor, Financial and Accounting Directorate of the National Privatization and Asset Manager Plc. (ÁPV Zrt.) between 2003 and 2007 and became the director of Controlling Directorate at the Hungarian National Asset Manager Plc. (MNV Zrt.) from 2008 to 2010, then he worked as the CFO of the Hungarian Football Federation from 2011 until June of 2020. Between 2020 and 2024 he was the group-level CFO of Bonafarm Zrt. He has been the strategic advisor of OTP Pension Fund since May 2024.

He was a member of the Supervisory Board of OTP Lakástakarék Zrt. between 2012 and 2021 and he is Chairman of the Hungarian Paralympic Committee's Supervisory Board since 2016. Since 2021 he has been property inspector of Hungarian University of Agriculture and Life Sciences. Since 2022, he has been the asset controller of the Unity Asset Management Foundation

He has been a member of the Supervisory Board and Audit Committee of OTP Bank since 16 April 2021.

Olivier Péqueux
Groupama International SA

Started to work in 1998 as an insurance commissioner for the French Insurance Supervisory Authority. In 2003, he joined the French Ministry of Finance to take part in the pension law reform and the setup of a pension fund for French civil servants. Then he became technical adviser to the French Minister of health and pensions.

In 2005 he joined Groupama Group, first in charge of the actuary and accounting department of Gan Patrimoine, a life insurance company, and then in 2007 as Chief Financial Officer
f Groupama Paris Val de Loire.
He moved to China in March 2011 as Deputy General Manager of Groupama China, in charge of finance, actuary and investments in the joint venture between AVIC and Groupama.
From 2015 to 2017, he was the General Manager of Groupama AVIC. He wasthe Chief International Officer of Groupama Assurances Mutuelles between 2018 and 2024. Since May 2024 he is Deputy CEO in charge of Finance, Actuarial, Audit and Risks at Groupama Assurances Mutuelles.
He has been a member of OTP Bank's Supervisory Board, and Audit Committee since 2018.

Employees delegates:

Klára Bella
Director
Large Corporate Department

From 1992 to 1994 she worked as a clerk at the Fertőszentmiklós branch of OTP Bank.
From 1994 to 1995 she was a lending consultant at Polgári Bank.
From 1995 to 1996 she worked as a risk manager at the Central Branch of OTP Bank.
From 1996 to 1997 she was authorizer in the Credit Approval and Risk Management Division.
From 1997 to 2010 she was Deputy Managing Director at the Central Branch.
From 2010 to 2016 she was Director at the Central Branch.
Between 2017 and 2020, she was Director of the Corporate Directorate.
Since 1 July 2020, she has been the Director of the Large Corporate Department of the Specialised Finance Directorate.

She has been a member of OTP Bank's Supervisory Board, and representative of the Bank's employees since 12 April 2019.

András Michnai
President of OTP Bank's Employees' Trade Union

He has been an employee of the Bank since 1974, and until 1981 held a variety of posts in the branch network. Following this he held a management position in the central network coordination department before returning to work in the branch network. From 1994, as deputy managing director, he participated in the central coordination of the branch network. Between 2005 and 2014 he was the managing director of the Bank's Compliance Department.

He has been a member of OTP Bank's Supervisory Board, and representative of the Bank's employees since 2008. He has been President of OTP Bank's Employees' Trade Union since December 2011.

6. ESRS Index

56. ESRS Standard Code	ESRS Standard	Disclosure requirement code	Disclosure requirements	Reference to presentation of disclosures (page number)
ESRS 2	General Disclosures	BP-1	General basis for preparation of sustainability statements	155
		BP-2	Disclosures in relation to specific circumstance	156
		GOV-1	The role of the administrative, management and supervisory bodies	156
		GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	159
		GOV-3	Integration of sustainability-related performance in incentive schemes	160
		GOV-4	Statement on due diligence	160
		GOV-5	Risk management and internal controls over sustainability reporting	161
		SBM-1	Strategy, business model and value chain	162
		SBM-2	Interests and views of stakeholders	166
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	173
		IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	167
		IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	178
ESRS E1	Climate Change	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	160
		E1-1	Transition plan for climate change mitigation	250
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	173
		ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	167
		E1-2	Policies related to climate change mitigation and adaptation	246
		E1-3	Actions and resources in relation to climate change policies	252
		E1-4	Targets related to climate change mitigation and adaptation	247
		E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	252
		E1-7	GHG removals and GHG mitigation projects financed through carbon credits	256
		E1-8	Internal carbon pricing	256
		E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not yet reported due to phase-in
ESRS E2	Pollution	ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	167
ESRS E3	Water and Marine Resources	ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	167
		E3-1	Policies related to water and marine resources	246
		E3-2	Actions and resources related to water and marine resources	252
		E3-3	Targets related to water and marine resources	247
		E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not yet reported due to phase-in
ESRS E4	Biodiversity and Ecosystem	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	173
		ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	167
		E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	256
		E4-2	Policies related to biodiversity and ecosystems	246
		E4-3	Actions and resources related to biodiversity and ecosystems	252
		E4-4	Targets related to biodiversity and ecosystem	247
ESRS E5	Resource use and Circular economy	ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	167

56. ESRS Standard Code	ESRS Standard	Disclosure requirement code	Disclosure requirements	Reference to presentation of disclosures (page number)
ESRS S1	Own Workforce	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	173
		S1-1	Policies related to own workforce	282
		S1-2	Processes for engaging with own workers and workers' representatives about impacts	270
		S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	270
		S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	283
		S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	281
		S1-6	Characteristics of the undertaking's employees	273
		S1-9	Diversity metrics	276
		S1-12	Persons with disabilities	276
		S1-13	Training and skills development metrics	278
		S1-14	Health and safety metrics	281
		S1-15	Work-life balance metrics	Not yet reported due to phase-in
		S1-16	Compensation metrics (pay gap and total compensation)	276
		S1-17	Incidents, complaints and severe human rights impacts	270
ESRS S4	Consumers and end users	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	173
		S4-1	Policies related to consumers and end-users	299
		S4-2	Processes for engaging with consumers and end-users about impacts	287
		S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	287
		S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	300
		S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	304
		GRI G4: FS13*	Access points in low-populated or economically disadvantaged areas	302
		GRI 418-1*	Substantiated complaints concerning breaches of customer privacy and losses of customer data	295
ESRS G1	Business conduct	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	156
		ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	167
		G1-1	Corporate culture and business conduct policies and corporate culture	306
		G1-3	Prevention and detection of corruption and bribery	312
		GRI 2-27	Compliance with laws and regulations	314

*Entity-specific disclosures

56. List of data points originating from EU legislation	Materiality
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	p. 156
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) of paragraph 21	p. 156
ESRS 2 GOV-4 Due diligence statement paragraph 30	p. 160
ESRS 2 SBM-1 Participation in fossil fuel activities Paragraph 40(d)(i)	not material
ESRS 2 SBM-1 Participation in activities related to the production of chemicals Paragraph 40(d)(ii)	not material
ESRS 2 SBM-1 Participation in activities related to disputed weapons, paragraph 40(d)(iii)	not material
ESRS 2 SBM-1 Participation in activities related to tobacco production and production paragraph 40(d)(iv)	not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	p. 250
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	p. 250
ESRS E1-4 GHG emission reduction target paragraph 34	p. 247
ESRS E1-5 Use of energy from fossil sources, broken down by source (only sectors with a significant impact on climate) paragraph 38	not material
ESRS E1-5 Energy consumption and structure, paragraph 37	not material
ESRS E1-5 Energy intensity in relation to activities in sectors with a high climate impact paragraphs 40 to 43	not material
ESRS E1-6 Scope 1, 2, 3 gross and total GHG emissions paragraph 44	p. 253
ESRS E1-6 Gross GHG intensity paragraphs 53 to 55	p. 253
ESRS E1-7 GHG capture and carbon credits paragraph 56	p. 256
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not yet reported due to phase-in
ESRS E1-9 Amounts of funds broken down into acute and chronic physical risk, paragraph 66(a)	Not yet reported due to phase-in
ESRS E1-9 Location of significant assets exposed to substantial physical risk paragraph 66(c)	
ESRS E1-9. Real estate assets book value breakdown by energy efficiency class paragraph 67(c)	not material
ESRS E1-9 Extent of portfolio exposure to climate-related opportunities paragraph 69	69. a) Not yet reported due to phase-in
ESRS E2-4 Emissions to air, water and land of each pollutant listed in Annex II to the European PRTR Regulation European Pollutant Release and Transfer Register, paragraph 28	not material
ESRS E3-1 Water and marine resources paragraph 9	p. 246
ESRS E3-1 Dedicated policy, paragraph 13	not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	p. 246
SRS E3-4 Total water recycled and reused paragraph 28(c)	not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	not material
ESRS 2 – IRO 1 – E4 Paragraph 16 (a) i	not material
ESRS 2 – IRO 1 – E4 Paragraph 16 (b)	p. 167
ESRS 2 – IRO 1 – E4 Paragraph 16 (c)	not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	p. 246
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	p. 246
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	p. 246
ESRS E5-5 Non-recycled waste paragraph 37 (d)	not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	p. 175
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	p. 175

56. List of data points originating from EU legislation	Materiality
ESRS S1-1 Human rights policy commitments paragraph 20	p. 282
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	p. 282
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	not material
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	p. 282
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	p. 270
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	p. 281
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	p. 281
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	p. 276
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	p. 276
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	p. 270
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	not material
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	not material
ESRS S2-1 Human rights policy commitments paragraph 17	not material
ESRS S2-1 Policies related to value chain workers paragraph 18	not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	not material
ESRS S3-1 Human rights policy commitments paragraph 16	not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	not material
ESRS S3-4 Human rights issues and incidents paragraph 36	not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	p. 299
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	p. 299
ESRS S4-4 Human rights issues and incidents paragraph 35	p. 300
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	p. 306
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	not material
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	p. 313
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	p. 313

STATEMENT

On behalf of OTP Bank Plc. we declare that, to the best of our knowledge, the separate and consolidated financial statements which have been prepared in accordance with the applicable accounting standards, present a true and fair view of the assets, liabilities, financial position and profit and loss of OTP Bank Plc. and its consolidated subsidiaries and associates, and give a fair view of the position, development and performance of OTP Bank Plc. and its consolidated subsidiaries and associates, describing the principal risks and uncertainties, and do not conceal facts or information which are relevant to the evaluation of the Issuer's position. Moreover, we declare that the Sustainability Report, as part of the Management Report, was prepared in accordance with sustainability reporting standards of the Accounting Act (Act C of 2000 on Accounting), the European Sustainability Reporting Standards (ESRS), and with the provisions of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (EU Taxonomy Regulation).

Budapest, 19 March 2025

Dr. Sándor Csányi
Chairman & CEO

László Bencsik
Chief Financial & Strategic Officer

SUPPLEMENTARY DATA

METHODOLOGICAL SUMMARY OF THE CHANGE IN THE SCOPE OF ADJUSTMENT ITEMS

In accordance with the management's decision, the scope of adjustment items presented on consolidated level changed from 2024.

According to the methodology applied until the end of 2023 (hereinafter: **old methodology**), in 2023 the following adjustment items were carved out of the regular P&L accounts of individual segments, with after tax amount: dividends and net cash transfers, goodwill/investment impairment charges, special tax on financial institutions, expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia, effect of the winding up of Sberbank Hungary, effect of acquisitions, result of the treasury share swap agreement, and impairments on Russian government bonds at OTP Core and DSK Bank.

According to the methodology applied from 2024 onwards (hereinafter: **new methodology**), only the following adjustment items are carved out and presented on consolidated level, with after tax amount: goodwill impairment, and the direct effect of acquisitions. Starting from 2024, the direct effect of acquisitions includes only three items: badwill and initial risk cost related to acquisitions, and the gain or loss on the sale of a subsidiary. Under the old methodology, the effect of acquisitions line included further acquisition-related items, such as integration costs, and customer base value amortization.

From 3Q 2024, a materiality threshold was introduced: the relevant items are presented amongst adjustments only if the given item exceeds 10% of the quarterly consolidated profit after tax.

Under the new methodology, items previously presented as adjustments are now presented in the relevant geographical or business segment where they occurred (e.g. the special banking taxes in Hungary are presented partly within OTP Core and partly within Merkantil Group segment).

For the sake of comparability, in the report the relevant consolidated tables are presented in accordance with both the old and the new methodologies, including data for 2024 under the old methodology[144].

This change in methodology does not affect the consolidated and separate balance sheets, as, according to both the old and the new methodologies, the adjustment items affect only the profit and loss statement and the relevant performance indicators calculated from the profit and loss lines concerned, but not the balance sheet.

[144] For the actual period, under the old methodology the *Dividends and net cash transfers* adjustment line is zero, as taking into account its magnitude, this item is presented on the *Other net non-interest income* line.

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 according to the new methodology.

(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; Bajor-Polár Center Real Estate Management Ltd., CIL Babér Ltd., BANK CENTER No. 1. Ltd. and MFM Project Investment and Development Ltd. were included from 1Q 2024 (in 4Q 2024, MFM Project Investment and Development Ltd and Bajor-Polár Center Real Estate Management Ltd merged into BANK CENTER No. 1. Investment and Development Ltd. At the same time OTP Facility Management Ltd., which was already part of OTP Core before 2024, merged into CIL Babér Ltd.).

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

(4) Until August 2024, including 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. In august 2024, the merger of SKB Banka and Nova KBM was completed.

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

(6) The financial performance of OTP Factoring Serbia d.o.o, OTP Lizing d.o.o., OTP Leasing Srbija d.o.o., OTP Osiguranje A.D.O. and OTP Services d.o.o. is included.

(7) 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.

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

(9) The statement of recognised income and balance sheet of OTP Debt Collection d.o.o., and the acquired Podgoricka banka (which merged into the Montenegrin bank in 4Q 2020) was included.

(10) 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.

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

(12) In July 2024 the sale of the Romanian bank was financially closed, therefore the Romanian segment contributed to the Group results until June 2024.

(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, DSK Asset Management EAD (Bulgaria), ILIRIKA DZU a.d. Belgrade (Serbia), and OTP Asset Management SAI S.A. (Romania) until September 2024.

(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) The adjusted profit after tax of the Hungarian operation line includes the adjusted profit after tax of the Hungarian subsidiaries, as well as the eliminations allocated onto these entities.

(17) The adjusted profit after tax of the Foreign operation line includes the 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, among others, in the following ways, 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.

The details of the methodology change affecting adjustment items can be found in the *Methodological summary of the change in the scope of adjustment items* 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.
- 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).
- 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 for the base periods are different from those published in previous reports.
- 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, and the transaction was financially completed on 30 July 2024. As a result of this, according to IFRS 5, starting from the end of 2023 until June 2024, 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, from 4Q 2023 all Romanian assets and liabilities were shown on a separate line in the balance sheet. As for the consolidated income statement, in 4Q 2023 for full-year 2023, and in the 2024 actual period the Romanian contribution was shown separately from the result of continuing operation, on the *Net loss / gain from discontinued operation* line, i.e. from 4Q 2023 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 Management Report – in line with the structure of the financial statements monitored by the management – until its deconsolidation 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.

Alternative performance measures pursuant to the National Bank of Hungary 5/2017. (V.24.) recommendation[145]

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2023 old methodology	2023 new methodology	2024 new methodology
Leverage, consolidated[146]	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 2024: $\frac{4{,}842{,}978.2}{46{,}412{,}734.7} = 10.4\%$ Example for 2023: new methodology $\frac{3{,}945{,}569.6}{42{,}426{,}769.2} = 9.3\%$	9.3%	9.3%	10.4%
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 2024: $\frac{12{,}296{,}693.9}{6{,}618{,}330.9 - 1{,}987{,}679.4} = 265.6\%$ Example for 2023: $\frac{11{,}062{,}683.8}{6{,}528{,}404.6 - 2{,}033{,}178.9} = 246.1\%$	246.1%	246.1%	265.6%
ROE, consolidated	The return on equity ratio shall be calculated the consolidated accounting profit after tax 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 profit after tax 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 2024: $\frac{1{,}076{,}139.4 * 1.0}{4{,}582{,}285.5} = 23.5\%$ Example for 2023: new methodology $\frac{990{,}459.5 * 1.0}{3{,}639{,}782.4} = 27.2\%$ Example for 2023: old methodology $\frac{990{,}459.5 * 1.0}{3{,}639{,}782.4} = 27.2\%$	27.2%	27.2%	23.5%

[145] 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.
[146] 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 2023 old methodology	2023 new methodology	2024 new methodology
ROE (adjusted), consolidated	The return on equity ratio shall be calculated the consolidated adjusted profit after tax 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 profit after tax for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. Example for 2024: (1,076,139.4 * 1.0) / 4,582,285.5 = 23.5% Example for 2023: new methodology (904,952.5 * 1.0) / 3,639,782.4 = 24.9% Example for 2023: old methodology (1,008,582.9 * 1.0) / 3,639,782.4 = 27.7%	27.7%	24.9%	23.5%
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 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 2024: (1,076,139.4 * 1.0) / 41,688,546.3 = 2.6% Example for 2023: new methodology (904,952.5 * 1.0) / 37,168,362.1 = 2.4% Example for 2023: old methodology (1,008,582.9 * 1.0) / 37,168,362.1 = 2.7%	2.7%	2.4%	2.6%
Operating profit margin (adjusted), consolidated	The operating profit margin shall be calculated the consolidated adjusted net operating profit 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 for the given period, the denominator is the average consolidated total assets. Example for 2024: (1,545,377.0 * 1.0) / 41,688,546.3 = 3.71% Example for 2023: new methodology (1,265,909.2 * 1.0) / 37,168,362.1 = 3.41% Example for 2023: old methodology (1,260,849.8 * 1.0) / 37,168,362.1 = 3.39%	3.39%	3.41%	3.71%
Total income margin (adjusted), consolidated	The total income margin shall be calculated the consolidated adjusted total income 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 for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 2024: (2,633,907.7 * 1.0) / 41,688,546.3 = 6.32% Example for 2023: new methodology (2,245,706.5 * 1.0) / 37,168,362.1 = 6.04% Example for 2023: old methodology (2,224,584.2 * 1.0) / 37,168,362.1 = 5.99%	5.99%	6.04%	6.32%
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 2024: (1,782,603.6 * 1.0) / 41,688,546.3 = 4.28% Example for 2023: new methodology (1,461,849.8 * 1.0) / 37,168,362.1 = 3.93% Example for 2023: old methodology (1,459,693.5 * 1.0) / 37,168,362.1 = 3.93%	3.93%	3.93%	4.28%
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 2024: (1,088,530.7 * 1.0) / 41,688,546.3 = 2.61% Example for 2023: new methodology (979,797.3 * 1.0) / 37,168,362.1 = 2.64% Example for 2023: old methodology (963,734.3 * 1.0) / 37,168,362.1 = 2.59%	2.59%	2.64%	2.61%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 2023 old methodology	2023 new methodology	2024 new methodology
Cost/income ratio (adjusted), 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 for the given period. Example for 2024: 1,088,530.7 / 2,633,907.7 = 41.3% Example for 2023: new methodology 979,797.3 / 2,245,706.5 = 43.6% Example for 2023: old methodology 963,734.3 / 2,224,584.2 = 43.3%	43.3%	43.6%	41.3%
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 2024: 89,863.8 * 1.0 / 23,446,341.1 = 0.38% Example for 2023: new methodology 71,689.9 * 1.0 / 21,377,407.9 = 0.34% Example for 2023: old methodology 34,780.7 * 1.0 / 21,377,407.9 = 0.16%	0.16%	0.34%	0.38%
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 2024: 66,032.5 * 1.0 / 41,688,546.3 = 0.38% Example for 2023: new methodology 39,098.5 * 1.0 / 37,168,362.1 = 0.23% Example for 2023: old methodology 2,970.4 * 1.0 / 37,168,362.1 = 0.10%	0.01%	0.11%	0.16%
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 2024: 310,743.2 / 1,386,882.6 = 22.4% Example for 2023: new methodology 274,271.5 / 1,179,224.0 = 23.3% Example for 2023: old methodology 213,745.5 / 1,222,328.4 = 17.5%	17.5%	23.3%	22.4%
Net loan/deposit ratio (FX-adjusted), consolidated	The net loan to deposit 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. Example for 2024: 23,361,637.9 / 31,666,401.0 = 74% Example for 2023: new methodology 22,549,534.3 / 30,937,626.9 = 73% Example for 2023: old methodology 22,549,534.3 / 30,937,626.9 = 73%	73%	73%	77%

ADJUSTMENTS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (IFRS)

in HUF million	2023 old methodology HUF million	2023 new methodology HUF million	2024 new methodology HUF million
Net interest income	**1,386,706**	**1,386,706**	**1,745,341**
(-) Direct effect of acquisitions	(1,867)	(4,023)	0
(-) Reclassification due to the introduction of IFRS16	(2,970)	(2,970)	(3,557)
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	68,151	68,151	33,706
Net interest income (adj.)	**1,459,694**	**1,461,850**	**1,782,604**
Net fees and commissions	**691,994**	**691,994**	**842,654**
(+) Financial Transaction Tax	(98,472)	(98,472)	(123,298)
(-) Direct effect of acquisitions	220	247	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	5,537	5,537	3,503
(-) Structural shift of income from currency exchange from net fees to the FX result	120,693	120,693	177,228
Net fees and commissions (adj.)	**478,146**	**478,119**	**545,631**
Foreign exchange result	**13,827**	**13,827**	**(12,048)**
(-) Direct effect of acquisitions	(191)	(190)	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	(11,397)	(11,397)	(1,705)
(+) Structural shift of income from currency exchange from net fees to the FX result	120,693	120,693	177,228
Foreign exchange result (adj.)	**123,314**	**123,313**	**163,475**
Gain/loss on securities, net	**7,283**	**7,283**	**10,326**
(-) Direct effect of acquisitions	(1,125)	-	-
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	194	194	5,536
(-) Revaluation result of the treasury share swap agreement	(3,868)	-	-
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	(18,716)	(18,716)	(9,495)
(+) 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	8,240	8,240	6,043
Gain/loss on securities, net (adj.)	**1,994**	**(2,999)**	**12,410**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale	**(21,246)**	**(21,246)**	**19,756**
(-) Direct effect of acquisitions	(55,913)	(55,913)	0
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**34,667**	**34,667**	**19,756**
Gains and losses on real estate transactions	**7,195**	**7,195**	**15,918**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adjusted)	**34,667**	**34,667**	**19,756**
(+) Other non-interest income	**315,155**	**315,155**	**129,280**
(+) Net results on derivative instruments and hedge relationships	**(12,760)**	**(12,760)**	**12,004**
(+) Net insurance result	**1,915**	**1,915**	**2,697**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**94,613**	**94,613**	**27,373**
(+) Profit from associates	**-**	**14,766**	**12,970**
(-) 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	8,240	8,240	6,043
(-) Received cash transfers	531	-	-
(+) Other other non-interest expenses	(54,490)	(54,490)	(72,638)
(+) 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	2,738	-	-
(-) Direct effect of acquisitions	191,783	191,793	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	(13,697)	(13,676)	(8,971)
(+) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	(2,119)	(2,119)	(2,387)
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)	191	191	(172)
(-) Effect of the winding up of Sberbank Hungary (recovery leg)	11,416	-	-
Net other non-interest result (adj.)	**161,436**	**185,423**	**129,788**
Gain from derecognition of financial assets at amortized cost	**(17,182)**	**(17,182)**	**(14,409)**
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	(18,716)	(18,716)	(9,495)
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)	1,343	1,343	(4,741)
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)	191	191	(172)
Gain from derecognition of financial assets at amortized cost (adj.)	**(0)**	**(0)**	**(0)**

in HUF million	2023 old methodology HUF million	2023 new methodology HUF million	2024 new methodology HUF million
Provision for impairment on loan and placement losses	**(109,223)**	**(109,223)**	**(72,383)**
(+) Modification gains or losses	**(38,141)**	**(38,141)**	**(13,193)**
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	**(91)**	**(91)**	**5,504**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**8,831**	**8,831**	**(39,907)**
(+) Provision for commitments and guarantees given	**19,870**	**19,870**	**(2,371)**
(+) Impairment of assets subject to operating lease and of investment properties	**1,333**	**1,333**	**18**
(-) Direct effect of acquisitions	(51,873)	(51,873)	0
(-) Structural correction between Provision for loan losses and Other provisions	10,164	10,164	(39,890)
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	2,758	2,758	(4,714)
(+) Structural adjustment due to the *Gain from derecognition of financial assets at amortized cost* line (against *Provision for impairment on loan losses*)	1,343	1,343	(4,741)
(-) Shifting of provision for impairment on placement losses to the other provisions line	79	79	(2,035)
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia	(36,909)	-	-
Provision for impairment on loan losses (adj.)	**(34,781)**	**(71,690)**	**(89,864)**
Profit from associates	**14,766**	**-**	**-**
(+) Received cash transfers	531	-	-
(+) Paid cash transfers	(15,360)	-	-
(-) Film subsidies and cash transfers to public benefit organisations	(15,067)	-	-
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	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	2,738	-	-
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	22	-	-
After tax dividends and net cash transfers	**(1,911)**	**-**	**-**
Depreciation	**(111,996)**	**(111,996)**	**(134,293)**
(-) Direct effect of acquisitions	(4,900)	(3)	0
(-) Reclassification due to the introduction of IFRS16	(15,575)	(15,575)	(17,358)
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	(4,040)	(4,040)	(1,692)
(+) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line	0	0	0
Depreciation (adj.)	**(95,561)**	**(100,458)**	**(118,628)**
Personnel expenses	**(478,695)**	**(478,695)**	**(550,175)**
(-) Direct effect of acquisitions	(1,307)	1,199	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	(26,571)	(26,571)	(14,198)
Personnel expenses (adj.)	**(503,959)**	**(506,465)**	**(564,374)**
Income taxes	**(189,477)**	**(189,477)**	**(253,440)**
(-) Corporate tax impact of goodwill/investment impairment charges	(3,919)	0	0
(-) Corporate tax impact of the special tax on financial institutions	6,079	-	-
(+) Tax deductible transfers to spectator sports (offset against corporate taxes)	(73)	(12,131)	(12,092)
(-) Corporate tax impact of the direct effect of acquisitions	9,375	6,892	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	(3,575)	(3,575)	(2,652)
(-) Corporate tax impact of the result of the treasury share swap agreement	348	-	-
(-) Corporate tax impact of the impairments on Russian government bonds booked at OTP Core and DSK Bank	311	-	-
(-) Corporate tax impact of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)	(1,027)	-	-
(-) Corporate tax impact of the expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia	3,830	-	-
(+) Structural reclassification between Corporate income tax and Other non-interest expenses	(5,624)	(5,624)	(4,159)
(+) Special taxes on financial institutions	-	(56,572)	(38,400)
Corporate income tax (adj.)	**(213,746)**	**(274,272)**	**(310,743)**
Other operating expense	**(110,569)**	**(110,569)**	**(127,175)**
(-) Other costs and expenses	(10,143)	(10,143)	(10,206)
(-) Other non-interest expenses	(69,850)	(69,850)	(89,334)
(-) Direct effect of acquisitions	(12,511)	(4,186)	0
(+) Structural correction between *Provision for loan losses* and *Other provisions*	10,164	10,164	(39,890)
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	(98)	(98)	(186)
(-) Impairments on Russian government bonds booked at OTP Core and DSK Bank	(3,110)	-	-
(+) Shifting of provision for impairment on placement losses to the other provisions line	79	79	(2,035)
(-) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	(1,252)	(1,252)	(1,115)
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia	181	-	-
Other provisions (adj.)	**(3,741)**	**(14,995)**	**(68,631)**
Other general expenses	**(483,646)**	**(483,646)**	**(528,308)**
(+) Other costs and expenses	(10,143)	(10,143)	(10,206)
(+) Other non-interest expenses	(69,850)	(69,850)	(89,334)
(-) Paid cash transfers	(15,360)	-	-

in HUF million	2023 old methodology HUF million	2023 new methodology HUF million	2024 new methodology HUF million
(+) Film subsidies and cash transfers to public benefit organisations	(15,067)	-	-
(-) Other other non-interest expenses	(54,490)	(54,490)	(72,638)
(-) Special taxes on financial institutions	(68,630)	(56,572)	(38,400)
(-) Tax deductible transfers to spectator sports (offset against corporate taxes)	(73)	(12,131)	(12,092)
(-) Financial Transaction Tax	(98,472)	(98,472)	(123,298)
(-) Direct effect of acquisitions	(6,803)	1,563	0
(+) Reclassification due to the introduction of IFRS16	(18,545)	(18,545)	(20,914)
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	(17,284)	(17,284)	(8,627)
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	(2,119)	(2,119)	(2,387)
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	(1,252)	(1,252)	(1,115)
(-) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line	0	0	0
(-) Structural reclassification between Corporate income tax and Other non-interest expenses	(5,624)	(5,624)	(4,159)
Other non-interest expenses (adj.)	**(364,215)**	**(372,874)**	**(405,529)**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

	2023 HUF million	2024 HUF million
Cash, amounts due from Banks and balances with the National Banks	7,125,050	6,079,012
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	199,587	20
Cash, amounts due from Banks and balances with the National Banks (adjusted)	7,324,636	6,079,032
Placements with other banks, net of allowance for placement losses	1,567,777	1,891,901
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	8,147	0
Placements with other banks, net of allowance for placement losses (adjusted)	1,575,924	1,891,901
Securities at fair value through profit and loss	288,884	743,399
(+) Allocation of Assets classified as held for sale among balance sheet lines	2,091	704
Securities at fair value through profit or loss (adjusted)	290,975	744,104
Securities at fair value through other comprehensive income	1,601,461	1,705,554
(+) Allocation of Assets classified as held for sale among balance sheet lines	39,430	0
Securities at fair value through other comprehensive income (adjusted)	1,640,891	1,705,554
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	21,329,908	24,334,694
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	1,136,507	0
Gross customer loans (adjusted)	22,466,415	24,334,694
Allowances for loan losses (incl. impairment of finance lease receivables)	(963,179)	(973,056)
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	(55,856)	0
Allowances for loan losses (adjusted)	(1,019,035)	(973,056)
Associates and other investments	96,110	124,524
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	236	0
Associates and other investments (adjusted)	96,346	124,524
Securities at amortized costs	5,249,490	7,447,176
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	226,427	565
Securities at amortized costs (adjusted)	5,475,917	7,447,741
Tangible and intangible assets, net	860,449	985,864
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	18,500	22
Tangible and intangible assets, net (adjusted)	878,949	985,886
Other assets	2,455,664	1,080,060
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	(1,575,068)	(1,311)
Other assets (adjusted)	880,596	1,078,749
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	2,011,569	2,094,681
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	1,764	0
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss (adjusted)	2,013,333	2,094,681
Deposits from customers	28,332,271	31,658,190
(+) Fair value changes of the hedged items in portfolio hedge of interest rate risk	160	8,209
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	1,095,852	0
Deposits from customers (adjusted)	29,428,284	31,666,399
Other liabilities	2,514,876	1,575,553
(+) Allocation of *Liabilities directly associated with assets classified as held-for-sale* among balance sheet lines	(1,097,617)	0
Other liabilities (adjusted)	1,417,260	1,575,553

STATEMENT OF PROFIT OR LOSS OF OTP BANK PLC., ACCORDING TO IFRS STANDARDS AS ADOPTED BY THE EUROPEAN UNION (CONSOLIDATED)[1]

	2024 HUF million	2023 HUF million	Change %
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	2,542,138	2,314,677	10
Income similar to interest income	539,984	633,587	(15)
Interest incomes	3,082,122	2,948,264	5
Interest expenses	(1,336,782)	(1,561,558)	(14)
NET INTEREST INCOME	**1,745,340**	**1,386,706**	**26**
Risk cost total	**(109,142)**	**(79,281)**	**38**
Loss allowance / Release of loss allowance on loans, placements, amounts due from banks and repo receivables	(72,385)	(109,223)	(34)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	5,504	(91)	
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	(39,907)	8,831	
Provision for commitments and guarantees given	(2,371)	19,870	
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	17	1,332	
NET INTEREST INCOME AFTER RISK COST	**1,636,198**	**1,307,425**	**25**
Income from fees and commissions	1,045,987	861,309	21
Expense from fees and commissions	(203,332)	(169,316)	20
Net profit from fees and commissions	**842,655**	**691,993**	**22**
Modification gain or loss	**(13,193)**	**(38,141)**	**(65)**
Foreign exchange gains / losses, net	(44)	1,067	(104)
Foreign exchange gains / losses, net	(12,048)	13,827	
Net results on derivative instruments and hedge relationships	12,004	(12,760)	
Gains / Losses on securities, net	10,326	7,283	
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	27,374	94,613	(71)
Gain from derecognition of financial assets at amortized cost	(14,409)	(17,182)	(16)
Profit from associates	12,970	14,766	(12)
Other operating income	147,895	324,266	(54)
Gains and losses on real estate transactions	15,918	7,195	121
Other non-interest income	129,280	315,155	(59)
Net insurance result	2,697	1,915	41
Other operating expense	(127,174)	(110,570)	15
Net operating income	**56,938**	**314,243**	**(82)**
Personnel expenses	(550,175)	(478,696)	15
Depreciation and amortization	(134,293)	(111,996)	20
Other administrative expenses	(528,306)	(483,645)	9
Other administrative expenses	**(1,212,774)**	**(1,074,337)**	**13**
PROFIT BEFORE INCOME TAX	**1,309,824**	**1,201,183**	**9**
Income tax expense	(253,440)	(189,478)	34
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**1,056,384**	**1,011,705**	**4**
DISCONTINUED OPERATIONS			
Net loss / gain from discontinued operation	**19,756**	**(21,246)**	
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCOUNTINUED OPERATION	**1,076,140**	**990,459**	**9**
From this, attributable to:			
Non-controlling interest	4,227	1,801	135
Owners of the company	1,071,913	988,658	8

[1] The rows of the table are based on audited numbers, but the structure of the table can differ from the IFRS financial statements presented in the Annual Report (certain rows might be merged or represent different level of aggregation).

STATEMENT OF FINANCIAL POSITION OF OTP BANK PLC., ACCORDING TO IFRS STANDARDS AS ADOPTED BY THE EUROPEAN UNION (CONSOLIDATED)[1]

	2024 HUF million	2023 HUF million	Change %
Cash, amounts due from banks and balances with the National Banks	6,079,012	7,125,049	(15)
Placements with other banks, net of loss allowance for placements	1,891,901	1,566,998	21
Repo receivables	331,837	223,884	48
Financial assets at fair value through profit or loss	743,400	288,885	157
Securities at fair value through other comprehensive income	1,705,553	1,601,461	6
Loans at amortized cost	20,290,381	17,676,533	15
Loans mandatorily at fair value through profit or loss	1,559,781	1,400,485	11
Finance lease receivables	1,511,477	1,289,712	17
Associates and other investments	124,523	96,110	30
Loans at amortized cost	7,447,177	5,249,272	42
Property and equipment	581,240	523,124	11
Intangible assets and goodwill	356,564	291,358	22
Right-of-use assets	79,830	74,698	7
Investment properties	88,240	53,381	65
Derivative financial assets designated as hedge accounting	50,381	41,967	20
Deferred tax assets	56,583	55,691	2
Current income tax receivable	7,060	7,773	(9)
Other assets	514,188	509,430	1
Assets classified as held for sale	0	1,533,333	
TOTAL ASSETS	**43,419,128**	**39,609,144**	**10**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	2,022,191	1,940,862	4
Repo liabilities	132,137	126,237	5
Financial liabilities designated at fair value through profit or loss	72,490	70,707	3
Deposits from customers	31,658,189	28,332,271	12
Fair value changes of the hedged items in portfolio hedge of interest rate risk	8,209	160	
Liabilities from issued securities	2,593,124	2,095,548	24
Derivative financial liabilities held for trading	114,089	140,488	(19)
Derivative financial liabilities designated as hedge accounting	14,605	63,899	(77)
Leasing liabilities	82,109	76,313	8
Deferred tax liabilities	32,637	28,663	14
Current income tax payable	76,787	69,948	10
Provisions	131,637	121,119	9
Other liabilities	991,552	745,820	33
Subordinated bonds and loans	369,359	562,396	(34)
Liabilities directly associated with assets classified as held for sale	0	1,139,920	
TOTAL LIABILITIES	**38,299,115**	**35,514,351**	**8**
Share capital	28,000	28,000	0
Retained earnings and reserves	5,327,652	4,179,322	27
Treasury shares	(245,319)	(120,489)	104
Total equity attributable to the parent	5,110,333	4,086,833	25
Total equity attributable to non-controlling interest	9,680	7,960	22
TOTAL SHARHOLDERS' EQUITY	**5,120,013**	**4,094,793**	**25**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**43,419,128**	**39,609,144**	**10**

[1] The rows of the table are based on audited numbers, but the structure of the table can differ from the IFRS financial statements presented in the Annual Report (certain rows might be merged or represent different level of aggregation)

SECURITY LISTED ON THE BUDAPEST STOCK EXCHANGE BETWEEN 01/01/2014 AND 31/12/2024

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

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
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
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

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
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
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
OTP Bank Plc.	Retail bond	OTP_HUF_2025/3	12/01/2024	12/01/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/4	02/02/2024	02/02/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/5	01/03/2024	01/03/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/6	28/03/2024	28/03/2025	HUF
OTP Mortgage Bank	Mortgage bond	OJB2029/B	10/04/2024	20/06/2029	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/7	26/04/2024	26/04/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/8	24/05/2024	24/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/IV	31/05/2024	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/IV	31/05/2024	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2031/III	31/05/2024	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2032/III	31/05/2024	31/05/2032	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2033/II	31/05/2024	31/05/2033	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2034/I	31/05/2024	31/05/2034	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/9	07/06/2024	07/06/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/10	05/07/2024	05/07/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/11	02/08/2024	02/08/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/12	30/08/2024	30/08/2025	HUF
OTP Mortgage Bank	Mortgage bond	OJB2029/I	16/09/2024	31/10/2029	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/13	27/09/2024	27/09/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/14	31/10/2024	31/10/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/15	29/11/2024	29/11/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/16	18/12/2024	18/12/2025	HUF

COMPANIES INVOLVED IN THE SCOPE OF CONSOLIDATION (in IFRS consolidated accounts)

	Name of the company	Country		Initial capital/Equity (in LCY)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	OTP Real Estate Ltd.	Hungary	HUF	1,101,000,000	100.00	100.00	L
2	BANK CENTER No. 1. Ltd.	Hungary	HUF	11,500,000,000	100.00	100.00	L
3	OTP Fund Management Ltd.	Hungary	HUF	900,000,000	100.00	100.00	L
4	OTP Factoring Ltd.	Hungary	HUF	500,000,000	100.00	100.00	L
5	OTP Close Building Society	Hungary	HUF	2,000,000,000	100.00	100.00	L
6	Merkantil Bank Ltd.	Hungary	HUF	3,000,000,000	100.00	100.00	L
7	OTP Factoring Management Ltd.	Hungary	HUF	3,100,000	100.00	100.00	L
8	Merkantil Bérlet Ltd.	Hungary	HUF	6,000,000	100.00	100.00	L
9	OTP Mortgage Bank Ltd.	Hungary	HUF	82,000,000,000	100.00	100.00	L
10	OTP Funds Servicing and Consulting Company Limited	Hungary	HUF	2,351,000,000	100.00	100.00	L
11	DSK Bank AD	Bulgaria	BGN	1,328,659,920	99.92	99.92	L
12	POK DSK-Rodina AD	Bulgaria	BGN	10,010,198	99.85	99.85	L
13	NIMO 2002 Ltd.	Hungary	HUF	1,156,000,000	100.00	100.00	L
14	OTP Real Estate Investment Fund Management Ltd.	Hungary	HUF	100,000,000	100.00	100.00	L
15	OTP Card Factory Ltd.	Hungary	HUF	450,000,000	100.00	100.00	L
16	DSK Asset Management EAD	Bulgaria	BGN	1,000,000	100.00	100.00	L
17	OTP banka dioničko društvo	Croatia	EUR	539,156,898	100.00	100.00	L
18	Air-Invest Ltd.	Hungary	HUF	700,000,000	100.00	100.00	L
19	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	Croatia	EUR	2,417,030	100.00	100.00	L
20	OTP Nekretnine d.o.o.	Croatia	EUR	39,635,100	100.00	100.00	L
21	SPLC-P Ltd.	Hungary	HUF	15,000,000	100.00	100.00	L
22	SPLC Ltd.	Hungary	HUF	10,000,000	100.00	100.00	L
23	OTP Real Estate Leasing Ltd.	Hungary	HUF	214,000,000	100.00	100.00	L
24	OTP Life Annuity Real Estate Investment Plc.	Hungary	HUF	1,229,300,000	100.00	100.00	L
25	OTP Leasing d.d.	Croatia	EUR	1,067,560	100.00	100.00	L
26	Joint-Stock Company OTP Bank	Ukraine	UAH	6,186,023,111	100.00	100.00	L
27	JSC "OTP Bank" (Russia)	Russian Federation	RUB	2,797,887,853	97.92	97.92	L
28	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	Montenegro	EUR	181,875,221	100.00	100.00	L
29	OTP banka Srbija, joint-stock company, Novi Sad)	Serbia	RSD	56,830,752,260	100.00	100.00	L
30	OTP Nekretnine doo Novi Sad	Serbia	RSD	203,783,061	100.00	100.00	L
31	OTP Ingatlanpont Ltd.	Hungary	HUF	8,000,000	100.00	100.00	L
32	OTP Hungaro-Projekt Ltd.	Hungary	HUF	27,720,000	100.00	100.00	L
33	OTP Mérnöki Ltd.	Hungary	HUF	3,000,000	100.00	100.00	L
34	LLC AMC OTP Capital	Ukraine	UAH	10,000,000	100.00	100.00	L
35	CRESCO d.o.o.	Croatia	EUR	5,170	100.00	100.00	L
36	LLC OTP Leasing	Ukraine	UAH	45,495,340	100.00	100.00	L
37	OTP Financing Solutions	Netherlands	EUR	18,000	100.00	100.00	L
38	Velvin Ventures Ltd.	Belize	USD	50,000	100.00	100.00	L
39	OTP Insurance Broker EOOD	Bulgaria	BGN	5,000	100.00	100.00	L
40	PortfoLion Venture Capital Fund Management Ltd.	Hungary	HUF	59,050,000	66.98	66.98	L
41	OTP Holding Ltd.	Cyprus	EUR	131,000	100.00	100.00	L
42	OTP Debt Collection d.o.o. Podgorica	Montenegro	EUR	49,000,001	100.00	100.00	L
43	OTP Factoring Serbia d.o.o.	Serbia	RSD	782,902,282	100.00	100.00	L
44	MONICOMP Ltd.	Hungary	HUF	320,500,000	100.00	100.00	L
45	CIL Babér Ltd.	Hungary	HUF	71,890,330	100.00	100.00	L
46	Project 01 Consulting, s. r. o.	Slovak Republic	EUR	22,540,000	100.00	100.00	L
47	R.E. Four d.o.o., Novi Sad	Serbia	RSD	1,983,643,761	100.00	100.00	L
48	OTP Financial point Ltd.	Hungary	HUF	53,000,000	100.00	100.00	L
49	OTP Mobile Service Ltd.	Hungary	HUF	1,400,000,000	100.00	100.00	L
50	OTP Holding Malta Ltd.	Malta	EUR	104,950,000	100.00	100.00	L
51	OTP Financing Malta Ltd.	Malta	EUR	105,000,000	100.00	100.00	L
52	LLC MFO "OTP Finance"	Russian Federation	RUB	6,533,000,000	100.00	100.00	L
53	OTP Travel Limited	Hungary	HUF	27,000,000	100.00	100.00	L
54	OTP Ecosystem Limited Liability Company; OTP Ecosystem Llc.	Hungary	HUF	281,300,000	100.00	100.00	L
55	DSK ventures EAD	Bulgaria	BGN	250,000	100.00	100.00	L
56	OTP Bank ESOP	Hungary	HUF	154,977,590,235	0.00	0.00	L
57	PortfoLion Digital Ltd.	Hungary	HUF	101,000,000	100.00	100.00	L
58	OTP Ingatlankezelő Ltd.	Hungary	HUF	50,000,000	100.00	100.00	L
59	OTP Leasing d.o.o. Beograd	Serbia	RSD	112,870,710	100.00	100.00	L
60	OTP Services Ltd.	Serbia	RSD	40,028	100.00	100.00	L
61	Club Hotel Füred Szálloda Ltd.	Hungary	HUF	90,000,000	100.00	100.00	L
62	DSK DOM EAD	Bulgaria	BGN	100,000	100.00	100.00	L
63	ShiwaForce.com Inc.	Hungary	HUF	114,107,000	84.92	84.92	L

	Name of the company	Country		Initial capital/Equity (in LCY)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
64	OTP Leasing EOOD	Bulgaria	BGN	4,100,000	100.00	100.00	L
65	Regional Urban Development Fund AD	Bulgaria	BGN	250,000	52.00	52.00	L
66	Banka OTP Albania SHA	Albania	ALL	6,740,900,000	100.00	100.00	L
67	OTP Leasing Srbija d.o.o. Beograd	Serbia	RSD	314,097,580	100.00	100.00	L
68	OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	Serbia	RSD	537,606,648	100.00	100.00	L
69	OTP Bank S.A.	Moldavia	MDL	100,000,000	98.26	98.26	L
70	SKB Leasing d.o.o.	Slovenia	EUR	16,809,031	100.00	100.00	L
71	SKB Leasing Select d.o.o.	Slovenia	EUR	5,000,000	100.00	100.00	L
72	OTP Home Solutions Limited Liability Company	Hungary	HUF	20,000,000	100.00	100.00	L
73	Georg d.o.o	Croatia	EUR	3,000	76.00	76.00	L
74	OTP banka d.d.	Slovenia	EUR	150,000,000	100.00	100.00	L
75	ALEJA FINANCE, FINANCNE IN DRUGE STORITVE, D.O.O.	Slovenia	EUR	500,000	100.00	100.00	L
76	OTP Luxembourg S.à r.l.	Luxembourg	EUR	2,711,440	100.00	100.00	L
77	Foglaljorvost Online Ltd	Hungary	HUF	7,202,400	100.00	100.00	L
78	OD Ltd.	Hungary	HUF	6,000,000	60.00	60.00	L
79	JN Parkoló Ltd.	Hungary	HUF	11,000,000	100.00	100.00	L
80	JSCMB "IPOTEKA BANK"	Uzbekistan	UZS	3,834,217,638,941	79.82	98.98	L
81	OTP INVEST DRUŠTVO ZA UPRAVLJANJE UCITS I ALTERNATIVNIM FONDOVIMA AD BEOGRAD	Serbia	RSD	411,432,000	100.00	100.00	L
82	Hello Pay IT and Service cPlc.	Hungary	HUF	5,000,000	100.00	100.00	L
83	LLC OTP Financial Technologies	Russian Federation	RUB	10,000	100.00	100.00	L
84	ZAGREBTOWER D.O.O.	Croatia	EUR	2,036,890	100.00	100.00	L
85	PortfoLion Munkavállalói Résztulajdonosi Program Szervezet	Hungary	HUF	2,030,000,000	0.00	0.00	L
86	Balansz Real Estate Institute Fund	Hungary	HUF	100,428,671,936	100.00	100.00	L
87	PortfoLion Zöld Fund	Hungary	HUF	37,500,000,000	100.00	100.00	L
88	PortfoLion Digitális Magántőkealap I.	Hungary	HUF	7,000,000,000	100.00	100.00	L
89	PortfoLion Regionális Fund II.	Hungary	HUF	25,060,000,000	49.88	49.88	L
90	PortfoLion Partner Fund	Hungary	HUF	72,004,608,295	30.56	30.56	L
91	PortfoLion Digitális Magántőkealap II.	Hungary	HUF	14,000,000,000	100.00	100.00	L
92	"Nemesszalóki Mezőgazdasági"Állattenyésztési, Növénytermesztési,Termelő és Szolgáltató Zrt.	Hungary	HUF	924,124,000	100.00	100.00	L
93	ZA-Invest Béta Ltd.	Hungary	HUF	8,000,000	100.00	100.00	L
94	NAGISZ Mezőgazdasági Termelő és Szolgáltató Ltd.	Hungary	HUF	3,802,080,000	100.00	100.00	L
95	Nádudvari Élelmiszer Feldolgozó és Kereskedelmi Ltd.	Hungary	HUF	1,954,680,000	99.96	99.96	L
96	HAGE Ltd.	Hungary	HUF	2,689,000,000	99.61	99.61	L
97	AFP Private Equity Invest Zártkörűen Működő Részvénytársaság	Hungary	EUR	452,000	29.14	29.14	L
98	Mendota Invest, Nepremicninska druzba, d.o.o.	Slovenia	EUR	257,500	100.00	100.00	L
99	ZA-Invest Delta Ltd.	Hungary	HUF	4,000,000	100.00	100.00	L
100	ZA-Invest Kappa Ltd.	Hungary	HUF	11,000,000	100.00	100.00	L
101	ZA Invest Gamma Ltd.	Hungary	HUF	3,100,000	100.00	100.00	L
102	ZA Gamma HoldCo Ltd.	Hungary	HUF	3,100,000	100.00	100.00	L
103	Aranykalász 1955. Ltd	Hungary	HUF	55,560,000	75.00	100.00	L
104	AGROMAG-PLUSZ Ltd.	Hungary	HUF	39,110,000	73.25	98.34	L
105	ARANYMEZŐ 2001. Ltd	Hungary	HUF	3,000,000	75.00	100.00	L
106	Agricultural Privatey Held Joint-Stock Company Szekszárd	Hungary	HUF	862,000,000	100.00	100.00	L
107	Szajk Agricultural Closed Company Limited by shares	Hungary	HUF	659,859,000	100.00	100.00	L

[1] Full consolidated - L

RESULTS OF THE INDEPENDENT AUDITORS'S REPORT FOR THE YEAR ENDED 2024 AND THE RESULTS OF THE ASSURANCE REPORT OF THE 2024 SUSTAINABILITY REPORT

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This is a translation of the Hungarian Report

Independent Auditor's Report

To the Shareholders of OTP Bank Nyrt.

Report on the audit of the separate financial statements

Opinion

We have audited the accompanying 2024 separate financial statements of OTP Bank Nyrt. ("the Company") included in the accompanying 529900W3MOO00A18X956-2024-12-31-0-hu.zip[1] digital file, which comprise the separate statement of financial position as at 31 December 2024 - showing a total assets of HUF 18,391,053 million -, and a separate statement of comprehensive income - showing a total comprehensive income for the year of HUF 763,953 million -, the related separate statement of profit or loss, separate statement of changes in equity, separate statement of cash-flows for the year then ended and notes to the separate financial statements, including material accounting policy information.

In our opinion the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for separate financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the separate financial statements" section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA

[1] Digital identification of the above referred 529900W3MOO00A18X956-2024-12-31-0-hu.zip separate financial statements, using SHA 256 HASH algorithm is 2B33978C37F00406AEDF9CCAF775958947724BDDA8B8704577BDF8EA8629E8B1

Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the separate financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

Determination of expected credit losses relating to loans at amortised cost

Credit impairment is a highly subjective area due to the level of judgement applied by management in determining expected credit losses ("ECL"). The identification of impairment and the determination of the recoverable amount are inherently uncertain processes involving various assumptions and factors. Such factors may include the financial condition of the counterparty, expected future cash flows, and expected net selling prices of collateral. The portfolios which give rise to the greatest uncertainty are typically those where impairments are derived from estimates of future cash flows and the realisable value of collateral, calculated using collective impairment models, which are unsecured or are subject to potential collateral shortfalls. These models require the significant periodic judgment of management regarding correct segmentation, the	We involved valuation specialists to assist us in performing our audit procedures on ECL and related credit impairments. Our audit procedures included among others the following procedures. We evaluated the design and tested the operating effectiveness of internal controls over the approval, recording and monitoring of loans at amortized cost and controls over ECL calculations, including the quality of underlying data and applications. We evaluated the controls over the general IT environment of the applications relevant from an audit perspective related to the determination of ECL. For ECL calculated on an individual basis, we tested the assumptions used by the management underlying the impairment identification and

Page 2 / 11

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identification of significant changes in credit risk, the inclusion of forward-looking elements as well as the application of management overlay (to reflect on circumstances beyond the modelling capabilities). Given the economic uncertainties arising from the Russian - Ukrainian conflict and the risks to the global economy, significant judgement is required in the assessment of significant changes in credit risk, the definition of default, the estimation of future cash-flows (including the value of realisable collateral) and the evaluation of forward-looking information. Due to the significance of loans at amortised cost (representing 25% of Total Assets as of 31 December 2024) and the related estimation uncertainty, this is considered a key audit matter.	quantification focusing on borrowers with the most significant potential impact on the separate financial statements. We also evaluated management's assumptions on the expected future cash flows, including the value of realisable collateral and estimates of recovery based on our own understanding and available market information. For ECL calculated on a collective basis we evaluated the model governance, methodologies, inputs and management assumptions used (probability of default, loss given default, significant increase in credit risk and forward-looking elements). We considered the regulatory measures on the assumptions applied by the management for ECL estimation purposes. We also evaluated whether the disclosures in the separate financial statements appropriately reflect the Company's exposure to credit risk and are compliant with the EU IFRSs. The Company's disclosures about its risk management policies are included in Note 2.13 Loss allowance and 36.1 Credit risk which specifically explains the key assumptions used when determining credit risk and their evaluation are detailed in Note 11 Loans and Note 30 Risk cost.

General Information Technology controls over the financial reporting process

A significant part of the Company's financial reporting process, including revenue recognition, is significantly reliant on IT systems with embedded automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and	We focused our audit on those IT systems and controls that are significant for the Company's financial reporting. As audit procedures over the IT systems and application controls require specific expertise, we involved IT audit specialists to assist us in performing our audit procedures. Our

Page 3 / 11

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change management protocols exist and are being adhered to.

These protocols are important because they ensure that access and changes to IT systems and related data are made and authorized in an appropriate manner.

As our audit of the financial statements sought to place a high level of reliance on IT systems and application controls related to financial reporting, a high proportion of the overall audit effort has been carried out regarding to understand and test IT infrastructure and applications including relevant application controls. Furthermore, the complexity of IT systems and nature of application controls requires special technology expertise and specialized skills to be involved in the audit we therefore consider this as a key audit matter.

audit procedures included among others the following procedures.

We understood and assessed the overall IT control environment and the controls in place which included controls over access to systems and data, as well as system changes. We adjusted our audit approach based on the financial significance of the system and whether there were automated procedures supported by that system.

As part of our audit procedures, we tested the operating effectiveness of controls over appropriate access rights to assess whether only appropriate users had the ability to create, modify or delete user accounts for the relevant in-scope applications. We also tested the operating effectiveness of controls around system development and program changes to establish that changes to the system were appropriately authorized, developed and implemented. Additionally, we assessed and tested the design and operating effectiveness of the application controls embedded in the processes relevant to our audit.

The Company's disclosures about its IT systems and related IT general and application controls are included in section System of internal controls and IT Controls of the Management report.

Estimation uncertainties as a result of the Russian - Ukrainian conflict (excluding expected credit losses relating to loans at amortised cost)

On 24 February 2022, the Russian army started military operations in Ukraine, which are still ongoing at the date of our audit report.

In connection to this, there have been, among others, impacts on businesses in Ukraine and Russia. The sanctions implemented caused an unforeseen rise

We involved valuation specialists to assist us in performing our audit procedures, which included among others the following procedures.

We evaluated the appropriateness of the Company's controls over the valuation of impacted financial

Page 4 / 11

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and volatility of market prices, foreign exchange and interest rates. It is difficult to estimate the further development of market prices and the key macroeconomic indicators. As a consequence, the valuation of financial instruments, investments in subsidiaries and the recoverability of deferred tax assets are a highly subjective area due to the level of judgement applied by the management.

. Cash flow estimates and yield curves applied for the valuation of financial instruments which are related to the Russian and Ukrainian financial market (Russian and Ukrainian sovereign debt and derivatives linked to Russian Rubles and Ukrainian Hryvnia) contain significant judgements. As such, the exposures identified are mainly categorized as Level 3 financial instruments. The valuation of these instruments involves unobservable inputs as well and, as such, there is greater estimation uncertainty in the determination of their value.

The Company performed an impairment test on investments in subsidiaries. As a result, the Company has an impairment on its investments significantly impacted by the Russian-Ukrainian conflict. The investment impairment test model includes sensitive inputs as key assumptions, including revenue growth, operating margin and discount rate.

As a consequence of differences between the accounting and tax treatment of ECL and valuation adjustments of financial instruments the Company recognized related deductible temporary differences in the net deferred tax position in the financial statements. The recoverability of the deductible temporary differences involves significant judgement applied by the management.

instruments, deferred tax assets and investments in subsidiaries.

Our procedures included an assessment of the suitability of the valuation model and the key assumptions and judgements applied by management. As part of our procedures, we reviewed key market-related assumptions in management's valuation models, country budgets and we performed benchmarking of foreign exchange rates, discount rates against external data where available. We also tested the mathematical accuracy of the cash flow models and agreed relevant data to Board approved business plans.

We evaluated pricing model methodologies against industry practice and valuation guidelines. We performed independent valuations for selected instruments and used external source data where available. We compared results of our valuations to the Company's valuations.

We also evaluated whether the disclosures in the separate financial statements appropriately reflect the estimation uncertainties of the Company as a result of the Russian - Ukrainian conflict and are compliant with the EU IFRSs.

The Company's disclosures about its risk valuation policies are included in Note 2.4 Investments in subsidiaries, associated companies and other investments, Note 2.7. Financial assets at fair value through profit or loss, Note 2.10. Securities at fair value through other comprehensive income ("FVOCI securities"), Note 4: Macro environment, impact of economic situation on the Bank and which specifically explains the accounting policies and key assumptions used

Page 5 / 11

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Due to the significance of assets impacted by the Russian - Ukrainian conflict (representing 3% of Total Assets as of 31 December 2024) and the related estimation uncertainty, this is considered a key audit matter.

when determining the estimations and their evaluation are detailed in Note 8 Financial assets at fair value through profit or loss, Note 9 Securities at fair value through other comprehensive income, Note 10 Securities at amortized cost and Note 12 Investments in subsidiaries, associates, joint ventures and other investments and Note 45 d) Fair value of financial instruments - Fair value classes.

Other information

Other information consists of the 2024 management report of the Company, the "Management's Analysis" section of the annual report which have been made available to us before the date of our independent auditor's report and of the "Message to the Shareholders", "Corporate Governance" and "Macroeconomic and financial environment in 2024" sections of the annual report which are expected to be made available after the date of our independent auditor's report but do not include the separate financial statements and our independent auditor's report. Management is responsible for the other information, including preparation of the management report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the separate financial statements does not cover the other information.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether 1) the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the management report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any, not including the requirements of Section III/A of the Hungarian Accounting Law relevant to the sustainability statement.

Our opinion on the management report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available and whether the management report includes the sustainability statement according to Section III/A of the Hungarian Accounting Law.

When fulfilling this responsibility we have considered the following law: Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 on Supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"), as such prescribing specific requirements for the management report, in relation with forming our opinion on the management report.

In our opinion, the management report of the Company, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2024 is consistent, in all material respects, with the 2024 separate financial statements of the Company and the relevant requirements of the Hungarian Accounting Law and the other law listed above, not including the requirements of Section III/A of the Hungarian Accounting Law relevant to the sustainability statement.

We also confirm that the Company have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law.

We also confirm that the management report includes the sustainability statement according to Section III/A of the Hungarian Accounting Law. Based on limited assurance engagement we issue separate report whether the sustainability statement is prepared in accordance with the requirements of Section III/A of the Hungarian Accounting Law relevant to the sustainability statement.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the other information, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

When we read the sections of the annual report, which had not yet been made available to us at the date of this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation of separate financial statements that give a true and fair view in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for separate financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ► Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ► Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ► Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ► Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

Report on compliance with the requirements of the regulation on the European Single Electronic Format

We have undertaken a reasonable assurance engagement on the compliance of the financial statements included in the digital file - identified in our report - prepared by the Company ("financial statements in ESEF format") with the requirements set out in the ESEF Regulation.

Responsibilities of the management and those charged with governance for the financial statements in ESEF format

The Company's management is responsible for preparing the financial statements in ESEF format that comply with the ESEF Regulation. This responsibility includes:

- ► the preparation of financial statements in the applicable XHTML format; and
- ► the design, implementation and maintenance of internal controls relevant to the application of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Company's financial reporting process including compliance with the ESEF Regulation.

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether the financial statements in ESEF format complies, in all material respects, with the requirements of the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Hungarian National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

Page 9 / 11

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of the Company's internal controls relevant to the application of the requirements of the ESEF Regulation and verifying whether the XHTML format was applied properly. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements in ESEF format of the Company for the year ended 31 December 2024 included in the digital file - identified in our report - complies, in all material respects, with the requirements of the ESEF Regulation.

Reporting requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014:

Appointment and Approval of Auditor

We were appointed as the statutory auditor of the Company by the General Assembly of Shareholders of the Company on 26 April 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for four years.

Consistency with Additional Report to Audit Committee

Our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on the same date as the date of this report.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Company in conducting the audit.

In addition to statutory audit services and services disclosed in the management report and in the separate financial statements, no other services were provided by us to the Company and its controlled undertakings.

The engagement partner on the audit resulting in this independent auditor's report is Kónya Zsolt.

Budapest, 19 March 2025

(The original Hungarian version has been signed.)

Kónya Zsolt
Engagement partner
Ernst & Young Kft.
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Kónya Zsolt
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This is a translation of the Hungarian Report

Independent Limited Assurance Report

To the Shareholders of OTP Bank Nyrt.

Scope

We have been engaged by OTP Bank Nyrt. ("the Company") to perform a 'limited assurance engagement', as defined by Hungarian National Standards on Assurance Engagements, here after referred to as the engagement, to report on the Sustainability Statement of the Company at 31 December 2024 and for the year then ended, presented in section OTP Bank's Sustainability Report 2024 of the management report, included in the accompanying 529900W3MO000A18X956-2024-12-31-0-hu.zip digital file[1].

Criteria applied by the Company

In preparing the Sustainability Statement, the Company applied the requirements set out in III/A Chapter of Act C of 2000 on Accounting ("Hungarian Accounting Law") on sustainability statement, including compliance with:

- the European Sustainability Reporting Standards adopted by the EU Directive 2013/34 ("ESRS"), and the requirements relevant for the process carried out to identify the sustainability information reported pursuant to ESRS ("Double Materiality Assessment"), and
- the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation");

all together referred as the Criteria.

Responsibilities of management and those charged with governance

The Company's management is responsible for presenting the Sustainability Statement, in accordance with the Criteria in all material respects, including the compliance with Hungarian Accounting Law, ESRS and Taxonomy regulation.

This responsibility includes selection and application of appropriate sustainability reporting methods, making assumptions and estimates that are reasonable in the circumstances, maintaining adequate records, establishing and maintaining internal controls that management determines are necessary to enable the preparation of the Sustainability Statement, that it is free from material misstatement, whether due to fraud or error.

[1] Digital identification of the above referred 529900W3MO000A18X956-2024-12-31-0-hu.zip digital file, using SHA 256 HASH algorithm is 2B33978C37F00406AEDF9CCAF775958947724BDDA8B8704577BDF8EA8629E8B1

Page 1 / 6

Management of the Company is responsible for the Double Materiality Assessment to identify the information to be reported in the Sustainability Statement in accordance with ESRS and for disclosing this process in the Sustainability Statement.

This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The management of the Company is further responsible for the additional entity-specific disclosures selected are suitable in accordance with ESRS and available to the users of the Sustainability Statement.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Auditor's responsibilities and limitations

Our responsibility is to express a conclusion on the presentation of the Sustainability Statement based on the evidence we have obtained.

We conducted our engagement in accordance with the Hungarian National Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") and for Assurance engagements on Greenhouse gas Statements ("ISAE 3410") and with applicable laws and regulations in Hungary.

Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Sustainability Statement in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 we exercise professional judgement and maintain professional skepticism throughout the engagement.

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, management of the Company interprets undefined legal and other terms, which may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

EY also applies Hungarian National Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we obtained understanding and considered the effectiveness of Company's internal controls, processes and information systems relevant to the preparation of Double Materiality Assessment and the Sustainability Statement when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide assurance on design and operating effectiveness of the internal controls, processes and information systems, including the outcome of the Double Materiality Assessment. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability Statement and related information and applying analytical and other appropriate procedures.

Our procedures included the following, we:

1. involved sustainability specialists to evaluate compliance of the Sustainability Statement with the Criteria,
2. conducted interviews with the relevant persons at the Company to obtain an understanding of the Company's governance structure, policies, internal controls and information systems relevant for the preparation and presentation of the Sustainability Statement,
3. conducted interviews with key personnel of the Company responsible for sustainability reporting, including the application of the Criteria during the reporting process,
4. obtained an understanding of the Double Materiality Assessment to understand the sources of the information used by management, reviewed the Company's internal documentation and assessed whether the Double Materiality Assessment is in accordance with ESRS and with the description disclosed in the Sustainability Statement,
5. conducted risk assessment including setting levels of materiality and identified sustainability information and disclosures of the Sustainability Statement where risk of material misstatements are likely to arise, whether due to fraud or error,
6. evaluated whether information identified by the Double Materiality Assessment as material information is included in the Sustainability Statement,
7. evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS,
8. on selected material sustainability information and disclosures of the Sustainability Statement we performed procedures as follows:
    a. conducted interviews with key personnel from relevant organizational units of the Company to obtain understanding of the process for collecting, collating and reporting the sustainability information and disclosures,

b. obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied
c. designed and executed appropriate review procedures including among others analytical review procedures, sample testing, recalculation and inspection of substantiating evidence,
d. evaluated the mathematical accuracy of quantitative sustainability information and disclosures,
e. reviewed the boundaries of reporting and whether there are material omissions in accordance with ESRS,
f. evaluated the completeness and compliance with ESRS and the mandatory disclosures therein,
g. evaluated the appropriateness of entity-specific disclosures
h. reviewed consistency with the financial statements of the Company for the year ended 31 December 2024, and with other information obtained from interviews, internal policies and other communications and publications about the Company's sustainability agenda and strategy,

9. obtained an understanding of the process to calculate the Green Asset Ratio and the preparation of corresponding disclosures in the Sustainability Statement and evaluated the completeness and compliance with Taxonomy Regulation.

We also performed such other procedures as we considered necessary in the circumstances.

Other matters

Our limited assurance engagement does not extend to information disclosed in the Sustainability Statement in respect of earlier periods.

Section 95/H of the Hungarian Accounting Law requires that we provide limited assurance conclusion on the compliance of the Sustainability Statement prepared in the electronic reporting format (XHTML) with the tagging requirements in accordance with the applicable ESEF taxonomy set out in Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) relevant for sustainability disclosures, including those required according to article 8 of Regulation (EU) 2020/852 as well. Considering that the ESEF taxonomy relevant for sustainability statement has not been adopted yet, the Company, as it is presented in Section 1.1. Basis for preparation of the report of the Sustainability Statement, was unable to carry out the tagging of the sustainability disclosures, and consequently we are unable to draw any conclusion in this regard.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Sustainability Statement, in order for it to be in accordance with the Criteria.

Budapest, 19 March 2025

(The original Hungarian version has been signed.)

Kónya Zsolt
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1132 Budapest, Váci út 20.
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Kónya Zsolt
Registered auditor
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This is a translation of the Hungarian Report

Independent Auditor's Report

To the Shareholders of OTP Bank Nyrt.

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying 2024 consolidated financial statements of OTP Bank Nyrt. ("the Company") and its subsidiaries (altogether "the Group") included in the accompanying 529900W3MOO00A18X956-2024-12-31-0-hu.zip[1] digital file, which comprise the consolidated statement of financial position as at 31 December 2024 - showing a total assets of HUF 43,419,128 million - and a consolidated statement of comprehensive income - showing a total comprehensive income for the year of HUF 1,290,810 million -, the related consolidated statement of profit or loss, consolidated statement of changes in equity, consolidated statement of cash-flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("EU IFRSs") and have been prepared, in all material respects, in accordance with the supplementary requirements of Act C of 2000 on Accounting ("Hungarian Accounting Law") relevant for consolidated financial statements prepared in accordance with EU IFRSs.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for

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Page 1 / 12

Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Determination of expected credit losses relating to loans at amortised cost

Credit impairment is a highly subjective area due to the level of judgement applied by management in determining expected credit losses ("ECL"). The identification of impairment and the determination of the recoverable amount are inherently uncertain processes involving various assumptions and factors. Such factors may include the financial condition of the counterparty, expected future cash flows, and expected net selling prices of collateral. The portfolios which give rise to the greatest uncertainty are typically those where impairments are derived from estimates of future cash flows and the realisable value of collateral, calculated using collective impairment models, which are unsecured or are subject to potential collateral shortfalls.	We involved valuation specialists to assist us in performing our audit procedures on ECL and related credit impairments. Our audit procedures included among others the following procedures. We evaluated the design and tested the operating effectiveness of internal controls over the approval, recording and monitoring of loans at amortized cost and controls over ECL calculations, including the quality of underlying data and applications. We evaluated the controls over the general IT environment of the applications relevant from an audit perspective related to the determination of ECL. We evaluated management's assumptions relating to the overall

These models require the significant periodic judgment of management regarding correct segmentation, the identification of significant changes in credit risk, the inclusion of forward-looking elements as well as the application of management overlay (to reflect on circumstances beyond the modelling capabilities).

Given the economic uncertainties arising from the Russian - Ukrainian conflict and the risks to the global economy, significant judgement is required in the assessment of significant changes in credit risk, the definition of default, the estimation of future cash-flows (including the value of realisable collateral) and the evaluation of forward-looking information.

Due to the significance of loans at amortised cost (representing 47% of Total Assets as of 31 December 2024) and the related estimation uncertainty, this is considered a key audit matter.

uncertainties arising from the geopolitical and economic situation caused by the Russian-Ukrainian conflict.

For ECL calculated on an individual basis, we tested the assumptions used by the management underlying the impairment identification and quantification, focusing on borrowers with the most significant potential impact on the consolidated financial statements. We also evaluated management's assumptions on the expected future cash flows, including the value of realisable collateral and estimates of recovery, based on our own understanding and available market information.

For ECL calculated on a collective basis we evaluated the model governance, methodologies, inputs and management assumptions used (probability of default, loss given default, significant increase in credit risk and forward-looking elements).

For exposures subject to increased uncertainties arising from the Russian-Ukrainian conflict we designed additional procedures to address the higher estimation uncertainty. Such procedures, among others included: an assessment of the overall changes in the ECL model (including its parameters), an assessment of the additional criteria applied for the identification of significant changes in credit risk, territorial analysis of the value of realisable collateral of the exposures which are directly or indirectly impacted by the Russian-Ukrainian conflict, and benchmarking of the ECL coverage of the portfolio against other market participants. We assessed the sensitivity of the Ukrainian ECL models to reasonable alternative forward-looking

	assumptions. We considered the regulatory measures on the assumptions applied by the management for ECL estimation purposes. We also evaluated whether the disclosures in the consolidated financial statements appropriately reflect the Group's exposure to credit risk and are compliant with the EU IFRSs. The Group's disclosures about its risk management policies are included in Note 2.6 Loss allowance and Note 37.1 Credit risk which specifically explains the key assumptions used when determining credit risk and their evaluation are described in Note 4: Macro environment, impact of economic situation on the Group, Note 11 Loans at amortised cost and at fair value and Note 31 Loss allowances / Impairment / Provisions.

General Information Technology controls over the financial reporting process

A significant part of the Group's financial reporting process, including revenue recognition, is significantly reliant on IT systems with embedded automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and are being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorized in an appropriate manner. As our audit of the financial statements sought to place a high level of reliance on IT systems and application controls related to financial reporting, a high proportion of the overall audit effort has	We focused our audit on those IT systems and controls that are significant for the Group's financial reporting. As audit procedures over the IT systems and application controls require specific expertise, we involved IT audit specialists to assist us in performing our audit procedures. Our audit procedures included among others the following procedures. We understood and assessed the overall IT control environment and the controls in place which included controls over access to systems and data, as well as system changes. We adjusted our audit approach based on the financial significance of the system and whether there were automated procedures supported by that system. As part of our audit procedures, we

Page 4 / 12

been carried out regarding to understand and test IT infrastructure and applications including relevant application controls. Furthermore, the complexity of IT systems and nature of application controls requires special technology expertise and specialized skills to be involved in the audit we therefore consider this as a key audit matter.

tested the operating effectiveness of controls over appropriate access rights to assess whether only appropriate users had the ability to create, modify or delete user accounts for the relevant in-scope applications. We also tested the operating effectiveness of controls around system development and program changes to establish that changes to the system were appropriately authorized, developed and implemented. Additionally, we assessed and tested the design and operating effectiveness of the application controls embedded in the processes relevant to our audit.

The Group's disclosures about its IT systems and related IT general and application controls are included in section System of internal controls and IT Controls in the consolidated management report.

Estimation uncertainties as a result of the Russian - Ukrainian conflict (excluding expected credit losses relating to loans at amortised cost)

On 24 February 2022, the Russian army started military operations in Ukraine, which are still ongoing at the date of our audit report. In connection to this, there have been, among others, impacts on businesses in Ukraine and Russia. The sanctions implemented caused an unforeseen rise and volatility of market prices, foreign exchange and interest rates. It is difficult to estimate the further development of market prices and the key macroeconomic indicators. As a consequence, the valuation of financial instruments, goodwill and the recoverability of deferred tax assets are a highly subjective area due to the level of judgement applied by the management.

Cash flow estimates and yield curves applied for the valuation of financial instruments which are related to the

We involved valuation specialists to assist us in performing our audit procedures which included among others the following procedures.

We evaluated the appropriateness of the Group's controls over the valuation of impacted financial instruments, deferred tax assets and goodwill.

Our procedures included an assessment of the suitability of the valuation model and the key assumptions and judgements applied by management. As part of our procedures, we reviewed key market-related assumptions in management's valuation models, country budgets and we performed benchmarking of foreign exchange rates, discount rates against external data where available. We also tested the mathematical accuracy of

Page 5 / 12

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Russian and Ukrainian financial markets (Russian and Ukrainian sovereign debt derivatives linked to Ukrainian Hryvnia or Russian Rubles), contain significant judgements. As such, the exposures identified are mainly categorized as Level 3 financial instruments. The valuation of these instruments involves unobservable inputs as well and, as such, there is greater estimation uncertainty in the determination of their value. As a consequence of differences between the accounting and tax treatment of ECL and valuation adjustments of financial instruments, the Russian operation of the Group recognized deferred tax assets. Based on the available business plans the Russian operation of the Group will be able to utilize the deferred tax assets. The recoverability of deferred tax assets involves significant judgement applied by the management. Due to the conflict, the Group performed an impairment test of goodwill. As a result, the Group fully impaired the goodwill relating to the Russian operation in 2022 and as such the book value at the end of 2024 is nil. The goodwill impairment test model includes sensitive inputs and significant judgement applied by the management as key assumptions. Due to the significance of assets impacted by the Russian - Ukrainian conflict (representing 2% of Total Assets as of 31 December 2024) and the related estimation uncertainty, this is considered a key audit matter.	the cash flow models and agreed relevant data to Board approved business plans. We evaluated pricing model methodologies against industry practice and valuation guidelines. We performed independent valuations for selected instruments and used external source data where available. We compared results of our valuations to the Group's valuations. We also evaluated whether the disclosures in the consolidated financial statements appropriately reflect the estimation uncertainties of the Group as a result of the Russian - Ukrainian conflict and are compliant with the EU IFRSs. The Group's disclosures about its risk valuation policies are included in Note 2.5.3. Financial assets at fair value through profit or loss, Note 3.4. Impairment on goodwill, Note 4: Macro environment, impact of economic situation on the Group, which specifically explains the accounting policies and key assumptions used when determining the estimations and their evaluation, are detailed in Note 8 Financial assets at fair value through profit or loss, Note 9 Securities at fair value through other comprehensive income, Note 10 Securities at amortized cost, Note 13 Property, equipment and intangible assets, Note 35 Income taxes and Note 48.4. Fair value levels.

Other information

Other information consists of the 2024 consolidated management report of the Group and the "Management's Analysis" section of the annual report which have been made available to us before the date of our independent auditor's report and of the "Message to the Shareholders", "Corporate Governance" and "Macroeconomic and financial environment in 2024" sections of the annual report which are expected to be made available after the date of our independent auditor's report but do not include the consolidated financial statements and our independent auditor's report. Management is responsible for the other information, including preparation of the consolidated management report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether 1) the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated and 2) the consolidated management report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any, not including the requirements of Section VI/C of the Hungarian Accounting Law relevant to the consolidated sustainability statement.

Our opinion on the consolidated management report should include the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law and we are required to confirm also whether the information prescribed in Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law have been made available and whether the consolidated management report includes the consolidated sustainability statement according to Section VI/C of the Hungarian Accounting Law.

When fulfilling this responsibility we have considered the following law: Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 on Supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"), as such prescribing specific requirements for the consolidated management report, in relation with forming our opinion on the consolidated management report.

In our opinion, the consolidated management report of the Group, including the information required according to Subsection (2) e) and f) of Section 95/B of the Hungarian Accounting Law for 2024 is consistent, in all material respects, with the 2024 consolidated financial statements of the Group and the relevant requirements of the Hungarian Accounting Law and the other law listed above, not including the requirements of Section VI/C of the Hungarian Accounting Law relevant to the consolidated sustainability statement.

We also confirm that the Group have made available the information required according to Subsection (2) a)-d) and g)-h) of Section 95/B of the Hungarian Accounting Law.
We also confirm that the consolidated management report includes the consolidated sustainability statement according to Section VI/C of the Hungarian Accounting Law. Based on limited assurance engagement we issue separate report whether the consolidated sustainability statement is prepared in accordance with the requirements of Section VI/C of the Hungarian Accounting Law relevant to the consolidated sustainability statement.

Further to the above, based on the knowledge we have obtained about the Group and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the other information, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

When we read the sections of the annual report, which had not yet been made available to us at the date of this report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with EU IFRSs and for the preparation in accordance with the supplementary requirements of the Hungarian Accounting Law relevant for consolidated financial statements prepared in accordance with EU IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, including also Regulation (EU) No. 537/2014, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on other legal and regulatory requirements

Report on compliance with the requirements of the regulation on the European Single Electronic Format:

We have undertaken a reasonable assurance engagement on the compliance of the consolidated financial statements included in the digital file - identified in our report - prepared by the Group ("consolidated financial statements in ESEF format") with the requirements set out in the ESEF Regulation.

Responsibilities of the management and those charged with governance for the consolidated financial statements in ESEF format

The Company's management is responsible for preparing the consolidated financial statements in ESEF format that comply with the ESEF Regulation. This responsibility includes:

- ► the preparation of the consolidated financial statements in the applicable XHTML format;
- ► the selection and application of appropriate iXBRL tags as required by ESEF Regulation using judgement where necessary; including completeness of use of the relevant tags, appropriateness of creation and anchoring of the extension elements; and
- ► the design, implementation and maintenance of internal controls relevant to the application of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's financial reporting process including compliance with the ESEF Regulation.

Our responsibility and summary of the work performed

Our responsibility is to express an opinion on whether the consolidated financial statements in ESEF format complies, in all material respects, with the requirements of the ESEF Regulation based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Hungarian National Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000).

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the ESEF Regulation. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation whether due to fraud or error. Our reasonable assurance engagement included obtaining an understanding of the tagging, obtaining an understanding of the Group's internal controls relevant to the application of the requirements of the ESEF Regulation, verifying whether the XHTML format was applied properly, evaluating the completeness of the Group's tagging of the consolidated financial statements using the XBRL markup language, evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified and evaluating the use of anchoring in relation to the extension elements.
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements in ESEF format of the Group for the year ended 31 December 2024 included in the digital files -identified in our report - complies, in all material respects, with the requirements of the ESEF Regulation.

Reporting requirements on content of auditor's report in compliance with Regulation (EU) No. 537/2014:

Appointment and Approval of Auditor

We were appointed as the statutory auditor of OTP Bank Nyrt. by the General Assembly of Shareholders of the Company on 26 April 2024. Total uninterrupted engagement period, including previous renewals (extension of the period for which we were originally appointed) and reappointments for the statutory auditor, has lasted for four years.

Consistency with Additional Report to Audit Committee

Our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the audit committee of the Company, which we issued in accordance with Article 11 of the Regulation (EU) No. 537/2014 on the same date as the date of this report.

Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 were provided by us to the Company and its controlled undertakings and we remained independent from the Group in conducting the audit.

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In addition to statutory audit services and services disclosed in the consolidated management report and in the consolidated financial statements, no other services were provided by us to the Company and its controlled undertakings.

The engagement partner on the audit resulting in this independent auditor's report is Kónya Zsolt.

Budapest, 19 March 2025

(The original Hungarian version has been signed.)

Kónya Zsolt Engagement partner Ernst & Young Kft. 1132 Budapest, Váci út 20. Registration No. 001165	Kónya Zsolt Registered auditor Chamber membership No.: 007383

Building a better working world

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This is a translation of the Hungarian Report

Independent Limited Assurance Report

To the Shareholders of OTP Bank Nyrt.

Scope

We have been engaged by OTP Bank Nyrt. ("the Company") to perform a 'limited assurance engagement', as defined by Hungarian National Standards on Assurance Engagements, hereafter referred to as "the Engagement", to report on the Consolidated Sustainability Statement of the Company and its subsidiaries (altogether the "Group") at 31 December 2024 and for the year then ended, presented in section OTP Group's Sustainability Report 2024 of the consolidated management report, included in the accompanying 529900W3MOOO0A18X956-2024-12-31-0-hu.zip digital file[1].

Criteria applied by the Group

In preparing the Consolidated Sustainability Statement, the Group applied the requirements set out in VI/C Chapter of Act C of 2000 on Accounting ("Hungarian Accounting Law") on consolidated sustainability statement, including compliance with:

- the European Sustainability Reporting Standards adopted by the EU Directive 2013/34 ("ESRS"), and the requirements relevant for the process carried out to identify the sustainability information reported pursuant to ESRS ("Double Materiality Assessment"), and
- the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation");

all together referred as the Criteria.

Responsibilities of management and those charged with governance

The Company's management is responsible for presenting the Consolidated Sustainability Statement in accordance with the Criteria in all material respects, including the compliance with Hungarian Accounting Law, ESRS and Taxonomy regulation.

This responsibility includes selection and application of appropriate sustainability reporting methods, making assumptions and estimates that are reasonable in the circumstances, maintaining adequate records, establishing and maintaining internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement, that it is free from material misstatement, whether due to fraud or error.

[1] Digital identification of the above referred 529900W3MOOO0A18X956-2024-12-31-0-hu. digital file, using SHA 256 HASH algorithm is 2B33978C37F00406AEDF9CCAF775958947724BDDA8B8704577BDF8EA8629E8B1

Management of the Company is responsible for the Double Materiality Assessment to identify the information to be reported in the Consolidated Sustainability Statement in accordance with ESRS and for disclosing this process in the Consolidated Sustainability Statement.

This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances

The management of the Company is further responsible for the additional entity-specific disclosures selected are suitable in accordance with ESRS and available to the users of the Consolidated Sustainability Statement.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Auditor's responsibilities and limitations

Our responsibility is to express a conclusion on the presentation of the Consolidated Sustainability Statement based on the evidence we have obtained.

We conducted our engagement in accordance with the Hungarian National Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") and for Assurance engagements on Greenhouse gas Statements ("ISAE 3410") and with applicable laws and regulations in Hungary.

Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Consolidated Sustainability Statement in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410 we exercise professional judgement and maintain professional skepticism throughout the engagement.

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, management of the Company interprets undefined legal and other terms, which may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm also applies Hungarian National Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

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Although we obtained understanding and considered the effectiveness of Company's internal controls, processes and information systems relevant to the preparation of Double Materiality Assessment and the Consolidated Sustainability Statement when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide assurance on design and operating effectiveness of the internal controls, processes and information systems, including the outcome of the Double Materiality Assessment. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Consolidated Sustainability Statement and related information and applying analytical and other appropriate procedures.

Our procedures included the following, we:

1. involved sustainability specialists to evaluate compliance of the Consolidated Sustainability Statement with the Criteria,
2. conducted interviews with the relevant persons at the Company to obtain an understanding of the Company's governance structure, policies, internal controls and information systems relevant for the preparation and presentation of the Consolidated Sustainability Statement,
3. conducted interviews with key personnel of the Company responsible for sustainability reporting, including the application of the Criteria during the reporting process,
4. obtained an understanding of the Double Materiality Assessment to understand the sources of the information used by management, reviewed the Company's internal documentation and assessed whether the Double Materiality Assessment is in accordance with ESRS and with the description disclosed in Consolidated Sustainability Statement,
5. conducted risk assessment including setting levels of materiality and identified sustainability information and disclosures of the Consolidated Sustainability Statement where risk of material misstatements are likely to arise, whether due to fraud or error,
6. involved component assurance teams based on the risk assessment,
7. evaluated whether information identified by the Double Materiality Assessment as material information is included in the Consolidated Sustainability Statement,
8. evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS,
9. on selected material sustainability information and disclosures of the Consolidated Sustainability Statement we performed procedures as follows:
    a. conducted interviews with key personnel from relevant organizational units of the Company to obtain understanding of the process for collecting, collating and reporting the sustainability information and disclosures,

b. obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied
c. designed and executed appropriate review procedures including among others analytical review procedures, sample testing, recalculation and inspection of substantiating evidence,
d. evaluated the mathematical accuracy of quantitative sustainability information and disclosures,
e. reviewed the boundaries of reporting and whether there are material omissions in accordance with ESRS,
f. evaluated the completeness and compliance with ESRS and the mandatory disclosures therein,
g. evaluated the appropriateness of entity-specific disclosures
h. reviewed consistency with the consolidated financial statements of the Company for the year ended 31 December 2024, and with other information obtained from interviews, internal policies and other communications and publications about the Group's sustainability agenda and strategy,

10. obtained an understanding of the process to calculate the Green Asset Ratio and the preparation of corresponding disclosures in the Sustainability Statement and evaluated the completeness and compliance with Taxonomy Regulation.

We also performed such other procedures as we considered necessary in the circumstances.

Other matters

Our limited assurance engagement does not extend to information disclosed in the Consolidated Sustainability Statement in respect of earlier periods.

Section 134/L of the Hungarian Accounting Law requires that we provide limited assurance conclusion on the compliance of the Consolidated Sustainability Statement prepared in the electronic reporting format (XHTML) with the tagging requirements in accordance with the applicable ESEF taxonomy set out in Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) relevant for sustainability disclosures, including those required according to article 8 of Regulation (EU) 2020/852 as well. Considering that the ESEF taxonomy relevant for sustainability statement has not been adopted yet, the Company, as it is presented in Section 1.1. Basis for preparation of the report of the Consolidated Sustainability Statement, was unable to carry out the tagging of the sustainability disclosures, and consequently we are unable to draw any conclusion in this regard.

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Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Consolidated Sustainability Statement, in order for it to be in accordance with the Criteria.

Budapest, 19 March 2025

(The original Hungarian version has been signed.)

Kónya Zsolt
Engagement partner
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165

Kónya Zsolt
Registered auditor
Chamber membership No.: 007383

SEPARATE FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS (2024)

OTP BANK PLC.
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024
(in HUF mn)

	Note	31 December 2024	31 December 2023
Cash, amounts due from banks and balances with the National Bank of Hungary	5.	2,075,179	2,708,232
Placements with other banks	6.	2,948,536	2,702,433
Repo receivables	7.	238,079	201,658
Financial assets at fair value through profit or loss	8.	651,236	257,535
Financial assets at fair value through other comprehensive income	9.	592,602	559,527
Securities at amortised cost	10.	3,334,145	2,710,848
Loans at amortised cost	11.	4,670,795	4,681,359
Loans mandatorily measured at fair value through profit or loss	11.	998,410	934,848
Investments in subsidiaries	12.	2,169,031	2,001,952
Property and equipment	13.	111,772	107,306
Intangible assets	13.	137,860	98,115
Right of use assets	35.	58,956	66,222
Investment properties	14.	4,227	4,203
Deferred tax assets	34.	-	408
Derivative financial assets designated as hedge accounting relationships	15.	43,130	21,628
Non-current assets held for sale	46.	-	130,718
Other assets	16.	357,095	365,961
TOTAL ASSETS		**18,391,053**	**17,552,953**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	17.	1,606,969	1,761,579
Repo liabilities	18.	227,632	443,694
Deposits from customers	19.	10,891,924	10,734,241
Fair value changes of the hedged items in portfolio hedge of interest rate risk	19.	4,303	84
Leasing liabilities	35.	64,380	68,282
Liabilities from issued securities	20.	1,750,893	1,163,109
Financial liabilities designated at fair value through profit or loss	21.	17,024	19,786
Derivative financial liabilities designated as held for trading	22.	144,499	183,565
Derivative financial liabilities designated as hedge accounting relationships	23.	19,438	27,423
Deferred tax liabilities	34.	1,707	-
Current tax liabilities	34.	23,591	14,393
Provisions	24.	25,647	22,497
Other liabilities	24.	449,522	295,399
Subordinated bonds and loans	25.	362,271	520,296
TOTAL LIABILITIES		**15,589,800**	**15,254,348**
Share capital	26.	28,000	28,000
Retained earnings and reserves	27.	2,896,319	2,276,759
Treasury shares	28.	(123,066)	(6,154)
TOTAL SHAREHOLDERS' EQUITY		**2,801,253**	**2,298,605**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**18,391,053**	**17,552,953**

Budapest, 19 March 2025

Dr. Sándor Csányi
Chairman and Chief Executive Officer

László Wolf
Deputy Chief Executive Officer

OTP BANK PLC.
SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Interest Income:			
Interest income calculated using the effective interest method	29.	1,040,534	1,227,173
Income similar to interest income	29.	585,619	795,906
Interest income and similar to interest income total		**1,626,153**	**2,023,079**
Interest Expense:			
Interest expenses total	29.	**(1,107,551)**	**(1,556,361)**
NET INTEREST INCOME		**518,602**	**466,718**
(Loss allowance) / Release of loss allowance on loan, placement and repo receivables losses	6., 7., 11., 30.	(19,955)	8,616
(Loss allowance) / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	9., 10., 30.	(35,128)	11,879
(Provision) / Release of provision for loan commitments and financial guarantees given	24., 30.	(2,565)	7,172
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	45.4.	4,193	(980)
Risk cost total		**(53,455)**	**26,687**
NET INTEREST INCOME AFTER RISK COST		**465,147**	**493,405**
LOSSES ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		**(9,856)**	**(19,707)**
MODIFICATION LOSS	4.	**(1,999)**	**(9,017)**
Income from fees and commissions	31.	468,566	402,885
Expenses from fees and commissions	31.	(92,217)	(78,755)
NET PROFIT FROM FEES AND COMMISSIONS		**376,349**	**324,130**
Foreign exchange losses	32.	(6,885)	(12,269)
Gains on securities, net	32.	120,863	7,073
Gains on financial instruments at fair value through profit or loss	32.	27,377	91,268
Net results on derivative instruments and hedge relationships	32.	(6,063)	13,055
Dividend income	32.	413,262	275,705
Other operating income	33.	18,380	26,184
Other operating expenses	33.	(37,072)	63,590
NET OPERATING INCOME		**529,862**	**464,606**
Personnel expenses	33.	(200,268)	(195,404)
Depreciation and amortization	33.	(63,551)	(50,814)
Other administrative expenses	33.	(284,128)	(281,918)
OTHER ADMINISTRATIVE EXPENSES		**(547,947)**	**(528,136)**
PROFIT BEFORE INCOME TAX		**811,556**	**725,281**
Income tax expense	34.	(66,557)	(70,293)
PROFIT AFTER INCOME TAX		**744,999**	**654,988**
Earnings per share (in HUF)			
Basic	43.	2,692	2,344
Diluted	43.	2,692	2,344

OTP BANK PLC.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
PROFIT AFTER INCOME TAX		**744,999**	**654,988**
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of debt instruments at fair value through other comprehensive income		9,751	37,917
Deferred tax related to fair value adjustment of debt instruments at fair value through other comprehensive income	34.	(848)	(3,503)
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument		(359)	3,752
Deferred tax related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	34.	32	(338)
(Losses) / Gains on derivative financial instruments designated as cash flow hedge		136	5,700
Items that will not be reclassified to profit or loss:			
Fair value adjustment of equity instruments at fair value through other comprehensive income		11,547	3,308
Deferred tax related to equity instruments at fair value through other comprehensive income	34.	(1,305)	(374)
Total		**18,954**	**46,462**
TOTAL COMPREHENSIVE INCOME		**763,953**	**701,450**

OTP BANK PLC.
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Share Capital	Capital reserve	Retained earnings and other reserves	Treasury Shares	Total
Balance as at 1 January 2023		**28,000**	**52**	**1,655,549**	**(2,724)**	**1,680,877**
Net profit for the period		-	-	654,988	-	654,988
Other comprehensive income		-	-	46,462	-	46,462
Total comprehensive income		**-**	**-**	**701,450**	**-**	**701,450**
Share-based payment	39.	-	-	3,292	-	3,292
Sale of treasury shares	28.	-	-	-	36,388	36,388
Acquisition of treasury shares	28.	-	-	-	(39,818)	(39,818)
Loss on treasury shares	28.	-	-	416	-	416
Dividend for the year 2022		-	-	(84,000)	-	(84,000)
Other transaction with owners		**-**	**-**	**(80,292)**	**(3,430)**	**(83,722)**
Balance as at 31 December 2023		**28,000**	**52**	**2,276,707**	**(6,154)**	**2,298,605**
Balance as at 1 January 2024		**28,000**	**52**	**2,276,707**	**(6,154)**	**2,298,605**
Net profit for the period		-	-	744,999	-	744,999
Other comprehensive income		-	-	18,954	-	18,954
Total comprehensive income		**-**	**-**	**763,953**	**-**	**763,953**
Share-based payment	39.	-	-	4,411	-	4,411
Sale of treasury shares	28.	-	-	-	36,193	36,193
Acquisition of treasury shares	28.	-	-	-	(153,105)	(153,105)
Loss on sale of treasury shares	28.	-	-	1,196	-	1,196
Dividend for the year 2023		-	-	(150,000)	-	(150,000)
Other transaction with owners		**-**	**-**	**(144,393)**	**(116,912)**	**(261,305)**
Balance as at 31 December 2024		**28,000**	**52**	**2,896,267**	**(123,066)**	**2,801,253**

OTP BANK PLC.
SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
OPERATING ACTIVITIES			
Profit before income tax		**811,556**	**725,281**
Net accrued interest		8,015	3,136
Depreciation and amortization	13.	63,700	50,834
Loss allowance on loans and placements	30.	23,478	357
Loss allowance / (Release of loss allowance) on securities at fair value through other comprehensive income	9.	24,560	(3,303)
Impairment loss / (Reversal of impairment loss) on investments in subsidiaries	12.	7,428	(87,609)
Loss allowance / (Release of loss allowance) on securities at amortised cost	10.	10,568	(8,576)
Loss allowance on other assets	16.	5,514	3,575
Provision on off-balance sheet commitments and contingent liabilities	24.	2,561	(6,663)
Share-based payment	39.	4,411	3,292
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	45.	(31,315)	(95,953)
Unrealised gains on fair value adjustment of derivative financial instruments	45.	(21,014)	(76,357)
Gains on securities	32.	7,017	18,890
Interest expense from leasing liabilities	35.	(2,495)	(2,081)
Foreign exchange (loss) / gain	32.	69,407	(20,842)
Proceeds from sale of tangible and intangible assets	33.	19	(1,225)
Net changing in assets and liabilities in operating activities			
Net (increase) / decrease in placements with other banks and repo receivables before allowance for placement losses	6., 7.	(214,250)	291,024
Changes in held for trading securities	8.	(419,957)	52,640
Change in financial instruments mandatorily measured at fair value through profit or loss	8.	3,727	(2,200)
Changes in derivative financial instruments at fair value through profit or loss	8.	108,979	(32,338)
Net decrease in loans	11.	87,202	(35,369)
Increase in other assets, excluding advances for investments and before provisions for losses	16.	(6,918)	(22,571)
Net (decrease) / increase in amounts due to banks and deposits from the National Bank of Hungary and other banks and repo liabilities	17., 18.	(523,976)	105,778
Financial liabilities designated as fair value through profit or loss	21.	(1,446)	(1,332)
Net decrease in deposits from customers	19.	(48,969)	(237,889)
Increase/(decrease) in other liabilities	24.	133,922	(73,221)
Net increase in the compulsory reserve established by the National Bank of Hungary	5.	(20,036)	(402,879)
Dividend income	12.	(413,262)	(275,705)
Income tax paid		(37,966)	(19,213)
Net cash used in operating activities		**(369,540)**	**(150,519)**

OTP BANK PLC.
SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn) [continued]

	Note	Year ended 31 December 2024	Year ended 31 December 2023
INVESTING ACTIVITIES			
Purchase securities at fair value through other comprehensive income	9.	(375,295)	(342,984)
Proceeds from sale of securities at fair value through other comprehensive income	9.	347,083	628,817
Change in derivative financial instruments designated as hedge accounting		(22,624)	1,580
Increase in investments in subsidiaries	12.	(16,479)	(445,637)
Dividend income		435,295	254,694
Increase in securities at amortised cost	10.	(90,219,009)	(81,661)
Redemption of securities at amortised cost	10.	89,669,606	588,288
Additions to property, equipment and intangible assets	13.	(101,092)	(86,251)
Disposal of property, equipment and intangible assets	13.	333	1,903
Net increase in investment properties	14.	(173)	(134)
Net (used in) / provided by cash used in investing activities		**(282,355)**	**518,615**
FINANCING ACTIVITIES			
Leasing payments		(6,594)	(5,341)
Cash received from issuance of securities	20.	960,124	829,166
Cash used for redemption of issued securities	20.	(491,946)	(140,736)
Cash received from issuance of subordinated bonds and loans	25.	16,314	293,590
Cash used for redemption of subordinated bonds and loans	25.	(213,410)	(44,611)
Purchase of Treasury shares	28.	(153,105)	(39,818)
Sale of Treasury shares	28.	37,389	36,804
Dividends paid	27.	(149,966)	(83,995)
Net cash (used in) / provided by financing activities		**(1,194)**	**845,059**
Net (decrease) / increase in cash and cash equivalents		**(653,089)**	**1,213,155**
Cash and cash equivalents at the beginning of the year		1,564,925	351,770
Cash and cash equivalents at the end of the year		**911,836**	**1,564,925**
Interest received		*1,574,048*	*1,848,542*
Interest paid		*1,016,302*	*1,320,920*

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General information

OTP Bank Plc. ("Bank" or "OTP Bank") was established on 31 December 1990, when the previously State-owned company was transformed into a limited liability company.

The Bank’s registered office address is 16, Nádor Street, Budapest 1051. Internet homepage: http://www.otpbank.hu/

Signatory of the separate financial statements is the Chief Executive Officer, dr. Sándor Csányi and Deputy Chief Executive Officer, László Wolf.

The Bank’s owners have the power to amend the separate financial statements after issue if applicable.

Responsible person for the control and management of accounting services: Zoltán Tuboly (Budapest), Managing Director of Accounting and Financial Directorate, Registration Number: 177289, IFRS qualified chartered accountant.

Due to Hungarian legislation audit services are statutory for OTP Bank. Disclosure information about the auditor: Ernst & Young Audit Ltd. (001165), 1132 Budapest Váci Street 20. Registered under 01-09-267553 by Budapest-Capital Regional Court, as registry court. Statutory registered auditor: Zsolt Kónya, registration number: 007383.

Audit service fee agreed by the Annual General Meeting of the Bank for the year ended 2024 is an amount of EUR 458 thousand + VAT.

All other fees charged by the Auditor for non-audit services during the financial year are disclosed in the consolidated financial statements of the Bank.

In 1995, the shares of the Bank were introduced on the Budapest and the Luxembourg Stock Exchanges and were also traded on the SEAQ board on the London Stock Exchange and PORTAL in the USA.

The structure of the Share capital by shareholders (%):

	31 December 2024	**31 December 2023**
Domestic and foreign private and institutional investors	96,77%	99,25%
Employees	0,51%	0,48%
Treasury shares	2,52%	0,20%
Other	0,20%	0,07%
Total	**100,00%**	**100,00%**

The Bank’s Registered Capital consists of 280.000.010 pieces of ordinary shares with the nominal value of HUF 100 each, representing the same rights to the shareholders.

The Bank provides a full range of commercial banking services through a nationwide network of 317 branches in Hungary.

	31 December 2024	**31 December 2023**
Number of employees	10,679	10,715
Average number of employees	10,820	10,591

1.2. Basis of accounting

These Separate Financial Statements were prepared based on the assumption of the Management that the Bank will remain in business for the foreseeable future. The Bank will not be forced to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices.

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

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

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS [continued]

1.2.1. The effect of adopting new and revised IFRS standards effective from 1 January 2024

The following amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **IAS 1 Presentation of Financial Statements:** Classification of Liabilities as Current or Non-current (Amendments) **-** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively.
  - The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied within twelve months after the reporting period.
- **IFRS 16 Leases:** Lease Liability in a Sale and Leaseback (Amendments) **-** The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
  - The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. Under the amendments, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendments apply retrospectively to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.
- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures -** Supplier Finance Arrangements (Amendments) **-** The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
  - The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

The adoption of these amendments to the existing standards has not led to any material changes in these Separate Financial Statements.

1.2.2. New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

- **IAS 21 The Effects of Changes in Foreign Exchange Rates:** Lack of Exchangeability (Amendments) - The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.
  - The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS [continued]

1.2.3. Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in EU as at date of publication of these financial statements:

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded).
    - The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures -** Classification and Measurement of Financial Instruments (Amendments) **-** The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date.
    - The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income.
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:** Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments) **-** The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.
    - The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.
- **IFRS 18 Presentation and Disclosure in Financial Statements** - IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements.
    - IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. The Bank anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Bank in the period of initial application.

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS [continued]

1.2.3. Standards and Interpretations issued by IASB but not yet adopted by the EU [continued]

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** - IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted.
  - IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.
- **Annual Improvements to IFRS Accounting Standards – Volume 11** - An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026.
  - The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures:** Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.
  - The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Bank anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Bank in the period of initial application.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of the accompanying separate financial statements are summarized below:

2.1. Basis of presentation

These separate financial statements have been prepared under the historical cost convention with the exception of certain financial instruments, which are recorded at fair value. Revenues and expenses are recorded in the period in which they are earned or incurred. The Bank does not offset assets and liabilities or income and expenses unless it is required or permitted by an IFRS standard.

During the preparation of separate financial statements assets and liabilities, income and expenses are presented separately, except in certain cases, when one of the IFRS standards prescribes net presenting related to certain items. (See below 2.5.5.)

The presentation of separate financial statements in conformity with IFRS requires the Management of the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future changes in economic conditions, business strategies, regulatory requirements, accounting rules and other factors could result in a change in estimates that could have a material impact on future separate financial statements.

2.2. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into HUF that is the presentation currency, at exchange rates quoted by the National Bank of Hungary ("NBH") as at the date of the separate financial statements. Income and expenses arising in foreign currencies are converted at the rate of exchange on the transaction date. Resulting foreign exchange gains or losses are recorded to the separate statement of profit or loss.

2.3. Consolidated financial statements

These financial statements present the separate financial position and results of operations of the Bank. Consolidated financial statements are prepared by the Bank and consolidated net profit for the year and shareholders' equity differs significantly from that presented in these separate financial statements. See Note 2.4 for the description of the method of accounting for investments in subsidiaries and associated companies in these separate financial statements. The consolidated financial statements and the separate financial statements will be published on the same date.

2.4. Investments in subsidiaries, associated companies and other investments

Investments in subsidiaries comprise those investments where OTP Bank, through direct and indirect ownership interest, controls the investee. Control is achieved when the Bank has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Investments in subsidiaries are recorded at the cost of acquisition, less impairment for permanent diminution in value, when appropriate. After initial measurement investments in subsidiaries are measured at cost, in the case of foreign currency denominated investments for the measurement the Bank uses the exchange rate at the date of transaction.

Impairment is determined based on the future economic benefits of the subsidiary and macroeconomic factors.

OTP Bank calculates the fair value based on discounted cash flow model. The 3 year period explicit cash flow model serves as a basis for the impairment test by which the Bank defines the impairment need on investment in subsidiaries based on the strategic factors and financial data of its cash-generating units.

OTP Bank in its strategic plan has taken into consideration the cautious recovery of global economic situation and outlook, the associated risks and their possible effect on the financial sector as well as the current and expected availability of wholesale funding.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets
2.5.1. Business model and SPPI test

A business model refers how the Bank manages its financial instruments in order to generate cash flows. It is determined at a level that reflects how groups of financial instruments are managed rather than at an instrument level.

The financial assets held by the Bank are classified into three categories depending on the business model within the financial assets are managed.

- Business model whose objective is to hold financial assets in order to collect contractual cash flows. Some sales can be consistent with hold to collect business model and the Bank assesses the nature, frequency and significance of any sales occurring. The Bank does not consider the sale frequent when at least six months have elapsed between sales. The significant sales are those when the sales exceed 2% of the total hold to collect portfolio. Within this business model the Bank manages mainly loans and advances and long term securities and other financial assets.
- Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Within this business model the Bank only manages securities.
- Business model whose objective is to achieve gains in a short term period. Within this business model the Bank manages securities and derivative financial instrument.

If cash flows are realised in a way that is different from the expectations at the date that the Bank assessed the business model, that does not give rise to a prior error in the Bank's financial statements nor does it change the classification of the remaining financial assets held in that business model.

When, and only when the Bank changes its business model for managing financial assets it reclassifies all affected assets. Such changes are determined by the Bank's senior management as a result of external or internal changes and must be significant to the Bank's operations and demonstrable to external parties. The Bank shall not reclassify any financial liability.

Classification of a financial asset is based on the characteristics of its contractual cash flows if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The Bank should determine whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI test). Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Bank assesses whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding for the currency in which the financial asset is denominated.

Time value of money is the element of interest that provides consideration for only the passage of time. However, in some cases, the time value of money element may be modified. In such cases, the Bank assesses the modification to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

When assessing a modified time value of money element, the objective is to determine how different the undiscounted contractual cash flows could be from undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). The benchmark instrument can be an actual or a hypothetical financial asset. If the undiscounted contractual cash flows significantly – above 2% – differ from the undiscounted benchmark cash flows, the financial asset should be subsequently measured at fair value through profit or loss.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.2. Securities at amortised cost

The Bank measures at amortized cost those securities which are held for contractual cash collecting purposes, and contractual terms of these securities give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding. The Bank initially recognises these securities at fair value. Securities at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. The amortisation of any discount or premium on the acquisition of a security at amortized cost is part of the amortized cost and is recognised as interest income so that the revenue recognized in each period represents a constant yield on the investment. Securities at amortized cost are accounted for on a trade date basis. Such securities comprise mainly securities issued by the Hungarian Government bonds and corporate bonds.

2.5.3. Financial assets at fair value through profit or loss

2.5.3.1. Securities held for trading

Investments in securities are accounted for on a trade date basis and are initially measured at fair value. Securities held for trading are measured at subsequent reporting dates at fair value. Unrealised gains and losses on held for trading securities are recognized in profit or loss and are included in the separate statement of profit or loss for the period. The Bank holds held for trading securities within the business model to obtain short-term gains, consequently realised and unrealised gains and losses are recognized in the net operating income, while interest income is recognised in income similar to interest income. The Bank applies FIFO[147] inventory valuation method for securities held for trading. Such securities consist of discounted and interest bearing Treasury bills, Hungarian Government bonds, mortgage bonds, shares in non-financial commercial companies, shares in investment funds, shares in venture capital funds and shares in financial institutions.

2.5.3.2. Derivative financial instruments

In the normal course of business, the Bank is a party to contracts for derivative financial instruments, which represent a low initial investment compared to the notional value of the contract and their value depends on value of underlying asset and are settled in the future. The derivative financial instruments used include interest rate forward or swap agreements and currency forward or swap agreements and options. These financial instruments are used by the Bank both for trading purposes and to hedge interest rate risk and currency exposures associated with its transactions in the financial markets. (It is the so-called economic hedge, accounting hedge is described later.)

Derivative financial instruments are accounted for on a trade date basis and are initially measured at fair value and at subsequent reporting dates also at fair value. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. OTP Bank adopts multi curve valuation approach for calculating the net present value of future cash flows – based on different curves used for determining forward rates and used for discounting purposes. It shows the best estimation of such derivative deals that are collateralised as OTP Bank has almost its entire open derivative transactions collateralised. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in profit or loss and are included in the separate statement of profit or loss for the period. Each derivative deal is determined as asset when fair value is positive and as liability when fair value is negative.

Certain derivative transactions, while providing effective economic hedges under risk management positions of the Bank, do not qualify for hedge accounting under the specific rules of IFRS 9 and are therefore treated as derivatives held for trading with fair value gains and losses charged directly to the separate statement of profit or loss.

Foreign currency contracts

Foreign currency contracts are agreements to exchange specific amounts of currencies at a specified rate of exchange, at a spot date (settlement occurs two days after the trade date) or at a forward date (settlement occurs more than two days after the trade date). The notional amount of forward contracts does not represent the actual market or credit risk associated with these contracts.

Foreign currency contracts are used by the Bank for risk management and trading purposes. The Bank's risk management foreign currency contracts were used to hedge the exchange rate fluctuations of loans and deposits denominated in foreign currency.

[147] First In First Out

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.3.2. Derivative financial instruments [continued]

Foreign exchange swaps and interest rate swaps

The Bank enters into foreign-exchange swap and interest rate swap ("IRS") transactions. The swap transaction is a complex agreement concerning the swap of certain financial instruments, which usually consists of a spot and one or more forward contracts.
Interest rate swaps obligate two parties to exchange one or more payments calculated with reference to fixed or periodically reset rates of interest applied to a specific notional principal amount (the base of the interest calculation). Notional principal is the amount upon which interest rates are applied to determine the payment streams under interest rate swaps.
Such notional principal amounts are often used to express the volume of these transactions but are not actually exchanged between the counterparties. The Bank's interest rate swap contracts can be hedging or held for trading contracts.

Cross-currency interest rate swaps

The Bank enters into cross-currency interest rate swap ("CCIRS") transactions which have special attributes, i.e. the parties exchange the notional amount at the beginning and also at the maturity of the transaction. A special type of these deals is the mark-to-market CCIRS agreements. At this kind of deals the parties – in accordance with the foreign exchange prices – revalue the notional amount during lifetime of the transaction.

Equity and commodity swaps

Equity swaps obligate two parties to exchange more payments calculated with reference periodically reset rates of interest and performance of indices. A specific notional principal amount is the base of the interest calculation. The payment of index return is calculated on the basis of current market price compared to the previous market price. In the case of commodity swaps payments are calculated on the basis of the strike price of a predefined commodity compared to its average market price in a period.

Forward rate agreements ("FRA")

A forward rate agreement is an agreement to settle amounts at a specified future date based on the difference between an interest rate index and an agreed upon fixed rate. Market risk arises from changes in the market value of contractual positions caused by movements in interest rates.

The Bank limits its exposure to market risk by entering into generally matching or offsetting positions and by establishing and monitoring limits on unmatched positions. Credit risk is managed through approval procedures that establish specific limits for individual counter-parties. The Bank's forward rate agreements were transacted for management of interest rate exposures.

Foreign exchange options

A foreign exchange option is a derivative financial instrument that gives the owner the right to exchange money denominated in one currency into another currency at a pre-agreed exchange rate at a specified future date. The transaction, for a fee, guarantees a worst-case exchange rate for the futures purchase of one currency for another. These options protect against unfavourable currency movements while preserving the ability to participate in favourable movements.

2.5.4. Hedge accounting

The Bank implemented hedge accounting rules for micro hedge transactions prescribed by IFRS 9 in 2018.

The Bank elected – as an accounting policy choice permitted under IFRS 9 – to apply IAS 39 hedge accounting rules for portfolio (macro) hedge transactions.

For further details please see Note 45.3

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.4. Hedge accounting [continued]

2.5.4.1. Derivative financial instruments designated as fair value

Micro hedge transactions

The Bank elected to apply IFRS 9 for the micro hedge transactions.

Changes in the fair value of derivatives that are designated and qualify as hedging instruments fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the separate statement of profit or loss along with the corresponding change in fair value of the hedged asset or liability that is attributable to the specific hedged risk. Changes in the fair value of the hedging instrument in fair value hedges are charged directly to the separate statement of profit or loss. The conditions of hedge accounting applied by the Bank are the following: formally designated as hedging relationship, proper hedge documentation is prepared, effectiveness test is performed and based on it the hedge is qualified as effective.

In the case of a financial instrument measured at amortised cost the Bank recognises the hedging gain or loss on the hedged item as the modification of its carrying amount and it is recognised in profit or loss. These adjustments of the carrying amount are amortised to the profit or loss using the effective interest rate method. The Bank starts the amortisation when the hedged item is no longer adjusted by the hedging gains or losses. If the hedged item is derecognised, the Bank recognises the unamortised fair value in profit or loss immediately. For the fair value hedges inefficiencies and the net revaluation of hedged and hedging item are recognised in the Net result on derivative instruments and hedge relationships.

Macro (portfolio) hedge transactions

The Bank elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39 in the case of macro hedge transactions.

The Bank applies macro fair value hedging to its core part sight deposit to mitigate the interest rate risk arising from the interest rate mismatch of assets with floating behaviour and the fixed rate nature of the deposit. The nature of the hedged risk is interest rate risk arising from the fixed nature and the term structure of the interest rate risk characteristics of the hedged core sight deposits.

The hedging instruments are fixed-to-floater interest rate swaps measured at fair value through profit or loss designated in a proportion defined as the declared hedging ratio.

The hedging gain or loss is recognized in accordance with IAS39 paragraph 89 and 90.

The gain or loss on the hedging instrument is recognized in profit or loss, the fair value adjustment attributable to the hedged risk is presented on a separate line in the separate statement of financial position.

The assessment of hedge effectiveness is measured on a monthly basis. The hedging relationship is considered appropriate if the difference of fair value change of the hedging instrument and the hedged item is between the 80% -125% range in the case of all or all but one valid stress scenarios.

The aggregated fair value changes on the hedged assets are recognised on the Derivative financial asset / liability designated as hedge accounting in the Separate Statement of Financial Position.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.4. Hedge accounting [continued]

2.5.4.2. Derivative financial instruments designated as cash flow hedge

Changes in fair value of derivatives that are designated and qualify as hedging instrument in cash flow hedges and that prove to be highly effective in relation to hedged risk are recognized as reserve in other comprehensive income. Amounts deferred in other comprehensive income are transferred to the separate statement of profit or loss and classified as revenue or expense in the periods during which the hedged assets and liabilities effect the separate statement of recognized and comprehensive income for the period. The ineffective element of the hedge is charged directly to the separate statement of profit or loss. The Bank terminates the hedge accounting if the hedging instrument expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for hedge accounting. In the case of cash flow hedges - in line with the standard – hedge accounting is still applied as long as the underlying asset is derecognised or terminated.

When the Bank discontinues hedge accounting to a cash-flow hedge the amount in the cash flow hedge reserve is reclassified to the profit or loss if the hedged future cash flows are no longer expected to occur. If the hedged future cash flows are still expected to occur, the amount remains in the cashflow hedge reserve and reclassified to the profit and loss only when the future cash flows occur.

2.5.5. Offsetting

Financial assets and liabilities may be offset and the net amount is reported in the statement of financial position when the Bank has a legally enforceable right to set off the recognised amounts and the transactions are intended to be reported in the statement of financial position on a net basis. In the case of the derivative financial instruments the Bank applies offsetting and net presentation in the Statement of Financial Position when the Bank has the right and the ability to settle the assets and liabilities on a net basis.

2.5.6. Embedded derivatives

Sometimes, a derivative may be a component of a combined or hybrid contract that includes a host contract and a derivative (the embedded derivative) affecting cash flows or otherwise modifying the characteristics of the host instrument. An embedded derivative must be separated from the host instrument and accounted for as a separate derivative if, and only if:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- A separate financial instrument with the same terms as the embedded derivative would meet the definition of a derivative as a stand-alone instrument; and
- The host instrument is not measured at fair or is measured at fair value but changes in fair value are recognised in other comprehensive income.

As long as a hybrid contract contains a host that is a financial asset the general accounting rules for classification, recognition and measurement of financial assets are applicable for the whole contract and no embedded derivative is separated.

Derivatives that are required to be separated are measured at fair value at initial recognition and subsequently. If the Bank is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, the Bank shall designate the entire hybrid contract as at fair value through profit or loss. The Bank shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the Bank first becomes a party to the contract.

The separation rules for embedded derivatives are only relevant for financial liabilities.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.7. Securities at fair value through other comprehensive income ("FVOCI securities")

FVOCI securities are held within a business model whose objective is achieved by both collecting of contractual cash flows and selling securities. Furthermore contractual terms of FVOCI securities give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt instruments

Investments in debt securities are accounted for on a trade date basis and are initially measured at fair value. Securities at fair value through other comprehensive income are measured at subsequent reporting dates at fair value. Unrealised gains and losses on FVOCI financial instruments are recognized in other comprehensive income, except for interest and foreign exchange gains/losses on monetary items, unless such FVOCI security is part of an effective hedge. Such gains and losses will be reported when realised in profit or loss for the applicable period. The Bank applies FIFO[148] inventory valuation method for FVOCI securities.

For debt securities at fair value through other comprehensive income the loss allowance is calculated based on expected credit loss model. The expected credit loss is accounted for against Other Comprehensive Income.

FVOCI securities are remeasured at fair value based on quoted prices or values derived from cash flow models. In circumstances where the quoted market prices are not readily available, the fair value of debt securities is estimated using the present value of the future cash flows and the fair value of any unquoted equity instruments are calculated using the EPS ratio.

Fair value through other comprehensive income option for equity instruments

In some cases the Bank made an irrevocable election at initial recognition for certain non-trading investments in an equity instrument to present subsequent changes in fair value of these securities in other comprehensive income instead of in profit or loss.
The use of the fair value option is based only on direct decision of management of the Bank.

2.5.8. Loans, placements with other banks, repo receivables and loss allowance for loan, placements and repo receivables losses

The Bank measures Loans, placements with other banks and repo receivables at amortised cost, which are held to collect contractual cash flows, and contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Bank recognises loans, which are not held for trading and do not give rise contractual cash flows that are solely payments of principal and interest on the principal amount outstanding as loans measured at fair value through profit or loss ("FVTPL loans").

Loans, placements with other banks and repo receivables are accounted at amortised cost, stated at the principal amounts outstanding including accrued interest, net of allowance for loan or placement losses, respectively.

In the case of the above mentioned financial assets measured at amortised cost transaction fees and charges adjust the carrying amount at initial recognition and are included in effective interest calculation. In the case of FVTPL loans fees and charges are recognised when incurred in the separate statement of profit or loss.

Loans, placements with other banks and repo receivables loans are derecognised when the contractual rights to the cash flows expire or they are transferred. When a financial asset is derecognised the difference of the carrying amount and the consideration received is recognised in the profit or loss. In the case of the above mentioned financial assets at amortised cost gains or losses from derecognition are presented in "Gains/losses arising from derecognition of financial assets at amortised cost" line. In the case of FVTPL loans gains or losses from derecognition are presented in "Net operating income".

Change in the fair value of FVTPL loans is broken down into two components and presented in the separate statement of profit or loss as follows:

- Portion of the change in fair value arising from changes in credit risk are presented within "Risk cost" as "Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss".
- The remaining component of the change is presented in fair value within "Net operating income" as "Gains/(Losses) on financial instruments at fair value through profit or loss".

[148] First In First Out

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.8. Loans, placements with other banks, repo receivables and loss allowance for loan, placements and repo receivables losses [continued]

Initially, financial assets shall be recognised at fair value which is usually equal to the transaction value in the case of loans and placements. However, when the amounts are not equal, the initial fair value difference should be recognized.

If the fair value of financial assets is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the initial fair value difference in the Separate Statement of Profit or Loss.

When the fair value of financial assets is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognised in profit or loss when the instrument is derecognised or the inputs became observable.

Initial fair value of loans lent at interest below market conditions is lower than their transaction price, the subsequent measurement of these loans is under IFRS 9.

Allowance for losses on loans, placements with other banks and repo receivables represent management assessment for potential losses in relation to these activities.

The Bank recognises a loss allowance for expected credit losses on a financial asset at each reporting date. The loss allowance for a financial asset equals to 12-month expected credit loss or equals to the lifetime expected credit losses. The maximum period over which expected credit losses shall be measured is the maximum contractual period over which the Bank is exposed to credit risk.

If the credit risk on a financial asset has not increased significantly since initial recognition then 12-month expected credit losses, otherwise (in the case of significant credit risk increase) lifetime expected credit losses should be calculated. The expected credit loss is the present value of the difference between the contractual cash flows that are due to the Bank under the contract and the cash flows that the Bank expects to receive.

When the contractual cash flows of a financial asset are modified and the modification does not result in the derecognition of the financial asset the Bank recalculate the gross carrying amount of the financial asset by discounting the expected future cash flows with the original effective interest rate of the asset. The difference between the carrying amount and the present value of the expected cash flows is recognised as a “Modification gain or loss” in the statement of profit or loss. Interest income and amortised cost are accounted for using the effective interest rate method.

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further recovery is considered to be remote. The loan is written off against the related account “Loss allowance on loan, placement and repo receivables losses” in the Statement of Profit or loss.

OTP Bank applies partial or full write-off for loans based on the definitions and prescriptions of financial instruments in accordance with IFRS 9. If OTP Bank has no reasonable expectations regarding a financial asset (loan) to be recovered, it will be written off partially or fully at the time of emergence.

The gross amount and loss allowance of the loans shall be written off in the same amount to the estimated maximum recovery amount while the net carrying value remains unchanged.

If there are reasonable expectations of recovery for a financial asset that is written-off fully or partially, OTP Bank shall re-estimate cash flows of that financial asset and write-off reversal is applied in the financial statements.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.9. Modification of contractual cash flows

If the net present value of the contracted cash flows changes due to the modification of the contractual terms and it is not qualified as derecognition, modification gain or loss should be calculated and accounted for in the separate statement of profit or loss. Modification gain or loss is accounted in the cases like restructuring – as defined in internal policies of the Bank – prolongation, renewal with unchanged terms, renewal with shorter terms and prescribing capital repayment rate, if it doesn't exist or has not been earlier.

The changes of net present value should be calculated on portfolio level in the case of retail exposures. Each retail contract is restructured based on restructuring frameworks. The Bank has to evaluate these frameworks (and not individual contracts). The changes of net present value should be calculated individually on contract level in the case of corporate portfolio.

Among the possible contract amendments, the Bank considers as a derecognition and a new recognition the followings:

- merging several debts into a single debt, or one single debt splitting into several tranches,
- change of currency,
- change in counterparty,
- failing SPPI test after modification,
- interest rate change (fixed to floating or floating to fixed),

when the discounted present value – discounted at the original effective interest rate – of the cash flows under the new terms is at least 10 per cent different from the discounted present value of the remaining cash flows.

In the case of derecognition and new recognition of a financial asset, the unamortized fees of the derecognized asset should be presented as Income similar to interest income. The newly recognized financial asset is initially measured at fair value and is placed in stage 1 if the derecognized financial asset was in stage 1 or stage 2 portfolio. The newly recognized financial asset will be purchased or originated credit impaired financial asset ("POCI") if the derecognized financial asset was in stage 3 portfolio or it was POCI.

The modification gain or loss shall be calculated at each contract amendments unless they are handled as a derecognition and new recognition. In the case of modification the Bank recalculates the gross carrying amount of the financial asset. To do this, the new contractual cash flows should be discounted using the financial asset's original effective interest rate (or credit-adjusted effective interest rate for POCI financial asset). Any costs or fees incurred adjust the carrying amount of the modified financial asset are amortized over the remaining term of the modified financial asset.

2.5.10. Purchased or originated credit impaired financial assets

Purchased or originated financial assets are credit-impaired on initial recognition. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

A purchased credit-impaired asset is likely to be acquired at a deep discount. In unusual circumstances, it may be possible that an entity originates a credit-impaired asset, for example, following a substantial modification of a distressed financial asset that resulted in the derecognition of the original financial asset.

In the case of POCI financial assets, interest income is always recognized by applying the credit-adjusted effective interest rate.

For POCI financial assets, in subsequent reporting periods an entity is required to recognize:

- the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance,
- the impairment gain or loss which is the amount of any change in lifetime expected credit losses.
  An impairment gain is recognized (with the parallel increase of the net amortized cost of receivable) if due to the favourable changes after initial recognition the lifetime expected credit loss estimation is becoming lower than the original estimated credit losses at initial recognition.

The POCI qualification remains from initial recognition to derecognition in the Bank's books.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance

Loss Allowance for loans and placements with other banks and repo receivables are recognised by the Bank based on the expected credit loss model in accordance with IFRS 9. Based on the three stage model loss allowance is recognised in amount of 12 month expected credit loss from the initial recognition. Financial assets with significantly increased credit risk or credit impaired financial assets (based on objective evidences) loss allowance is recognised in amount of lifetime expected credit loss.

In the case of purchased or originated credit impaired financial assets loss allowance is recognised in amount of lifetime expected credit loss since initial recognition. Impairment gain is recognised if lifetime expected credit loss for purchased or originated credit impaired financial assets at measurement date are less than the estimated credit loss at initial recognition.

A loss allowance for loans and placements with other banks and repo receivables represents Management's assessment for potential losses in relation to these activities.

The default occurs when either or both of the following events have taken place:

- objective criterion meaning that the credit obligation of the client is overdue exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or the obligor has breached the limit of the overdraft with an amount exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or
- probability criterion meaning the probability that the obligor will be unable to pay its credit obligations in full (UTP= Unlikely to Pay). The following conditions indicate the occurrence of the probability criterion: specific credit risk adjustment, sell of credit obligation with significant loss, distressed restructuring, termination of the contract on the initiative of the Bank, Bankruptcy, liquidation, personal bankruptcy, forced deleted status.

Previously described conditions should result in default status mandatorily. Moreover, during the individual expert-based assessment the client's default status shall be established if in the specific case the default can be justified on subjective basis. The default status should be terminated if in the last 3 months no other default criterion exists and the condition (either probability criterion or objective criterion) that resulted in the default status ceased at least 3 months ago.

The expected loss calculation should be forward looking. Available forward-looking information has to be included in the parameter estimation by using different scenarios, including forecasts of future economic conditions. The determination of probability-weighted forward-looking scenarios are based on the OTP Bank' macro model. In general, there are two crisis scenarios (4-5), and three non-crisis scenarios (1-3) but the calculation of impairment should be based on at least two scenarios in the OTP Bank. The macro conditioning is performed by Vasicek-model, which captures the relationship between point-in-time (PiT) and through-the-cycle (TTC) PD.

The Vasicek PD transformation can also be used to estimate the PIT PDs of the buckets. The required parameters (such as correlation coefficient and macro condition parameter) can be derived from the OTP's macro model.
In the collective provisioning methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. At portfolio segmentation, setting the segments is a key element of the provisioning calculation and requires the extensive knowledge of the portfolio. The segmentation is expected to stay stable from month to month. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.
The estimation of one-year and lifetime probability of default (PD) of collectively assessed exposures is performed via transition matrices. The assets should be allocated to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfil contractual obligations. The mandatory variables of the group level assessment procedure are payment delay, deal/client rating, the restructured flag, the default status and product type. Further segmentation is advisable in the case significant differences are observed in probability of default. Transition matrices should be determined for each portfolio segment separately. The Bank model handles healing (from default) rate in the PD parameter, thus the calculated probabilities should be reduced by this rate.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

Two different methods are applied in OTP Bank for LGD parameter calculation: Retail mortgage loans and non-retail portfolios (MSE and Wholesale) that are significantly secured by mortgage: modified LGD methodology based on the Asset Quality Review (AQR) – the primary source of the recovery the collateral itself but cash recovery is also taken into account. The calculation is performed for each exposure individually based on the estimated parameters (main parameters: FSR – foreclosure success rate, SR – sales ratio, TTS – time to sale, C – cost, REC – cash recovery) and the actual value of collaterals (e.g. property, guarantee, surety, bail).

For Consumer loans and car finance: recovery based LGD methodology estimated from historical recoveries. The LGD calculation should not be automatically identified with historic actual data. The direction and degree of the shift in the factors impacting the LGD, also considering the macroeconomic effects, in addition to the anticipated developments in those, must always be analysed. The LGD – just like the PD – is not independent of the business cycles either; typically it increases in parallel with the economic downturn.

Loss allowance for loan and placements are determined at a level that provides coverage for individually identified credit losses. Collective impairment loss is recognised for loans with similar credit risk characteristics when it is not possible to determine the amount of the individually identified credit loss in the absence of objective evidence. The expected cash flows for loan portfolios are estimated based on historical loss experience.

At subsequent measurement the Bank recognises through “Loss allowance on loan, placement and repo receivables losses” in the Statement of Profit or Loss impairment gain or loss as an amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with IFRS 9.

If a financial asset, which previously classified in the first stage, classified subsequently in the second or third stage than loss allowance is adjusted to lifetime expected credit loss. If a financial asset, which previously classified in the second or third stages, classified subsequently in the first stage than loss allowance is adjusted to level of 12 month expected credit loss.

Classification into risk classes

According to the requirements of the IFRS9 standard, the Bank classifies financial assets measured at amortised cost and fair value through other comprehensive income, and loan commitments and financial guarantees into the following categories in accordance with IFRS9:

Stage 1	Performing
Stage 2	Performing, but compared to the initial recognition it shows significant increase in credit risk
Stage 3	Non-performing
POCI	Purchased or originated credit impaired

In the case of trade receivables, contract assets and lease receivables the Bank applies the simplified approach and calculates only lifetime expected credit loss. Simplified approach is the following:

- for the past 3 years the average annual balance of receivables under simplified approach is calculated,
- the written-off receivables under simplified approach are determined in the past 3 years,
- the loss allowance ratio will be the sum of the written-off amounts divided by the sum of the average balances,
- historical losses are adjusted to reflect information about current conditions and reasonable forecasts of future economic conditions,
- the loss allowance is multiplied by the end-of-year balance and it will be the actual loss allowance on these receivables,
- loss allowance should be recalculated annually.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

Classification into risk classes [continued]

The Bank assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. This might occur if the financial asset has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Bank considers souvereign exposures having low credit risk.

Stage 1: financial instruments for which the events and conditions specified in respect of Stage 2 and Stage 3 do not exist on the reporting date.

A financial instrument shows significant increase in credit risk, and is allocated to Stage 2, if in respect of which any of the following triggers exist on the reporting date, without fulfilling any of the conditions for the allocation to the non-performing stage (stage 3):

- the payment delay exceeds 30 days,
- it is classified as performing forborne,
- based on individual decision, its currency suffered a significant "shock" since the disbursement of the loan,
- the transaction/client rating exceeds a predefined value or falls into a determined range, or compared to the historic value it deteriorates to a predefined degree,
- in the case retail mortgage loans, the loan-to-value ratio exceeds a predefined rate,
- default on another loan of the retail client, if no cross-default exists,
- monitoring classification of corporate and municipal clients above different thresholds defined on group
  - financial difficulties at the debtor (capital adequacy, liquidity, deterioration of the instrument quality),
  - significant decrease of the liquidity or the activity on the active market of the financial instrument can be observed,
  - the rating of the client reflects high risk, but it is better than the default one,
  - significantly decrease in the value of the recovery from which the debtor would disburse the loan,
  - clients under liquidation.

A financial instrument is non-performing and it is allocated to Stage 3 when any of the following events or conditions exists on the reporting date:

- default (based on the group level default definition),
- classified as non-performing forborne (based on the group level forborne definition),
- the monitoring classification of corporate and municipal clients above different thresholds defined on group level (including but not limited to):
  - breaching of contracts,
  - significant financial difficulties of the debtor (like capital adequacy, liquidity, deterioration of the instrument quality),
  - bankruptcy, liquidation, debt settlement processes against debtor,
  - forced strike-off started against debtor,
  - termination of loan contract by the Bank,
  - occurrence of fraud event,
  - termination of the active market of the financial instrument.

If the exposure is no longer considered as credit impaired, the Bank allocates this exposure to Stage 2.

When loss allowance is calculated at exposures categorized into stages the following process is needed by stages:

- Stage 1 (performing): loss allowance at an amount equal to 12-month expected credit loss should be recognized,
- Stage 2 (significant increase in credit risk): loss allowance at an amount equal to lifetime expected credit loss should be recognized,
- Stage 3 (non-performing): loss allowance at an amount equal to lifetime expected credit loss should be recognized.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

Classification into risk classes [continued]

For lifetime expected credit losses, the Bank shall estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent cash flow shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months), weighted by the probability of that default occurring.

An entity shall measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes,
- the time value of money, and
- reasonable and supportable information that is available without undue cost of effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2.7. Option to designate a financial asset/liability measured at fair value through profit or loss (FVTPL option)

The Bank may, at initial recognition, irrevocably designate a financial asset or liability as measured at fair value through profit or loss. The Bank may use FVTPL option in the following cases:

- if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases
- if the group of financial liabilities or assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Bank's key management personnel.

The use of the fair value option is limited only to special situations, and it can be based only on direct decision of management of the Bank.

2.8. Sale and repurchase agreements, security lending

Where debt or equity securities are sold under a commitment to repurchase them at a pre-determined price, they remain on the statement of financial position and the consideration received is recorded in Other liabilities or Amounts due to banks and deposits from the National Bank of Hungary and other banks, or Deposits from customers. Conversely, debt or equity securities purchased under a commitment to resell are not recognized in the statement of financial position and the consideration paid is recorded either in Placements with other banks or Deposits from customers. Interest is accrued evenly over the life of the repurchase agreement. In the case of security lending transactions the Bank does not recognize or derecognize the securities because it is believed that the transferor retains substantially all the risks and rewards of the ownership of the securities. Only a financial liability or financial receivable is recognized for the consideration amount.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.9. Property, equipment and intangible assets

Property, equipment and intangible assets are stated at cost, less accumulated depreciation and amortization and impairment, if any. The depreciable amount (book value less residual value) of the non-current assets must be allocated over their useful lives. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets based on the following annual percentages:

	Depreciation key	Useful lifetime (years)
Intangible assets		
Software	20%-33%	3-5
Property rights	17%-50%	2-6
Property	1%-7%	15-100
Office equipment and vehicles	7%-50%	2-15

Depreciation and amortization on properties, equipment and intangible assets starts on the day when such assets are placed into service. At each balance sheet date, the Bank reviews the carrying value of its tangible and intangible assets to determine if there is any indication that those assets have suffered an impairment loss.

If such indication exists, the recoverable amount of the asset is estimated to determine the extent (if any) of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the carrying value of property, equipment, other tangible fixed assets and intangible assets is greater than the estimated recoverable amount, it is impaired immediately to the estimated recoverable amount.

2.10. Inventories

The inventories shall be measured at the lower of cost and net realisable value. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The Bank uses generally FIFO formulas to the measurement of inventories. Inventories shall be derecognised when they are sold, unusable or destroyed. When inventories are sold, the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. Repossessed assets are classified as inventories. The Bank's policy is to sell repossessed assets and not to use them for its internal operations.

2.11. Investment properties

Investment properties of the Bank are land, buildings, part of buildings which are held (as the owner or as the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of services or for administrative purposes or sale in the ordinary course of business. The Bank measures the investment properties at cost less accumulated depreciation and impairment, if any. The depreciable amount (book value less residual value) of the investment properties must be allocated over their useful lives. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets.

The fair value of the investment properties is established mainly by external experts. According to the opinion of the Management there is no significant difference between the fair value and the carrying value of these properties.

2.12. Financial liabilities

The financial liabilities are presented within these lines in the Separate Financial Statements:

- Amount due to banks and deposits from the National Banks and other banks
- Repo liabilities
- Financial liabilities designated at fair value through profit or loss
- Deposits from customers
- Liabilities from issued securities
- Derivative financial liabilities held for trading
- Derivative financial liabilities designated as hedge accounting
- Other financial liabilities

At initial recognition, the Bank measures financial liabilities at fair value plus or minus – in the case of a financial liability not at fair value through profit or loss – transaction costs that are directly attributable to the acquisition or issue of the financial liability.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.12. Financial liabilities [continued]

Usually, the initial fair value of financial liabilities equals to transaction value. However, when the amounts are not equal, the initial fair value difference should be recognized.
If the fair value of financial liabilities is based on a valuation technique using only inputs observable in market transactions, the Bank recognizes the initial fair value difference in the Separate Statement of Profit or Loss.

When the fair value of financial liabilities is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognized in profit or loss when the instrument is derecognized or the inputs became observable.

Financial liabilities at fair value through profit or loss are either financial liabilities held for trading or they are designated upon initial recognition as at fair value through profit or loss.

In connection to the derivative financial liabilities measured at fair value through profit or loss, the Bank presents the amount of change in their fair value originated from the changes of market conditions and business environment.

The Bank designated some financial liabilities upon initial recognition to measure at fair value through profit or loss. This classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases ("accounting mismatch"). The changes in fair value of these liabilities are recognized in profit or loss, except the fair value changes attributable to credit risk which are recognized among other comprehensive income.

In the case of financial liabilities measured at amortised cost, fees and commissions related to the origination of the financial liability are recognised through profit or loss during the maturity of the instrument. In certain cases the Bank repurchases a part of financial liabilities (mainly issued securities or subordinated bonds) and the difference between the carrying amount of the financial liability and the amount paid for it is recognised in the statement of profit or loss and included in other operating income.

2.13. Leases

An agreement is a lease or contains a lease if it transfers the rights to control the use of an identified asset for a given period in exchange for compensation.

Expenses related to the use of lease assets, the majority of which were previously recognised in external services costs, will be currently classified as depreciation/amortisation and interest costs. Usufruct rights are depreciated using a straight line method, while lease liabilities are settled using an effective discount rate.

Recognition of lease liabilities

The Bank will recognise lease liabilities related to leases which were previously classified as "operating leases" in accordance with IAS 17 Leases. These liabilities will be measured at the present value of lease payments receivable as at the date of commencement of the application of IFRS 16. Lease payments shall be discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

At their date of initial recognition, lease payments contained in the measurement of lease liabilities comprise the following types of payments for the right to use the underlying asset for the life of the lease:

- fixed lease payments less any lease incentives,
- variable lease payments which are dependent on market indices,
- amounts expected to be payable by the lessee under residual value guarantees,
- the strike price of a purchase option, if it is reasonably certain that the option will be exercised, and
- payment of contractual penalties for terminating the lease, if the lease period reflects that the lessee used the option of terminating the lease.

The Bank makes use of expedients with respect to short-term leases (less than 12 months) as well as in the case of leases in respect of which the underlying asset has a low value (less than HUF 1.4 million) and for which agreements it will not recognise financial liabilities nor any respective right-of-use assets. These types of lease payments will be recognised as costs using the straight-line method during the life of the lease.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.13. Leases [continued]

Recognition of right-of-use assets

Right-of-use assets are initially measured at cost.

The cost of a right-of-use asset comprises:

- the amount of the initial measurement of lease liabilities,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the lessee,
- estimates of costs to be incurred by the lessee as a result of an obligation to disassemble and remove an underlying asset or to carry out renovation/restoration.

Right-of-use assets are presented separately in the financial statements.

2.14. Share capital

Share capital is the capital determined in the Articles of Association and registered by the Budapest-Capital Regional Court. Share capital is the capital the Bank raised by issuing common stocks at the date the shares were issued. The amount of share capital has not changed over the current period.

2.15. Treasury shares

Treasury shares are shares which are purchased on the stock exchange and the over-the-counter market by the Bank and are presented in the separate statement of financial position at acquisition cost as a deduction from shareholders' equity. Gains and losses on the sale of treasury shares are recognised directly to shareholder's equity. Derecognition of treasury shares is based on the FIFO method.

2.16. Non-current assets held-for-sale and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held-for-sale. Hereinafter non-current assets classified as held-for-sale, disposal group and discontinued operations are referred to as assets in accordance with IFRS 5.
The Bank classifies assets under IFRS 5 if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Bank does not account for an asset under IFRS 5 that has been temporarily taken out of use as if it had been abandoned.
The Bank measures an asset under IFRS 5 at the lower of its carrying amount and fair value less costs to sell. When the sale is expected to occur beyond one year, the Bank measures the costs to sell at their present value.

Any increase in the present value of the costs to sell that arises from the passage of time shall be presented in profit or loss. Immediately before the initial classification of the asset under IFRS 5, the carrying amounts of the asset (or all the assets and liabilities in the group) are measured in accordance with applicable IFRS.

The Bank does not depreciate (or amortize) an asset under IFRS 5 while it is classified as asset in accordance with IFRS 5. Interest and other expenses attributable to the liabilities of the asset under IFRS 5 shall continue to be recognized.

If the Bank has classified an asset under IFRS 5, but the criteria for that are no longer met, the Bank ceases to classify the asset under IFRS 5. The Bank measures these assets which cease to be classified as asset under IFRS 5 at the lower of:

- its carrying amount before the asset was classified as asset under IFRS 5, adjusted for any depreciation, amortisation or revaluations that would have been recognized had the asset not been classified as asset under IFRS 5, and
- its recoverable amount at the date of the subsequent decision not to sell.

The Bank presents an asset classified as asset under IFRS 5 separately from other assets in the Separate Statement of Financial Position. The liabilities of the asset under IFRS 5 are presented separately from other liabilities in the Separate Statement of Financial Position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale or discontinued operations are separately disclosed in the Notes.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.16. Non-current assets held-for-sale and discontinued operations [continued]

The Bank presents separately any cumulative income or expense recognized in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale. Results from discontinued operations are reported separately in the Consolidated Statement of Profit or Loss as result from discontinued operations.

2.17. Interest income, income similar to interest income and interest expense

Interest income and expenses are recognised in profit or loss in the period to which they relate, using the effective interest rate method.

For exposures categorized into stage 1 and stage 2 the interest income is recognized on a gross basis. For exposures categorized into stage 3 (using effective interest rate) and for POCI (using credit-adjusted effective interest rate) the interest income is recognized on a net basis.

The time-proportional income similar to interest income of derivative financial instruments calculated without using the effective interest method and the positive fair value adjustment of interest rate swaps are also included in income similar to interest income. Interest income of FVTPL loans is calculated based on interest fixed in the contract and presented in "Income similar to interest income" line.

Interest from loans and deposits are accrued on a daily basis. Interest income and expense include certain transaction cost and the amortisation of any discount and premium between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

All interest income and expense recognised are arising from loans, placements with other banks, repo receivables, securities at fair value through other comprehensive income, securities at amortised cost, and amounts due to banks, repo liabilities, deposits from customers, liabilities from issued securities, subordinated bonds and loans are presented under these lines of financial statements

2.18. Fees and Commissions

Fees and commissions that are not involved in the amortised cost model are recognised in the Separate Statement of Profit or Loss on an accrual basis according to IFRS 15 (For details see Note 31). These fees are related to deposits, cash withdrawal, security trading, bank card, etc.

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately because it typically controls the services before transferring them to the customer.

The Bank provides foreign exchange trading services to its customers, the profit margin achieved on these transactions is presented as Net profit from fees and commissions in the Separate Statement of Profit or Loss.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.18 Fees and Commisions [continued]

Performance obligations satisfied over time include asset management, deposit and account maintenance services, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

The Bank's fee and commission income from services where performance obligations are satisfied over time are followings:

Deposit and account maintenance fees and commissions and fees related to cash withdrawal

The Bank provides a number of account management services for both retail and corporate customers in which they charge a fee. Fees related to these services can be typically account transaction fees (money transfer fees, direct debit fees, money standing order fees, etc.), internet banking fees (e.g. OTP Direct fee), account control fees (e.g. sms fee), or other fees for occasional services (account statement fees, other administration fees, etc.). Fees for ongoing account management services are charged to the customer's account on a monthly basis. The fees are commonly fixed amounts that can be vary per account package and customer category. In the case of the transaction-based fees where the services include money transfer the fee is charged when the transaction takes place. The rate of the fee is typically determined in a certain % of the transaction amount. In the case of other transaction-based fees (e.g. SMS fee), the fee is settled monthly. In the case of occasional services, the Bank basically charges the fees when the services are used by the customer. The fees can be fixed fees or they can be set in %. The rates are reviewed by the Bank regularly.
These fees for ongoing account management services are charged on a monthly basis during the period when they are provided. Transaction-based fees are charged when the transaction takes place or charged monthly at the end of the month.

Fees and commission related to the issued bank cards

The Bank provides a variety of bank cards to its customers, for which different fees are charged. The fees are basically charged in connection with the issuance of cards and the related card transactions. The annual fees of the cards are charged in advance in a fixed amount. The amount of the annual card fee depends on the type of card. In the case of transaction-based fees (e.g. cash withdrawal/payment fee, merchant fee, interchange fee, etc.), the settlement of the fees will take place immediately after the transaction or on a monthly basis. The fee is typically determined in % of the transaction with a fixed minimum amount. For all other cases where the Bank provides a continuous service to the customers (e.g. card closing fee), the fees are charged monthly. The fee is calculated in a fix amount. The rates are reviewed by the Bank regularly.
These fees for ongoing services are charged on a monthly basis during the period when they are provided. Transaction-based fees are charged when the transaction takes place or charged monthly at the end of the month.

Fees and commissions related to security account management services

The Bank provides its clients security account management services. Fees will be charged for account management and transactions on accounts. Account management fees are typically charged quarterly or annually. The amount is determined in %, based on the stocks of securities managed by the clients on the account in a given period. Fees for transactions on the securities account are charged immediately after the transaction. They are determined in %, based on the transaction amount. Fees for complex services provided to clients (e.g. portfolio management or custody) are typically charged monthly or annually. The fees are fixed monthly amounts and in some cases a bonus fee are charged.
These fees for ongoing services are charged quarterly or annually during the period when they are provided. The fees are accrued monthly. Transaction-based fees are charged when the transaction takes place.

Fees and commissions related to fund management

Fees from fund management services provided to investment funds and from portfolio management provided to insurance companies, funds. The fee income are calculated on the basis of net asset value of the portfolio and by the fee rates determined in the contracts about portfolio management.
These fees for ongoing services are charged usually on monthly (mutual funds) or semi-annually (venture capital funds) during the period when they are provided but accrued monthly.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.18 Fees and Commisions [continued]

Net insurance fee income

Due to the fact that the Bank rarely provides insurance services to its clients, only acts as an agent, the fee income charged to the customers and fees payable to the insurance company are presented net in the fee income. In addition, agency fee charged for the sale of insurance contracts is also recorded in this line. The fee is charged on a monthly basis and determined in %.
Fees for ongoing services are charged on a monthly basis during the period when they are provided.

Other fees

Fees that are not significant in the Bank total income are included in Other fees category. Such fees are safe lease, special procedure fee, account rent fee, fee of a copy of document, etc. Other fees may include charges for continuous services or for ad hoc administration services. Continuous fees are charged monthly (e.g., safe lease fees) at the beginning of the period, typically at a fixed rate. Fees for ad hoc services are charged immediately after the service obligation were met, usually in a fixed amount.
These fees for ongoing services are charged on a monthly basis during the period when they are provided. Fees for ad hoc services are charged when the transaction takes place.

2.19. Dividend income

Dividend income refers to any distribution of entity's earnings to shareholders from stocks or mutual funds that is owned by the Bank. The Bank recognizes dividend income in the separate financial statements when its right to receive the payment is established.

2.20. Income tax

The Bank considers corporate income tax and local business tax and the innovation contribution as income tax in Hungary. The annual taxation charge is based on the tax payable under Hungarian fiscal law, adjusted for deferred taxation. Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences between the tax bases of assets and liabilities and their carrying value for financial reporting purposes, measured at the tax rates that are expected to apply when the asset is realised or the liability is settled.

Current tax asset or current tax liability is presented related to income tax and innovation contribution separately in the Separate Statement of Financial Position.

Pillar Two – Global Anti-base Erosion Model Rules ("GloBE"), global minimum tax – introduces a minimum effective tax rate of at least 15%, calculated based on a specific rule set. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024, but in year 2023 no income tax results obtained from Pillar Two rules.. The Group considers this top-up tax as an income tax according to IAS 12.

Deferred tax assets and liabilities are presented in a net way in the statement of financial position. Current tax asset or current tax liability is presented related to income tax and innovation contribution separately in the statement of financial position.

Deferred tax assets are recognized by the Bank for the amounts of income tax that are recoverable in future periods in respect of deductible temporary differences as well as the carry forward of unused tax losses and the carryforward of unused tax credits.

The Bank recognizes a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.20 Income tax [continued]

The Bank considers the availability of qualifying taxable temporary differences and the probability of other future taxable profits to determine whether future taxable profits will be available.
The Bank recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:
- the Bank is able to control the timing of the reversal of the temporary difference, and
- it is probable that the temporary difference will not reverse in the foreseeable future.

The Bank only offsets its deferred tax liabilities against deferred tax assets when:
- there is a legally enforceable right to set-off current tax liabilities against current tax assets, and
- the taxes are levied by the same taxation authorities on either
    - the same taxable entity or
    - different taxable entities which intend to settle current tax liabilities and assets on a net basis.

2.21. Banking tax

The Bank is obliged to pay banking tax based on Act LIX of 2006. As the calculation is not based on the taxable profit (but the adjusted Assets total calculated based on the Separate Financial Statements for the second period preceding the current tax year), banking tax is not considered as income tax. Therefore, the banking tax is considered as an other administrative expense, not as income tax.

Pursuant to Government Decree No. 197/2022 published on 4 June 2022, the Hungarian Government decided to impose a windfall tax on credit institutions and financial enterprises temporarily, that is for 2022 and 2023.

During 2024, the Government amended the Decree on the windfall tax and the obligation was extended to 2025.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.22. Off-balance sheet commitments and contingent liabilities, provisions

In the ordinary course of its business, the Bank has entered into off-balance sheet commitments such as guarantees, commitments to extend credit, letters of credit and transactions with financial instruments. The provision on off-balance sheet commitments and contingent liabilities is maintained at a level adequate to absorb probable future losses which are probable and relate to present obligations.

Those commitments and contingent liabilities Management determines the adequacy of the provision based upon reviews of individual items, recent loss experience, current economic conditions, the risk characteristics of the various categories of transactions and other pertinent factors.

The Bank recognizes a provision for off-balance sheet commitment and contingent liabilities in accordance with IAS 37 when it has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation.

Expected credit loss model is applied for given financial guarantees and loan commitments which are under IFRS 9 the, when the provision is calculated (see more details in Note 2.6.). After initial recognition the Bank subsequently measures those contracts at a higher of the amount of the loss allowance or of the amount initially recognised less the cumulative amount of income recognized in accordance with IFRS 15.

2.23. Share-based payment

The Bank applies the requirements of IFRS 2 Share-based Payment.

The Bank issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the year, based on the Bank’s estimate of shares that will eventually vest.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on Management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2.24. Employee benefits

The Bank has applied the requirement of IAS 19 Employee Benefits. The Bank’s short-term employee benefits are wages, salaries and bonuses, premium, paid annual leave and paid sick leave and other free services (health care, reward holiday). Short-term employee benefits are expected to pay by the Bank within 12 month. These benefits are recognised as an expense and liability undiscounted in the separate financial statements.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. These can be wages, salaries and bonuses, premium, paid annual leave and paid sick leave and other free services (health care, reward holiday). Long-term employee benefits are mostly the jubilee reward.

Post-employment benefits are employee benefits (other than termination and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Termination benefits are employee benefits provided in exchange for the termination of an employee’s employment as a result of either: an entity’s decision to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept an offer of benefits in exchange for the termination of employment. Other long-term employee benefits are all employee benefits other than short-term employee benefits, postemployment benefits and termination benefits.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.25. Separate statement of cash flows

Cash flows arising from the operating, investing or financing activities are reported in the Statement of Cash-Flows of the Bank primarily on a gross basis. Net basis reporting are applied by the Bank in the following cases:

- when the cash flows reflect the activities of the customer rather than those of the Bank, and
- for items in which the turnover is quick, the amounts are large, and the maturities are short.

For the purposes of reporting cash flows "Cash, due from banks and balances with the NBH" line item excluding compulsory reserve are considered as cash and cash equivalents by the Bank. This line item shows balances of HUF and foreign currency cash amounts, and sight depos from NBH and from other banks, furthermore balances of current accounts.

Cash flows from hedging activities are classified in the same category as the item being hedged. The unrealised gains and losses from the translation of monetary items to the closing foreign exchange rates and the unrealised gains and losses from derivative financial instruments are presented separately net in the statement of cash flows for the monetary items which have been revalued.

2.26. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Bank that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

At separate level, the Management does not separate and makes decisions based on different segments; the segments are identified by the Bank only at consolidated level in line with IFRS 8 paragraph 4. At Group level the segments identified by the Bank are the business and geographical segments.

The Group's operating segments under IFRS 8 are therefore as follows: OTP Core Hungary, Russia, Ukraine, Bulgaria, Romania, Serbia, Croatia, Montenegro, Albania, Moldova, Slovenia, Uzbekistan, Merkantil Group, Asset Management subsidiaries, other subsidiaries, Corporate Centre. Romanian segment is classified as discontinued operation from 2023 but in line with management report it is still presented in Segment reporting as separate segment.

2.27. Comparative figures

These separate financial statements are prepared in accordance with the same accounting policies in all respects as the Financial Statements prepared in accordance with IFRS as adopted by the EU for the year ended 31 December 2023

In Note 12 the table about list of associates was changed in order to be more transparent by aggregating associates which are owned through venture capital fund as these companies are immaterial. The comparative previous year's table was transformed to the same structure as well.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The presentation of separate financial statements in conformity with IFRS requires the Management of the Bank to make judgements about estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on expected loss and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period. Actual results could differ from those estimates. Significant areas of subjective judgements include:

3.1. Loss allowance on financial instruments

The Bank regularly assesses its financial instruments for impairment. Management determines the adequacy of the allowances based upon reviews of individual loans and placements, recent loss experience, current economic conditions, the risk characteristics of the various categories of loans and other pertinent factors. The use of a new, three stage model was implemented for IFRS 9 purposes. The new impairment methodology is used to classify financial instruments in order to determine whether credit risk has significantly increased since initial recognition and able to identify credit-impaired assets. For instruments with credit-impairment or significant increase of credit risk lifetime expected losses will be recognized. (For details see note 36.1.1.)

3.2. Valuation of instruments without direct quotations

Financial instruments without direct quotations in an active market are valued using the valuation model technique. The models are regularly reviewed and each model is calibrated for the most recent available market data. While the models are built only on available data, their use is subject to certain assumptions and estimates (e.g. for correlations, volatilities, etc). Changes in the model assumptions may affect the reported fair value of the relevant financial instruments.

IFRS 13 Fair Value Measurement seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the beginning of the reporting period. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

3.3. Provisions

Provision is recognised and measured for commitments to extend credit and for warranties arising from banking activities based on IFRS 9 Financial Instruments. Provision for these instruments is recognised based on the credit conversion factor, which shows the proportion of the undrawn credit line that will be probably drawn.

Other provision is recognised and measured based on IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Bank is involved in a number of ongoing legal disputes. Based upon historical experience and expert reports, the Bank assesses the developments in these cases, and the likelihood and the amount of potential financial losses which are appropriately provided for. (See Note 24.)

Other provision for off-balance sheet items includes provision for litigation, provision for retirement and expected liabilities and provision for Confirmed letter of credit.

A provision is recognised by the Bank when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

NOTE 4: MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK

Macro economy and financial situation in Hungary

In 2024, inflation continued to recede in advanced economies, so the Fed and the ECB both started rate-cutting cycles. The US presidential election and the expectations ahead of it led to a sharp turnaround in bond markets and interest rate expectations, as the victory of Donald Trump, whose election promises included several highly inflationary elements, became increasingly likely. In mid-September, yields started to pick up from the decline that had started in spring, and expectations of further rate cuts began to ease. Growth remained strong in the United States, but the euro area continued to struggle to recover from the downturn, where the energy crisis and the inflation shock owing to the Russia-Ukraine war had thrown it. Meanwhile, labour markets remained tight on both sides of the Atlantic, with low unemployment and strong wage dynamics.

As the year was nearing its end, it became clear that the USA's growth was robust, as consumer spending and private investment steadily boosted the economy, which expanded by 2.8%, well above the 1-1.5% rate expected at the beginning of the year. Labour market conditions also surpassed expectations: despite minor temporary wobbling, employment growth remained strong, the unemployment rate remained low, and wages increased by 4%. In the autumn, disinflation stalled, and core inflation reflected 3-3.5% underlying price growth, well above the inflation target. Nevertheless, the Fed reduced its base rate by 100 basis points, to 4.25-4.5% by the end of the year, as expected.

In the euro area, the recovery was also driven by consumption, but the pace of the rebound was slower than in the USA and was uneven in the area. The best performers were tourism-driven southern member states, while the industry-heavy economies struggled to recover from the shock of the energy crisis. Political crises are also weighing on the recovery, with two major economies, Germany and France, both facing government crises. In the autumn, inflation temporarily fell below the target but has been accelerating again since October as the drop in food and energy prices faded. Nevertheless, the ECB continued its easing cycle, reducing the effective rate to 3% by the end of 2024; this is consistent with 100-basis-point cut in the full year.

The Hungarian economy started to pick up in 2024, ending a longer and deeper recession than its regional peers saw in 2023, but just like in Europe, the recovery was uneven and fragile, rising by just 0.5% in full year 2024. The rise in real wages helped consumption gradually pick up (it expanded by roughly 4% in 2024), and households' precautionary savings seemed to ease in the second half of the year. Despite the expanding consumption, the high exposure to the automotive sector, the eroded room in fiscal policy, the falling exports, and a more than 10% plunge in investment pushed the economy back into technical recession in the second and third quarters, before a recovery came in the fourth quarter. Net exports' contribution to growth was positive, but it did not stem from exports' robust performance – it was only because imports fell sharper than exports did. As a result of the government's stimulus measures, the housing market surged together with households' loan demand, while the corporate loan market's rise was rather subdued. Labour market tightness has clearly eased, employment slightly declined in the second half of the year, but the unemployment rate rose in 2024.

Inflation slowed in Hungary, too, and briefly reached the 3% target in September, giving the MNB room to cut interest rates to 6.5%, from 10.75% at the end of 2023. But inflation started to rise in October, and hit 4.6% in December, the highest monthly rate in 2024. The escalation of the Middle East conflict and the rise in US yields forced the MNB to pause its easing cycle. The EUR/HUF, which traded near 380 at the beginning of 2024, spent much of the second half-year above the 400 mark.

After years of deficits of 7-8% of GDP, a fiscal adjustment came despite the unfavourable macroeconomic environment; Hungary's primary balance improved to close to zero in 2024, and the headline deficit fell to 4.8% of GDP, close to the raised deficit target of 4.5%, but still far from the 3% Maastricht criterion. The reduction of government debt stalled in 2024, and the debt-to-GDP ratio rose to 73.9%-74%, up from 73.4% in 2023. Hungary's external balance started to improve rapidly after the energy price shock faded and domestic demand declined; the deficit swung from more than 8% of GDP in 2022 to a slight surplus in 2023, before rising to 2.5% of GDP in 2024, and external debt started to slowly decline.

NOTE 4: MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK [continued]

Summary of economic policy measures made and other relevant regulatory changes in the period under review

Windfall tax

Government decree No. 206/2023 (V.31.) published on 31 May 2023 outlined the details of the extra profit tax payable by credit institutions in 2024. The basis of the tax is the 2022 profit before tax adjusted for several items. The tax rate is 13% for the part of the tax base not exceeding HUF 20 billion, and 30% for the amount above that. According to the decree, if the average amount of Hungarian government bonds owned by the financial institution increases over a certain period, the windfall tax payable by the credit institution can be reduced. The reduction cannot be more than 10% of the increase in government bond holdings and cannot exceed 50% of the windfall tax payment obligation calculated without the reduction.

The ruling was amended according to Government Decree No. 183/2024. (VII. 8.) as the windfall tax burden in 2024 can be reduced in proportion to the growth of government bonds maturing after 2027 only if the total volume of government bonds increases at least with the same amount. The reduction can be up to 10% of the growth in the notional of government bonds, but not more than 50% of the windfall tax payment obligation.

In 2024 the gross amount of the windfall tax was HUF 13 billion in the case of the Hungarian Group members, from which the increase in government bond holdings allowed for HUF 6.2 billion reduction, resulting in HUF 6.8 billion windfall tax burden.

According to Government Decree No. 356/2024 (XI. 21.) published on 21 November 2024, in 2025 the windfall profit tax burden payable by OTP Group's Hungarian group members might be around HUF 53 billion (before corporate income tax), assuming the full utilization of the reduction opportunity related to the increase in the stock of government securities.

Interest rate cap

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, and it was terminated that after.

On 20 June 2024, Government Decree No. 130/2024 (VI.20) enacted the extension of the interest rate cap on certain housing loans, until 31 December 2024.

On 2 December 2024, Government Decree No. 374/2024 (XII.2) enacted the extension of the interest rate cap on certain housing loans, until 30 June 2025.

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. The voluntary interest rate cap expired on 30 June 2024. OTP Bank participated in the initiative.

Between 1 April and 31 October 2025, as part of the government's 'New Economic Policy Action Plan', based on the individual decision of the participating banks, 5% interest rate cap will be available for under 35 years old, first-time home buyers for newly granted green housing loans, with properties under 60 square meter and price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan, and the product will be free of disbursement and credit assessment fees.

NOTE 4: MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK [continued]

Summary of economic policy measures made and other relevant regulatory changes in the period under review [continued]

Family support schemes and economic stimulus measures

The government extended childbirth pledge deadline until 1 July 2026, for all baby loan borrowers whose deadline was or will be between 1 July 2024 and 30 June 2026, based on Government Decree No. 190/2024. (VII. 8.).

The government decrees of 388/2024 (XII. 11.) and 437/2024 (XII. 23.) have amended the terms and conditions for the subsidized baby loan:

- The interest-free feature of the loan may be regained if the first baby is born only after the fifth year, or if one of the members of the former couple remarries after the first five years of the term and a child is born from the new relationship. The penalty paid in a lump sum at the end of the fifth year will not be repaid to the family, but the interest-free period will be restored, and thus the instalment will also be smaller. The couple having this child may request a three-year payment moratorium.
- If penalty imposed or interest subsidy repayment is obligated for violating any of the loan conditions, after paying the penalty exemption can be requested even from interest rate increases, via individual application; i.e. in certain cases, the loan may remain interest-free.
- The eligibility age limit for wives increased from 30 the 35 years. However, the previous option to apply for such loan for married couples where the wife is aged 35-41 and at least 12 weeks pregnant, ceased at the end of the year.

On 5 April 2024, the government announced a new subsidized home renovation loan programme, which began on 1 July 2024. The loan, with maximum amount of HUF 7 million and up to 12 years term, is available in OTP Bank's branches that function as 'MFB points', for the purpose of energy efficiency improvement of family houses built before 1990.

From 1 November 2024, the client interest rate of Széchenyi Card Programme's investment loan products for Hungarian micro, small and medium-sized enterprises was lowered to fixed 3.5%, from the previous 5%.

Capital regulation

On 20 June 2024, the National Bank of Hungary raised the countercyclical capital buffer rate to 1%, effective from 1 July 2025. In its meeting of 27 June 2024, the central bank left the systemic risk capital buffer unchanged at 0%.

MREL minimum requirement: effective from 1 January 2025, the National Bank of Hungary imposed the below additional capital requirements for OTP Group, on consolidated level:

- 1.01%-points in the case of the Common Equity Tier1 (CET1) capital, accordingly the minimum requirement for the consolidated CET1 ratio is 5.51% (without regulatory capital buffers);
- 1.34%-points in the case of the Tier1 capital, accordingly the minimum requirement for the consolidated Tier1 ratio is 7.34% (without regulatory capital buffers);
- 1.79%-points in the case of the Total SREP Capital Requirement (TSCR), accordingly the minimum requirement for the consolidated capital adequacy ratio is 9.79% (without regulatory capital buffers).

NOTE 4: MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK [continued]

The principles used in the preparation of the Separate Statement of Financial Position as at 31 December 2024 in connection with the evaluation of Russian and Ukrainian exposures

Ukraine

In 2022 Russia launched a still ongoing war against Ukraine.
OTP Group's Ukrainian operation incorporates the Ukrainian bank, as well as the leasing and factoring companies. The country-consolidated Ukrainian total assets represented HUF 1,187 billion at the end of 2024 (2.7% of total consolidated assets), while net loans comprised HUF 389 billion (1.7% of consolidated net loans) and shareholders' equity amounted to HUF 206 billion (4.0% of the consolidated total equity).
At the end of 2023 the gross intragroup funding towards the Ukrainian operation represented HUF 55 billion, while taking into account the Ukrainian deposits placed with the Headquarters, i.e. the net group funding stood at HUF 14 billion equivalent towards the Ukrainian operation.
In 2024 the Ukrainian operation posted a profit after tax of HUF 41.2 billion, slightly less than the HUF 44.9 billion in 2023.

Russia

The total assets of the Group's Russian operation represented HUF 2,371 billion at the end of 2024 (5.5% of consolidated total assets), while net loans comprised HUF 998 billion (4.3% of consolidated net loans) and shareholders' equity HUF 299 billion (5.8% of consolidated total equity).
The Russian operation posted HUF 136.9 billion profit after tax in 2024, after the HUF 95.7 billion profit reached in full-year 2023.
As the Russian subsidiary repaid its maturing intragroup loans in 4Q 2022, the gross intragroup funding towards the Russian operation declined to zero and remained nil since then. At the end of 2024 the intragroup subordinated loan exposure toward the Russian operation amounted to HUF 11 billion equivalent.
In 2024 the Russian Central Bank approved dividend payment by OTP's Russian subsidiary several times with a total amount of RUB 28.3 billion. With this amount RUB 41.8 billion dividend was paid since 3Q 2023.
In the case of Ukraine and Russia OTP management applies a „going concern" approach, however in Russia the management is still considering all strategic options, bearing in mind that any future solution should be strictly within the framework and in accordance with applicable local and international regulations.
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 30 bps, whereas in the Ukraine the effect would be 8 bps.

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Separate Financial Statements

During the preparation of these Separate Financial Statements, the Bank identified the following estimates, which were significantly affected by the Russian-Ukrainian conflict:

1) Evaluation of Russian sovereign exposures (government securities) and related reserves for expected credit losses at OTP Bank (as parent company)
2) Evaluation of Ukrainian sovereign exposures (government securities) and related reserves for expected credit losses at OTP Bank (as parent company)
3) Evaluation of derivative transactions denominated in Russian rubles
4) Evaluation of derivative transactions denominated in the Ukrainian hryvnia
5) Provisions for expected credit losses related to Russian and Ukrainian interbank claims and customer loans (following direct exposure to the Russian and Ukrainian markets, non-Russian and Ukrainian bank exposures)
6) Evaluation of investments

	Reference	Gross value	Impairment
Securities at amortized cost	1	36,442	(26,299)
Securities at fair value through other comprehensive income	1	71,092	(51,293)
Other financial assets		6,311	(5,660)
Investments	6	462,646	(299,339)
TOTAL ASSETS		**576,491**	**(382,591)**

<u>NOTE 4:</u> MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK [continued]

The principles used in the preparation of the Separate Statement of Financial Position as at 31 December 2024 in connection with the evaluation of Russian and Ukrainian exposures [continued]

During the evaluation of these assets, the Bank applied the evaluation principles detailed below, which evaluation contains significant estimates on the part of the Management. The results of the estimates may vary significantly depending on the development of the situation in the Russian-Ukrainian conflict.

References

1. Evaluation of Russian sovereign exposures and related reserves for expected credit losses - other exposures of the group

Outside of Russia, the marketability of Russian government securities is significantly limited due to sanctions and capital market participants turning away from Russian securities. The credit rating of the Russian state was withdrawn in 2022, the Group classifies the Russian state as non-performing, and in accordance with this, it assigned the affected exposures to the Stage 3 category. The Russian state not only recognizes its obligation and has the necessary financial reserves, but would also be willing to pay, so the increased loss potential is caused by non-traditional credit risks. In the case of a portfolio valued at fair value through other comprehensive income, the book value is determined based on the level 3 prices of IFRS13. Cash-flow estimation, current market benchmarks (provided by Bloomberg), liquidity and non-credit risk considerations were taken into account in fair value calculation.

2. Valuation of Ukrainian sovereign exposures and related reserves for expected credit losses - other exposures of the group

Ukrainian government securities are exclusively in the books of the Ukrainian subsidiary.

3. Valuation of Russian derivative transactions

In the case of futures contracts concluded with local partners on the Russian market, the evaluation is carried out using yield curves available and observable on the local market. In the cases where one of the partners is not Russian, the evaluation is done using yield curves available and observable on the international market.

4. Valuation of Ukrainian derivatives

The Treasury turnover of the Ukrainian bank is low, and a significant part of the derivative transactions are related to the bank's risk management and concluded with the parent company. During the actual evaluation, the expected cash-flow is discounted using yield curves observed based on current market benchmarks (published by the National Bank of Ukraine).

NOTE 4: **MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK [continued]**

The principles used in the preparation of the Separate Statement of Financial Position as at 31 December 2024 in connection with the evaluation of Russian and Ukrainian exposures [continued]

References [continued]

5. Provisions for expected credit losses related to Russian and Ukrainian interbank claims and customer loans (following direct exposure to the Russian and Ukrainian markets, non-Russian and Ukrainian bank exposures)

As part of the quarterly monitoring activity, the Bank has identified and analysed the secondary and tertiary negative effects of the war in the corporate segment. Changes related to the meanwhile imposed sanctions – which should have been taken into consideration at analysis - have been followed up. As part of the individual monitoring activity separate monitoring methodology and assessment were prepared for exposures above HUF 250 million as follows:

i) sectors vulnerable to the risk arising from changes of energy / interest / foreign exchange
ii) customers from sectors with high risks according to the loan policy, especially the hotel industry and real estate utilisation industry
iii) municipalities, customers owned by municipalities

When technical or objective default occured due to sanctions the affected exposures were classified into Stage 3. In these cases at least two scenarios were taken into consideration as the estimation of expected cash flows for impairment calculation. At least one scenario represents that case when significant differences occur between the expected and the contractual cash flows. Probabilities shall be allocated to represent the occurence of credit loss, even in that case when most likely there is no need to recognise impairment loss.

Exposures in amount of HUF 10.3 billion as classified into Stage 3 had an amount of HUF 4.2 billion of expected credit loss as at 31 December 2023. The concerning exposures in amount of HUF 9.9 billion had an amount of HUF 6.8 billion as at 31 December 2024.

6. Evaluation of investments

The Bank has evaluated its investments in 3 countries concerning the Russian-Ukrainian conflict based on discounted cash flows, and neither impairement loss nor reversal of impairment loss was recognised for the year ended 31 December 2024.

NOTE 4: MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK [continued]

Please see details in this note above under "Interest rate cap" where Interest rate cap is described.

Financial assets modified during the year ended 31 December 2024

Modification due to the prolongation of existing interest rate cap till 31 December 2024

	in HUF million
Gross carrying amount before modification	44,974
Modification loss	(1,104)
Gross carrying amount after modification	**43,870**
Loss allowance	(763)
Net amortised cost after modification	**43,107**

Modification due to the prolongation of existing interest rate cap till 30 June 2025

	in HUF million
Gross carrying amount before modification	40,881
Modification loss	(875)
Gross carrying amount after modification	**40,006**
Loss allowance	(536)
Net amortised cost after modification	**39,470**

Financial assets modified during the year ended 31 December 2023

Modification due to the prolongation of existing interest rate cap till 31 December 2023

	in HUF million
Gross carrying amount before modification	179,970
Modification loss	(6,952)
Gross carrying amount after modification	**173,018**
Loss allowance	(9,376)
Net amortised cost after modification	**163,642**

Modification due to prolongation of existing interest rate cap till 30 June 2024 (in the case of SME loans till 1 April 2024)

	in HUF million
Gross carrying amount before modification	124,456
Modification loss	(2,065)
Gross carrying amount after modification	**122,391**
Loss allowance	(7,938)
Net amortised cost after modification	**114,453**

NOTE 5: CASH, AMOUNTS DUE FROM BANKS AND BALANCES WITH THE NATIONAL BANK OF HUNGARY (in HUF mn)

	31 December 2024	31 December 2023
Cash on hand:		
In HUF	107,982	86,317
In foreign currency	17,784	15,412
	125,766	**101,729**
Amounts due from banks and balances with National Bank of Hungary:		
Within one year:		
In HUF	1,531,556	2,272,840
In foreign currency	419,970	334,058
	1,951,526	**2,606,898**
Subtotal	**2,077,292**	**2,708,627**
Loss allowance	(2,113)	(395)
Subtotal	**2,075,179**	**2,708,232**
Average amount of compulsory reserve	1,163,343	1,143,307
Total	**911,836**	**1,564,925**
Rate of the compulsory reserve	10%	10%

The Bank shall deposit compulsory reserve in a determined percent of its liabilities at NBH. Liabilities considered in compulsory reserve calculation are as follows:

a) deposits and loans,
b) debt instruments,
c) repo transactions.

The amount of the compulsory reserve is the multiplication of the daily average of the liabilities considered in the compulsory reserve calculation and compulsory reserve rate, which are determined by the NBH in a specific decree. The Bank is required to complete compulsory reserve requirements in average in the second month after the reserve calculation period, requirements shall be completed once a month on the last calendar day. The Bank complies with the compulsory reserve requirements by the deposit of the adequate amount of cash as the calculated compulsory reserve on the bank account at NBH in monthly average.

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

	31 December 2024	31 December 2023
Balance as at 1 January	**395**	**1,353**
Loss allowance	3,445	3,588
Release of loss allowance	(1,702)	(4,399)
FX movement	(25)	(147)
Closing balance	**2,113**	**395**

NOTE 6: PLACEMENTS WITH OTHER BANKS (in HUF mn)

	31 December 2024	31 December 2023
Within one year:		
In HUF	380,772	563,752
In foreign currency	173,037	134,346
	553,809	**698,098**
Over one year		
In HUF	1,564,539	1,196,419
In foreign currency	835,407	814,791
	2,399,946	**2,011,210**
Total placements	**2,953,755**	**2,709,308**
Loss allowance on placement losses	(5,219)	(6,875)
	2,948,536	**2,702,433**

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

	31 December 2024	31 December 2023
Balance as at 1 January	**6,875**	**18,782**
Loss allowance	5,074	8,178
Release of loss allowance	(7,050)	(19,727)
FX movement	320	(358)
Closing balance	**5,219**	**6,875**

Interest conditions of placements with other banks (%):

	31 December 2024	31 December 2023
Placements with other banks in HUF	0%-25%	0%-25%
Placements with other banks in foreign currency	0%-9,68%	0%-11.6%
Average interest of placements with other banks	6.65%	7.55%

NOTE 7: REPO RECEIVABLES (in HUF mn)

	31 December 2024	31 December 2023
Within one year:		
In HUF	234,659	202,025
In foreign currency	3,774	-
	238,433	**202,025**
Total gross amount	**238,433**	**202,025**
Loss allowance on repo receivables	(354)	(367)
Total repo receivables	**238,079**	**201,658**

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

	31 December 2024	31 December 2023
Balance as at 1 January	**367**	**2,167**
Loss allowance	2,255	11,755
Release of loss allowance	(2,268)	(13,555)
Closing balance	**354**	**367**

Interest conditions of repo receivables (%):

	31 December 2024	31 December 2023
Repo receivables in HUF	6%-6,9%	7.49%-11.4%
Average interest of repo receivables denominated in HUF	7.48%	13.85%
Average interest of repo receivables denominated in foreign currency	3.87%	3.86%

Securities as collaterals underlying repo receivable contracts is as follows:

As at 31 December 2024

Type	Currency	Notional in HUF mn	Fair value in HUF mn
Hungarian government bonds	HUF	256,068	244,986
Hungarian government discounted Treasury Bills	HUF	1,650	1,612
Foreign country government bonds	EUR	3,896	3,883
Total		**261,614**	**250,481**

As at 31 December 2023

Type	Currency	Notional	Fair value
Hungarian government bonds	HUF	233,408	219,270
Hungarian government discounted Treasury Bills	HUF	1,439	1,384
Total		**234,847**	**220,654**

NOTE 8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31 December 2024	31 December 2023
Held for trading securities:		
Government bonds	57,498	22,352
Other non-interest bearing securities	377	320
Hungarian government discounted Treasury Bills	207	71
Corporate shares and investments	1,197	513
Mortgage bonds	117	111
Other securities	388,597	4,437
Subtotal	**447,993**	**27,804**
Securities mandatorily measured at fair value through profit or loss		
Shares in investment funds	30,878	31,124
Shares	1,304	1,808
Subtotal	**32,182**	**32,932**
Held for trading derivative financial instruments:		
Foreign currency swaps	63,309	66,324
Interest rate swaps	57,406	65,434
CCIRS and mark-to-market CCIRS swaps	20,730	23,221
Other derivative transactions	29,616	41,820
Subtotal	**171,061**	**196,799**
Total	**651,236**	**257,535**

Interest conditions and the remaining maturities of securities held for trading are as follows:

	31 December 2024	31 December 2023
Within one year:		
variable interest	107	103
fixed interest	386,175	12,881
	386,282	**12,984**
Over one year:		
variable interest	3,648	975
fixed interest	56,489	13,012
	60,137	**13,987**
Non-interest bearing securities	1,574	833
Total	**447,993**	**27,804**
Securities held for trading denominated in HUF	94%	28%
Securities held for trading denominated in foreign currency	6%	72%
Securities held for trading total	**100%**	**100%**
Government bonds denominated in HUF	63%	18%
Government bonds denominated in foreign currency	37%	82%
Government securities total	**100%**	**100%**
Interest rates on securities held for trading in HUF	1.9%-19.1%	1.9%-16.25%
Interest rates on securities held for trading in foreign currency	0%-8.9%	0%-7.63%
Average interest on securities held for trading	1.34%	11.58%

NOTE 8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn) [continued]

Interest conditions and the remaining maturities of securities mandatorily measured at fair value through profit or loss are as follows:

	31 December 2024	31 December 2023
Non-interest bearing securities	32,182	32,932
Total	**32,182**	**32,932**
Securities mandatorily measured at fair value through profit or loss denominated in HUF	78%	73%
Securities mandatorily measured at fair value through profit or loss denominated in foreign currency	22%	27%
Securities mandatorily measured at fair value through profit or loss total	**100%**	**100%**

NOTE 9: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn)

	31 December 2024	31 December 2023
Securities at fair value through other comprehensive income		
Government bonds	185,171	189,385
Mortgage bonds	326,950	300,569
Interest bearing treasury bills	86	236
Other securities	46,461	48,160
Listed securities	*9,525*	*11,622*
in foreign currency	9,525	11,622
Non-listed securities	*36,936*	*36,538*
in HUF	10,331	12,115
in foreign currency	26,605	24,423
Subtotal	**558,668**	**538,350**
Non-trading equity instruments		
-non-listed securities	33,934	21,177
in HUF	528	528
in foreign currency	33,406	20,649
	33,934	**21,177**
Securities at fair value through other comprehensive income total	**592,602**	**559,527**

NOTE 9: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn) [continued]

Detailed information of the non-trading equity instruments to be measured at fair value through other comprehensive income:

Name	Currency	31 December 2024	31 December 2023
Garantiqa	HUF	392	392
Hage / Közvil / Pénzügykut	HUF	136	136
OBS	EUR	16,625	14,318
VISA A Preferred	USD	10,312	6,331
VISA C Common	USD	6,469	-
Total		**33,934**	**21,177**

Interest conditions and the remaining maturities of FVOCI securities can be analysed as follows:

	31 December 2024	31 December 2023
Within one year:		
variable interest	196	30,130
fixed interest	91,521	13,235
	91,717	**43,365**
Over one year:		
variable interest	122,473	120,268
fixed interest	344,478	374,717
	466,951	**494,985**
Non-interest bearing securities	33,934	21,177
Total	**592,602**	**559,527**
FVOCI securities denominated in HUF	78%	71%
FVOCI securities denominated in foreign currency	22%	29%
FVOCI securities total	**100%**	**100%**
Interest rates on FVOCI securities denominated in HUF	0.25%-11%	1.25%-13.8%
Interest rates on FVOCI securities denominated in foreign currency	0%-12.75%	0.74%-16%
Average interest on FVOCI securities	5.44%	8.16%

Certain fixed-rate mortgage bonds and other securities are hedged against interest rate risk. (See Note 45.4.)

	31 December 2024	31 December 2023
Net gain / (loss) reclassified from other comprehensive income to statement of profit or loss	2,875	25,363
Fair value of the hedged securities:		
Government bonds	144,218	180,220
Other bonds	4,002	4,031
	148,220	**184,251**

During the year ended 31 December 2023 and 2024 the Bank didn’t sell any of equity instruments designated to measure at fair value through other comprehensive income.

NOTE 10: SECURITIES AT AMORTISED COST (in HUF mn)

	31 December 2024	31 December 2023
Government bonds	2,904,452	2,396,803
Other bonds	345,418	315,532
Treasury bills	93,259	-
Mortgage bonds	29,927	24,738
Subtotal	**3,373,056**	**2,737,073**
Loss allowance	(38,911)	(26,225)
Total	**3,334,145**	**2,710,848**

Interest conditions and the remaining maturities of securities at amortised cost can be analysed as follows:

	31 December 2024	31 December 2023
Within one year:		
fixed interest	518,374	63,775
	518,374	**63,775**
Over one year:		
variable interest	24,824	4,845
fixed interest	2,829,858	2,668,453
	2,854,682	**2,673,298**
Total	**3,373,056**	**2,737,073**

The distribution of the securities at amortised cost by currency (%):

	31 December 2024	31 December 2023
Securities at amortised cost denominated in HUF	72%	72%
Securities at amortised cost denominated in foreign currency	28%	28%
Securities at amortised cost total	**100%**	**100%**
Interest rates on securities at amortised cost	0.1%-12.75%	0.1%-13.2%
Average interest on securities at amortised cost denominated in HUF	4.62%	3.95%

An analysis of change in the loss allowance on securities at amortised cost:

	31 December 2024	31 December 2023
Balance as at 1 January	**26,225**	**35,850**
Loss allowance	22,001	2,287
Release of loss allowance	(11,433)	(10,863)
FX movement	2,118	(1,049)
Closing balance	**38,911**	**26,225**

NOTE 11: LOANS (in HUF mn)

Loans measured at fair value through profit or loss

	31 December 2024	31 December 2023
Within one year	45,362	46,131
Over one year	953,048	888,717
Loans measured at fair value through profit or loss total	**998,410**	**934,848**

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

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

	31 December 2024	31 December 2023
Within one year	2,415,594	2,245,979
Over one year	2,399,947	2,582,795
Loans at amortised cost gross total	**4,815,541**	**4,828,774**
Loss allowance on loan losses	(144,746)	(147,415)
Loans at amortised cost total	**4,670,795**	**4,681,359**

An analysis of the loan portfolio by currency (%):

	31 December 2024	31 December 2023
In HUF	64%	61%
In foreign currency	36%	39%
Total	**100%**	**100%**

Interest rates of the loan portfolio mandatorily measured at fair value through profit or loss are as follows (%):

	31 December 2024	31 December 2023
Loans denominated in HUF	3,1%-18,83%	3,1%-21,08%
Average interest on loans denominated in HUF	6.30%	5.96%

Interest rates of the loan portfolio measured at amortised cost are as follows (%):

	31 December 2024	31 December 2023
Loans denominated in HUF	0%-42%	0%-43.11%
Loans denominated in foreign currency	0%-21.21%	0%-21.21%
Average interest on loans denominated in HUF	11.83%	11.32%
Average interest on loans denominated in foreign currency	5.71%	5.42%

NOTE 11: LOANS (in HUF mn) [continued]

For an analysis of the loan portfolio by stages, countries and rating categories please see Note 36.1.

An analysis of the change in the loss allowance on loans at amortised cost is as follows:

	31 December 2024	31 December 2023
Balance as at 1 January	**147,415**	**174,880**
Loss allowance	266,410	257,173
Release of loss allowance	(238,441)	(241,580)
from this: effect of change in parameters used for loss allowance	*(14,952)*	*(4,180)*
Use of loss allowance	(25,572)	(35,043)
Partial write-off	(8,065)	(5,263)
FX movement	2,999	(2,752)
Closing balance	**144,746**	**147,415**

The Bank sells non-performing loans without recourse at estimated fair value to a wholly owned subsidiary, OTP Factoring Ltd.

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn)

	31 December 2024	31 December 2023
Investments in subsidiaries:		
Controlling interest	2,566,076	2,390,718
Other	27,646	29,349
Subtotal	**2,593,722**	**2,420,067**
Impairment loss	(424,691)	(418,115)
Total	**2,169,031**	**2,001,952**

Other investments contain certain securities accounted at cost. These are instruments for which there is no quoted market price in an active market and whose fair value cannot be reliably measured.

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn) [continued]

Significant subsidiaries

Investments in companies in which the Bank has a controlling interest (direct) are detailed below. All companies are incorporated in Hungary unless indicated otherwise:

	31 December 2024		31 December 2023	
	% Held (direct/indirect)	Gross book value	% Held (direct/indirect)	Gross book value
OTP Bank JSC (Ukraine)	100%	311,390	100%	311,390
OTP Luxembourg S.à r.l.	100%	534,873	100%	301,470
DSK Bank EAD (Bulgaria)	100%	280,722	100%	280,722
OTP banka Srbija akcionarsko drustvo Novi Sad (Serbia)	100%	262,759	100%	262,759
OTP banka Hrvatska d.d. (Croatia)	100%	217,898	100%	204,243
OTP Mortgage Bank Ltd.	100%	199,294	100%	199,294
SKB Banka d.d. Ljubljana (Slovenia)	0%	-	100%	107,689
Ipoteka Bank (Uzbekistan)	80%	110,973	80%	110,015
JSC "OTP Bank" (Russia)	98%	74,337	98%	74,337
Crnogorska komercijalna banka a.d. (Montenegro)	100%	72,784	100%	72,784
OOO AlyansReserv (Russia)	100%	50,074	100%	50,074
Air-Invest Llc.	100%	49,248	100%	49,248
OTP Holding Malta Ltd.	100%	32,359	100%	32,359
Balansz Private Open-end Investment Fund	100%	86,795	100%	60,629
Bank Center No. 1. Ltd.	100%	43,955	100%	43,955
PortfoLion Green Venture Capital Fund	100%	33,571	100%	33,571
Other		205,044	-	196,179
Total		**2,566,076**		**2,390,718**

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

	31 December 2024	31 December 2023
Balance as at 1 January	**418,115**	**542,769**
Impairment loss for the period	13,517	348
Reversal of impairment loss	(2,430)	(87,345)
Use of impairment loss	(4,511)	(37,657)
Closing balance	**424,691**	**418,115**

The Bank decided that the recoverable amount is determined based on fair value less cost of disposal. The Bank prepared impairment tests of the subsidiaries based on two different net present value calculation methods that show the same result; however they represent different economical logics. On one hand is the discount cash flow method (“DCF”) that calculates the value of the subsidiaries by discounting their expected cash flow; on the other hand the economic value added (“EVA”) method estimates the value of the subsidiaries from the initial invested capital and the present value of the economic profit that the companies are expected to generate in the future. Applying the EVA method was more practically than DCF method because it gives a more realistic picture about how the explicit period and the residual value can contribute to the value of the company.

The Bank, in its strategic plan, has taken into consideration the effects of the present global economic situation, the cautious recovery of economic situation and outlook, the associated risks and their possible effect on the financial sector as well as the current and expected availability of wholesale funding.

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn) [continued]

An analysis of the impairment loss by significant subsidiaries is as follows:

	31 December 2024	31 December 2023
OTP Bank JSC (Ukraine)	280,763	280,763
OTP Mortgage Bank Ltd.	83,557	84,707
LLC Alliance Reserve (Russia)	15,801	15,801
Monicomp Ltd.	13,173	10,965
Air-Invest Ltd.	10,965	8,632
OTP Real Estate Ltd.	11,034	4,395
R.E. Four d.o.o. (Serbia)	3,763	3,763
JSC "OTP Bank" (Russia)	2,775	2,775
OTP Life Annuity Ltd.	-	2,281
Total	**421,831**	**414,082**

Dividend income from significant subsidiaries and shares held-for-trading and shares measured at fair value through other comprehensive income is as follows:

	31 December 2024	31 December 2023
DSK Bank EAD (Bulgaria)	112,908	48,658
JSC "OTP Bank" (Russia)	54,057	33,961
OTP Luxembourg S.à r.l.	45,686	21,131
LLC Alliance Reserve (Russia)	31,664	-
OTP banka dioničko društvo (Croatia)	29,687	28,574
OTP banka Srbija akcionarsko drustvo Novi Sad (Serbia)	26,822	30,873
Crnogorska komercijalna banka a.d. (Montenegro)	23,295	3,511
OTP Holding Malta Ltd. (Malta)	20,904	-
OTP banka d.d. (Slovenia)	12,288	-
OTP Bank S.A. (Moldova)	10,258	5,513
OTP Factoring Ltd.	6,000	70,000
Other	29,274	19,001
Subtotal	**402,843**	**261,222**
Dividend from shares held-for-trading	10,060	14,229
Dividend from securities mandatorily at fair value through profit or loss	15	-
Dividend from shares fair value through other comprehensive income	344	254
Total	**413,262**	**275,705**

NOTE 12: **INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn) [continued]**

Significant associates and joint ventures

The main figures of the Bank's indirectly owned associates and joint ventures at cost as at 31 December 2024:

List of associated entities (amounts in HUF million)	Carrying amount	Shareholder's equity	Share capital	Profit after tax	Voting right	Country / Headquarter	Activity
PortfoLion Digital Venture Capital Fund I.	15,593	14,179	7,000	(7,479)	100.00%	Hungary /Budapest	Digital technology, solutions that strengthen the bank's innovation capacity (e.g. big data, financial software, payment solutions, blockchain etc.).
PortfoLion Regional Venture Capital Fund II.	15,672	15,511	17,847	(472)	49.88%	Hungary /Budapest	Investment in any industries and sectors, due to which international expansion of Hungarian enterprises can be realized.
PortfoLion Partner Venture Capital Fund	30,661	70,262	60,421	5,031	30.56%	Hungary /Budapest	Financing of domestic or foreign takeover, capital increase or merger in which the acquiring company is at least majority-owned by Hungarians.
PortfoLion Digital Venture Capital Fund II.	6,374	6,516	7,270	(687)	100.00%	Hungary /Budapest	IT, digital technology, fintech
PortfoLion Green Venture Capital Fund	11	35,298	33,571	234	100.00%	Hungary /Budapest	Investing in companies engaged in agricultural activities, as well as in food processing and agriculture-related areas.
Subtotal	**68,311**						
OTP-DayOne Magvető Fund	648	2,947	1,271	23	22.00%	Hungary /Budapest	Trusts, funds and similar financial entities
D-ÉG Thermoset Ltd 'u.l.'	-	n.a.	1,045	n.a.	46.99%	Hungary / Dunaújváros	Wholesale of hardware, plumbing and heating equipment and supplies
Company for Cash Services AD	392	4,319	1,982	(333)	25.00%	Bulgaria / Sofia	Other financial service activities, except insurance and pension funding
Bankart Procesiranje Placilnih Instrumentov d.o.o.	7,219	11,403	658	1,182	43.06%	Ljubjana / Slovenia	Data processing, web hosting services
Subtotal	**8,259**						
Total	**76,570**						

There are no material investments in associates owned by equity funds below 50% voting right and without control.

The associated that are owned through venture capital funds are not detailed below neither for year 2024 nor for 2023, only the funds that own them are presented below. PortfoLion funds are subsidiaries in the separate financial statements.

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn) [continued]

Significant associates and joint ventures [continued]

The main figures of the Bank's indirectly owned associates and joint ventures at cost as at 31 December 2023:

List of associated entities (amounts in HUF million)	Carrying amount	Shareholder's equity	Share capital	Profit after tax	Voting right	Country / Headquarter	Activity
PortfoLion Digital Venture Capital Fund I.	12,332	20,968	8,800	460	100.00%	Hungary /Budapest	Digital technology, solutions that strengthen the bank's innovation capacity (e.g. big data, financial software, payment solutions, blockchain etc.).
PortfoLion Regional Venture Capital Fund II.	12,733	13,381	15,245	288	49.88%	Hungary /Budapest	Investment in any industries and sectors, due to which international expansion of Hungarian enterprises can be realized.
PortfoLion Partner Venture Capital Fund	27,201	64,269	60,421	119	30.56%	Hungary /Budapest	Financing of domestic or foreign takeover, capital increase or merger in which the acquiring company is at least majority-owned by Hungarians.
PortfoLion Digital Venture Capital Fund II.	3,941	5,681	5,800	14	100.00%	Hungary /Budapest	IT, digital technology, fintech
PortfoLion Green Venture Capital Fund	15	35,064	33,571	1,264	100.00%	Hungary /Budapest	Investing in companies engaged in agricultural activities, as well as in food processing and agriculture-related areas.
Subtotal	**56,222**						
OTP-DayOne Magvető Fund	280	2,954	1,271	308	22.00%	Hungary /Budapest	Trusts, funds and similar financial entities
D-ÉG Thermoset Ltd 'u.l.'	-	n.a.	1,045	n.a.	46.99%	Hungary / Dunaújváros	Wholesale of hardware, plumbing and heating equipment and supplies
Company for Cash Services AD	392	3,464	1,982	333	25.00%	Bulgaria / Sofia	Other financial service activities, except insurance and pension funding
Bankart Procesiranje Placilnih Instrumentov d.o.o.	7,219	9,265	658	1,182	43.06%	Ljubjana / Slovenia	Data processing, web hosting services
OTP Risk Fund I.	611	1,384	6,800	158	44.12%	Hungary /Budapest	Trusts, funds and similar financial entities
Mortgage Refinancing Company of Uzbekistan	1,030	4,338	2,990	(615)	20.00%	Uzbekistan / Tashkent	Refinancing mortgage loans issued by banks and others credit organizations.
Subtotal	**9,532**						
Total	**65,754**						

There are no material investments in associates owned by equity funds below 50% voting right and without control.

The associated that are owned through venture capital funds are not detailed below neither for year 2024 nor for 2023, only the funds that own them are presented below. PortfoLion funds are subsidiaries in the separate financial statements.

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn) [continued]

Significant events related to investments

The Metropolitan Court of Registration has registered a capital increase at Monicomp Ltd. The registered capital of Monicomp Ltd. was increased to HUF 320,500,000 from HUF 226,500,000.

The Uzbek Court of Registration has registered a capital increase at JSCMB 'IPOTEKA BANK'. The registered capital of JSCMB 'IPOTEKA BANK' was increased to UZS 3,834,217,638,941 from UZS 2,989,584,338,941. As a consequence of the capital increase the ownership ratio of OTP Bank Plc. increased to 79.58%.

The Metropolitan Court of Registration has registered a capital increase at OTP Real Estate Ltd. The registered capital of OTP Real Estate Ltd. was increased to HUF 1,101,000,000 from HUF 1,100,000,000.

The Bank has 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. (hereinafter referred to as: 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. For further information about the financial closing of the transaction please see Note 32.

Legal merger process of two Slovenian subsidiary, SKB Banka and Nova KBM, has ended on 22 August 2024. After that operative merger process also has ended successfully during the period.

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn)

For the year ended 31 December 2024

	Intangible assets	Property	Office equipment and vehicles	Vehicles	Construction in progress	Right of use assets	Total
Cost							
Balance as at 1 January	**261,854**	**85,918**	**115,814**	**338**	**19,629**	**86,654**	**570,207**
Additions	75,795	11,211	23,278	104	25,309	487	136,184
Disposals	(2,225)	(1,049)	(7,068)	-	(34,802)	(21)	(45,165)
Closing balance	**335,424**	**96,080**	**132,024**	**442**	**10,136**	**87,120**	**661,226**
Depreciation and Amortization							
Balance as at 1 January	**163,739**	**31,978**	**82,319**	**96**	**-**	**20,432**	**298,564**
Charge for the year	34,024	4,630	15,297	58	-	9,542	63,551
Disposals	(243)	(644)	(6,824)	-	-	(1,810)	(9,521)
Closing balance	**197,520**	**35,964**	**90,792**	**154**	**-**	**28,164**	**352,594**
Impairment							
Balance as at 1 January	-	-	-	-	-	-	-
Charge for the year	1,326	-	-	-	-	-	1,326
Disposals	(1,282)	-	-	-	-	-	(1,282)
Closing balance	**44**	**-**	**-**	**-**	**-**	**-**	**44**
Net book value							
Balance as at 1 January	**98,115**	**53,940**	**33,495**	**242**	**19,629**	**66,222**	**271,643**
Closing balance	**137,860**	**60,116**	**41,232**	**288**	**10,136**	**58,956**	**308,588**

For the year ended 31 December 2023

	Intangible assets	Property	Office equipment and vehicles	Vehicles	Construction in progress	Right of use assets	Total
Cost							
Balance as at 1 January	**213,085**	**78,595**	**112,924**	**197**	**15,650**	**59,349**	**479,800**
Additions	55,533	10,550	15,662	200	30,718	68,060	180,723
Disposals	(6,764)	(3,227)	(12,772)	(59)	(26,739)	(40,755)	(90,316)
Closing balance	**261,854**	**85,918**	**115,814**	**338**	**19,629**	**86,654**	**570,207**
Depreciation and Amortization							
Balance as at 1 January	**143,605**	**30,148**	**82,577**	**77**	**-**	**19,467**	**275,874**
Charge for the year	25,902	3,900	12,290	39	-	8,927	51,058
Disposals	(5,768)	(2,070)	(12,548)	(20)	-	(7,962)	(28,368)
Closing balance	**163,739**	**31,978**	**82,319**	**96**	**-**	**20,432**	**298,564**
Net book value							
Balance as at 1 January	**69,480**	**48,447**	**30,347**	**120**	**15,650**	**39,882**	**203,926**
Closing balance	**98,115**	**53,940**	**33,495**	**242**	**19,629**	**66,222**	**271,643**

The Bank has no intangible assets with indefinite useful life.

NOTE 14: INVESTMENT PROPERTIES (in HUF mn)

For the year ended 31 December 2024 and for the year ended 31 December 2023, respectively

	31 December 2024	31 December 2023
Property		
Cost		
Balance as at 1 January	**5,165**	**5,027**
Additions result from subsequent expenditure	172	138
Closing balance	**5,337**	**5,165**
Depreciation and Amortization		
Balance as at 1 January	**962**	**820**
Charge for the period	148	142
Closing balance	**1,110**	**962**
Net book value		
Balance as at 1 January	**4,203**	**4,207**
Closing balance	**4,227**	**4,203**

According to the opinion of the Management there is no significant difference between the fair value and the carrying value of these properties.

Income and Expenses	**31 December 2024**	**31 December 2023**
Rental income	9	9
Depreciation	149	138

NOTE 15: FAIR VALUE OF DERIVATIVE FINANCIAL ASSETS DESIGNATED AS HEDGE ACCOUNTING (in HUF mn)

Positive fair value of derivative financial assets designated as hedge accounting:

	31 December 2024	31 December 2023
Interest rate swaps designated as fair value hedge	37,679	12,521
CCIRS designated as fair value hedge	13,903	10,173
Interest rate swaps designated as cash flow hedge	(8,452)	(1,066)
Total	**43,130**	**21,628**

NOTE 16: OTHER ASSETS[1] (in HUF mn)

	31 December 2024	31 December 2023
Other financial assets		
Receivables from OTP Employee Stock Ownership Program (OTP ESOP)	145,966	133,347
Prepayments and accrued income	28,993	23,785
Receivables from investment services	43,346	29,597
Stock exchange deposit	27,239	19,630
Trade receivables	14,713	13,960
Receivables from card operations	16,586	51,938
Receivables from suppliers	6,057	9,367
Other	10,197	25,089
	293,097	**306,713**
Loss allowance	(11,522)	(7,875)
Other financial assets total	**281,575**	**298,838**
Other non-financial assets		
Prepayments and accrued income	53,030	42,574
Receivable related to Hungarian Government subsidies	12,562	15,996
Other	10,506	9,160
	76,098	**67,730**
Provision for impairment on other assets	(578)	(607)
Other non-financial assets total	**75,520**	**67,123**
Total	**357,095**	**365,961**

An analysis of the movement in the loss allowance on other financial assets is as follows:

	31 December 2024	31 December 2023
Balance as at 1 January	**7,875**	**7,026**
Charge for the period	10,616	6,686
Release of loss allowance	(6,132)	(4,479)
Use of loss allowance	(1,242)	(1,227)
FX movement	405	(131)
Closing balance	**11,522**	**7,875**

An analysis of the movement in the loss allowance on other non-financial assets is as follows:

	31 December 2024	31 December 2023
Balance as at 1 January	**607**	**699**
Charge for the period	269	266
Release of provision	(329)	(336)
FX movement	31	(22)
Closing balance	**578**	**607**

[1] Other assets are expected to be recovered or settled no more than twelve months after the reporting period.

NOTE 17: AMOUNTS DUE TO BANKS AND DEPOSITS FROM THE NATIONAL BANK OF HUNGARY AND OTHER BANKS (in HUF mn)

	31 December 2024	31 December 2023
Within one year:		
In HUF	495,497	328,641
In foreign currency	521,986	337,184
	1,017,483	**665,825**
Over one year:		
In HUF	381,129	615,167
In foreign currency	208,357	480,587
	589,486	**1,095,754**
Subtotal	**1,606,969**	**1,761,579**
Total	**1,606,969**	**1,761,579**

Interest rates on amounts due to banks and deposits from the NBH and other banks are as follows (%):

	31 December 2024	31 December 2023
Within one year:		
In HUF	0%-9,23%	(2.4%)-8.75%
In foreign currency	-2,02%-7,18%	(2.31%)-4.2%
Over one year:		
In HUF	-1,34%-6,49%	(1.7%)-11.4%
In foreign currency	-2%-4,35%	(2.02%)-7.18%
Average interest on amounts due to banks in HUF	4.89%	6.02%
Average interest on amounts due to banks in foreign currency	3.73%	3.55%

NOTE 18: **REPO LIABILITIES (in HUF mn)**

	31 December 2024	31 December 2023
Within one year:		
In HUF	61,824	100,296
In foreign currency	129,990	101,862
	191,814	**202,158**
Over one year:		
In HUF	-	190,255
In foreign currency	35,818	51,281
	35,818	**241,536**
Subtotal	**227,632**	**443,694**
Total	**227,632**	**443,694**

Interest rates on repo liabilities are as follows (%):

	31 December 2024	31 December 2023
Within one year:		
In HUF	(4.5%)-6.76%	9.25%-10.63%
In foreign currency	1.46%-5.92%	1.67%
Over one year:		
In HUF	-	9.25%-10.63%
In foreign currency	3,97%-5,11%	1.67%-5.92%
Average interest on repo liabilities in HUF	8.06%	15.22%
Average interest on repo liabilities in foreign currency	3.60%	4.51%

NOTE 19: DEPOSITS FROM CUSTOMERS (in HUF mn)

	31 December 2024	31 December 2023
Within one year:		
In HUF	8,608,098	7,747,906
In foreign currency	2,264,025	2,962,206
	10,872,123	**10,710,112**
Over one year:		
In HUF	24,104	24,213
	24,104	**24,213**
Total	**10,896,227**	**10,734,325**

Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

Interest rates on deposits from customers are as follows (%):

	31 December 2024	31 December 2023
Within one year:		
In HUF	0%-11.25%	0%-15.4%
In foreign currency	(0.85%)-36%	(0.36%)-11.77%
Over one year:		
In HUF	0%-6.03%	0%-10.75%
In foreign currency	-	0%-9.73%
Average interest on deposits from customers in HUF	1.99%	3.75%
Average interest on deposits from customers in foreign currency	1.40%	1.36%

An analysis of deposits from customers by type, not including accrued interest, is as follows:

	31 December 2024		31 December 2023	
Retail deposits	**5,024,279**	**46%**	**4,422,120**	**41%**
Household deposits	5,024,279	46%	4,422,120	41%
Corporate deposits	**5,871,948**	**54%**	**6,312,205**	**59%**
Corporate deposits	5,032,072	46%	5,402,710	51%
Municipality deposits	839,876	8%	909,495	8%
Total	**10,896,227**	**100%**	**10,734,325**	**100%**

NOTE 20: **LIABILITIES FROM ISSUED SECURITIES (in HUF mn)**

	31 December 2024	31 December 2023
Within one year:		
In HUF	83,693	161,217
In foreign currency	46,521	26,670
	130,214	**187,887**
Over one year:		
In HUF	12,226	43,025
In foreign currency	1,608,453	932,197
	1,620,679	**975,222**
Total	**1,750,893**	**1,163,109**

Interest rates on liabilities from issued securities are as follows (%):

	31 December 2024	31 December 2023
Issued securities denominated in HUF	5.5%-12%	0.6%-15%
Issued securities denominated in foreign currency	4.1%-8.1%	5.5%-8.1%
Average interest on issued securities denominated in HUF	9.85%	11.42%
Average interest on issued securities denominated in foreign currency	6.10%	6.88%

Term Note Program in the value of HUF 800 billion for the year of 2023/2024

On 18 April 2023 the Bank initiated term note program in the value of HUF 800 billion with the intention of issuing registered dematerialized bonds in public. The NBH approved on 7 August 2023 the prospectus of Term Note Program. The prospectus is valid for 12 months following the disclosure.

Term Note Program in the value of HUF 800 billion for the year of 2024/2025

On 30 April 2024 the Bank initiated term note program in the value of HUF 800 billion with the intention of issuing registered dematerialized bonds in public. The NBH approved on 19 July 2024 the prospectus of Term Note Program. The prospectus is valid for 12 months following the disclosure. At the same time Term Note Program for the year 2023/2024 was closed, which was originally valid till 7 August 2024.

Notes issued in amount of EUR 600 million

The Bank have been issued notes (ISIN: XS2754491640 on 31 January 2024 as value date in the aggregate nominal amount of EUR 600 million. The notes are rated ’Baa3’ by Moody’s Investor Services Cyprus Ltd. and ’BBB+’ by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Notes issued in amount of EUR 700 million

The Bank have been issued notes (ISIN: XS2838495542) on 12 June 2024 as value date in the aggregate nominal amount of EUR 700 million. The notes are rated ’BBB-’ by S&P Ratings Europe Limited and ’BBB+’ by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Recall of green notes issued in amount of EUR 400 million

Notes (XS2499691330) have been redeemed in amount of EUR 400 million on 15 July 2024 and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.

Notes issued in amount of CNY 300 million

The Bank have been issued notes (ISIN: XS2871018136) on 31 July 2024 as value date in the aggregate nominal amount of CNY 300 million. The notes are rated ’BBB+’ by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

NOTE 20: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Notes issued in amount of EUR 500 million

The Bank issued notes (ISIN: XS2917468618) on 16 October 2024 as value date in the aggregate nominal amount of EUR 500 million. The notes are rated 'Baa3' by Moody's Investor Services Cyprus Ltd. and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Hedge accounting

Certain issued structured securities are hedged by the Bank with interest rate swaps ("IRS") which exchange the fixed and floating interest rate with the interest rate of the securities between the parties at a notional amount that equals the nominal amount of the hedged securities. These are considered as fair value hedge relationships as they cover the interest rate risk arising from the coupons of the hedged securities. OTP Bank does not intend to be exposed to the risk embedded in the structured bonds, consequently as part of interest rate swap transaction the structured interest payments are swapped to floating interest rate. This hedging relationship meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of hedged item

The cash-flows of the fixed rate securities issued by the Bank are exposed to the changes in the HUF/EUR foreign exchange rate and the volatility of the quoted interest rates of EUR and HUF. The interest rate risk and foreign exchange risk related to these securities are hedged with EUR and HUF IRS transactions, where the fixed interests were swapped to payments linked to 3 month HUF BUBOR and EURIBOR, resulting in a decrease in the interest rate and foreign exchange exposure of issued securities.

NOTE 20: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Issued securities denominated in foreign currency as at 31 December 2024

	Name	Date of issuance	Maturity	Currency	Nominal value in FX million	Nominal value in HUF million	Amortised cost in FX million	Amortised cost in HUF million	Interest conditions (in % actual)		Hedged
1	XS2871018136	7/31/2024	7/31/2027	CNY	300	16,176	305	16,443	fixed	4.10	
2	XS2560693181	12/1/2022	3/4/2026	EUR	648	265,938	689	282,387	fixed	7.35	
3	XS2642536671	6/27/2023	6/27/2026	EUR	110	45,110	114	46,871	fixed	7.50	
4	XS2698603326	10/5/2023	10/5/2027	EUR	649	266,321	674	276,203	fixed	6.13	hedged
5	XS2737630314	12/22/2023	6/22/2026	EUR	75	30,757	78	31,845	fixed	6.10	hedged
6	XS2754491640	1/31/2024	1/31/2029	EUR	598	245,420	634	260,169	fixed	5.00	hedged
7	XS2838495542	6/12/2024	6/12/2028	EUR	698	286,058	729	298,861	fixed	4.75	hedged
8	XS2917468618	10/16/2024	10/16/2030	EUR	499	204,680	504	206,807	fixed	4.25	hedged
9	XS2703264635	10/13/2023	10/13/2026	RON	170	14,011	173	14,279	variable	8.10	hedged
10	XS2536446649	29/09/2022	29/09/2026	USD	60	23,616	61	24,063	fixed	7.25	
11	XS2626773381	5/25/2023	5/25/2027	USD	500	196,689	501	197,046	fixed	7.50	hedged
	Subtotal issued securities in foreign currency					**1,594,776**		**1,654,974**			

Issued securities denominated in foreign currency as at 31 December 2023

	Name	Date of issuance	Maturity	Currency	Nominal value in FX million	Nominal value in HUF million	Amortised cost in FX million	Amortised cost in HUF million	Interest conditions (in % actual)		Hedged
1	XS2560693181	12/1/2022	3/4/2026	EUR	649	248,497	689	263,732	fixed	7.35	
2	XS2698603326	10/5/2023	10/5/2027	EUR	650	248,725	674	258,006	fixed	6.13	hedged
3	XS2626773381	5/25/2023	5/25/2027	USD	500	173,152	499	173,011	fixed	7.50	hedged
4	XS2499691330	13/07/2022	13/07/2025	EUR	400	153,111	410	157,095	fixed	5.50	hedged
5	XS2642536671	6/27/2023	6/27/2026	EUR	110	42,106	114	43,745	fixed	7.50	
6	XS2737630314	22/12/2023	22/06/2026	EUR	75	28,709	75	28,778	fixed	6.10	
7	XS2536446649	9/29/2022	9/29/2026	USD	60	20,786	61	21,180	fixed	7.25	
8	XS2703264635	10/13/2023	10/13/2026	RON	170	13,082	173	13,320	variable	8.10	
	Subtotal issued securities in foreign currency					**928,168**		**958,867**			

NOTE 20: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Issued securities denominated in HUF as at 31 December 2024

	Name	Date of issuance	Maturity	Nominal value in HUF million	Amortised cost in HUF million	Interest conditions		Hedged
1	OTP_HUF_2026/1	12/22/2022	1/5/2026	10,228	12,674	fix	12.00	hedged
2	OTP_TBSZ_HUF_2028/1	10/13/2023	12/15/2028	155	156	fix	6.88	
3	OTP_HUF_2026/2	12/15/2023	12/15/2026	620	622	fix	7.40	
4	OTP_HUF_2025/3	1/12/2024	1/12/2025	1,919	2,060	fix	7.50	
5	OTP_HUF_2025/4	2/2/2024	2/2/2025	2,155	2,289	fix	6.75	
6	OTP_HUF_2025/5	3/1/2024	3/1/2025	5,957	6,284	fix	6.50	
7	OTP_HUF_2025/6	3/28/2024	3/28/2025	5,559	5,837	fix	6.50	
8	OTP_HUF_2025/7	4/26/2024	4/26/2025	8,190	8,528	fix	6.00	
9	OTP_HUF_2025/8	5/24/2024	5/24/2025	5,860	6,075	fix	6.00	
10	OTP_HUF_2025/9	6/7/2024	6/7/2025	5,756	5,955	fix	6.00	
11	OTP_HUF_2025/10	7/5/2024	7/5/2025	11,675	12,024	fix	6.00	
12	OTP_HUF_2025/11	8/2/2024	8/2/2025	6,698	6,868	fix	6.00	
13	OTP_HUF_2025/12	8/30/2024	8/30/2025	4,532	4,618	fix	5.50	
14	OTP_HUF_2025/13	9/27/2024	9/27/2025	5,162	5,239	fix	5.50	
15	OTP_HUF_2025/14	10/31/2024	10/31/2025	5,826	5,883	fix	5.50	
16	OTP_HUF_2025/15	11/29/2024	11/29/2025	3,243	3,260	fix	5.50	
17	OTP_HUF_2025/16	12/18/2024	12/18/2025	7,324	7,343	fix	6.00	
18	Other			204	204			
	Subtotal issued securities in HUF			**91,063**	**95,919**			
	Total			**1,685,839**	**1,750,893**			

NOTE 20: **LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**

Issued securities denominated in HUF as at 31 December 2023

	Name	Date of issuance	Maturity	Nominal value in HUF million	Amortised cost in HUF million	Interest conditions		Hedged
1	OTP_HUF_2024/1	2/17/2023	2/17/2024	26,079	28,593	fix	11.00	
2	OTP_HUF_2025/1	11/18/2022	11/18/2025	25,563	27,042	fix	15.00	hedged
3	OTP_HUF_2024/2	3/10/2023	3/10/2024	22,977	25,048	fix	11.00	
4	OTP_HUF_2024/3	3/31/2023	3/31/2024	17,015	18,441	fix	11.00	
5	OTP_HUF_2024/6	6/2/2023	6/2/2024	16,722	17,806	fix	11.00	
6	OTP_HUF_2024/4	4/21/2023	4/21/2024	14,698	15,837	fix	11.00	
7	OTP_HUF_2024/5	5/12/2023	5/12/2024	13,946	14,937	fix	11.00	
8	OTP_HUF_2024/7	6/23/2023	6/23/2024	11,232	11,859	fix	10.50	
9	OTP_HUF_2026/1	12/22/2022	1/5/2026	10,228	11,856	fix	12.00	hedged
10	OTP_HUF_2025/2	6/30/2023	6/30/2025	5,116	5,431	fix	12.00	
11	OTP_HUF_2024/9	7/28/2023	7/28/2024	4,173	4,364	fix	10.50	
12	OTP_HUF_2024/8	6/30/2023	6/30/2024	3,730	3,931	fix	10.50	
13	OTP_HUF_2024/13	10/20/2023	10/20/2024	3,494	3,557	fix	8.75	
14	OTP_HUF_2024/14	11/17/2023	11/17/2024	3,509	3,547	fix	8.50	
15	OTP_HUF_2024/15	12/20/2023	12/20/2024	2,994	3,004	fix	8.00	
16	OTP_HUF_2024/12	9/25/2023	9/25/2024	2,777	2,845	fix	9.00	
17	OTP_HUF_2024/11	9/1/2023	9/1/2024	2,655	2,743	fix	9.75	
18	OTP_HUF_2024/10	8/7/2023	8/7/2024	1,431	1,490	fix	10.00	
19	OTP_HUF_2026/2	12/15/2023	12/15/2026	647	649	fix	7.40	
20	OTPX2024B	10/10/2014	10/16/2024	295	339	indexed	0.70	hedged
21	OTPX2024A	6/18/2014	6/21/2024	241	283	indexed	1.30	hedged
22	OTPX2024C	12/15/2014	12/20/2024	242	275	indexed	0.60	hedged
23	OTP_TBSZ_HUF_2028/1	10/13/2023	12/15/2028	155	159	fix	12.00	
	Other			206	206			
	Subtotal issued securities in HUF			**190,125**	**204,242**			
	Total			**1,118,293**	**1,163,109**			

NOTE 21: FINANCIAL LIABILITIES DESIGNATED AS FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31 December 2024	31 December 2023
Within one year:		
In HUF	1,709	1,816
	1,709	**1,816**
Over one year:		
In HUF	15,315	17,970
	15,315	**17,970**
Total	**17,024**	**19,786**
Contractual amount outstanding	*17,000*	*17,747*

Interest rates on financial liabilities designated as fair value through profit or loss are as follows (%):

	31 December 2024	31 December 2023
Within one year:		
In HUF	4.33%-8.24%	4.97%-9.97%
Over one year:		
In HUF	3.14%	4.83%
Average interest on amounts due to banks in HUF	7.30%	7.88%

Certain MFB refinanced loan receivables are categorised as fair value through profit or loss based on SPPI test. Related refinancing loans at the liability side are categorised as fair value through profit or loss based on fair value option due to accounting mismatch as provided by the IFRS 9 standard.

NOTE 22: HELD FOR TRADING DERIVATIVE FINANCIAL LIABILITIES (in HUF mn)

Negative fair value of held for trading derivative financial liabilities by deal types:

	31 December 2024	31 December 2023
Interest rate swaps	52,672	72,200
Foreign currency swaps	57,644	53,102
CCIRS and mark-to-market CCIRS	11,627	9,161
Other derivative contracts	22,556	49,102
Total	**144,499**	**183,565**

NOTE 23: FAIR VALUE OF DERIVATIVE FINANCIAL LIABLITIES DESIGNATED AS HEDGE ACCOUNTING (in HUF mn)

Fair value of derivative financial liabilities designated as hedge accounting is detailed as follows:

	31 December 2024	31 December 2023
IRS designated as fair value hedge	18	7,875
CCIRS designated as fair value hedge	19,420	10,679
IRS designated as cash flow hedge	-	8,869
Total	**19,438**	**27,423**

NOTE 24: OTHER LIABILITIES[1] AND PROVISIONS (in HUF mn)

	31 December 2024	31 December 2023
Other financial liabilities		
Liabilities from investment services	149,317	50,321
Accrued expenses	26,341	27,673
Accounts payable	52,854	33,508
Liabilities due to short positions	47,157	19,107
Liabilities from customer's credit card payments	27,372	84,184
Other	34,575	28,526
Other financial liabilities total	**337,616**	**243,319**
Other non-financial liabilities		
Technical accounts	74,168	25,321
Current income tax payable	21,843	13,770
Social contribution	10,522	8,475
Accrued expenses	3,337	2,940
Other	2,036	1,574
Other non-financial liabilities total	**111,906**	**52,080**
Other liabilities total	**449,522**	**295,399**

The provision on other liabilities, off-balance sheet commitments and contingent liabilities are detailed as follows:

	31 December 2024	31 December 2023
Provision for losses on other off-balance sheet commitments and contingent liabilities	19,054	16,092
Provisions in accordance with IFRS 9	**19,054**	**16,092**
Provision for litigation	283	1,931
Provision for retirement pension and severance pay	2,000	2,000
Provision on other liabilities	4,310	2,474
Provisions in accordance with IAS 37	**6,593**	**6,405**
Total	**25,647**	**22,497**

Movements in the provision for losses on commitments and contingent liabilities in accordance with IFRS 9 can be summarized as follows:

	31 December 2024	31 December 2023
Opening balance	**16,092**	**23,632**
Provision for the period	51,461	62,662
Release of provision for the period	(16,438)	(50,882)
Use of provision	(32,458)	(18,952)
FX revaluation	397	(368)
Closing balance	**19,054**	**16,092**

Movements in the provision for losses on commitments and contingent liabilities in accordance with IAS 37 can be summarized as follows:

	31 December 2024	31 December 2023
Opening balance	**6,405**	**6,024**
Provision for the period	4,958	11,563
Release of provision	(2,405)	(8,633)
Use of provision	(2,557)	(2,420)
FX revaluation	192	(129)
Closing balance	**6,593**	**6,405**

[1] Other liabilities are expected to be recovered or settled no more than twelve months after the reporting period.

NOTE 25: SUBORDINATED BONDS AND LOANS (in HUF mn)

	31 December 2024	31 December 2023
Within one year		
In HUF	1,898	1,886
In foreign currency	3,856	6,174
	5,754	**8,060**
Over one year:		
In HUF	13,256	11,133
In foreign currency	343,261	501,103
	356,517	**512,236**
Total	**362,271**	**520,296**

Interest rates on subordinated bonds and loans are as follows (%):

	31 December 2024	31 December 2023
Subordinated bonds and loans denominated in foreign currency	6.0%-8.8%	2.9%-8.8%
Average interest on subordinated bonds and loans denominated in HUF	4.99%	5.51%
Average interest on subordinated bonds and loans denominated in foreign currency	6.76%	6.04%

EUR 500 million Fixed Rate Reset Callable Subordinated bond recall (XS2022388586)

On 15 July 2024 Notes EUR 500 million Due 15 July 2029 have been redeemed and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.

NOTE 25: SUBORDINATED BONDS AND LOANS (in HUF mn) [continued]

Subordinated loans and bonds are detailed as follows as at 31 December 2024:

Type	Name	Date of issuance	Date of maturity	Issue price	Currency	Nominal value in FX million	Nominal value in HUF million	Amortised cost in Fx million	Amortised cost in HUF million	Interest conditions	Current interest rate
Subordinated bond	XS2586007036	15/02/2023	15/05/2033	99.42%	USD	645	253,770	642	252,504	Fixed 8.75% (payable annual)	8.750%
Subordinated bond	XS0274147296	07/11/2006	Perpetual	99.38%	EUR	229	93,717	231	94,612	Three-month EURIBOR + 3%, variable (payable quarterly)	6.032%
Discount bond	HU0000362553	01/06/2023	31/05/2028	66.68%	HUF	1,959	1,959	1,485	1,485	N.a.	
Discount bond	HU0000363908	31/05/2024	31/05/2029	72.11%	HUF	1,901	1,901	1,425	1,425	N.a.	
Discount bond	HU0000360516	31/05/2021	31/05/2025	92.54%	HUF	1,216	1,216	1,206	1,206	N.a.	
Discount bond	HU0000361605	31/03/2022	31/05/2027	72.13%	HUF	1,092	1,092	937	937	N.a.	
Discount bond	HU0000360532	31/05/2021	31/05/2027	87.27%	HUF	795	795	752	752	N.a.	
Discount bond	HU0000361597	31/03/2022	31/05/2026	76.86%	HUF	783	783	716	716	N.a.	
Discount bond	HU0000360524	31/05/2021	31/05/2026	90.02%	HUF	707	707	686	686	N.a.	
Discount bond	HU0000360540	31/05/2021	31/05/2028	84.31%	HUF	669	669	616	616	N.a.	
Discount bond	HU0000359732	29/05/2020	31/05/2025	92.99%	HUF	592	592	589	589	N.a.	
Discount bond	HU0000362561	01/06/2023	31/05/2029	63.21%	HUF	684	684	488	488	N.a.	
Discount bond	HU0000362579	01/06/2023	31/05/2030	60.08%	HUF	719	719	485	485	N.a.	
Discount bond	HU0000362587	01/06/2023	31/05/2031	56.64%	HUF	762	762	483	483	N.a.	
Discount bond	HU0000362595	01/06/2023	31/05/2032	52.82%	HUF	817	817	483	483	N.a.	
Discount bond	HU0000363916	31/05/2024	31/05/2030	67.44%	HUF	672	672	471	471	N.a.	
Discount bond	HU0000363924	31/05/2024	31/05/2031	63.20%	HUF	717	717	471	471	N.a.	
Discount bond	HU0000363932	31/05/2024	31/05/2032	59.16%	HUF	765	765	470	470	N.a.	
Discount bond	HU0000363957	31/05/2024	31/05/2033	55.27%	HUF	818	818	470	470	N.a.	
Discount bond	HU0000361613	31/03/2022	31/05/2028	67.89%	HUF	554	554	447	447	N.a.	
Discount bond	HU0000361621	31/03/2022	31/05/2029	64.03%	HUF	554	554	421	421	N.a.	
Discount bond	HU0000361639	31/03/2022	31/05/2030	60.38%	HUF	554	554	397	397	N.a.	
Discount bond	HU0000359740	29/05/2020	31/05/2026	91.10%	HUF	392	392	384	384	N.a.	
Discount bond	HU0000360557	31/05/2021	31/05/2029	81.23%	HUF	403	403	359	359	N.a.	
Discount bond	HU0000361647	31/03/2022	31/05/2031	56.88%	HUF	384	384	258	258	N.a.	
Discount bond	HU0000362603	01/06/2023	31/05/2033	49.02%	HUF	282	282	155	155	N.a.	
Discount bond	HU0000363940	31/05/2024	31/05/2034	51.58%	HUF	283	283	152	152	N.a.	
Discount bond	HU0000358932	30/05/2019	31/05/2025	83.86%	HUF	104	104	103	103	N.a.	
Discount bond	HU0000359757	29/05/2020	31/05/2027	89.05%	HUF	95	95	91	91	N.a.	
Discount bond	HU0000360565	31/05/2021	31/05/2030	78.09%	HUF	104	104	89	89	N.a.	
Discount bond	HU0000361654	31/03/2022	31/05/2032	53.52%	HUF	105	105	66	66	N.a.	
Total							**366,969**		**362,271**		

NOTE 25: SUBORDINATED BONDS AND LOANS (in HUF mn) [continued]

Subordinated loans and bonds are detailed as follows as at 31 December 2023:

Type	Name	Date of issuance	Date of maturity	Issue price	Currency	Nominal value in FX million	Nominal value in HUF million	Amortised cost in Fx million	Amortised cost in HUF million	Interest conditions	Current interest rate
Subordinated bond	XS0274147296	07/11/2006	Perpetual	99.38%	EUR	231	88,409	234	89,381	Three-month EURIBOR + 3%, variable (payable quarterly)	6.966%
Subordinated bond	XS2022388586	15/07/2019	15/07/2029	99.74%	EUR	497	190,399	501	191,894	Fixed 2.875% (payable annual)	2.875%
Subordinated bond	XS2586007036	15/02/2023	15/05/2033	99.42%	USD	650	225,104	653	226,001	Fixed 8.75% (payable annual)	8.750%
Discount bond	HU0000358924	30/05/2019	31/05/2024	87.85%	HUF	426	426	421	421	N.a.	
Discount bond	HU0000359724	29/05/2020	31/05/2024	94.79%	HUF	592	592	589	589	N.a.	
Discount bond	HU0000360508	31/05/2021	31/05/2024	95.12%	HUF	883	883	876	876	N.a.	
Discount bond	HU0000358932	30/05/2019	31/05/2025	83.86%	HUF	104	104	100	100	N.a.	
Discount bond	HU0000359732	29/05/2020	31/05/2025	92.99%	HUF	592	592	580	580	N.a.	
Discount bond	HU0000360516	31/05/2021	31/05/2025	92.54%	HUF	1,216	1,216	1,183	1,180	N.a.	
Discount bond	HU0000359740	29/05/2020	31/05/2026	91.10%	HUF	392	392	378	378	N.a.	
Discount bond	HU0000360524	31/05/2021	31/05/2026	90.02%	HUF	707	707	672	672	N.a.	
Discount bond	HU0000361597	31/03/2022	31/05/2026	76.86%	HUF	783	783	672	672	N.a.	
Discount bond	HU0000359757	29/05/2020	31/05/2027	89.05%	HUF	95	95	90	90	N.a.	
Discount bond	HU0000360532	31/05/2021	31/05/2027	87.27%	HUF	795	795	735	735	N.a.	
Discount bond	HU0000361605	31/03/2022	31/05/2027	72.13%	HUF	1,092	1,092	879	879	N.a.	
Discount bond	HU0000360540	31/05/2021	31/05/2028	84.31%	HUF	669	669	601	601	N.a.	
Discount bond	HU0000361613	31/03/2022	31/05/2028	67.89%	HUF	554	554	420	420	N.a.	
Discount bond	HU0000362553	01/06/2023	31/05/2028	66.68%	HUF	1,959	1,959	1,369	1,369	N.a.	
Discount bond	HU0000360557	31/05/2021	31/05/2029	81.23%	HUF	403	403	350	350	N.a.	
Discount bond	HU0000361621	31/03/2022	31/05/2029	64.03%	HUF	554	554	396	396	N.a.	
Discount bond	HU0000362561	01/06/2023	31/05/2029	63.21%	HUF	684	684	452	452	N.a.	
Discount bond	HU0000360565	31/05/2021	31/05/2030	78.09%	HUF	104	104	87	87	N.a.	
Discount bond	HU0000361639	31/03/2022	31/05/2030	60.38%	HUF	554	554	373	373	N.a.	
Discount bond	HU0000362579	01/06/2023	31/05/2030	60.08%	HUF	719	719	451	451	N.a.	
Discount bond	HU0000361647	31/03/2022	31/05/2031	56.88%	HUF	384	384	243	243	N.a.	
Discount bond	HU0000362587	01/06/2023	31/05/2031	56.64%	HUF	762	762	450	450	N.a.	
Discount bond	HU0000361654	31/03/2022	31/05/2032	53.52%	HUF	105	105	62	62	N.a.	
Discount bond	HU0000362595	01/06/2023	31/05/2032	52.82%	HUF	817	817	450	450	N.a.	
Discount bond	HU0000362603	01/06/2023	31/05/2033	49.02%	HUF	282	282	144	144	N.a.	
Total							**520,139**		**520,296**		

NOTE 26: SHARE CAPITAL (in HUF mn)

	31 December 2024	31 December 2023
Authorized, issued and fully paid:		
Ordinary shares	28,000	28,000

The nominal value of the shares is HUF 100 per shares. All of the shares are ordinary shares representing the same rights to the shareholders. Furthermore there are no restrictions on the distribution of dividends and the repayment of capital.

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn)

Based on the instructions of Act C of 2000 on accounting ("Act on Accounting") financial statements of the Bank are prepared in accordance with IFRS as issued by the IASB as adopted by the EU.

In 2024 dividend of HUF 150,000 million was paid out to from the profit of the year 2023, which meant HUF 535.71 dividend per share payable to the shareholders. In 2025 dividend of HUF 270,000 million are expected to be proposed by the Management from the profit of the year 2024, which means HUF 964.28 dividend per share payable to the shareholders.

Based on paragraph 114/B of Act on Accounting Equity Correlation Table is prepared and disclosed as a part of the explanatory notes for the reporting date by the Bank. Equity correlation table shall contain the opening and closing balances of the shareholder's equity in accordance with IFRS, furthermore deducted from this the opening and closing balances of the specified equity elements. Equity correlation table shall contain also untied retained earnings available for the payment of dividends, covering retained earnings from the last financial year for which accounts have been adopted comprising net profit for the period of that financial year minus cumulative unrealized gains claimed in connection with any increase in the fair value of investment properties, as provided in IAS 40 - Investment Property, reduced by the cumulative income tax accounted for under IAS 12 - Income Taxes.

Share capital

Share capital is the portion of the Bank's equity that has been obtained by the issue of shares in the corporation to a shareholder, usually for cash.

Share-based payment reserve

Share-based payment reserve represents the increase in the equity due to the goods or services were received by the Bank in an equity-settled share-based payment transaction, valued at the fair value of the goods or services received.

Retained earnings

Profit of previous years generated by the Bank that are not distributed to shareholders as dividends.

Put option reserve

OTP Bank Plc. and MOL Plc. entered into a share swap agreement in 16 April 2009, whereby OTP has changed 24,000,000 OTP ordinary shares for 5,010,501 „A series" MOL shares. The amended final maturity of the share swap agreement is 11 July 2027, until which any party can initiate cash or physical settlement of the transaction.
Put option reserve represents the written put option over OTP ordinary shares were accounted as a deduction from equity at the date of OTP-MOL share swap transaction.

Other comprehensive income

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other IFRSs.

General reserve

The Bank shall place ten per cent of the after-tax profit of the year into general reserve prescribed by the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. The Bank is allowed to use general reserves only to cover operating losses arising from their activities.

Tied-up reserve

The tied-up reserve shall consist of sums tied up from the capital reserve and from the retained earnings.

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn) [continued]

The equity correlation table of the Bank based on paragraph 114/B of Act on Accounting as at 31 December 2024:

31 December 2024 Closing balance	Share Capital	Capital reserve	Share-based payment reserve	Retained earnings and reserves	Option reserve	Treasury Shares	Revaluation reserve	Tied-up reserve	Net profit for the year	Total
Components of Shareholder's equity in accordance with IFRS	**28,000**	**52**	**56,813**	**2,894,922**	**(55,468)**	**(123,066)**	**-**	**-**	**-**	**2,801,253**
Other comprehensive income	-	-	-	(9,806)	-	-	9,806	-	-	-
Option reserve	-	(55,468)	-	-	55,468	-	-	-	-	-
Treasury shares	-	(123,066)	-	-	-	123,066	-	-	-	-
Share based payments	-	56,813	(56,813)	-	-	-	-	-	-	-
Net profit for the year	-	-	-	(744,999)	-	-	-	-	744,999	-
General reserve and tied-up reserve	-	-	-	(267,436)	-	-	-	267,436	-	-
Components of Shareholder's equity in accordance with paragraph 114/B of Act on Accounting	**28,000**	**(121,669)**	**-**	**1,872,681**	**-**	**-**	**9,806**	**267,436**	**744,999**	**2,801,253**

The equity correlation table of the Bank based on paragraph 114/B of Act on Accounting as at 1 January 2024:

1 January 2024 Opening balance	Share Capital	Capital reserve	Share-based payment reserve	Retained earnings and reserves	Option reserve	Treasury Shares	Revaluation reserve	Tied-up reserve	Net profit for the year	Total
Components of Shareholder's equity in accordance with IFRS	**28,000**	**52**	**52,402**	**2,279,773**	**(55,468)**	**(6,154)**	**-**	**-**	**-**	**2,298,605**
Other comprehensive income	-	-	-	9,148	-	-	(9,148)	-	-	-
Option reserve	-	(55,468)	-	-	55,468	-	-	-	-	-
Treasury shares	-	(6,154)	-	-	-	6,154	-	-	-	-
Share based payments	-	52,402	(52,402)	-	-	-	-	-	-	-
Net profit for the year	-	-	-	(654,988)	-	-	-	-	654,988	-
General reserve	-	-	-	(192,937)	-	-	-	192,937	-	-
Components of Shareholder's equity in accordance with paragraph 114/B of Act on Accounting	**28,000**	**(9,168)**	**-**	**1,440,996**	**-**	**-**	**(9,148)**	**192,937**	**654,988**	**2,298,605**

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn) [continued]

Calculated untied retained earnings in accordance with paragraph 114/B of Act on Accounting

	31 December 2024	31 December 2023
Retained earnings	1,872,681	1,440,996
Net profit for the year	744,999	654,988
Untied retained earnings	**2,617,680**	**2,095,984**

Items of retained earnings and other reserves

	31 December 2024	31 December 2023
Retained earnings	1,872,681	1,440,996
Capital reserve	52	52
Option reserve	(55,468)	(55,468)
Other reserves	267,436	192,937
Fair value of financial instruments measured at fair value through other comprehensive income	13,180	(5,639)
Share-based payment reserve	56,813	52,402
Fair value of derivative financial instruments designated as cash-flow hedge	(3,374)	(3,509)
Net profit for the period	744,999	654,988
Retained earnings and other reserves	**2,896,319**	**2,276,759**

Fair value adjustment of securities at fair value through other comprehensive income

	31 December 2024	31 December 2023
Balance as at 1 January	**(40,262)**	**(82,906)**
Change of fair value correction	(18,559)	46,485
Deferred tax related to change of fair value correction	3,890	(3,841)
Closing balance	**(54,931)**	**(40,262)**

Expected credit loss on securities at fair value through other comprehensive income

	31 December 2024	31 December 2023
Balance as at 1 January	**24,345**	**29,161**
Increase of loss allowance	29,399	3,401
Release of loss allowance	(4,839)	(6,704)
Deferred tax related to expected credit loss	(4,707)	-
Fx movement	3,391	(1,513)
Closing balance	**47,589**	**24,345**

Fair value changes of equity instruments as at fair value through other comprehensive income

	31 December 2024	31 December 2023
Balance as at 1 January	**10,278**	**10,022**
Change of fair value correction	11,549	3,307
Deferred tax related to change of fair value correction	(1,305)	(374)
Transfer to retained earnings	-	(2,677)
Closing balance	**20,522**	**10,278**

NOTE 28: TREASURY SHARES (in HUF mn)

	31 December 2024	31 December 2023
Nominal value (ordinary shares)	705	57
Carrying value at acquisition cost	123,066	6,154

The changes in the carrying value of treasury shares are due to repurchase and sale transactions on market authorised by the General Assembly.

Change in number of shares:

	31 December 2024	31 December 2023
Number of shares as at 1 January	**571,246**	**352,344**
Additions	8,775,919	3,948,338
Disposals	(2,301,642)	(3,729,436)
Number of shares at the end of the period	**7,045,523**	**571,246**

Change in carrying value:	31 December 2024	31 December 2023
Balance as at 1 January	**6,154**	**2,724**
Additions	153,105	39,818
Disposals	(36,193)	(36,388)
Closing Balance	**123,066**	**6,154**

	31 December 2024	31 December 2023
Face value of treasury shares held by OTP Group members	1,197	1,210

NOTE 29: **INTEREST INCOME AND EXPENSES (in HUF mn)**

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income accounted for using the effective interest rate method from / on		
Loans at amortised cost	437,745	457,472
FVOCI securities	30,311	50,838
Securities at amortised cost	216,762	129,054
Placements with other banks	179,241	206,280
Financial liabilities	214	398
Amounts due from banks and balances with National Bank of Hungary	161,598	345,696
Repo receivables	14,663	37,435
Subtotal	**1,040,534**	**1,227,173**
Income similar to interest income		
Loans mandatorily measured at fair value through profit or loss	62,663	51,132
Swap and forward deals related to Placements with other banks	478,199	600,959
Swap and forward deals related to Loans at amortised cost	35,034	125,151
Swap and forward deals related to FVOCI securities	9,714	18,655
Investment properties	9	9
Subtotal	**585,619**	**795,906**
Interest income total	**1,626,153**	**2,023,079**
Interest expense due to / from / on		
Amounts due to banks and deposits from the National Bank of Hungary and other banks	583,183	641,908
Deposits from customers	314,695	608,340
Leasing liabilities	3,147	2,314
Liabilities from issued securities	103,579	64,774
Subordinated bonds and loans	30,163	29,893
Investment properties (depreciation)	149	138
Financial assets	2,139	6,857
Repo liabilities	70,496	202,137
Interest expense total	**1,107,551**	**1,556,361**

NOTE 30: **RISK COST (in HUF mn)**

	Year ended 31 December 2024	Year ended 31 December 2023
Loss allowance of loans at amortised cost		
Loss allowance	260,589	249,194
Release of loss allowance	(240,388)	(243,652)
	20,201	**5,542**
Loss allowance of sight deposits and placements with other banks		
Loss allowance	8,519	11,767
Release of loss allowance	(8,752)	(24,125)
	(233)	**(12,358)**
Loss allowance of placements with other banks		
Loss allowance	2,256	11,755
Release of loss allowance	(2,269)	(13,555)
	(13)	**(1,800)**
Loss allowance of FVOCI debt instruments		
Loss allowance	29,399	3,401
Release of loss allowance	(4,839)	(6,704)
	24,560	**(3,303)**
Loss allowance of securities at amortised cost		
Loss allowance	22,001	2,287
Release of loss allowance	(11,433)	(10,863)
	10,568	**(8,576)**
Provision on loan commitments and financial guarantees		
Provision for the period	51,461	62,662
Release of provision	(48,896)	(69,834)
	2,565	**(7,172)**
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	**(4,193)**	**980**
Risk cost total	**53,455**	**(26,687)**

NOTE 31: NET PROFIT FROM FEES AND COMMISSIONS (in HUF mn)

Income from fees and commissions:

	Year ended 31 December 2024	Year ended 31 December 2023
Fees and commissions related to lending	**13,782**	**12,040**
Deposit and account maintenance fees and commissions	194,155	162,872
Fees and commission related to the issued bank cards	147,749	137,162
Fees and commissions related to security trading	48,143	33,899
Fx margin	22,928	21,828
Fees and commissions paid by OTP Mortgage Bank Ltd.	12,564	8,379
Net insurance fee income	15,701	13,558
Other	13,544	13,147
Fees and commissions from contracts with customers	**454,784**	**390,845**
Total Income from fees and commissions:	**468,566**	**402,885**

Contract balances

	Year ended 31 December 2024	Year ended 31 December 2023
Receivables, which are included in ‘other assets’	26,960	24,012
Loss allowance	(542)	(616)

Fee and commission expense

	Year ended 31 December 2024	Year ended 31 December 2023
Other fees and commissions related to issued bank cards	76,040	63,941
Insurance fees	901	715
Fees and commissions related to lending	5,856	5,320
Fees and commissions related to security trading	2,153	2,497
Fees and commissions relating to deposits	3,387	2,850
Trust activities related to securities	2,763	2,324
Postal fees	241	223
Money market transaction fees and commissions	211	205
Other	665	680
Total	**92,217**	**78,755**
Net profit from fees and commissions	**376,349**	**324,130**

NOTE 32: GAINS AND LOSSES BY TRANSACTIONS (in HUF mn)

	Year ended 31 December 2024	Year ended 31 December 2023
Losses arising from derecognition of financial assets measured at amortised cost		
Gain from loans	785	2,760
Loss from loans	(2,309)	(2,716)
Gain from securities	-	152
Loss from securities	(7,871)	(19,552)
Other	(461)	(351)
Total	**(9,856)**	**(19,707)**

Additional information to Gains or losses from operating income:

	Year ended 31 December 2024	Year ended 31 December 2023
Foreign exchange losses		
Loss from foreign exchange	(5,500)	(6,116)
Margin gains	4,332	8,157
Margin losses	(5,717)	(14,310)
Total	**(6,885)**	**(12,269)**

	Year ended 31 December 2024	Year ended 31 December 2023
Net results on derivative instruments and hedge relationships		
Gains on FX spot, swap and option deals	50,660	59,675
Losses from FX spot, swap and option deals	(46,055)	(52,428)
Fees received related to option deals	5,593	6,569
Fees paid related to option deals	(5,372)	(6,554)
Gains on commodity deals	72,543	87,062
Losses from commodity deals	(71,944)	(83,504)
Gains on futures transactions	439	212
Losses from futures transactions	(695)	(230)
Losses from credit valuation adjustment related to FX spot, swap and option deals held for trading	(11,234)	2,232
Losses from credit valuation adjustment related to commodity deals held for trading	2	21
Total	**(6,063)**	**13,055**

	Year ended 31 December 2024	Year ended 31 December 2023
Gains on financial instruments at fair value through profit or loss		
Gains on securities mandatorily measured at fair value through profit or loss	(314)	2,570
Gains on loans mandatorily measured at fair value through profit or loss	55,604	100,436
Losses on loans mandatorily measured at fair value through profit or loss	(29,153)	(7,196)
Gains on financial liabilities designated at fair value through profit or loss	2,236	766
Losses on financial liabilities designated at fair value through profit or loss	(996)	(5,308)
Total	**27,377**	**91,268**

NOTE 32: GAINS AND LOSSES BY TRANSACTIONS (in HUF mn) [continued]

Additional information to Gains or losses from operating income: [continued]

	Year ended 31 December 2024	Year ended 31 December 2023
Gains on securities, net		
Interest income from held for trading securities	3,183	1,168
Gains on held for trading securities	7,948	14,529
Losses on held for trading securities	(4,051)	(6,588)
Gains on FVOCI securities	855	999
Losses on FVOCI securities	-	(489)
Gains on derecognition of investments in subsidiaries	112,076	1,322
Losses on derecognition of investments in subsidiaries	(836)	-
Gains/losses from other securities	1,688	(3,868)
Total	**120,863**	**7,073**

	Year ended 31 December 2024	Year ended 31 December 2023
Dividend income		
Distribution from investments in subsidiaries	402,843	261,222
Distribution from held for trading securities	10,075	14,229
Distribution from FVOCI equity instruments	344	254
Total	**413,262**	**275,705**
Total gains and losses from operating income (without other operating income)	**548,554**	**374,832**

For the year ended 31 December 2024 gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and also ineffectiveness in the case of fair value hedge on amortised cost line items as follows

	Hedged items	Hedging instrument	Hedge ineffectiveness
Fair value hedge	(28,937)	38,549	9,612

For the year ended 31 December 2023 gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and also ineffectiveness in the case of fair value hedge on amortised cost line items as follows

	Hedged items	Hedging instrument	Hedge ineffectiveness
Fair value hedge	(15,433)	2,855	(12,578)

NOTE 33: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF mn)

Other operating income	Year ended 31 December 2024	Year ended 31 December 2023
Other operating income from OTP Employee Stock Ownership Program (OTP ESOP)	9,676	4,739
Intermediary and other services	2,937	2,547
Gains on IT services provided to subsidiaries	1,996	1,155
Derecognition of financial liabilities at amortised cost	1,957	581
Income from lease of tangible assets	1,292	1,223
Non-repayable assets received	1,009	423
Gains related to ATM maintenance activities	430	436
Income from written off receivables	318	257
Gains on sale of tangible assets	(19)	1,225
(Losses) / Gains on issued securities	(3,063)	135
Repayment of extraordinary payments made to NDIF in previous years	-	10,738
Other	1,847	2,725
Total	**18,380**	**26,184**

Other operating expenses	Year ended 31 December 2024	Year ended 31 December 2023
Release of loss allowance/(Loss allowance) on investments in subsidiaries	(7,427)	87,609
Release of provision for off-balance sheet commitments and contingent liabilities	4	(471)
Non-repayable assets contributed	(1,826)	(1,056)
Release of loss allowance on other assets	(5,514)	(3,576)
Financial support for sport association and organization of public utility	(14,490)	(11,893)
Other	(3,660)	(3,790)
Total	**(37,072)**	**63,590**

Other administrative expenses:	Year ended 31 December 2024	Year ended 31 December 2023
Personnel expenses:		
Wages	146,771	141,650
Taxes related to personnel expenses	21,333	20,172
Other personnel expenses	32,164	33,582
Subtotal	**200,268**	**195,404**
Depreciation and amortization	**63,551**	**50,814**
Other administrative expenses:		
Taxes, other than income tax	136,276	139,629
Services	92,583	86,272
Fees payable to authorities and other fees	16,269	25,384
Administration expenses, including rental fees	8,485	7,813
Professional fees	16,347	11,382
Advertising	14,168	11,438
Subtotal	**284,128**	**281,918**
Total	**547,947**	**528,136**

NOTE 34: INCOME TAX (in HUF mn)

The Bank is presently liable for income tax at a rate of 9% of taxable income, local taxes at a rate of 2.3% of taxable revenue.

A breakdown of the income tax expense is:

	31 December 2024	31 December 2023
Current tax expense	66,563	39,174
Deferred tax (benefit)/expense	(6)	31,119
Total	**66,557**	**70,293**

A reconciliation of the deferred tax liability is as follows:

	31 December 2024	31 December 2023
Balance as at 1 January	**408**	**35,742**
Deferred tax (expense)/ benefit	6	(31,119)
Tax effect of fair value adjustment of FVOCI securities	(2,121)	(4,215)
Closing balance	**(1,707)**	**408**

A breakdown of the deferred tax liability is as follows:

	31 December 2024	31 December 2023
Provision for untaken leave	450	399
Provision for termination benefits and jubilee	1,428	1,325
Deferred tax asset	**1,878**	**1,724**
Fair value adjustment of held for trading and securities at fair value through other comprehensive income	(2,171)	(55)
Difference in depreciation and amortization	(1,414)	(1,261)
Deferred tax liabilities	**(3,585)**	**(1,316)**
Net deferred tax assets/(liabilities)	**(1,707)**	**408**

NOTE 34: INCOME TAX (in HUF mn) [continued]

A reconciliation of the income tax (income) / expense is as follows:

	31 December 2024	31 December 2023
Profit before income tax	811,556	725,281
Income tax at statutory tax rate (9%)	73,040	65,275
Income tax adjustments due to permanent differences are as follows:		
Share-based payment	397	296
Deferred use of tax allowance	(4)	69
Dividend income	(46,393)	(24,449)
Use of tax allowance in the current year	(375)	777
Amounts unenforceable by tax law	153	23
Change due to accounting policy (Visa)	(111)	1,068
Correction due to local taxes classified as income taxes	16,051	7,196
Local taxes	24,443	21,545
Other	(644)	(1,507)
Income tax	**66,557**	**70,293**
Effective tax rate	8.2%	9.7%

	31 December 2024	31 December 2023
Current tax liabilities	(23,591)	(14,393)
Net tax liabilities	**(23,591)**	**(14,393)**

Global minimum tax

The global minimum tax legislation has been enacted in certain jurisdictions the OTP Group operates in, mainly in the EU Member States. OTP Group is in scope of the enacted global minimum tax legislation. The legislation has been in effect for the Group's financial year beginning 1 January 2024 and introduced a minimum rate of effective taxation of 15%. The global minimum tax legislation has been adopted in Hungary in Act No. LXXXIV of 2023 on the top-up taxes ensuring a global minimum level of taxation and the amendment of related acts.

From an accounting perspective, it is unclear if the global minimum tax rules create additional temporary differences, whether to remeasure deferred taxes for the global minimum tax rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, IAS 12 'Income taxes' has been amended to introduce a mandatory temporary exception to the requirements of IAS 12. Under the mandatory temporary exception, a company does not recognize or disclose information about deferred tax assets and liabilities related to the global minimum tax rules. The Bank applied the temporary exception for the year-ended 31 December 2024.

Based on the status of the global minimum tax legislation, if top-up taxes arose in the jurisdictions which had not introduced the global minimum tax rules in their domestic legislation, OTP Bank Plc., being an ultimate parent entity, would be obliged to pay the top-up taxes in respect of such jurisdictions. As for Hungary, the Hungarian global minimum tax legislation provides for various options as to who is obliged to pay the Hungarian top-up (i.e., the Hungarian Group entities based on certain allocation ratios or OTP Bank Plc.). OTP group chose the option where OTP Bank Plc pays the Hungarian top-up tax. This decision may be revisited every year per the Hungarian global minimum legislation.

The global minimum tax legislation had been subject to several significant changes since their first publication and changes are still expected. Based on the most recent information available regarding the financial performance of the group entities and the prevailing interpretation of the global minimum tax legislation, the calculated amount of taxes imposed under the global minimum tax legislation payable by OTP Bank Plc. is HUF 708.2 million in 2024. The amount of taxes under the global minimum tax legislation is included in the income tax expense recognized in the statement of profit or loss in 2024.

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NOTE 35: **LEASE (in HUF mn)**

The Bank as a lessee:

Amounts recognised in profit and loss	**31 December 2024**	**31 December 2023**
Interest expense on lease liabilities	3,147	2,314
Expense relating to short-term leases	2,097	2,065
Expense relating to leases of low value assets	9	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	1,865	1,662

Leasing liabilities by maturities:

	31 December 2024	**31 December 2023**
Within one year	9,046	7,595
Over one year	55,334	60,687
Total	**64,380**	**68,282**

An analysis of movement in the carrying amount of right-of-use assets by category is as follows:

Gross carrying amount	**Right-of-use of real estate**	**Right-of-use of machinery and equipment**	**Total**
Balance as at 1 January 2023	**57,362**	**1,987**	**59,349**
Additions due to new contracts	26,426	3,012	29,438
Derecognition due to matured contracts	(7,957)	(218)	(8,175)
Change due to revaluation and modification	4,293	1,749	6,042
Balance as at 31 December 2023	**80,124**	**6,530**	**86,654**
Additions due to new contracts	488	-	488
Derecognition due to matured contracts	(2,129)	-	(2,129)
Change due to revaluation and modification	1,823	284	2,107
Balance as at 31 December 2024	**80,306**	**6,814**	**87,120**
Depreciation			
Balance as at 1 January 2023	**19,380**	**87**	**19,467**
Depreciation charge	7,991	936	8,927
Derecognition due to matured contracts	(7,943)	(19)	(7,962)
Balance as at 31 December 2023	**19,428**	**1,004**	**20,432**
Depreciation charge	8,278	1,525	9,803
Derecognition due to matured contracts	(2,071)	-	(2,071)
Balance as at 31 December 2024	**25,635**	**2,529**	**28,164**
Net carrying amount			
Balance as at 31 December 2023	**60,696**	**5,526**	**66,222**
Balance as at 31 December 2024	**54,671**	**4,285**	**58,956**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments may result in certain risks to the Bank. The most significant risks the Bank faces include:

36.1. Credit risk

The Bank takes on exposure to credit risk which is the risk that a counter-party will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical areas and loan types. Such risks are monitored on a periodical basis and subject to an annual or more frequent review. The exposure to any borrower including banks and brokers is further restricted by sublimit covering on- and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is partly managed obtaining collateral, corporate and personal guarantees.

36.1.1. Financial instruments by stages

Defining the expected credit loss on individual and collective basis

On individual basis:

Individually assessed are the non-retail or micro- and small enterprise exposure of significant amount on a stand-alone basis:

- exposure in stage 3,
- exposure in workout management
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above

The calculation of impairment must be prepared and approved by the risk management functional areas. The calculation, all relevant factors (amortised cost, original and current EIR, contracted and expected cash flows (from business and/or collateral) for the individual periods of the entire lifecycle, other essential information enforced during the valuation) and the criteria thereof (including the factors underlying the classification as stage 3) must be documented individually.

The expected credit loss of the exposure equals the difference of the receivable's AC (gross book value) on the valuation date and the present value of the receivable's expected cash flows discounted to the valuation date by the exposure's original effective interest rate (EIR) (calculated at the initial recognition, or in the case of variable rate, recalculated due to the last interest rate change). The estimation of the expected future cash flows should be forward looking, it must also contain the effects of the possible change of macroeconomic outlook.
At least two scenarios must be used for the estimation of the expected cash flow. At least one scenarios should anticipate that realised cash flows will be significantly different from the contractual cash flows. Probability weights must be allocated to the individual scenarios. The estimation must reflect the probability of the occurrence and non-occurrence of the credit loss, even if the most probable result is the non-occurrence of the loss.

On collective basis:

The following exposures are subject to collective assessment:

- retail exposure irrespective of the amount,
- micro and small enterprise exposures irrespective of the amount,
- all other exposure which are insignificant on a stand-alone basis and not part of the workout management,
- exposure which are not in stage 3, significant on a stand-alone basis,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.1. Financial instruments by stages [continued]

In the collective impairment methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. In order to achieve this the main risk drivers shall be identified and used to form homogeneous segments having similar risk characteristics. The segmentation is expected to stay stable from month to month however a regular (at least yearly) revision of the segmentation process should be set up to capture the change of risk characteristics. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The Bank's Headquarters Group Reserve Committee stipulates the guidelines related to the collective impairment methodology at group level. In addition, it has right of agreement in respect of the risk parameters (PD -probability of default, LGD - loss given default, EAD – exposure at default) and segmentation criteria proposed by the group members.

The review of the parameters must be performed at least annually and the results should be approved by the Group Reserve Committee. Local Risk Managements is responsible for parameter estimations and updates, macroeconomic scenarios are calculated by OTP Bank Headquarters for each subsidiary and each parameter. Based on the consensus proposal of Local Risk Management and OTP Bank Headquarters, the Group Reserve Committee decides on the modification of parameters (all parameters for impairment calculation).

The impairment parameters should be backtested at least annually.

The expected loss calculation should be forward looking, including forecasts of future economic conditions. This may be achieved by applying 3-5 different macroeconomic scenarios, which may be integrated in the PD, LGD and EAD parameters.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.1. Financial instruments by stages [continued]

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and fair value through other comprehensive income by IFRS 9 stages as at 31 December 2024:

	Carrying amount/ Exposure	Gross carrying amount / Notional amount					Loss allowance					Write-off
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total	
Cash, amounts due from banks and balances with the National Bank of Hungary	2,075,179	2,044,628	32,664	-	-	2,077,292	1,851	262	-	-	2,113	-
Placements with other banks	2,948,536	2,940,967	11,653	1,135	-	2,953,755	2,751	1,333	1,135	-	5,219	-
Repo receivables	238,079	238,433	-	-	-	238,433	354	-	-	-	354	-
Retail consumer loans	*659,121*	*522,785*	*168,325*	*18,904*	-	*710,014*	*7,808*	*31,027*	*12,058*	-	*50,893*	-
Mortgage loans	*45,849*	*36,171*	*4,950*	*3,796*	*1,684*	*46,601*	*20*	*91*	*534*	*107*	*752*	-
Municipal loans	*102,852*	*103,765*	*852*	-	-	*104,617*	*1,547*	*218*	-	-	*1,765*	-
Corporate loans	*3,862,973*	*3,161,499*	*699,698*	*84,646*	*8,466*	*3,954,309*	*16,204*	*41,927*	*32,813*	*392*	*91,336*	*28,741*
Loans at amortised cost	4,670,795	3,824,220	873,825	107,346	10,150	4,815,541	25,579	73,263	45,405	499	144,746	28,741
FVOCI debt instruments	558,668	537,145	-	21,523	-	558,668	1,003	-	51,293	-	52,296	-
Securities at amortised cost	3,334,145	3,330,049	5,516	37,491	-	3,373,056	11,057	505	27,349	-	38,911	-
Other financial assets	69,128	67,972	951	6,976	8	75,907	237	307	6,229	6	6,779	-
Total as at 31 December 2024	**13,894,530**	**12,983,414**	**924,609**	**174,471**	**10,158**	**14,092,652**	**42,832**	**75,670**	**131,411**	**505**	**250,418**	**28,741**
Loan commitments	2,525,121	2,391,305	139,251	6,434	-	2,536,990	6,854	4,594	421	-	11,869	-
Financial guarantees	1,897,269	1,803,492	92,134	8,092	-	1,903,718	3,176	1,061	2,212	-	6,449	-
Factoring loan commitments	381,312	364,434	13,286	4,291	-	382,011	479	43	177	-	699	-
Bill of credit	5,144	5,181	-	-	-	5,181	37	-	-	-	37	-
Loan commitments and financial guarantees total	**4,808,846**	**4,564,412**	**244,671**	**18,817**	**-**	**4,827,900**	**10,546**	**5,698**	**2,810**	**-**	**19,054**	**-**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.1. Financial instruments by stages [continued]

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and fair value through other comprehensive income by IFRS 9 stages as at 31 December 2023:

	Carrying amount/ Exposure	Gross carrying amount / Notional amount					Loss allowance					Write-off
		Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total	
Cash, amounts due from banks and balances with the National Bank of Hungary	2,708,232	2,701,675	6,952	-	-	2,708,627	267	128	-	-	395	-
Placements with other banks	2,702,433	2,697,572	9,421	2,315	-	2,709,308	3,465	1,095	2,315	-	6,875	-
Repo receivables	201,658	202,025	-	-	-	202,025	367	-	-	-	367	-
Retail consumer loans	*572,912*	*488,231*	*128,101*	*19,811*	*1*	*636,144*	*15,471*	*33,192*	*14,568*	*1*	*63,232*	-
Mortgage loans	*53,996*	*41,172*	*7,232*	*4,823*	*1,988*	*55,215*	*38*	*189*	*813*	*179*	*1,219*	-
Municipal loans	*102,003*	*103,152*	*320*	-	-	*103,472*	*1,417*	*52*	-	-	*1,469*	-
Corporate loans	*3,952,448*	*3,213,155*	*746,233*	*65,434*	*9,121*	*4,033,943*	*16,783*	*36,390*	*27,544*	*778*	*81,495*	*22,637*
Loans at amortised cost	4,681,359	3,845,710	881,886	90,068	11,110	4,828,774	33,709	69,823	42,925	958	147,415	22,637
FVOCI debt instruments	538,350	507,477	-	30,873	-	538,350	1,425	-	22,920	-	24,345	-
Securities at amortised cost	2,710,848	2,696,310	5,961	34,802	-	2,737,073	13,350	273	12,602	-	26,225	-
Other financial assets	115,499	114,982	792	7,560	15	123,349	1,442	3,039	3,357	12	7,850	-
Total as at 31 December 2023	**13,658,379**	**12,765,751**	**905,012**	**165,618**	**11,125**	**13,847,506**	**54,025**	**74,358**	**84,119**	**970**	**213,472**	**22,637**
Loan commitments	1,976,476	1,854,533	130,879	2,127	-	1,987,539	6,153	4,206	704	-	11,063	-
Financial guarantees	1,995,500	1,946,951	46,977	5,819	-	1,999,747	2,020	412	1,815	-	4,247	-
Factoring loan commitments	365,440	348,659	12,386	5,136	-	366,181	482	53	206	-	741	-
Bill of credit	8,586	8,626	-	-	-	8,626	40	-	-	-	40	-
Loan commitments and financial guarantees total	**4,346,002**	**4,158,769**	**190,242**	**13,082**	**-**	**4,362,093**	**8,695**	**4,671**	**2,725**	**-**	**16,091**	**-**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.2. Financial instruments under simplified approach by day-past-due categories

As at 31 December 2024

	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate	**0.62%**	**2.17%**	**14.39%**	**20.10%**	**18.30%**	**2.18%**
Gross value	195,603	3,133	278	5,195	12,981	217,190
Loss allowance	(1,215)	(68)	(40)	(1,044)	(2,376)	(4,743)
Net carrying value	**194,388**	**3,065**	**238**	**4,151**	**10,605**	**212,447**

As at 31 December 2023

	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate	**0.72%**	**0.69%**	**5.17%**	**9.39%**	**21.06%**	**2.02%**
Gross value	161,963	8,459	968	309	11,307	183,006
Loss allowance	(1,173)	(58)	(50)	(29)	(2,381)	(3,691)
Net carrying value	**160,790**	**8,401**	**918**	**280**	**8,926**	**179,315**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.3. Changes in the Gross carrying amount and in the Loss allowance of financial assets at amortised cost and fair value through other comprehensive income by IFRS 9 stages

Movement of gross carrying amount of loans at amortised cost

	Stage 1	Stage 2	Stage 3	POCI	Total
Gross amount as at 1 January 2023	**4,176,383**	**664,187**	**146,353**	**12,997**	**4,999,920**
Transfer to Stage 1	125,054	(105,061)	(19,993)	-	-
Transfer to Stage 2	(448,120)	461,067	(12,947)	-	-
Transfer to Stage 3	(24,935)	(29,379)	54,314	-	-
New financial assets originated or purchased	2,227,406	200,034	28,678	1,163	2,457,281
Financial assets derecognised (other than write-offs)	(2,203,558)	(306,780)	(100,045)	(2,970)	(2,613,353)
Write-offs	(61)	(578)	(5,338)	(80)	(6,057)
Modification loss	(6,459)	(1,604)	(954)	-	(9,017)
Gross amount as at 31 December 2023	**3,845,710**	**881,886**	**90,068**	**11,110**	**4,828,774**
Transfer to Stage 1	207,208	(206,065)	(1,143)	-	-
Transfer to Stage 2	(298,847)	304,330	(5,483)	-	-
Transfer to Stage 3	(19,401)	(50,105)	69,506	-	-
New financial assets originated or purchased	2,055,367	211,096	23,084	887	2,290,434
Financial assets derecognised (other than write-offs)	(1,964,151)	(266,323)	(59,192)	(1,411)	(2,291,077)
Write-offs	(59)	(748)	(9,348)	(436)	(10,591)
Modification loss	(1,607)	(246)	(146)	-	(1,999)
Gross amount as at 31 December 2024	**3,824,220**	**873,825**	**107,346**	**10,150**	**4,815,541**

Movement of loss allowance of loans at amortised cost

	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January 2023	**38,364**	**57,051**	**77,773**	**1,692**	**174,880**
Transfer to Stage 1	21,673	(9,755)	(11,918)	-	-
Transfer to Stage 2	(5,037)	12,425	(7,388)	-	-
Transfer to Stage 3	(497)	(3,906)	4,403	-	-
Net remeasurement of loss allowance	(21,553)	13,435	1,920	(701)	(6,899)
New financial assets originated or purchased	14,620	8,468	4,717	14	27,819
Financial assets derecognised (other than write-offs)	(13,800)	(7,317)	(26,425)	(47)	(47,589)
Unwind of discount	-	-	5,181	80	5,261
Write-offs	(61)	(578)	(5,338)	(80)	(6,057)
Loss allowance as at 31 December 2023	**33,709**	**69,823**	**42,925**	**958**	**147,415**
Transfer to Stage 1	13,671	(13,257)	(414)	-	-
Transfer to Stage 2	(5,585)	8,191	(2,606)	-	-
Transfer to Stage 3	(679)	(4,925)	5,604	-	-
Net remeasurement of loss allowance	(18,250)	16,198	14,550	(4)	12,494
New financial assets originated or purchased	12,785	8,225	3,944	-	24,954
Financial assets derecognised (other than write-offs)	(10,013)	(10,244)	(12,744)	(38)	(33,039)
Unwind of discount	-	-	3,494	19	3,513
Write-offs	(59)	(748)	(9,348)	(436)	(10,591)
Loss allowance as at 31 December 2024	**25,579**	**73,263**	**45,405**	**499**	**144,746**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.3. Changes in the Gross carrying amount and in the Loss allowance of financial assets at amortised cost and fair value through other comprehensive income by IFRS 9 stages [continued]

Movement of gross carrying amount of loan commitments and financial guarantees

	Stage 1	Stage 2	Stage 3	Total
Gross amount as at 1 January 2023	**3,933,817**	**141,464**	**36,499**	**4,111,780**
Transfer to Stage 1	60,083	(58,858)	(1,225)	-
Transfer to Stage 2	(158,404)	159,071	(667)	-
Transfer to Stage 3	(9,460)	(2,028)	11,488	-
New financial assets originated or purchased	1,195,950	64,940	1,451	1,262,341
Financial assets derecognised (other than write-offs)	(863,217)	(114,347)	(34,464)	(1,012,028)
Gross amount as at 31 December 2023	**4,158,769**	**190,242**	**13,082**	**4,362,093**
Transfer to Stage 1	77,066	(76,623)	(443)	-
Transfer to Stage 2	(126,264)	126,793	(529)	-
Transfer to Stage 3	(4,040)	(8,337)	12,377	-
New financial assets originated or purchased	1,450,771	86,641	2,874	1,540,286
Financial assets derecognised (other than write-offs)	(991,890)	(74,045)	(8,544)	(1,074,479)
Gross amount as at 31 December 2024	**4,564,412**	**244,671**	**18,817**	**4,827,900**

Movement of loss allowance of loan commitments and financial guarantees

	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2023	**16,642**	**4,473**	**2,517**	**23,632**
Transfer to Stage 1	2,410	(1,888)	(522)	-
Transfer to Stage 2	(787)	1,022	(235)	-
Transfer to Stage 3	(26)	(242)	268	-
Net remeasurement of loss allowance	(10,123)	1,584	1,663	(6,876)
New financial assets originated or purchased	2,985	514	212	3,711
Decrease	(2,406)	(792)	(1,178)	(4,376)
Loss allowance as at 31 December 2023	**8,695**	**4,671**	**2,725**	**16,091**
Transfer to Stage 1	2,223	(2,156)	(67)	-
Transfer to Stage 2	(565)	641	(76)	-
Transfer to Stage 3	(12)	(167)	179	-
Net remeasurement of loss allowance	(3,935)	1,864	240	(1,831)
New financial assets originated or purchased	6,100	1,244	456	7,800
Decrease	(1,960)	(399)	(647)	(3,006)
Loss allowance as at 31 December 2024	**10,546**	**5,698**	**2,810**	**19,054**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.3. Changes in the Gross carrying amount and in the Loss allowance of financial assets at amortised cost and fair value through other comprehensive income by IFRS 9 stages [continued]

Movement of gross carrying amount of cash, amounts due from banks and balances with the National Bank of Hungary

	Stage 1	Stage 2	Total
Gross amount as at 1 January 2023	**1,062,246**	**31,305**	**1,093,551**
New financial assets originated or purchased	14,858,652	137	14,858,789
Financial assets derecognised (other than write-offs)	**(13,219,223)**	**(24,490)**	**(13,243,713)**
Gross amount as at 31 December 2023	**2,701,675**	**6,952**	**2,708,627**
New financial assets originated or purchased	1,991,832	26,196	2,018,028
Financial assets derecognised (other than write-offs)	(2,648,879)	(484)	(2,649,363)
Gross amount as at 31 December 2024	**2,044,628**	**32,664**	**2,077,292**

Movement of loss allowance of cash, amounts due from banks and balances with the National Bank of Hungary

	Stage 1	Stage 2	Total
Loss allowance as at 1 January 2023	**481**	**872**	**1,353**
Net remeasurement of loss allowance	46	(744)	(698)
New financial assets originated or purchased	30	-	30
Financial assets derecognised (other than write-offs)	(290)	-	(290)
Loss allowance as at 31 December 2023	**267**	**128**	**395**
Net remeasurement of loss allowance	(197)	134	(63)
New financial assets originated or purchased	1,808	-	1,808
Financial assets derecognised (other than write-offs)	(27)	-	(27)
Loss allowance as at 31 December 2024	**1,851**	**262**	**2,113**

Movement of gross carrying amount of placements with other banks

	Stage 1	Stage 2	Stage 3	Total
Gross amount as at 1 January 2023	**2,906,852**	**10,247**	**1,512**	**2,918,611**
New financial assets originated or purchased	1,441,924	9,987	887	1,452,798
Financial assets derecognised (other than write-offs)	(1,651,204)	(10,813)	(84)	(1,662,101)
Gross amount as at 31 December 2023	**2,697,572**	**9,421**	**2,315**	**2,709,308**
Transfer to Stage 2	-	887	(887)	-
New financial assets originated or purchased	1,165,384	1,990	-	1,167,374
Financial assets derecognised (other than write-offs)	(921,989)	(645)	(293)	(922,927)
Gross amount as at 31 December 2024	**2,940,967**	**11,653**	**1,135**	**2,953,755**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.3. Changes in the Gross carrying amount and in the Loss allowance of financial assets at amortised cost and fair value through other comprehensive income by IFRS 9 stages [continued]

Movement of loss allowance of placements with other banks

	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2023	**16,037**	**1,233**	**1,512**	**18,782**
Net remeasurement of loss allowance	(9,159)	3	(84)	(9,240)
New financial assets originated or purchased	1,418	1,091	887	3,396
Financial assets derecognised (other than write-offs)	(4,831)	(1,232)	-	(6,063)
Loss allowance as at 31 December 2023	**3,465**	**1,095**	**2,315**	**6,875**
Transfer to Stage 2	-	887	(887)	-
Net remeasurement of loss allowance	(725)	(649)	(293)	(1,667)
New financial assets originated or purchased	864	-	-	864
Financial assets derecognised (other than write-offs)	(853)	-	-	(853)
Loss allowance as at 31 December 2024	**2,751**	**1,333**	**1,135**	**5,219**

Movement of gross carrying amount of repo receivables

	Stage 1
Gross amount as at 1 January 2023	**248,696**
New financial assets originated or purchased	1,808,640
Financial assets derecognised (other than write-offs)	(1,855,311)
Gross amount as at 31 December 2023	**202,025**
New financial assets originated or purchased	1,065,205
Financial assets derecognised (other than write-offs)	(1,028,797)
Gross amount as at 31 December 2024	**238,433**

Movement of loss allowance of repo receivables

	Stage 1
Loss allowance as at 1 January 2023	**2,167**
New financial assets originated or purchased	367
Financial assets derecognised (other than write-offs)	(2,167)
Loss allowance as at 31 December 2023	**367**
New financial assets originated or purchased	2,255
Financial assets derecognised (other than write-offs)	(2,268)
Loss allowance as at 31 December 2024	**354**

Movement of gross carrying amount of securities at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Gross amount as at 1 January 2023	**3,273,240**	**6,713**	**38,270**	**3,318,223**
Transfer to Stage 1	1,403	-1,403	-	-
Transfer to Stage 2	-1,203	1,203	-	-
New financial assets originated or purchased	199,101	2	-	199,103
Financial assets derecognised (other than write-offs)	-776,231	-554	-3,468	-780,253
Gross amount as at 31 December 2023	**2,696,310**	**5,961**	**34,802**	**2,737,073**
New financial assets originated or purchased	925,394	-	3,809	929,203
Financial assets derecognised (other than write-offs)	-291,655	-445	-1,120	-293,220
Gross amount as at 31 December 2024	3,330,049	5,516	37,491	3,373,056

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.3. Changes in the Gross carrying amount and in the Loss allowance of financial assets at amortised cost and fair value through other comprehensive income by IFRS 9 stages [continued]

Movement of loss allowance of securities at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2023	**21,746**	**300**	**13,804**	**35,850**
Net remeasurement of loss allowance	(5,424)	(27)	(1,202)	(6,653)
New financial assets originated or purchased	163	-	-	163
Financial assets derecognised (other than write-offs)	(3,135)	-	-	(3,135)
Loss allowance as at 31 December 2023	**13,350**	**273**	**12,602**	**26,225**
Net remeasurement of loss allowance	(3,307)	232	14,792	11,717
New financial assets originated or purchased	1,420	-	1,050	2,470
Financial assets derecognised (other than write-offs)	(406)	-	(1,095)	(1,501)
Loss allowance as at 31 December 2024	**11,057**	**505**	**27,349**	**38,911**

Movement of gross carrying amount of FVOCI debt instruments

	Stage 1	Stage 3	Total
Gross amount as at 1 January 2023	**751,838**	**27,415**	**779,253**
New financial assets originated or purchased	164,182	3,479	167,661
Financial assets derecognised (other than write-offs)	(408,543)	(21)	(408,564)
Gross amount as at 31 December 2023	**507,477**	**30,873**	**538,350**
New financial assets originated or purchased	151,534	27	151,561
Financial assets derecognised (other than write-offs)	(121,866)	-9,377	(131,243)
Gross amount as at 31 December 2024	**537,145**	**21,523**	**558,668**

Movement of loss allowance of FVOCI debt instruments

	Stage 1	Stage 3	Total
Loss allowance as at 1 January 2023	**4,762**	**24,399**	**29,161**
Net remeasurement of loss allowance	(1,741)	(1,479)	(3,220)
New financial assets originated or purchased	172	-	172
Financial assets derecognised (other than write-offs)	(1,768)	-	(1,768)
Loss allowance as at 31 December 2023	**1,425**	**22,920**	**24,345**
Net remeasurement of loss allowance	(404)	28,373	27,969
New financial assets originated or purchased	98	-	98
Financial assets derecognised (other than write-offs)	(116)	-	(116)
Loss allowance as at 31 December 2024	**1,003**	**51,293**	**52,296**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.4. Loan portfolio by internal ratings

As at 31 December 2024

	Gross carrying amount				
Internal rating grade	**Stage1**	**Stage2**	**Stage3**	**POCI**	**Total**
High grade (1-4)	2,178,673	149,572	-	300	2,328,545
Medium grade (5-7)	1,593,671	535,102	-	8,894	2,137,667
Low grade (8-9)	51,876	189,151	-	275	241,302
Non performing	-	-	107,346	681	108,027
Total	**3,824,220**	**873,825**	**107,346**	**10,150**	**4,815,541**

	Accumulated loss allowance				
Internal rating grade	**Stage1**	**Stage2**	**Stage3**	**POCI**	**Total**
High grade (1-4)	7,914	7,804	-	1	15,719
Medium grade (5-7)	15,382	42,146	-	382	57,910
Low grade (8-9)	2,283	23,313	-	3	25,599
Non performing	-	-	45,405	113	45,518
Total	**25,579**	**73,263**	**45,405**	**499**	**144,746**

As at 31 December 2023

	Gross carrying amount				
Internal rating grade	**Stage1**	**Stage2**	**Stage3**	**POCI**	**Total**
High grade (1-4)	1,748,019	155,527	-	275	1,903,821
Medium grade (5-7)	2,030,681	572,339	-	9,136	2,612,156
Low grade (8-9)	67,010	154,020	-	195	221,225
Non performing	-	-	90,068	1,504	91,572
Total	**3,845,710**	**881,886**	**90,068**	**11,110**	**4,828,774**
	-	-	-	-	

	Accumulated loss allowance				
Internal rating grade	**Stage1**	**Stage2**	**Stage3**	**POCI**	**Total**
High grade (1-4)	9,485	8,791	-	3	18,279
Medium grade (5-7)	19,488	39,153	-	462	59,103
Low grade (8-9)	4,736	21,879	-	6	26,621
Non performing	-	-	42,925	487	43,412
Total	**33,709**	**69,823**	**42,925**	**958**	**147,415**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.5. Loan portfolio by countries

An analysis of carrying amount of the non-qualified and qualified gross loan portfolio by country is as follows:

Country	31 December 2024 Gross loan and placements with other banks portfolio	31 December 2024 Loss allowance	31 December 2023 Gross loan and placements with other banks portfolio	31 December 2023 Loss allowance
Hungary	5,918,775	(123,772)	5,406,144	(126,770)
Malta	488,110	(260)	647,521	(1,220)
Bulgaria	470,979	(5,192)	351,368	(3,123)
Serbia	295,129	(8,132)	243,010	(3,697)
Croatia	257,233	(432)	195,198	(433)
Romania	86,305	(1,572)	149,356	(3,206)
Slovakia	69,201	(406)	38,922	(891)
France	66,514	(59)	123,582	(84)
Ukraine	54,760	(401)	83,328	(1,579)
Germany	53,597	(220)	53,926	(152)
Other	247,126	(9,873)	447,752	(13,502)
Loans, placements with other banks and repo receivables at amortised cost total	**8,007,729**	**(150,319)**	**7,740,107**	**(154,657)**
Hungary	998,388	-	934,824	-
Other	22	-	24	-
Loans at fair value total	**998,410**	**-**	**934,848**	**-**
Loans, placements with other banks and repo receivables total	**9,006,139**	**(150,319)**	**8,674,955**	**(154,657)**

36.1.6. Loan portfolio classification by economic activities

Loans at amortised cost by economic activities	31 December 2024 Gross amount	31 December 2024 Loss allowance	31 December 2023 Gross amount	31 December 2023 Loss allowance
Retail	751,980	50,950	758,426	66,372
Agriculture, forestry and fishing	227,377	5,330	215,325	5,649
Manufacturing, mining and quarrying and other industry	543,565	20,407	492,620	14,746
Construction	238,030	10,016	202,542	8,896
Wholesale and retail trade, transportation and storage accommodation and food service activities	737,154	17,837	733,631	17,259
Information and communication	49,521	1,127	24,086	618
Financial and insurance activities	938,462	4,703	1,215,215	7,965
Real estate activities	522,669	16,852	503,510	17,113
Professional, scientific, technical, administration	264,107	5,020	242,818	4,106
Public administration, defence, education, human health and social work activities	124,419	2,112	119,196	1,704
Other services	418,257	10,392	321,405	2,987
Total	**4,815,541**	**144,746**	**4,828,774**	**147,415**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.7. Collaterals

The collateral value held by the Bank by collateral types is as follows (**total collateral value**). The collaterals cover loans as well as off-balance sheet exposures.

Types of collateral	31 December 2024	31 December 2023
Mortgages	2,186,450	1,977,401
Guarantees and warranties	2,078,055	1,961,382
Deposit	281,685	214,085
from this: Cash	*96,455*	*94,486*
Securities	*185,230*	*119,599*
Other	91	147
Total	**4,546,281**	**4,153,015**

The collateral value held by the Bank by collateral types is as follows (**to the extent of the exposures**). The collaterals cover loans as well as off-balance sheet exposures.

Types of collateral	31 December 2024	31 December 2023
Mortgage	1,587,521	1,523,976
Guarantees and warranties	1,847,223	1,662,645
Deposit	134,425	145,591
from this: Cash	*80,359*	*89,211*
Securities	*54,066*	*56,380*
Other	91	90
Total	**3,569,260**	**3,332,302**

The coverage level of loan portfolio to the extent of the exposures increased from 44,21% to 45,94% as at 31 December 2024, while the coverage to the total collateral value decreased from 55,09% to 58,52%.

The collateral value (**total collateral value**) held by the Bank related to impaired loan portfolio (Stage 3 and POCI loans) is as follows:

For the year ended 31 December 2024	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
Retail consumer loans	18,904	(12,058)	6,846	4,655
Mortgage loans	5,480	(641)	4,839	24,668
Corporate loans	93,112	(33,205)	59,907	122,681
Total	**117,496**	**(45,904)**	**71,592**	**152,004**

For the year ended 31 December 2023	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
Retail consumer loans	19,812	(14,569)	5,243	644
Mortgage loans	6,811	(992)	5,819	33,515
Corporate loans	74,555	(28,322)	46,233	82,595
Total	**101,178**	**(43,883)**	**57,295**	**116,754**

NOTE 36: **FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**

36.1. Credit risk [continued]

36.1.7. Collaterals [continued]

Maximum exposure to credit risk as at 31 December 2024

	Maximum exposure to credit risk	Fair value of collateral										
		Cash	**Securities**	**Guarantees**	**Property**	**Other**	**Offsetting arrangements**	**Surplus**	**Collateral total**	**Net exposure**	**Coverage**	**ECL**
Cash, amounts due from banks and balances with the National Bank of Hungary	2,075,179	-	-	-	-	-	-	-	-	2,075,179	0%	2,113
Placements with other banks	2,948,536	-	-	106,264	-	-	-	(3,386)	102,878	2,845,658	3%	5,219
Repo receivables	238,079	-	250,481	-	-	-	-	(14,172)	236,309	1,770	99%	354
Retail consumer loans	*659,121*	*2*	*459*	*969*	*11,848*	-	-	*(8,677)*	*4,601*	*654,520*	*1%*	*50,893*
Mortgage loans	*45,849*	-	-	*2,179*	*357,694*	-	-	*(314,082)*	*45,791*	*58*	*100%*	*752*
Municipal loans	*102,852*	*3*	-	*8,170*	*10,295*	-	-	*(6,412)*	*12,056*	*90,796*	*12%*	*1,765*
Corporate loans	*6,769,406*	*38,644*	*215,778*	*953,328*	*3,034,451*	*14*	-	*(2,056,891)*	*2,185,324*	*4,584,082*	*32%*	*103,904*
Loans at amortised cost	7,577,228	38,649	216,237	964,646	3,414,288	14	-	(2,386,062)	2,247,772	5,329,456	30%	157,314
Securities at amortised cost	3,334,145	-	-	-	-	-	-	-	-	3,334,145	0%	38,911
Financial assets at amortised cost total	**16,173,167**	**38,649**	**466,718**	**1,070,910**	**3,414,288**	**14**	**-**	**(2,403,620)**	**2,586,959**	**13,586,208**	**16%**	**203,911**
Derivative financial assets	214,191	74,570	-	-	-	-	54,939	-	129,509	84,682	60%	-
Held-for-trading financial assets[1]	446,012	-	-	-	-	-	-	-	-	446,012	0%	-
Loans mandatorily measured at fair value through profit or loss	998,410	-	-	897,781	-	-	-	(38,979)	*858,802*	139,608	86%	-
Financial assets at fair value through profit or loss total	**1,659,397**	**74,570**	**-**	**897,781**	**-**	**-**	**54,939**	**(38,979)**	**988,311**	**671,086**	**60%**	**-**
FVOCI debt instruments	558,668	-	-	-	-	-	-	-	-	558,668	0%	52,296
FVOCI debt instruments total	**558,668**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**558,668**	**0%**	**52,296**
Financial assets total	**18,391,232**	**113,219**	**466,718**	**1,968,691**	**3,414,288**	**14**	**54,939**	**(2,442,599)**	**3,575,270**	**14,815,962**	**19%**	**256,207**
Financial guarantees	1,897,269	43,147	1,534	42,925	184,743	-	-	(61,814)	*210,535*	1,686,734	11%	6,449
Accreditive	5,144	-	-	-	395	-	-	-	*395*	4,749	8%	37
Off-balance sheet items total	**1,902,413**	**43,147**	**1,534**	**42,925**	**185,138**	**-**	**-**	**(61,814)**	**210,930**	**1,691,483**	**11%**	**6,486**
Total	**20,293,645**	**156,366**	**468,252**	**2,011,616**	**3,599,426**	**14**	**54,939**	**(2,504,413)**	**3,786,200**	**16,507,445**	**19%**	**262,693**

[1] Excluding held-for-trading equity instruments

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.7. Collaterals [continued]

Maximum exposure to credit risk as at 31 December 2023

	Maximum exposure to credit risk	Fair value of collateral										
		Cash	Securities	Guarantees	Property	Other	Offsetting arrangements	Surplus	Collateral total	Net exposure	Coverage	ECL
Cash, amounts due from banks and balances with the National Bank of Hungary	2,708,232	-	-	-	-	-	-	-	-	2,708,232	0%	395
Placements with other banks	2,702,433	-	-	-	-	-	-	-	-	2,702,433	0%	6,875
Repo receivables	201,658	-	220,654	-	-	-	-	(21,868)	198,786	2,872	99%	367
Retail consumer loans	*572,912*	*1,621*	*204*	*1,941*	*16,620*	-	-	*(7,128)*	*13,258*	*559,654*	*2%*	*63,232*
Mortgage loans	*53,996*	-	-	*2,515*	*386,730*	-	-	*(335,249)*	*53,996*	-	*100%*	*1,219*
Municipal loans	*102,003*	*1*	-	*9,191*	*11,913*	-	-	*(5,990)*	*15,115*	*86,888*	*15%*	*1,469*
Corporate loans	*6,294,364*	*42,390*	*255,404*	*903,666*	*2,599,109*	*242*	-	*(1,704,294)*	*2,096,517*	*4,197,847*	*33%*	*93,299*
Loans at amortised cost	7,023,275	44,012	255,608	917,313	3,014,372	242	-	(2,052,661)	2,178,886	4,844,389	31%	159,219
Securities at amortised cost	2,710,848	-	-	-	-	-	-	-	-	2,710,848	0%	26,225
Financial assets at amortised cost total	**15,346,446**	**44,012**	**476,262**	**917,313**	**3,014,372**	**242**	**-**	**(2,074,529)**	**2,377,672**	**12,968,774**	**15%**	**193,081**
Derivative financial assets	218,427	60,721	-	-	-	-	76,853	-	137,574	80,853	63%	-
Held-for-trading financial assets[1]	25,996	-	-	-	-	-	-	-	-	25,996	0%	-
Loans mandatorily measured at fair value through profit or loss	934,848	-	-	865,054	-	-	-	(44,555)	*820,499*	114,349	88%	-
Financial assets at fair value through profit or loss total	**1,180,566**	**60,721**	**-**	**865,054**	**-**	**-**	**76,853**	**(44,555)**	**958,073**	**222,493**	**81%**	**-**
FVOCI debt instruments	538,350	-	-	-	-	-	-	-	-	538,350	0%	24,345
FVOCI debt instruments total	**538,350**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**538,350**	**0%**	**24,345**
Financial assets total	**17,065,362**	**104,733**	**476,262**	**1,782,367**	**3,014,372**	**242**	**76,853**	**(2,119,084)**	**3,335,745**	**13,729,617**	**20%**	**217,426**
Financial guarantees	1,995,500	47,241	1,801	19,442	157,085	-	-	(44,554)	*181,015*	1,814,485	9%	4,247
Accreditive	8,586	-	-	-	-	-	-	-	-	8,586	0%	40
Off-balance sheet items total	**2,004,086**	**47,241**	**1,801**	**19,442**	**157,085**	**-**	**-**	**(44,554)**	**181,015**	**1,823,071**	**9%**	**4,287**
Total	**19,069,448**	**151,974**	**478,063**	**1,801,809**	**3,171,457**	**242**	**76,853**	**(2,163,638)**	**3,516,760**	**15,552,688**	**18%**	**221,713**

[1] Excluding held-for-trading equity instruments

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.7. Collaterals

Returns from realization of collaterals taken into possession by types of collateral

Types of collateral	31 December 2024	31 December 2023
Real estate	128	178
Guarantee	33,402	25,509
Bail	31	-
Other	140	80
Proceeds from enforcement of collaterals	**33,701**	**25,767**

36.1.8. Restructured loans

	31 December 2024		31 December 2023	
	Gross portfolio	Loss allowance	Gross portfolio	Loss allowance
Consumer loans	17,632	(8,727)	12,757	(7,064)
Mortgage loans	1,528	(25)	1,829	(65)
Corporate loans	64,551	(4,857)	103,897	(5,312)
SME loans	13,605	(892)	21,555	(1,508)
Municipal loans	81	(2)	75	(1)
Total	**97,398**	**(14,503)**	**140,114**	**(13,949)**

Restructured portfolio definition

The forborne definition used by the Bank is based on EU 2015/227 regulation.
Restructuring (forbearance) is a modification of the contract – initiated by either the client or the bank – that provides a concession or allowance towards the client in respect to the client's current or future financial difficulties. The table of restructured loans contains exposures classified as performing forborne. An exposure is considered performing forborne if the conditions of the non-performing status are not met at the time of the restructuring, or the exposure fulfilled the requirements of the minimum one-year cure period as non-performing forborne.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.9. Financial instruments by rating categories[1]

Held-for-trading securities as at As at 31 December 2024

	A1	A2	A3	Aa2	Aa3	Aaa	Ba1	Ba2	Ba3	Baa1	Baa2	Baa3	N/A	Total
Government bonds	-	2,499	950	-	3,025	2,327	-	1,648	1,707	-	41,843	3,499	-	57,498
Other bonds	-	-	173	-	-	-	1,183	-	-	-	4,287	472	382,482	388,597
Investment fund units	-	-	-	-	-	-	-	-	-	-	-	-	377	377
Hungarian government discounted Treasury Bills	-	-	-	-	-	-	-	-	-	-	207	-	-	207
Shares	17	42	52	12	11	-	145	-	5	22	56	54	781	1,197
Mortgage bonds	93	-	-	-	-	-	-	-	-	-	-	15	9	117
Total	**110**	**2,541**	**1,175**	**12**	**3,036**	**2,327**	**1,328**	**1,648**	**1,712**	**22**	**46,393**	**4,040**	**383,649**	**447,993**

Held-for-trading securities as at 31 December 2023

	A1	A2	A3	Aa2	Aa3	Aaa	B1	Ba1	Ba2	Ba3	Baa1	Baa2	Baa3	N/A	Total
Government bonds	-	532	-	23	-	27	625	-	540	-	-	19,695	910	-	22,352
Other bonds	-	-	-	-	-	-	-	-	-	-	-	2,212	40	2,185	4,437
Investment fund units	-	-	-	-	-	-	-	-	-	-	-	-	-	320	320
Hungarian government discounted Treasury Bills	-	-	-	-	-	-	-	-	-	-	-	71	-	-	71
Shares	-	56	33	23	52	-	-	39	-	4	17	20	2	267	513
Mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	16	95	111
Total	**-**	**588**	**33**	**46**	**52**	**27**	**625**	**39**	**540**	**4**	**17**	**21,998**	**968**	**2,867**	**27,804**

Securities mandatorily measured at fair value through profit or loss as at As at 31 December 2024

	N/A
Investment fund units	30,878
Mortgage bonds	1,304
Total	**32,182**

[1] Moody's ratings

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.9. Financial instruments by rating categories[1]

Securities mandatorily measured at fair value through profit or loss as at 31 December 2023

	N/A
Investment fund units	31,124
Shares	1,808
Total	**32,932**

FVOCI securities as at 31 December 2024

	A1	A3	Ba1	Ba2	Baa1	Baa2	Baa3	N/A	WR	Total
Government bonds	-	14,385	-	7,020	5,156	134,199	2,888	-	21,523	185,171
Mortgage bonds	11,751	-	-	-	-	-	306,276	8,923	-	326,950
Other bonds	-	-	4,170	26,605	-	-	-	15,686	-	46,461
Hungarian Treasury Bills	-	-	-	-	-	86	-	-	-	86
Non-treading equity instruments	-	-	-	-	-	-	-	33,934	-	33,934
Total	**11,751**	**14,385**	**4,170**	**33,625**	**5,156**	**134,285**	**309,164**	**58,543**	**21,523**	**592,602**

FVOCI securities as at 31 December 2023

Government bonds	A1	Ba1	Ba2	Baa1	Baa2	Baa3	N/A	WR	Total
Mortgage bonds	660	-	6,259	4,082	144,857	2,654	-	30,873	189,385
Other bonds	59,793	3,840	-	-	-	231,895	8,881	-	300,569
Hungarian Treasury Bills	-	-	24,424	-	-	-	19,896	-	48,160
Non-treading equity instruments	-	-	-	-	235	-	1	-	236
Total	-	-	-	-	-	-	21,177	-	21,177
Government bonds	**60,453**	**3,840**	**30,683**	**4,082**	**145,092**	**234,549**	**49,955**	**30,873**	**559,527**

[1] Moody's ratings

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.9. Financial instruments by rating categories[1]

Securities at amortised cost as at 31 December 2024

	A1	A2	A3	Aaa	Ba1	Ba2	Baa1	Baa2	Baa3	N/A	WR	Total
Treasury bills	-	-	-	-	-	-	-	92,894	-	-	-	92,894
Government bonds	-	35,427	46,825	295,652	-	21,021	54,874	2,274,318	130,361	-	10,143	2,868,621
Corporate bonds	1,998	10,090	8,620	-	-	-	12,285	4,099	9,385	296,249	-	342,726
Mortgage bonds	18,057	-	-	-	-	-	-	-	-	11,847	-	29,904
Total	**20,055**	**45,517**	**55,445**	**295,652**	**-**	**21,021**	**67,159**	**2,371,311**	**139,746**	**308,096**	**10,143**	**3,334,145**

Securities at amortised cost as at 31 December 2023

	A1	A2	A3	Aaa	Ba1	Ba2	Baa1	Baa2	Baa3	N/A	WR	Total
Government bonds	1,196	33,032	36,307	260,116	-	19,695	50,205	1,911,133	39,052	1	22,175	2,372,912
Corporate bonds	1,847	8,983	8,039	-	1,912	-	11,444	3,822	28,324	248,857	-	313,228
Mortgage bonds	13,020	-	-	-	-	-	-	-	-	11,688	-	24,708
Total	**16,063**	**42,015**	**44,346**	**260,116**	**1,912**	**19,695**	**61,649**	**1,914,955**	**67,376**	**260,546**	**22,175**	**2,710,848**

[1] Moody's ratings

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.10. Securities (held for trading, mandatorily FVTPL, FVOCI and amortised cost) in a country breakdown

Country	**31 December 2024**		**31 December 2023**	
	Gross carrying amount	**Loss allowance**	**Gross carrying amount**	**Loss allowance**
Hungary	2,447,818	(11,107)	1,975,451	(12,904)
United States of America	419,981	(491)	370,997	(672)
Luxembourg	281,855	(7,572)	265,082	(3,968)
Spain	57,143	(53)	53,209	(82)
Russia	27,199	(19,367)	24,978	(8,533)
Portugal	17,497	(10)	16,284	(21)
Poland	8,624	(4)	-	-
Other	112,939	(307)	31,072	(45)
Securities at amortised cost total	**3,373,056**	**(38,911)**	**2,737,073**	**(26,225)**
Hungary	460,282	-	395,183	-
Luxembourg	56,504	-	93,077	-
Other	41,882	-	50,090	-
FVOCI debt instruments total	**558,668**	**-**	**538,350**	**-**
United States of America	16,781	-	6,332	-
Austria	16,625	-	14,317	-
Other	528	-	528	-
Non-trading equity instruments designated to measure at fair value through other comprehensive income	**33,934**	**-**	**21,177**	**-**
Hungary	420,179	-	8,849	-
Luxembourg	17,159	-	10,167	-
United States of America	3,305	-	7,633	-
Other	7,350	-	1,155	-
Held for trading securities total	**447,993**	**-**	**27,804**	**-**
Hungary	24,961	-	23,916	-
Luxembourg	4,629	-	6,058	-
United States of America	1,304	-	1,808	-
Portugal	1,288	-	1,150	-
Securities mandatorily measured at fair value through profit or loss	**32,182**	**-**	**32,932**	**-**
Securities total	**4,445,833**	**(38,911)**	**3,357,336**	**(26,225)**

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.2. Maturity analysis of assets and liabilities and liquidity risk

Liquidity risk is a measure of the extent to which the Bank may be required to raise funds to meet its commitments associated with financial instruments. The Bank maintains its liquidity profiles in accordance with regulations laid down by the NBH.

The essential aspect of the liquidity risk management strategy is to identify all relevant systemic and idiosyncratic sources of liquidity risk and to measure the probability and severity of such events. During liquidity risk management the Bank considers the effect of liquidity risk events caused by reasons arising in the bank business line (deposit withdrawal), the national economy (exchange rate shock, yield curve shock) and the global financial system (capital market shock).

In line with the Bank's risk management policy liquidity risks are measured and managed on multiply hierarchy levels and applying integrated unified VaR based methodology. The basic requirement is that the Bank must keep high quality liquidity reserves by means it can fulfil all liabilities when they fall due without material additional costs.

The liquidity reserves can be divided into two parts. There are separate decentralized liquid asset portfolios at subsidiary level and a centralized flexible liquidity pool at Group level. The reserves at subsidiary levels are held to cover the relevant shocks of the subsidiaries which may arise in local currencies (deposit withdrawal, local capital market shock, unexpected business expansion), while the centralized liquidity pool is held to cover the OTP Bank's separate shocks (deposit-, yield curve- and exchange rate shocks) and all group member's potential shocks that may arise in foreign currencies (deposit withdrawal, capital market shock).

The recalculation of shocks is made at least quarterly while the recalibration of shock measurement models and review of the risk management methodology is an annual process. The monitoring of liquidity reserves for both centralized and decentralized liquid asset portfolio has been built into the daily reporting process.

Due to the balance sheet adjustment process (deleveraging) experienced in the last few years, the liquidity reserves of the Bank increased significantly while the liquidity risk exposure has decreased considerably. Currently the (over)coverage of risk liquidity risk exposure by high quality liquid assets is at all-time record highs. There were no material changes in the liquidity risk management process for the year ended 31 December 2024.

The following tables provide an analysis of assets and liabilities about the non-discounted cash flow into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities.

The contractual amounts disclosed in the maturity analyses are the contractual undiscounted cash flows like gross finance lease obligations (before deducting finance charges); prices specified in forward agreements to purchase financial assets for cash; net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged; contractual amounts to be exchanged in a derivative financial instrument for which gross cash flows are exchanged; gross loan commitments.

Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.2. Maturity analysis of assets and liabilities and liquidity risk [continued]

As at 31 December 2024	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash, amounts due from banks and balances with the National Bank of Hungary	2,077,292	-	-	-	-	2,077,292
Placements with other banks	332,486	221,323	1,634,750	765,327	-	2,953,886
Repo receivables	238,433	-	-	-	-	238,433
Financial assets at fair value through profit or loss	385,377	2,569	40,290	21,158	20,242	469,636
Securities at fair value through other comprehensive income	5,868	93,245	454,446	74,995	136,399	764,953
Securities at amortised cost	59,149	493,039	1,644,569	1,307,052	-	3,503,809
Loans at amortised cost	1,183,589	1,262,281	1,571,525	915,146	-	4,932,541
Loans mandatorily measured at fair value through profit or loss	21,066	24,296	146,723	734,780	-	926,865
Investment properties	-	-	-	-	4,227	4,227
Investments in subsidiaries, associates and other investments	-	-	-	-	2,593,722	2,593,722
Other financial assets	291,864	1,235	-	-	-	293,099
TOTAL ASSETS	**4,595,124**	**2,097,988**	**5,492,303**	**3,818,458**	**2,754,590**	**18,758,463**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	585,712	435,876	525,485	87,541	-	1,634,614
Deposits from customers	10,761,785	106,036	20,732	3,371	-	10,891,924
Repo liabilities	132,122	59,692	35,818	-	-	227,632
Liabilities from issued securities	65,947	64,267	1,401,099	204,680	-	1,735,993
Subordinated bonds and loans	3,856	1,912	10,586	354,468	-	370,822
Financial liabilities at fair value through profit or loss	650	1,059	5,130	10,160	-	16,999
Leasing liabilities	2,114	6,932	25,351	29,983	-	64,380
Other financial liabilities	331,151	22,240	3,705	-	-	357,096
TOTAL LIABILITIES	**11,883,337**	**698,014**	**2,027,906**	**690,203**	**-**	**15,299,460**
NET POSITION	**(7,288,213)**	**1,399,974**	**3,464,397**	**3,128,255**	**2,754,590**	**3,459,003**
Receivables from derivative financial instruments classified as held for trading	6,463,067	1,621,571	823,267	287,608	-	9,195,513
Liabilities from derivative financial instruments classified as held for trading	(6,433,805)	(1,627,283)	(806,626)	(286,507)	-	(9,154,221)
Net position of derivative financial instruments classified as held for trading	**29,262**	**(5,712)**	**16,641**	**1,101**	**-**	**41,292**
Receivables from derivative financial instruments designated as hedge accounting	38,609	236,429	855,933	15,508	-	1,146,479
Liabilities from derivative financial instruments designated as hedge accounting	(30,267)	(240,753)	(813,727)	(9,922)	-	(1,094,669)
Net position of derivative financial instruments designated as hedging accounting	**8,342**	**(4,324)**	**42,206**	**5,586**	**-**	**51,810**
Net position of derivative financial instruments total	**37,604**	**(10,036)**	**58,847**	**6,687**	**-**	**93,102**
Commitments to extend credit	2,536,990	-	-	-	-	2,536,990
Confirmed letters of credit	5,181	-	-	-	-	5,181
Factoring loan commitment	382,011	-	-	-	-	382,011
Bank guarantees	122,813	253,973	502,016	1,024,916	-	1,903,718
Off-balance sheet commitments	**3,046,995**	**253,973**	**502,016**	**1,024,916**	**-**	**4,827,900**

Analysis for net position of assets and liabilities are calculated in accordance with IFRS 7, therefore certain financial instruments are presented in the earliest period in which the Bank could be required to pay. On-demand deposits are presented in the earliest (within 3 month) period category, however based on Management’s discretion the Bank has appropriate liquidity reserves as maintenance and management of liquidity risk.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.2. Maturity analysis of assets and liabilities and liquidity risk [continued]

As at 31 December 2023	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash, amounts due from banks and balances with the National Bank of Hungary	2,708,628	-	-	-	-	2,708,628
Placements with other banks	577,692	120,424	1,294,775	716,538	-	2,709,429
Repo receivables	202,024	-	-	-	-	202,024
Financial assets at fair value through profit or loss	12,055	1,142	10,053	3,754	19,341	46,345
Securities at fair value through other comprehensive income	5,891	43,109	310,370	231,586	111,159	702,115
Securities at amortised cost	31,807	61,118	1,730,399	974,048	-	2,797,372
Loans at amortised cost	1,187,849	1,084,559	1,632,019	1,049,524	-	4,953,951
Loans mandatorily measured at fair value through profit or loss	22,541	23,591	144,052	706,726	-	896,910
Investment properties	-	-	-	-	4,203	4,203
Investments in subsidiaries, associates and other investments	-	-	-	-	2,001,951	2,001,951
Other financial assets	304,197	2,517	-	-	-	306,714
TOTAL ASSETS	**5,052,684**	**1,336,460**	**5,121,668**	**3,682,176**	**2,136,654**	**17,329,642**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	517,908	147,923	846,764	283,882	-	1,796,477
Deposits from customers	10,578,532	131,343	15,091	9,274	-	10,734,240
Repo liabilities	196,811	5,347	241,536	-	-	443,694
Liabilities from issued securities	105,747	82,140	969,875	-	-	1,157,762
Subordinated bonds and loans	6,174	1,901	8,956	509,277	-	526,308
Financial liabilities at fair value through profit or loss	740	1,077	5,387	11,318	-	18,522
Leasing liabilities	1,794	5,716	41,884	18,888	-	68,282
Other financial liabilities	239,293	22,807	1,578	-	-	263,678
TOTAL LIABILITIES	**11,646,999**	**398,254**	**2,131,071**	**832,639**	**-**	**15,008,963**
NET POSITION	**(6,594,315)**	**938,206**	**2,990,597**	**2,849,537**	**2,136,654**	**2,320,679**
Receivables from derivative financial instruments classified as held for trading	8,329,035	1,398,729	972,506	250,098	-	10,950,368
Liabilities from derivative financial instruments classified as held for trading	(8,172,061)	(1,388,901)	(1,008,090)	(247,029)	-	(10,816,081)
Net position of derivative financial instruments classified as held for trading	**156,974**	**9,828**	**(35,584)**	**3,069**	**-**	**134,287**
Receivables from derivative financial instruments designated as hedge accounting	86,989	283,374	759,903	211,105	-	1,341,371
Liabilities from derivative financial instruments designated as hedge accounting	(84,445)	(297,109)	(1,810,394)	(204,953)	-	(2,396,901)
Net position of derivative financial instruments designated as hedging accounting	**2,544**	**(13,735)**	**(1,050,491)**	**6,152**	**-**	**(1,055,530)**
Net position of derivative financial instruments total	**159,518**	**(3,907)**	**(1,086,075)**	**9,221**	**-**	**(921,243)**
Commitments to extend credit	1,987,539	-	-	-	-	1,987,539
Confirmed letters of credit	8,626	-	-	-	-	8,626
Factoring loan commitment	366,181	-	-	-	-	366,181
Bank guarantees	268,861	210,113	265,867	1,254,906	-	1,999,747
Off-balance sheet commitments	**2,631,207**	**210,113**	**265,867**	**1,254,906**	**-**	**4,362,093**

Analysis for net position of assets and liabilities are calculated in accordance with IFRS 7, therefore certain financial instruments are presented in the earliest period in which the Bank could be required to pay. On-demand deposits are presented in the earliest (within 3 month) period category, however based on Management's discretion the Bank has appropriate liquidity reserves as maintenance and management of liquidity risk.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.3. Net foreign currency position and foreign currency risk

As at 31 December 2024

	USD	EUR	CHF	Others	Total
Assets	615,111	3,860,200	9,286	154,291	4,638,888
Liabilities	(926,271)	(4,157,697)	(56,168)	(107,943)	(5,248,079)
Derivative financial instruments	299,572	(144,966)	45,953	(20,521)	180,038
Net position	**(11,588)**	**(442,463)**	**(929)**	**25,827**	**(429,153)**

As at 31 December 2023

	USD	EUR	CHF	Others	Total
Assets	648,226	3,613,710	7,769	232,728	4,502,433
Liabilities	(956,648)	(4,373,571)	(62,142)	(92,143)	(5,484,504)
Derivative financial instruments	299,135	433,387	54,576	(137,542)	649,556
Net position	**(9,287)**	**(326,474)**	**203**	**3,043**	**(332,515)**

The table above provides an analysis of the Bank's main foreign currency exposures. The remaining foreign currencies are shown within 'Others'. The Bank monitors its foreign exchange position for compliance with the regulatory requirements of the NBH and its own limit system established in respect of limits on open positions. The measurement of the Bank's open its currency position involves monitoring the VaR limit on the foreign exchange exposure of the Bank.

In the table Derivative financial instruments are stated at fair value.

36.4. Interest rate risk management

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument, therefore, indicates to what extent it is exposed to interest rate risk.

The majority of the Bank's interest bearing assets and liabilities are structured to match either short-term assets and short-term liabilities, or long-term assets and liabilities with repricing opportunities within one year, or long-term assets and corresponding liabilities where repricing is performed simultaneously.

In addition, the significant spread existing between the different types of interest bearing assets and liabilities enables the Bank to benefit from a high level of flexibility in adjusting for its interest rate matching and interest rate risk exposure.

The following table presents the interest repricing dates of the Bank. Variable yield assets and liabilities have been reported in accordance with their next repricing date. Fixed income assets and liabilities have been reported in accordance with their maturity.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

31 December 2024	within 1 month		within 3 months over 1 month		within 1 year over 3 months		within 2 years over 1 year		over 2 years		Non-interest -bearing		Total		Total
ASSETS	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
Cash, amounts due from banks and balances with the National Bank of Hungary	**1,407,734**	**416,395**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**230,897**	**20,153**	**1,638,631**	**436,548**	**2,075,179**
fixed interest	1,405,635	416,395	-	-	-	-	-	-	-	-	-	-	1,405,635	416,395	1,822,030
variable interest	2,099	-	-	-	-	-	-	-	-	-	-	-	2,099	-	2,099
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	230,897	20,153	230,897	20,153	251,050
Placements with other banks	**89,742**	**104,551**	**158,341**	**609,588**	**169,387**	**198,935**	**245,624**	**9,029**	**1,225,033**	**80,234**	**55,054**	**3,018**	**1,943,181**	**1,005,355**	**2,948,536**
fixed interest	200	36,666	38,098	24,981	155,282	22,569	245,624	9,029	1,225,033	80,234	-	-	1,664,237	173,479	1,837,716
variable interest	89,542	67,885	120,243	584,607	14,105	176,366	-	-	-	-	-	-	223,890	828,858	1,052,748
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	55,054	3,018	55,054	3,018	58,072
Repo receivables	**234,309**	**3,771**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**234,309**	**3,771**	**238,080**
fixed interest	234,309	3,771	-	-	-	-	-	-	-	-	-	-	234,309	3,771	238,080
Securities held for trading	**380,609**	**3,456**	**1,149**	**1,009**	**1,618**	**2,089**	**525**	**7,158**	**35,045**	**13,761**	**451**	**1,123**	**419,397**	**28,596**	**447,993**
fixed interest	378,916	3,456	214	1,009	491	2,089	525	7,158	35,045	13,761	-	-	415,191	27,473	442,664
variable interest	1,693	-	935	-	1,127	-	-	-	-	-	-	-	3,755	-	3,755
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	451	1,123	451	1,123	1,574
Securities mandatorily measured at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24,961**	**7,221**	**24,961**	**7,221**	**32,182**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	24,961	7,221	24,961	7,221	32,182
Securities at fair value through other comprehensive income	**122,439**	**-**	**281**	**-**	**76,093**	**15,376**	**79,629**	**8,298**	**181,840**	**74,712**	**528**	**33,406**	**460,810**	**131,792**	**592,602**
fixed interest	15	-	36	-	76,093	15,376	79,629	8,298	181,840	74,712	-	-	337,613	98,386	435,999
variable interest	122,424	-	245	-	-	-	-	-	-	-	-	-	122,669	-	122,669
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	528	33,406	528	33,406	33,934

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

31 December 2024	within 1 month		within 3 months over 1 month		within 1 year over 3 months		within 2 years over 1 year		over 2 years		Non-interest -bearing		Total		Total
ASSETS [continued]	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
Loans measured at amortised cost	**878,480**	**380,102**	**418,368**	**1,323,434**	**86,376**	**144,892**	**129,410**	**49,920**	**965,842**	**114,664**	**131,572**	**47,735**	**2,610,048**	**2,060,747**	**4,670,795**
fixed interest	32,282	4,609	56,265	15,038	65,824	12,080	128,772	49,920	960,350	114,664	-	-	1,243,493	196,311	1,439,804
variable interest	846,198	375,493	362,103	1,308,396	20,552	132,812	638	-	5,492	-	-	-	1,234,983	1,816,701	3,051,684
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	131,572	47,735	131,572	47,735	179,307
Loans mandatorily measured at fair value through profit or loss	**38,722**	**-**	**56,500**	**-**	**240,663**	**-**	**206,321**	**-**	**456,204**	**-**	**-**	**-**	**998,410**	**-**	**998,410**
variable interest	38,722	-	56,500	-	240,663	-	206,321	-	456,204	-	-	-	998,410	-	998,410
Securities at amortised cost	**10,044**	**-**	**10,042**	**24,453**	**447,692**	**42,579**	**716,262**	**173,664**	**1,233,518**	**675,891**	**-**	**-**	**2,417,558**	**916,587**	**3,334,145**
fixed interest	-	-	-	20,330	447,692	42,579	716,262	173,664	1,233,518	675,891	-	-	2,397,472	912,464	3,309,936
variable interest	10,044	-	10,042	4,123	-	-	-	-	-	-	-	-	20,086	4,123	24,209
Other financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**236,098**	**45,477**	**236,098**	**45,477**	**281,575**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	236,098	45,477	236,098	45,477	281,575
Derivative financial instruments	**1,085,665**	**1,135,028**	**1,081,525**	**1,050,642**	**997,364**	**609,274**	**188,848**	**32,356**	**330,884**	**309,251**	**947,223**	**209,523**	**4,631,509**	**3,346,074**	**7,977,583**
fixed interest	1,024,077	1,072,109	854,189	542,593	650,215	443,101	188,848	32,356	328,417	309,251	-	-	3,045,746	2,399,410	5,445,156
variable interest	61,588	62,919	227,336	508,049	347,149	166,173	-	-	2,467	-	-	-	638,540	737,141	1,375,681
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	947,223	209,523	947,223	209,523	1,156,746

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

31 December 2024	within 1 month		within 3 months over 1 month		within 1 year over 3 months		within 2 years over 1 year		over 2 years		Non-interest - bearing Total		Total		Total
LIABILITIES	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	
Amounts due to banks and deposits with the National Bank of Hungary and other banks	**196,884**	**262,803**	**60,667**	**66,242**	**165,524**	**229,647**	**62,030**	**115,666**	**361,509**	**53,701**	**30,012**	**2,284**	**876,626**	**730,343**	**1,606,969**
fixed interest	153,679	38,185	60,667	15,023	165,524	229,647	62,030	115,666	361,509	53,701	-	-	803,409	452,222	1,255,631
variable interest	43,205	224,618	-	51,219	-	-	-	-	-	-	-	-	43,205	275,837	319,042
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	30,012	2,284	30,012	2,284	32,296
Financial liabilities designated to measure at fair value through profit or loss	**17,008**	**-**	**-**	**-**	**-**	**-**	**16**	**-**	**-**	**-**	**-**	**-**	**17,024**	**-**	**17,024**
fixed interest	-	-	-	-	-	-	16	-	-	-	-	-	16	-	16
variable interest	17,008	-	-	-	-	-	-	-	-	-	-	-	17,008	-	17,008
Repo liabilities	**23,721**	**108,402**	**-**	**-**	**38,102**	**21,446**	**-**	**20,135**	**-**	**15,825**	**-**	**-**	**61,823**	**165,808**	**227,631**
fixed interest	23,721	108,402	-	-	38,102	21,446	-	20,135	-	15,825	-	-	61,823	165,808	227,631
Deposits from customers[156]	**8,382,934**	**2,168,862**	**138,060**	**45,305**	**59,802**	**32,275**	**2**	**-**	**275**	**-**	**51,129**	**17,583**	**8,632,202**	**2,264,025**	**10,896,227**
fixed interest	1,085,763	276,631	138,060	45,305	59,802	32,275	2	-	275	-	-	-	1,283,902	354,211	1,638,113
variable interest	7,297,171	1,892,231	-	-	-	-	-	-	-	-	-	-	7,297,171	1,892,231	9,189,402
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	51,129	17,583	51,129	17,583	68,712
Liabilities from issued securities	**2,262**	**-**	**14,410**	**-**	**65,794**	**14,279**	**13,297**	**385,166**	**156**	**1,255,529**	**-**	**-**	**95,919**	**1,654,974**	**1,750,893**
fixed interest	2,262	-	14,410	-	65,794	-	13,297	385,166	156	1,255,529	-	-	95,919	1,640,695	1,736,614
variable interest	-	-	-	-	-	14,279	-	-	-	-	-	-	-	14,279	14,279
Subordinated bonds and loans	**-**	**-**	**-**	**94,613**	**1,898**	**-**	**1,786**	**-**	**11,470**	**252,504**	**-**	**-**	**15,154**	**347,117**	**362,271**
fixed interest	-	-	-	-	1,898	-	1,786	-	11,470	252,504	-	-	15,154	252,504	267,658
variable interest	-	-	-	94,613	-	-	-	-	-	-	-	-	-	94,613	94,613
Leasing liabilities	**327**	**462**	**655**	**926**	**2,624**	**4,051**	**4,921**	**5,219**	**17,597**	**27,597**	**-**	**-**	**26,124**	**38,255**	**64,379**
fixed interest	197	71	395	144	1,732	695	3,783	1,721	11,361	5,355	-	-	17,468	7,986	25,454
variable interest	130	391	260	782	892	3,356	1,138	3,498	6,236	22,242	-	-	8,656	30,269	38,925
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**162,741**	**174,875**	**162,741**	**174,875**	**337,616**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	162,741	174,875	162,741	174,875	337,616
Derivative financial instruments	**724,563**	**1,541,554**	**1,474,763**	**635,972**	**1,239,772**	**520,771**	**149,761**	**42,129**	**234,831**	**213,649**	**573,389**	**576,175**	**4,397,079**	**3,530,250**	**7,927,329**
fixed interest	601,606	1,497,513	878,673	490,054	771,817	329,905	149,585	42,129	234,831	213,649	-	-	2,636,512	2,573,250	5,209,762
variable interest	122,957	44,041	596,090	145,918	467,955	190,866	176	-	-	-	-	-	1,187,178	380,825	1,568,003
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	573,389	576,175	573,389	576,175	1,149,564
NET POSITION	**(5,099,955)**	**(2,038,780)**	**37,651**	**2,166,068**	**445,677**	**190,676**	**1,334,806**	**(287,890)**	**3,802,528**	**(550,292)**	**809,513**	**(403,261)**	**1,330,220**	**(923,479)**	**406,741**

[156] Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

31 December 2023	within 1 month		within 3 months over 1 month		within 1 year over 3 months		within 2 years over 1 year		over 2 years		Non-interest -bearing		Total		Total
ASSETS	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
Cash, amounts due from banks and balances with the National Bank of Hungary	**2,180,950**	**332,909**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**178,193**	**16,180**	**2,359,143**	**349,089**	**2,708,232**
fixed interest	13,951	332,909	-	-	-	-	-	-	-	-	-	-	13,951	332,909	346,860
variable interest	2,166,999	-	-	-	-	-	-	-	-	-	-	-	2,166,999	-	2,166,999
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	178,193	16,180	178,193	16,180	194,373
Placements with other banks	**338,152**	**78,034**	**123,031**	**624,268**	**43,151**	**143,091**	**147,777**	**9,564**	**1,036,999**	**73,162**	**68,897**	**16,306**	**1,758,007**	**944,425**	**2,702,432**
fixed interest	11,436	4,556	63,267	1,928	29,036	15,785	147,777	9,564	1,036,999	73,162	-	-	1,288,515	104,995	1,393,510
variable interest	326,716	73,478	59,764	622,340	14,115	127,306	-	-	-	-	-	-	400,595	823,124	1,223,719
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	68,897	16,306	68,897	16,306	85,203
Repo receivables	**201,658**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**201,658**	**-**	**201,658**
fixed interest	129,541	-	-	-	-	-	-	-	-	-	-	-	129,541	-	129,541
variable interest	72,117	-	-	-	-	-	-	-	-	-	-	-	72,117	-	72,117
Securities held for trading	**225**	**5,515**	**625**	**6,253**	**1,240**	**95**	**2,293**	**844**	**3,112**	**6,769**	**217**	**616**	**7,712**	**20,092**	**27,804**
fixed interest	-	5,515	71	6,253	948	95	2,287	844	3,112	6,769	-	-	6,418	19,476	25,894
variable interest	225	-	554	-	292	-	6	-	-	-	-	-	1,077	-	1,077
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	217	616	217	616	833
Securities mandatorily measured at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**23,917**	**9,015**	**23,917**	**9,015**	**32,932**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	23,917	9,015	23,917	9,015	32,932
Securities at fair value through other comprehensive income	**150,415**	**-**	**46**	**351**	**9,781**	**3,040**	**78,451**	**16,710**	**156,490**	**123,066**	**528**	**20,649**	**395,711**	**163,816**	**559,527**
fixed interest	19	-	44	351	9,781	3,040	78,451	16,710	156,490	123,066	-	-	244,785	143,167	387,952
variable interest	150,396	-	2	-	-	-	-	-	-	-	-	-	150,398	-	150,398
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	528	20,649	528	20,649	21,177

<u>NOTE 36:</u> FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

31 December 2023	**within 1 month**		**within 3 months over 1 month**		**within 1 year over 3 months**		**within 2 years over 1 year**		**over 2 years**		**Non-interest -bearing**		**Total**		**Total**
ASSETS [continued]	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	
Loans measured at amortised cost	**768,234**	**493,557**	**327,609**	**1,390,931**	**71,453**	**110,398**	**216,734**	**23,518**	**988,290**	**132,552**	**116,716**	**41,367**	**2,489,036**	**2,192,323**	**4,681,359**
fixed interest	26,634	1,520	14,684	304	62,798	4,198	215,943	23,518	981,880	132,552	-	-	1,301,939	162,092	1,464,031
variable interest	741,600	492,037	312,925	1,390,627	8,655	106,200	791	-	6,410	-	-	-	1,070,381	1,988,864	3,059,245
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	116,716	41,367	116,716	41,367	158,083
Loans mandatorily measured at fair value through profit or loss	**21,569**	**-**	**19**	**-**	**181,484**	**-**	**221,779**	**-**	**509,997**	**-**	**-**	**-**	**934,848**	**-**	**934,848**
variable interest	21,569	-	19	-	181,484	-	221,779	-	509,997	-	-	-	934,848	-	934,848
Securities at amortised cost	**517**	**2,137**	**-**	**4,623**	**60,738**	**-**	**415,720**	**31,462**	**1,478,085**	**717,567**	**-**	**-**	**1,955,060**	**755,789**	**2,710,849**
fixed interest	517	2,137	-	-	60,738	-	415,720	31,462	1,478,085	717,567	-	-	1,955,060	751,166	2,706,226
variable interest	-	-	-	4,623	-	-	-	-	-	-	-	-	-	4,623	4,623
Other financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**233,545**	**64,940**	**233,545**	**64,940**	**298,485**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	233,545	64,940	233,545	64,940	298,485
Derivative financial instruments	**751,222**	**2,070,427**	**961,287**	**1,413,811**	**481,235**	**724,587**	**54,251**	**107,615**	**297,986**	**230,493**	**581,836**	**165,708**	**3,127,817**	**4,712,641**	**7,840,458**
fixed interest	643,342	2,008,291	364,434	1,025,182	321,153	444,680	54,251	107,375	297,986	228,099	-	-	1,681,166	3,813,627	5,494,793
variable interest	107,880	62,136	596,853	388,629	160,082	279,907	-	240	-	2,394	-	-	864,815	733,306	1,598,121
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	581,836	165,708	581,836	165,708	747,544

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

31 December 2023	**within 1 month**		**within 3 months over 1 month**		**within 1 year over 3 months**		**within 2 years over 1 year**		**over 2 years**		**Non-interest -bearing**		**Total**		**Total**
LIABILITIES	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	**HUF**	**foreign currency**	
Amounts due to banks and deposits with the National Bank of Hungary and other banks	**211,121**	**241,637**	**15,233**	**125,710**	**30,529**	**78,404**	**223,700**	**301,093**	**431,599**	**60,060**	**31,626**	**10,867**	**943,808**	**817,771**	**1,761,579**
fixed interest	170,042	11,432	15,232	268	30,481	78,399	223,700	301,093	431,599	60,060	-	-	871,054	451,252	1,322,306
variable interest	41,079	230,205	1	125,442	48	5	-	-	-	-	-	-	41,128	355,652	396,780
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	31,626	10,867	31,626	10,867	42,493
Financial liabilities designated to measure at fair value through profit or loss	**19,761**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25**	**-**	**-**	**-**	**19,786**	**-**	**19,786**
fixed interest	-	-	-	-	-	-	-	-	25	-	-	-	25	-	25
variable interest	19,761	-	-	-	-	-	-	-	-	-	-	-	19,761	-	19,761
Repo liabilities	**95,146**	**101,665**	**-**	**-**	**-**	**-**	**195,405**	**19,825**	**-**	**31,653**	**-**	**-**	**290,551**	**153,143**	**443,694**
fixed interest	24,572	101,665	-	-	-	-	195,405	19,825	-	31,653	-	-	219,977	153,143	373,120
variable interest	70,574	-	-	-	-	-	-	-	-	-	-	-	70,574	-	70,574
Deposits from customers[157]	**7,520,231**	**2,875,160**	**156,216**	**34,561**	**75,793**	**37,149**	**-**	**-**	**7**	**-**	**19,872**	**15,336**	**7,772,119**	**2,962,206**	**10,734,325**
fixed interest	1,068,482	935,571	156,216	34,561	75,793	37,149	-	-	7	-	-	-	1,300,498	1,007,281	2,307,779
variable interest	6,451,749	1,939,589	-	-	-	-	-	-	-	-	-	-	6,451,749	1,939,589	8,391,338
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	19,872	15,336	19,872	15,336	35,208
Liabilities from issued securities	**545**	**-**	**72,641**	**-**	**85,919**	**13,320**	**32,473**	**157,095**	**12,664**	**788,452**	**-**	**-**	**204,242**	**958,867**	**1,163,109**
fixed interest	206	-	72,083	-	85,919	-	32,473	157,095	12,664	788,452	-	-	203,345	945,547	1,148,892
variable interest	339	-	558	-	-	13,320	-	-	-	-	-	-	897	13,320	14,217
Subordinated bonds and loans	**-**	**-**	**-**	**89,381**	**1,886**	**191,894**	**1,863**	**-**	**9,270**	**226,002**	**-**	**-**	**13,019**	**507,277**	**520,296**
fixed interest	-	-	-	-	1,886	-	1,863	-	9,270	226,002	-	-	13,019	226,002	239,021
variable interest	-	-	-	89,381	-	191,894	-	-	-	-	-	-	-	281,275	281,275
Leasing liabilities	**240**	**275**	**545**	**704**	**2,477**	**3,484**	**6,579**	**8,424**	**21,198**	**24,356**	**-**	**-**	**31,039**	**37,243**	**68,282**
fixed interest	186	108	378	219	1,725	1,001	4,695	2,410	12,574	863	-	-	19,558	4,601	24,159
variable interest	54	167	167	485	752	2,483	1,884	6,014	8,624	23,493	-	-	11,481	32,642	44,123
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**71,790**	**170,431**	**71,790**	**170,431**	**242,221**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	71,790	170,431	71,790	170,431	242,221
Derivative financial instruments	**1,858,423**	**981,110**	**524,302**	**1,863,222**	**442,891**	**872,793**	**59,172**	**111,527**	**197,826**	**167,354**	**491,972**	**262,427**	**3,574,586**	**4,258,433**	**7,833,019**
fixed interest	1,809,109	846,948	373,167	1,019,044	226,755	499,824	59,172	111,527	197,826	167,354	-	-	2,666,029	2,644,697	5,310,726
variable interest	49,314	134,162	151,135	844,178	216,136	372,969	-	-	-	-	-	-	416,585	1,351,309	1,767,894
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	491,972	262,427	491,972	262,427	754,399
NET POSITION	**(5,292,525)**	**(1,217,268)**	**643,680**	**1,326,659**	**209,587**	**(215,833)**	**617,813**	**(408,251)**	**3,798,370**	**(14,268)**	**588,589**	**(124,280)**	**565,514**	**(653,241)**	**(87,727)**

[157] Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.5. Market risk

The Bank takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Bank applies a Value-at-Risk ("VaR") methodology to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Management Board sets limits on the value of risk that may be accepted, which is monitored on a daily basis. (Analysis of liquidity risk, foreign currency risk and interest rate risk is detailed in Notes 36.2, 36.3 and 36.4 respectively.)

36.5.1. Market risk sensitivity analysis

The VaR risk measure estimates the potential loss in pre-tax profit over a given holding period for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 99% VaR number used by the Group reflects the 99% probability that the daily loss will not exceed the reported VaR.

VaR methodologies are employed to calculate daily risk numbers include the historical and variance-covariance approach. The diversification effect has not been validated among the various market risk types when capital calculation happens. In addition to these two methodologies, Monte Carlo simulations are applied to the various portfolios on a monthly basis to determine potential future exposure.

The VaR of the trading portfolio can be summarized as follows (in HUF mn):

Historical VaR (99%, one-day) by risk type	**Average**	
	2024	**2023**
Foreign exchange	7,650	11,181
Interest rate	298	489
Equity instruments	11	18
Total VaR exposure	**7,960**	**11,688**

The table above shows the VaR figures by asset classes. Since processes driving the value of the major asset classes are not independent (for example the depreciation of HUF against the EUR mostly coincide with the increase of the yields of Hungarian Government Bonds), a diversification impact emerges, so the overall VaR is less than the sum of the VaR of each individual asset class.

While VaR captures the OTP's daily exposure to currency and interest rate risk, sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency rates over a year. The longer time frame of sensitivity analysis complements VaR and helps the OTP to assess its market risk exposures. Details of sensitivity analysis for foreign currency risk are set out in Note 36.5.2., for interest rate risk in Note 36.5.3., and for equity price sensitivity analysis in Note 36.5.4.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.5. Market risk [continued]

36.5.2. Foreign currency sensitivity analysis

The following table shows the result of the foreign currency sensitivity analysis. The Group uses VaR calculation with 1 day holding period and a 99% confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. The daily loss will not exceed the reported VaR number with 99% of probability.

Probability	Effects to the P&L in 3 months period	
	2024	2023
	In HUF million	In HUF million
1%	(3,981)	(8,943)
5%	(2,442)	(4,784)
25%	(977)	(1,332)
50%	(93)	360
25%	850	1,790
5%	2,211	4,527
1%	2,920	6,321

Notes:
(1) Historical VaR simulation is based on the empirical distribution of the historical exchange rate movements between 30 December 2023 and 31 December 2024.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.5. Market risk [continued]

36.5.3. Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. The analysis is prepared assuming the amount of assets and liabilities outstanding at the balance sheet date was outstanding for the whole year. The analysis was prepared by assuming only adverse interest rate changes. The main assumptions were as follows:

- Floating rate assets and liabilities were repriced to the modelled benchmark yields at the repricing dates assuming the unchanged margin compared to the last repricing.
- Fixed rate assets and liabilities were repriced at the contractual maturity date.
- As for liabilities with discretionary repricing feature by the Bank were assumed to be repriced with two-weeks delay, assuming no change in the margin compared to the last repricing date.
- Deposits with an interest rate lower than 0.3% even at high market rates were assumed to be unchanged for the whole period.

The sensitivity of interest income to changes in BUBOR was analysed by assuming two interest rate path scenarios:

(1) (1) HUF base rate and BUBOR increases gradually by 35 bps over the next year (probable scenario)
(2) (2) HUF base rate and BUBOR increases gradually by 100 bps over the next year (alternative scenario)

The net interest income in a one year period after 1 January 2025 would change by HUF -467 million (probable scenario) and HUF +1321million (alternative scenario) as a result of these simulation. Besides this effect there would be capital gains/losses of HUF +26 million (for probable scenario) and HUF -55 million (for alternative scenario) on the government bond portfolio held for hedging (economic).
The net interest income in a one year period after 1 January 2024 would be decreased by HUF 6.355 million (probable scenario) and increased by HUF 999 million (alternative scenario) as a result of these simulation. Besides the effect is further increased by capital gains HUF +429 million (for probable scenario), HUF -104 million (for alternative scenario) as at 31 December 2024 on the government bond portfolio held for hedging (economic).
Furthermore, the effects of an instant 10bps parallel shift of the HUF, EUR and USD yield-curves on net interest income over a one-year period and on the market value of the hedge government bond portfolio booked against capital was analysed. The results can be summarized as follows (in HUF million):

Description	**2024**		**2023**	
	Effects to the net interest income (one-year period)	**Effects to shareholder's equity (Price change of FVOCI government bonds)**	**Effects to the net interest income (one-year period)**	**Effects to shareholder's equity (Price change of FVOCI government bonds)**
HUF (0.1%) parallel shift	(327)	7	(426)	14
HUF 0.1% parallel shift	323	(7)	425	(14)
EUR (0.1%) parallel shift	928	-	1,065	-
EUR 0.1% parallel shift	(1,347)	-	(1,564)	-
USD (0.1%) parallel shift	446	-	500	-
USD 0.1% parallel shift	(453)	-	(517)	-
Total	**(430)**	**-**	**(517)**	**-**

36.5.4. Equity price sensitivity analysis

The following table shows the effect of the equity price sensitivity. The Bank uses VaR calculation with 1 day holding period and a 99% confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. The daily loss will not exceed the reported VaR number with 99% of probability.
The stress test assumes the largest price movement of the last year and calculates with it as the adverse direction. These scenarios show the loss of the portfolio when all prices change with the maximum amount of the last year.

Description	**2024**	**2023**
VaR (99%, one day, million HUF)	9	10
Stress test (million HUF)	(53)	(103)

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.6 Capital management

Capital management

The primary objective of the capital management of the Bank is to ensure the prudent operation, the entire compliance with the prescriptions of the regulator for a persistent business operation and maximising the shareholder value, accompanied by an optimal financing structure.

The capital management of the Bank includes the management and evaluation of the shareholders` equity available for hedging risks, other types of funds to be recorded in the equity and all material risks to be covered by the capital.

The basis of the capital management of the Bank in the short run is the continuous monitoring of its capital position, in the long run the strategic and the business planning, which includes the monitoring and forecast of the capital position of the Bank.

The Bank maintains the capital adequacy required by the regulatory bodies and the planned risk taking mainly by means of ensuring and developing its profitability. In the case the planned risk level of the Bank exceeded its Core and Supplementary capital, the Bank ensures the prudent operation by occasional measures. A further tool in the capital management of the Bank is the dividend policy, and the transactions performed with the treasury shares.

Capital adequacy[158]

The Capital Requirements Directive package (CRDIV/CRR) transposes the global standards on banking regulation (commonly known as the Basel III agreement) into the EU legal framework. The rules are applied from 1 January 2014. They set stronger prudential requirements for institutions, requiring them to keep sufficient capital reserves and liquidity. This framework makes institutions in the EU more solid and strengthens their capacity to adequately manage the risks linked to their activities, and absorb any losses they may incur in doing business.

The Bank has entirely complied with the regulatory capital requirements in 2024 as well as in 2023.

The Bank’s capital adequacy calculation is in line with IFRS and based on Basel III as at 31 December 2024 and 31 December 2023. The Bank uses the standard method for determining the regulatory capital requirements of the credit risk and market risk while in the case of the operational risk the Advanced Measurement Approach (AMA).

[158] The dividend amount planned to pay out / paid out is deducted from reserves.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.6 Capital management

Capital adequacy ratio for the year ended 31 December 2024 and 31 December 2023 is as follows:

	31 December 2024 Basel III	31 December 2023 Basel III
Core capital (Tier 1)	2,519,969	2,186,422
Primary core capital (CET1)	2,519,969	*2,186,422*
Supplementary capital (Tier 2)	345,063	500,555
Regulatory capital	**2,865,032**	**2,686,977**
Credit risk capital requirement	724,495	719,575
Market risk capital requirement	28,374	27,799
Operational risk capital requirement	29,872	30,324
Total eligible regulatory capital	**782,741**	**777,698**
Surplus capital	**2,082,291**	**1,909,279**
CET 1 ratio	25.76%	22.49%
Capital adequacy ratio	**29.28%**	**27.64%**

Basel III:

Common equity Tier 1 capital (CET1):
Issued capital, Capital reserve, useable part of Tied-up reserve, General reserve, Profit reserve, Profit for the year, Treasury shares, Intangible assets, deductions due to investments, adjustments due to temporary disposals

Tier 2 capital:
Subsidiary loan capital, Subordinated loan capital, deductions due to repurchased loan capital and Subordinated loan capital issued by the OTP Bank, adjustments due to temporary disposals.

NOTE 37: TRANSFER OF FINANCIAL INSTRUMENTS (in HUF mn)

Financial assets transferred but not derecognised

	31 December 2024		31 December 2023	
Carrying amount	**Transferred assets**	**Associated liabilities**	**Transferred assets**	**Associated liabilities**
Financial assets at fair value through other comprehensive income				
Debt securities	7,020	5,754	77,030	75,812
Total	**7,020**	**5,754**	**77,030**	**75,812**
Financial assets at amortised cost				
Debt securities	241,037	221,877	408,632	367,883
Total	**241,037**	**221,877**	**408,632**	**367,883**
Total	**248,057**	**227,631**	**485,662**	**443,695**

As at 31 December 2024 and 31 December 2023, the Bank had obligation from repurchase agreements about HUF 228 billion and HUF 444 billion respectively. Securities sold temporarily under repurchase agreements will continue to be recognized in the Statement of Financial Position of the Bank in the appropriate securities category. The related liability is measured at amortized cost in the Statement of Financial Position as “Repo liabilities’. Under these repurchase agreements only Hungarian and foreign government bonds were transferred.

NOTE 38: OFF-BALANCE SHEET ITEMS (in HUF mn)

In the normal course of business, the Bank becomes a party to various financial transactions that are not reflected on the statement of financial position and are referred to as off-balance sheet financial instruments. The following represents notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

Contingent liabilities and commitments

	31 December 2024	**31 December 2023**
Loan commitments	2,536,990	1,987,539
Guarantees arising from banking activities	1,903,718	1,999,747
from this: Payment undertaking liabilities (related to issue of mortgage bonds) of OTP Mortgage Bank	*1,004,209*	*1,177,213*
Factoring loan commitments	382,011	366,181
Confirmed letters of credit	5,181	8,626
Contingent liabilities and commitments total in accordance with IFRS 9	**4,827,900**	**4,362,093**
Legal disputes (disputed value)	4,825	4,586
Contingent liabilities related to payments from shares in venture capital fund	18,006	20,803
Indemnity related to sale of OTP Bank Romania	54,255	-
Other	91	19
Contingent liabilities and commitments total in accordance with IAS 37	**77,177**	**25,408**
Total	**4,905,077**	**4,387,501**

NOTE 38: OFF-BALANCE SHEET ITEMS (in HUF mn) [continued]

Legal disputes

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

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

Provision due to legal disputes was HUF 283 million and HUF 1931 million as at 31 December 2024 and 31 December 2023, respectively. (See Note 24.)

Commitments to extend credit, guarantees and letter of credit

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans.

Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

Guarantees, irrevocable letters of credit and undrawn loan commitments are subject to similar credit risk monitoring and credit policies as utilised in the extension of loans. The Management of the Bank believes the market risk associated with guarantees, irrevocable letters of credit and undrawn loan commitments are minimal.

Guarantees, payment undertakings arising from banking activities

Payment undertaking is a promise by the Bank to assume responsibility for the debt obligation of a borrower if that borrower defaults until a determined amount and until a determined date, in the case of fulfilling conditions, without checking the underlying transactions. The guarantee’s liability is joint and primary with the principal, in the case of payment undertaking, while the Bank assumes the obligation derived from guarantee independently by the conditions established by the Bank. A guarantee is most typically required when the ability of the primary obligor or principal to perform its obligations under a contract is in question, or when there is some public or private interest which requires protection from the consequences of the principal's default or delinquency.

Contingent liabilities related to OTP Mortgage Bank Ltd.

Under a syndication agreement with its wholly owned subsidiary, OTP Mortgage Bank Ltd., the Bank had guaranteed, in return for an annual fee, to purchase all mortgage loans held by OTP Mortgage Bank Ltd. that become non-performing. According to the arrangement the repurchase guarantee was cancelled and OTP Bank Plc. gives bail to the loans originated or purchased by the Bank.

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn)

Previously approved option program required a modification thanks to the introduction of the Bank Group Policy on Payments accepted in resolution of Annual General Meeting regarding to the amendment of CRD III. Directives and Act on Credit Institutions and Financial Enterprises.

Key management personnel affected by the Bank Group Policy receive compensation based on performance assessment generally in the form of cash bonus and equity shares in a ratio of 50-50%. Assignment is based on OTP shares, furthermore performance based payments are deferred in accordance with the rules of Credit Institutions Act.

OTP Bank ensures the share-based payment part for the management personnel of OTP Group members.

During implementation of the Remuneration Policy of the Group it became apparent that in the case of certain foreign subsidiaries it is not possible to ensure the originally determined share-based payment because of legal reasons – incompatible with relevant EU-directives –, therefore a decision was made to cancel the share-based payment in affected countries, and virtual share based payment – cash payment fixed to share price - was made from 2017. In the case of foreign subsidiaries virtual share based payment was made uniformly from 2021 (in the case of payments related to 2021).

The quantity of usable shares for individuals calculated for settlement of share-based payment shall be determined as the ratio of the amount of share-based payment and share price determined by Supervisory Board.

The value of the share-based payment at the performance assessment is determined within 10 days by Supervisory Board based on the average of the three previous trade day's middle rate of OTP Bank's equity shares fixed on the Budapest Stock Exchange.

At the same time the conditions of discounted share-based payment are determined, and share-based payment shall contain maximum HUF 6,000 discount at the assessment date, and earnings for the shares at the payment date is maximum HUF 12,000.

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 Employee Benefits shall be applied in accounting for all employee benefits, except those to which IFRS 2 Share-based Payment applies.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Post-employment benefits are employee benefits (other than termination and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. Other long-term employee benefits are all employee benefits other than short-term employee benefits, postemployment benefits and termination benefits.

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn) [continued]

The parameters for the share-based payment relating to ongoing years 2018-2023 for periods of each year as follows:

Year	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share
	Exercise price	Maximum earnings per share		Exercise price	Maximum earnings per share		Exercise price	Maximum earnings per share	
	HUF per share								
	for the year 2018			for the year 2019			for the year 2020		
2019	10,413	4,000	12,413	-	-	-	-	-	-
2020	10,413	4,000	12,413	9,553	4,000	11,553	-	-	-
2021	10,413	4,000	12,413	9,553	4,000	11,553	12,644	9,000	16,644
2022	10,913	4,000	12,413	9,553	4,000	11,553	12,644	8,000	16,644
2023	10,913	4,000	12,413	9,553	4,000	11,553	13,644	8,000	16,644
2024	10,913	4,000	12,413	9,553	4,000	11,553	13,644	8,000	16,644
2025	10,913	4,000	12,413	9,553	4,000	11,553	13,644	8,000	16,644
2026	-	-	-	9,553	4,000	11,553	13,644	8,000	16,644
2027	-	-	-	-	-	-	13,644	8,000	16,644

Year	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share
	Exercise price	Maximum earnings per share		Exercise price	Maximum earnings per share		Exercise price	Maximum earnings per share	
	HUF per share								
	for the year 2021			for the year 2022			for the year 2023		
2022	5,912	6,000	8,912	-	-	-	-	-	-
2023	6,912	7,000	8,912	7,773	6,000	10,773	-	-	-
2024	6,912	8,000	8,912	8,773	7,000	10,773	14,486	12,000	17,486
2025	6,912	9,000	8,912	8,773	8,000	10,773	15,486	12,000	17,486
2026	6,912	10,000	8,912	8,773	9,000	10,773	16,486	12,000	17,486
2027	6,912	10,000	8,912	8,773	10,000	10,773	16,486	12,000	17,486
2028	6,912	10,000	8,912	8,773	10,000	10,773	16,486	12,000	17,486
2029	-	-	-	8,773	10,000	10,773	16,486	12,000	17,486
2030	-	-	-	-	-	-	16,486	12,000	17,486

Relevant factors considered during measurement of fair value related to share-based payment as follows:

Year	Reference price	Assumed volatility	Risk-free interest rate (HUF)						
			1Y	2Y	3Y	4Y	5Y	6Y	7Y
2017	9,200	21.3%	0.1%	0.5%	0.7%	1.0%	1.3%	1.3%	1.3%
2018	10,064	26.0%	0.2%	0.6%	1.0%	1.3%	1.6%	1.9%	2.1%
2019	12,413	19.2%	0.2%	0.7%	0.9%	1.1%	1.3%	1.4%	1.6%
2020	11,553	33.6%	0.6%	0.4%	0.5%	0.6%	0.8%	0.9%	1.0%
2021	16,644	28.6%	1.0%	1.6%	1.8%	1.9%	2.0%	2.1%	2.1%
2022	8,912	42.6%	7.1%	7.9%	7.6%	7.3%	7.1%	7.0%	6.9%
2023	10,773	33.3%	13.2%	9.2%	8.2%	7.7%	7.3%	7.1%	6.9%
2024	17,486	22.1%	6.2%	5.8%	5.8%	5.9%	5.9%	6.0%	6.0%

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn) [continued]

Relevant factors considered during measurement of fair value related to share-based payment as follows: [continued]

Year	Expected dividends (HUF/Share)							Pricing model
	1Y	2Y	3Y	4Y	5Y	6Y	7Y	
2017	219	219	252	290	334	384	442	Binomial
2018	219	219	219	219	219	219	219	Binomial
2019	252	290	333	383	440	507	583	Binomial
2020	219	252	290	333	383	440	507	Binomial
2021	371	321	357	393	432	475	523	Binomial
2022	452	497	547	601	661	728	800	Binomial
2023	300	330	363	399	439	483	531	Binomial
2024	714	786	864	951	1,046	1,150	1,265	Binomial

Based on parameters accepted by Supervisory Board, relating to the year 2018 effective pieces are follows As at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2024
Share-purchasing period started in 2019	82,854	82,854	13,843	-	-
Remuneration exchanged to share provided in 2019	17,017	17,017	11,829	-	-
Share-purchasing period starting in 2020	150,230	150,230	14,294	-	-
Remuneration exchanged to share applying in 2020	33,024	33,024	11,897	-	-
Share-purchasing period starting in 2021	73,799	73,799	16,314	-	-
Remuneration exchanged to share applying in 2021	14,618	14,618	16,468	-	-
Share-purchasing period starting in 2022	86,456	77,425	14,605	9,031	-
Remuneration exchanged to share applying in 2022	13,858	13,858	8,529	-	-
Share-purchasing period starting in 2023	45,155	45,155	14,736	-	-
Remuneration exchanged to share applying in 2023	3,217	3,217	11,820	-	-
Remuneration exchanged to share applying in 2024	864	864	17,888	-	-
Remuneration exchanged to share applying in 2025	-	-	-	-	432

Based on parameters accepted by Supervisory Board, relating to the year 2019 effective pieces are follows As at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2024
Share-purchasing period started in 2020	91,403	91,403	12,218	-	-
Remuneration exchanged to share provided in 2020	22,806	22,806	11,897	-	-
Share-purchasing period starting in 2021	201,273	201,273	16,298	-	-
Remuneration exchanged to share applying in 2021	30,834	30,834	17,618	-	-
Share-purchasing period starting in 2022	107,760	101,897	13,771	5,863	-
Remuneration exchanged to share applying in 2022	10,564	10,564	8,529	-	-
Share-purchasing period starting in 2023	126,749	123,676	14,336	3,073	-
Remuneration exchanged to share applying in 2023	13,427	13,427	11,674	-	-
Share-purchasing period starting in 2024	31,262	31,262	17,618	-	-
Remuneration exchanged to share applying in 2024	6,183	6,183	17,540	-	-
Remuneration exchanged to share applying in 2025	-	-	-	-	1,000
Remuneration exchanged to share applying in 2026	-	-	-	-	500

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board, relating to the year 2020 effective pieces are follows As at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2024
Share-purchasing period started in 2021	41,098	14,142	17,997	26,956	-
Remuneration exchanged to share provided in 2021	17,881	17,881	17,498	-	-
Share-purchasing period starting in 2022	83,688	76,928	17,629	6,760	-
Remuneration exchanged to share applying in 2022	15,232	15,111	8,529	121	-
Share-purchasing period starting in 2023	47,275	45,755	19,805	1,520	-
Remuneration exchanged to share applying in 2023	8,562	8,562	11,659	-	-
Share-purchasing period starting in 2024	49,974	38,371	20,867	-	11,603
Remuneration exchanged to share applying in 2024	11,837	11,837	17,613	-	-
Share-purchasing period starting in 2025	-	-	-	-	13,080
Remuneration exchanged to share applying in 2025	-	-	-	-	3,443
Remuneration exchanged to share applying in 2026	-	-	-	-	680
Remuneration exchanged to share applying in 2027	-	-	-	-	680

Based on parameters accepted by Supervisory Board, relating to the year 2021 effective pieces are follows As at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2024
Share-purchasing period started in 2022	60,018	59,776	10,122	242	-
Remuneration exchanged to share provided in 2022	11,028	11,028	8,691	-	-
Share-purchasing period starting in 2023	117,276	117,276	13,672	-	-
Remuneration exchanged to share applying in 2023	10,824	10,824	11,534	-	-
Share-purchasing period starting in 2024	50,402	49,201	17,848	-	1,201
Remuneration exchanged to share applying in 2024	4,807	4,807	17,399	-	-
Share-purchasing period starting in 2025	-	-	-	-	54,262
Remuneration exchanged to share applying in 2025	-	-	-	-	4,942
Share-purchasing period starting in 2026	-	-	-	-	58,155
Remuneration exchanged to share applying in 2026	-	-	-	-	4,942
Share-purchasing period starting in 2027	-	-	-	-	25,305
Remuneration exchanged to share applying in 2027	-	-	-	-	631

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board, relating to the year 2022 effective pieces are follows As at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2024
Share-purchasing period started in 2023	57,412	57,364	13,484	48	-
Remuneration exchanged to share provided in 2023	8,726	8,590	11,629	136	-
Share-purchasing period starting in 2024	103,159	102,651	17,684	-	508
Remuneration exchanged to share applying in 2024	3,769	3,769	17,399	-	-
Share-purchasing period starting in 2025	-	-	-	-	42,814
Remuneration exchanged to share applying in 2025	-	-	-	-	3,993
Share-purchasing period starting in 2026	-	-	-	-	43,714
Remuneration exchanged to share applying in 2026	-	-	-	-	3,993
Share-purchasing period starting in 2027	-	-	-	-	44,701
Remuneration exchanged to share applying in 2027	-	-	-	-	3,993
Share-purchasing period starting in 2028	-	-	-	-	19,756

Based on parameters accepted by Supervisory Board, relating to the year 2023 effective pieces are follows As at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2024
Share-purchasing period starting in 2024	164,371	96,566	20,731	1,124	66,681
Remuneration exchanged to share applying in 2024	6,745	6,745	17,402	-	-
Share-purchasing period starting in 2025	-	-	-	-	166,280
Remuneration exchanged to share applying in 2025	-	-	-	-	6,091
Share-purchasing period starting in 2026	-	-	-	-	71,160
Remuneration exchanged to share applying in 2026	-	-	-	-	2,960
Share-purchasing period starting in 2027	-	-	-	-	81,415
Remuneration exchanged to share applying in 2027	-	-	-	-	2,960
Share-purchasing period starting in 2028	-	-	-	-	87,315
Remuneration exchanged to share applying in 2028	-	-	-	-	2,960
Share-purchasing period starting in 2029	-	-	-	-	39,324

Effective pieces relating to the periods starting in 2025-2029 settled during valuation of performance of year 2020-2023, can be modified based on risk assessment and personal changes.

In connection with the share-based compensation for Board of Directors and connecting compensation, shares given as a part of payments detailed above and for the year 2024 based on performance assessment accounted as equity-settled share based transactions HUF 4,411 million was recognized as expense for the year ended 31 December 2024.

NOTE 40: RELATED PARTY TRANSACTIONS (in HUF mn)

Outstanding balances and transactions with related parties are summarized below in aggregate:

Statement of financial position

	31 December 2024		31 December 2023	
	Associated companies and other companies	Other related parties	Associated companies and other companies	Other related parties
Cash, amounts due from banks and balances with the National Bank of Hungary	38,696	-	11,568	-
Placements with other banks	2,696,016	-	2,202,179	-
Repo receivables	98,652	-	183,394	-
Held for trading securities	33	-	16	-
Held for trading derivative financial instruments:	39,210	-	43,808	-
Financial assets at fair value through other comprehensive income	306,412	-	273,400	-
Securities at amortised cost	-	614	-	609
Loans at amortised cost	779,287	52,607	979,319	56,353
Loans mandatorily measured at fair value through profit or loss	-	36	-	42
Right of use assets	23,159	-	25,972	-
Derivative financial assets designated as hedge accounting relationships	1,695	-	1,345	-
Other assets	167,927	155	173,687	280
Total Assets	**4,151,087**	**53,412**	**3,894,688**	**57,284**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(892,432)	-	(998,512)	-
Repo liabilities	(95,509)	-	(317,457)	-
Deposits from customers	(296,116)	(24,271)	(300,557)	(78,840)
Leasing liabilities	(24,590)	-	(26,948)	-
Liabilities from issued securities	(15,154)	-	(13,019)	-
Derivative financial liabilities designated as held for trading	(26,420)	-	(24,137)	-
Derivative financial liabilities designated as hedge accounting relationships	(15,141)	-	(898)	-
Other liabilities	(13,154)	(27)	(14,681)	-
Total Liabilities	**(1,378,516)**	**(24,298)**	**(1,696,209)**	**(78,840)**
Off balance sheet items				
Guarantees	(1,168,778)	(6,965)	(1,324,353)	(10,209)
Loan commitments	(53,202)	(47,627)	(59,569)	(49,294)
Factoring loan commitments	(960)	(6,045)	(1,094)	(2,977)
Letter of credit	(86)	-	-	-
Total	**(1,223,026)**	**(60,637)**	**(1,385,016)**	**(62,480)**

NOTE 40: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Outstanding balances and transactions with related parties are summarized below in aggregate: [continued]

Statement of Profit or Loss	Year ended 31 December 2024	Year ended 31 December 2023
Interest Income	351,675	419,368
Interest Expense	(225,063)	(291,054)
Risk cost	2,665	20,067
(Losses)/Gains arising from derecognition of financial assets measured at amortised cost	45	968
Income from fees and commissions	53,296	35,577
Expenses from fees and commissions	(1,954)	(3,599)
Other administrative expenses	(12,461)	(11,778)

Related party transactions with key management

The compensation of key management, such as the members of the Board of Directors, the members of the Supervisory Board and the employees involved in the decision-making process in accordance with the compensation categories defined in IAS 24 Related Party Disclosures, is summarised below:

	31 December 2024	31 December 2023
Short-term employee benefits	4,123	3,379
Share-based payment	3,351	1,732
Long-term employee benefits (on the basis of IAS 19)	355	320
Total	**7,829**	**5,431**

	31 December 2024	31 December 2023
oans provided to companies owned by the Management (in the normal course of business)	52,607	56,353
ommitments to extend credit and bank guarantees	60,637	62,480

An analysis of payment to Executives related to their activity in Board of Directors and Supervisory Board is as follows (in HUF mn):

	31 December 2024	31 December 2023
Members of Board of Directors	2,107	1,283
Members of Supervisory Board	253	225
Total	**2,360**	**1,508**

In the normal course of business, OTP Bank enters into other transactions with its subsidiaries, the amounts and volumes of which are not significant to these financial statements taken as a whole.

NOTE 41: TRUST ACTIVITIES (in HUF mn)

The Bank acts as a trustee for certain loans granted by companies or employers to their employees, mainly for housing purposes. The ultimate risk for these loans rests with the party advancing the funds. As these loans and related funds are not considered to be assets or liabilities of the Bank, they have been excluded from the accompanying separate statement of financial position.

	31 December 2024	**31 December 2023**
Loans managed by the Bank as a trustee	25,691	26,851

NOTE 42: CONCENTRATION OF ASSETS AND LIABILITIES

	31 December 2024	31 December 2023
In the percentage of the total assets		
Receivables from, or securities issued by the Hungarian Government or the NBH	25.61%	27.39%
Securities issued by the OTP Mortgage Bank Ltd.	1.67%	1.54%
Loans at amortised cost	6.55%	5.29%

There were no other significant concentrations of the assets or liabilities of the Bank as at 31 December 2023 or 31 December 2022.

OTP Bank continuously provides the Authority with reports on the extent of dependency on large depositors as well as the exposure of the largest 50 depositors towards OTP Bank. Further to this obligatory reporting to the Authority. OTP Bank pays particular attention on the exposure of its largest partners and cares for maintaining a closer relationship with these partners in order to secure the stability of the level of deposits.

The organisational unit of OTP Bank in charge of partner-risk management analyses the largest partners on a constant basis and sets limits on OTP Bank's and the Group's exposure separately partner-by-partner. If necessary, it modifies partner-limits in due course thereby reducing the room for manoeuvring of the Treasury and other business areas.

The Bank's internal regulation (Limit-management regulation) controls risk management which related to exposures of clients. Bank makes a difference between clients or clients who are economically connected with each other, partners, partners operating in the same geographical region or in the same economic sector, exposures from customers. Limit-management regulation includes a specific range provisions system used by Bank to control risk exposures. This regulation has to be used by the Bank for its business (lending) risk-taking activity in both the retail and corporate sector.

To specify credit risk limits, the Bank strives their clients get an acceptable margin of risk based on their financial situation. In the Bank limit system a lower level decision-making delegation has to be provided.

If an OTP group member takes risk against a client or group of clients (either inside the local economy or outside), the client will be qualified as a group level risk and these limits will be specified at group level.

The validity period of this policy is 12 months. The limit shall be reviewed prior to the expiry date but at least once a year based on the relevant information required to limit calculations.

The maximum credit exposure to any client or counterparty among Loans at amortised cost was HUF 1,205 billion and HUF 813 billion as at 31 December 2024 and 31 December 2023 respectively, before taking into account collateral or other credit enhancements.

NOTE 43: EARNINGS PER SHARE

Earnings per share attributable to the Bank's ordinary shares are determined by dividing Net profit for the year attributable to ordinary shareholders, after the deduction of declared preference dividends, by the weighted average number of ordinary shares outstanding during the year. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares.

	31 December 2024	31 December 2023
Net profit for the year attributable to ordinary shareholders (in HUF	744,999	654,988
Weighted average number of ordinary shares outstanding during the for calculating basic EPS (number of share)	276,764,	279,485,
Basic Earnings per share (in HUF)	**2,692**	**2,344**
Separate net profit for the year attributable to ordinary shareholder HUF mn)	744,999	654,988
Modified weighted average number of ordinary shares outstan during the year for calculating diluted EPS (number of share)	276,769,	279,490,
Diluted Earnings per share (in HUF)	**2,692**	**2,344**

	31 December 2024	31 December 2023
Weighted average number of ordinary shares	280,000,	280,000,
Average number of Treasury shares	(3,235,	(514,089)
Weighted average number of ordinary shares outstanding du the year for calculating basic EPS	**276,764,**	**279,485,**
Dilutive effect of options issued in accordance with the Remunera Policy / Management Option Program and convertible into ordi shares	5,205	4,620
The modified weighted average number of ordinary sh outstanding during the year for calculating diluted EPS	**276,769,**	**279,490,**

NOTE 44: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS (in HUF mn)

Year ended 31 December 2024	Net interest income and expense	Net non-interest gain and loss	Loss allowance	Other comprehensive income
Financial assets measured at amortised cost				
Cash, amounts due from banks and balances with the National Bank of Hungary	159,459	-	-	-
Placements with other banks	179,241	-	(233)	-
Repo receivables	14,663	-	(13)	-
Loans	437,745	16,730	20,201	-
Securities at amortised cost	216,762	(7,871)	10,568	-
Financial assets measured at amortised cost total	**1,007,870**	**8,859**	**30,523**	**-**
Financial assets measured at fair value				
Securities held for trading	3,183	3,585	-	-
Securities at fair value through other comprehensive income	30,311	855	24,560	9,751
Equity instruments at fair value through other comprehensive income	-	344	-	11,547
Loans mandatorily measured at fair value through profit or loss	62,663	28,685	(4,193)	-
Financial assets measured at fair value total	**96,157**	**33,469**	**20,367**	**21,298**
Financial liabilities measured at amortised cost				
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(100,605)	-	-	-
Repo liabilities	(70,496)	-	-	-
Deposits from customers	(205,751)	262,477	-	-
Leasing liabilities	(3,147)	-	-	-
Liabilities from issued securities	(94,253)	-	-	-
Subordinated bonds and loans	(30,163)	-	-	-
Financial liabilities measured at amortised cost total	**(504,415)**	**262,477**	**-**	**-**
Financial liabilities designated to measure at fair value through profit or loss	**(1,344)**	**1,240**	**-**	**-**
Derivative financial instruments	**(76,343)**	**(6,063)**	**-**	**-**
Total	**521,925**	**299,982**	**50,890**	**21,298**

Current year change of derivative financial assets and liabilities held-for-trading and designated as hedge accounting by types of results in the profit or loss for the year ended 31 December 2024

	Held-for-trading	Hedge accounting
Balance as at 1 January	**13,234**	**(5,795)**
Change in current period		
on interest income/interest expense	16,505	10,138
on net results on derivative instruments and hedge relationships	(98,566)	44,666
on revaluation difference	71,775	-
Realized result on closed deals /matured deals	23,614	(25,317)
Closing balance	**26,562**	**23,692**

NOTE 44: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS (in HUF mn) [continued]

Year ended 31 December 2023	Net interest income and expense	Net non-interest gain and loss	Loss allowance	Other comprehensive income
Financial assets measured at amortised cost				
Cash, amounts due from banks and balances with the National Bank of Hungary	338,840	-	-	-
Placements with other banks	206,280	-	(12,358)	-
Repo receivables	37,435	-	(1,800)	-
Loans	457,471	12,668	5,542	-
Securities at amortised cost	129,054	(19,400)	(8,576)	-
Financial assets measured at amortised cost total	**1,169,080**	**(6,732)**	**(17,192)**	**-**
Financial assets measured at fair value				
Securities held for trading	1,168	10,511	-	-
Securities at fair value through other comprehensive income	50,838	510	(3,303)	37,917
Equity instruments at fair value through other comprehensive income	-	254	-	3,308
Loans mandatorily measured at fair value through profit or loss	51,132	95,711	980	-
Financial assets measured at fair value total	**103,138**	**106,986**	**(2,323)**	**41,225**
Financial liabilities measured at amortised cost				
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(94,942)	-	-	-
Repo liabilities	(202,137)	-	-	-
Deposits from customers	(336,118)	233,243	-	-
Leasing liabilities	(2,314)	-	-	-
Liabilities from issued securities	(58,495)	-	-	-
Subordinated bonds and loans	(29,893)	-	-	-
Financial liabilities measured at amortised cost total	**(723,899)**	**233,243**	**-**	**-**
Financial liabilities designated to measure at fair value through profit or loss	**(1,433)**	**(4,542)**	**-**	**-**
Derivative financial instruments	**(78,871)**	**13,055**	**-**	**-**
Total	**468,015**	**342,010**	**(19,515)**	**41,225**

Current year change of derivative financial assets and liabilities held-for-trading and designated as hedge accounting by types of results in the profit or loss for the year ended 31 December 2023

	Held-for-trading	Hedge accounting
Balance as at 1 January	**(68,682)**	**(3,403)**
Change in current period		
on interest income/interest expense	88,973	(1,161)
on net results on derivative instruments and hedge relationships	4,524	(27,167)
on revaluation difference	(4,263)	15,273
Realized result on closed deals /matured deals	(7,318)	10,663
Closing balance	**13,234**	**(5,795)**

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn)

In determining the fair value of a financial asset or liability the Bank in the case of instruments that are quoted on an active market uses the market price. In most cases market price is not publicly available so the Bank has to make assumptions or use valuation techniques to determine the fair value of a financial instrument. See Note 45. d) for more information about fair value classes applied for financial assets and liabilities measured at fair value in these financial statements.

To provide a reliable estimate of the fair value of those financial instrument that are originally measured at amortised cost, the Bank used the discounted cash flow analysis (loans, placements with other banks, amounts due to banks, deposits from customers). The fair value of issued securities and subordinated bonds is based on quoted prices (e,g, Reuters), Cash and amounts due from banks and balances with the National Bank of Hungary represent amounts available immediately thus the fair value equals to the cost.

The assumptions used when calculating the fair value of financial assets and liabilities when using valuation technique are the following:

- the discount rates are the risk free rates related to the denomination currency adjusted by the appropriate risk premium as of the end of the reporting period,
- the contractual cash flows are considered for the performing loans and for the non-performing loans, the amortised cost less impairment is considered as fair value,
- the future cash flows for floating interest rate instruments are estimated from the yield curves as of the end of the reporting period,
- the fair value of the deposit which can be due in demand cannot be lower than the amount payable on demand.

For classes of assets and liabilities not measured at fair value in the statement of financial position, the income approach was used to convert future cash flows to a single current amount. Fair value of current assets is equal to carrying amount, fair value of liabilities from issued securities and other bond-type classes of assets and liabilities not measured at fair value measured based on Reuters market rates and, fair value of other classes not measured at fair value of the statement of financial position are measured using the discounted cash flow method. Fair value of loans, net of allowance for loan losses measured using discount rate adjustment technique, the discount rate is derived from observed rates of return for comparable assets or liabilities that are traded in the market.

Methods and significant assumptions used to determine fair value of the different classes of financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Use of modified yield curve

During the year ended 31 December 2024 and 2023 yield curves derived from Hungarian government bonds ("ÁKK curve") have become distorted due to certain market events, which means that real liquidity has concentrated on certain part of the yield curve. Therefore a modified yield curve - which is not observable on the market - has been used at the concerning fair value calculations. This yield curve is based on the relevant yield curve points of the original ÁKK curve. Based on Management's discretion fair value calculated with modified yield curves can represent the perspective of market participants reliable at current market conditions.

For the year ended 31 December 2024 and 2023 modified yield curve was used for calculating fair value in the case of subsidised personal loans represented in "Loans mandatorily measured at fair value through profit or loss" line.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.1. Fair value of financial assets and liabilities at amortised cost

	31 December 2024					31 December 2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash, amounts due from banks and balances with the National Bank of Hungary	2,075,179	2,075,179	2,075,179	-	-	2,708,232	2,708,232	2,708,232	-	-
Placements with other banks	2,948,536	3,134,255	1,288,299	1,845,956	-	2,702,433	2,933,781	1,509,113	1,424,668	-
Repo receivables	238,079	238,425	-	238,425	-	201,658	201,742	-	201,742	-
Securities at amortised cost	3,334,145	3,150,646	2,886,069	254,595	9,982	2,710,848	2,494,227	2,236,994	238,837	18,396
Loans at amortised cost	4,670,795	4,790,988	-	-	4,790,988	4,681,359	4,824,169	-	-	4,824,169
Other financial assets	281,575	281,575	-	-	281,575	298,838	298,838	-	-	298,838
Total assets measured at amortised cost	**13,548,309**	**13,671,068**	**6,249,547**	**2,338,976**	**5,082,545**	**13,303,368**	**13,460,989**	**6,454,339**	**1,865,247**	**5,141,403**
Amounts due to banks, deposits from the National Bank of Hungary and other banks	1,606,969	1,569,047	599,597	969,450	-	1,761,579	1,709,710	609,288	1,100,422	-
Repo liabilities	227,632	233,891	-	233,891	-	443,694	457,508	-	457,508	-
Deposits from customers	10,896,227	10,897,287	-	10,897,287	-	10,734,325	10,741,597	-	10,741,597	-
Leasing liabilities	64,380	66,790	-	-	66,790	68,282	68,328	-	-	68,328
Liabilities from issued securities	1,750,893	1,788,620	1,788,620	-	-	1,163,109	1,201,901	1,201,901	-	-
Subordinated bonds and loans	362,271	365,170	365,170	-	-	520,296	421,030	421,030	-	-
Other financial liabilities	337,616	337,616	-	-	337,616	243,319	243,319	-	-	243,319
Total liabilities measured at amortised cost	**15,245,988**	**15,258,421**	**2,753,387**	**12,100,628**	**404,406**	**14,934,604**	**14,843,393**	**2,232,219**	**12,299,527**	**311,647**

Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

1) 45.2. Derivative financial instruments

OTP Bank regularly enters into hedging transactions in order to decrease its financial risks. However some economically hedging transaction do not meet the criteria to account for hedge accounting, therefore these transactions were accounted as derivatives held for trading. Net investment hedge in foreign operations is not applicable in separate financial statements.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.2. Derivative financial instruments [continued]

The assessment of the hedge effectiveness (both for fair value hedges and cash flow hedges) to determine the economic relationship between the hedged item and the hedging instrument is accomplished with prospective scenario analysis via different rate shift scenarios of the relevant risk factor(s) of the hedged risk component(s). The fair value change of the hedged item and the hedging instrument is compared in the different scenarios. Economic relationship is justified if the change of the fair value of the hedged item and the hedging instrument are in the opposite direction and the absolute changes are similar amounts. The hedge ratio is determined as the ratio of the notional of the hedged item and the notional of the hedging instrument. The sources of hedge ineffectiveness are the not hedged risk components (e.g. change of cross currency basis spreads in the case of interest rate risk hedges), slight differences in maturity dates and interest payment dates in the case of fair value hedges, and differences between the carrying amount of the hedged item and the carrying amount of the hedging instrument in the case of FX hedges (e.g. caused by interest rate risk components in the fair value of the hedging instrument).

Fair value of derivative financial instruments[1]

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

	31 December 2024					31 December 2023				
	Before netting		Netting	After netting		Before netting		Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets	Liabilities
Held for trading derivative financial instruments										
Interest rate derivatives										
Interest rate swaps	104,130	(88,266)	89,523	14,607	1,257	130,230	(113,742)	110,939	19,291	(2,803)
Cross currency interest rate swaps	10,472	(10,558)	-	10,472	(10,558)	8,644	(6,532)	-	8,644	(6,532)
OTC options	462	(462)	-	462	(462)	818	(818)	-	818	(818)
Forward rate agreement	219	(172)	219	-	47	-	(214)	-	-	(214)
Total interest rate derivatives (OTC derivatives)	**115,283**	**(99,458)**	**89,742**	**25,541**	**(9,716)**	**139,692**	**(121,306)**	**110,939**	**28,753**	**(10,367)**
From this: Interest rate derivatives cleared by NBH	906	-	-	906	-	1,132	-	-	1,132	-
Foreign exchange derivatives										
Foreign exchange swaps	53,620	(48,969)	-	53,620	(48,969)	54,528	(32,818)	-	54,528	(32,818)
Foreign exchange forward	15,736	(8,440)	-	15,736	(8,440)	6,551	(10,129)	-	6,551	(10,129)
OTC options	1,433	(825)	-	1,433	(825)	1,016	(871)	-	1,016	(871)
Foreign exchange spot conversion	179	(266)	-	179	(266)	347	(303)	-	347	(303)
Total foreign exchange derivatives (OTC derivatives)	**70,968**	**(58,500)**	**-**	**70,968**	**(58,500)**	**62,442**	**(44,121)**	**-**	**62,442**	**(44,121)**

[1] Certain derivative financial assets and liabilities are offset and the net amount is presented in accordance with IAS 32 in the Statement of Financial Position. The Bank has the ability and the intention to settle those instruments on a net basis, which are settled through the same clearing house.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.2. Derivative financial instruments [continued][1]

Fair value of derivative financial instruments [continued]

	31 December 2024					31 December 2023				
	Before netting		Netting	After netting		Before netting		Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets	Liabilities
Equity stock and index derivatives										
Commodity Swaps	10,475	(10,616)	-	10,475	(10,616)	32,402	(32,490)	-	32,402	(32,490)
Equity swaps	-	(1,194)	-	-	(1,194)	126	(3,826)	-	126	(3,826)
OTC derivatives	**10,475**	**(11,810)**	**-**	**10,475**	**(11,810)**	**32,528**	**(36,316)**	**-**	**32,528**	**(36,316)**
Exchange traded futures and options	1,331	(728)	-	1,331	(728)	433	(451)	-	433	(451)
Total equity stock and index derivatives	**11,806**	**(12,538)**	**-**	**11,806**	**(12,538)**	**32,961**	**(36,767)**	**-**	**32,961**	**(36,767)**
Derivatives held for risk management not designated in hedges										
Interest rate swaps	71,779	(82,909)	28,980	42,799	(53,929)	68,380	(91,634)	22,237	46,143	(69,397)
Foreign exchange swaps	9,689	(8,675)	-	9,689	(8,675)	11,796	(20,284)	-	11,796	(20,284)
Forward	-	(72)	-	-	(72)	127	-	-	127	-
Cross currency interest rate swaps	10,258	(1,069)	-	10,258	(1,069)	14,577	(2,629)	-	14,577	(2,629)
Total derivatives held for risk management not designated in hedges	**91,726**	**(92,725)**	**28,980**	**62,746**	**(63,745)**	**94,880**	**(114,547)**	**22,237**	**72,643**	**(92,310)**
From this: Total derivatives cleared by NBH held for risk management	28,788	-	-	28,788	-	33,042	-	-	33,042	-
Total Held for trading derivative financial instruments	**289,783**	**(263,221)**	**118,722**	**171,061**	**(144,499)**	**329,975**	**(316,741)**	**133,176**	**196,799**	**(183,565)**
Derivative financial instruments designated as hedge accounting relationships										
Derivatives designated in cash flow hedges										
Interest rate swaps	1	(8,453)	8,453	(8,452)	-	-	(9,935)	1,066	(1,066)	(8,869)
Total derivatives designated in cash flow hedges	**1**	**(8,453)**	**8,453**	**(8,452)**	**-**	**-**	**(9,935)**	**1,066**	**(1,066)**	**(8,869)**
Derivatives designated in fair value hedges										
Interest rate swaps	53,401	(19,975)	19,957	33,444	(18)	37,651	(33,054)	25,130	12,521	(7,924)
Cross currency interest rate swaps	13,903	(19,420)	-	13,903	(19,420)	10,173	(10,679)	-	10,173	(10,679)
Total derivatives designated in fair value microhedges	**67,304**	**(39,395)**	**19,957**	**47,347**	**(19,438)**	**47,824**	**(43,733)**	**25,130**	**22,694**	**(18,603)**
Interest rate swaps	4,235	-	-	4,235	-	168	(119)	168	-	49
Total derivatives designated in fair value macrohedges	**4,235**	**-**	**-**	**4,235**	**-**	**168**	**(119)**	**168**	**-**	**49**
From this: Total derivatives cleared by NBH held for hedging	-	(1,764)	-	-	(1,764)	-	(5,485)	-	-	(5,485)
Total derivatives held for risk management (OTC derivatives)	**71,540**	**(47,848)**	**28,410**	**43,130**	**(19,438)**	**47,992**	**(53,787)**	**26,364**	**21,628**	**(27,423)**

[1] Certain derivative financial assets and liabilities are offset and the net amount is presented in accordance with IAS 32 in the Statement of Financial Position. The Bank has the ability and the intention to settle those instruments on a net basis, which are settled through the same clearing house.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.2. Derivative financial instruments [continued][1]

Fair value of derivative financial instruments [continued]

Financial assets subject to offsetting, netting arrangement as at 31 December 2024

	Offsetting recognised on the balance sheet			**Netting potential not recognised on the balance sheet**			**Assets not subject to netting arrangements**	**Total assets**	**Maximum exposure to risk**
	Gross assets before offset	Offsetting with gross liabilities	Net assets recognised on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the statement of financial position	Recognised in the statement of financial position	After consideration of netting potential
Derivative financial instruments	315,026	(147,132)	167,894	(54,939)	(74,570)	38,385	46,297	214,191	84,682

Financial liabilities subject to offsetting, netting arrangement as at 31 December 2024

	Offsetting recognised on the balance sheet			**Netting potential not recognised on the balance sheet**			**Assets not subject to netting arrangements**	**Total liabilities**	**Maximum exposure to risk**
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognised on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognised on the statement of financial position	Recognised in the statement of financial position	After consideration of netting potential
Derivative financial instruments	297,744	(147,132)	150,612	(54,939)	(60,586)	35,087	13,325	163,937	48,412

[1] Certain derivative financial assets and liabilities are offset and the net amount is presented in accordance with IAS 32 in the Statement of Financial Position. The Bank has the ability and the intention to settle those instruments on a net basis, which are settled through the same clearing house.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.2. Derivative financial instruments [continued][1]

Fair value of derivative financial instruments [continued]

Financial assets subject to offsetting, netting arrangement as at 31 December 2023

	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offsetting with gross liabilities	Net assets recognised on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognised on the statement of financial position	Recognised in the statement of financial position	After consideration of netting potential
Derivative financial instruments	324,446	(158,844)	165,602	(60,721)	(76,853)	28,028	52,825	218,427	80,853

Financial liabilities subject to offsetting, netting arrangement as at 31 December 2023

	Offsetting recognised on the balance sheet			Netting potential not recognised on the balance sheet			Assets not subject to netting arrangements	Total liabilities	Maximum exposure to risk
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognised on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognised on the statement of financial position	Recognised in the statement of financial position	After consideration of netting potential
Derivative financial instruments	347,414	(158,844)	188,570	(60,721)	(103,563)	24,286	22,418	210,988	46,704

[1] Certain derivative financial assets and liabilities are offset and the net amount is presented in accordance with IAS 32 in the Statement of Financial Position. The Bank has the ability and the intention to settle those instruments on a net basis, which are settled through the same clearing house.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.3. Hedge accounting

Interest rate risk management is centralized at OTP Bank. Interest rate risk exposures in major currencies are managed at HQ on consolidated level. Although risk exposures in local currencies are managed at subsidiary level, the respective decisions are subject to HQ approval. Interest rate risk is measured by simulating NII and EVE under different stress and plan scenarios, the established risk limits are described in „OTP Bank's Group-Level Regulations on the Management of Liquidity Risk and Interest Rate Risk of Banking Book". The interest rate risk management activity aims to stabilize NII within the approved risk limits.

The risk management objective of these hedge relationships is to mitigate the risk of clean fair value (i.e. excluding accrued interest) change of MIRS loans due to the change of interest rate reference indexes (BUBOR, EURIBOR, LIBOR, etc.) of the respective currency.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.3. Hedge accounting [continued]

Amount, timing and uncertainty of future cash flows - hedging instruments as at 31 December 2024 (amounts in million currency)

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Fair Value Hedge	**Interest rate risk**	**Interest rate swap**						
		HUF						
		Notional	(10,000)	(3,000)	22,342	283,607	26,800	**319,749**
		Average Interest Rate (%)	12.20%	1.20%	71.37%	4.21%	1.39%	
		EUR						
		Notional	-	-	(75)	(2,390)	-	**(2,465)**
		Average Interest Rate (%)	-	-	3.26%	3.05%	-	
		USD						
		Notional	-	-	-	(1,106)	47	**(1,059)**
		Average Interest Rate (%)	-	-	-	3.65%	4.18%	
		JPY						
		Notional	-	-	4,500	-	-	**4,500**
		Average Interest Rate (%)	-	-	0.22%	-	-	
Fair Value Hedge	**FX & IR risk**	**Cross currency interest rate swap**						
		EUR/HUF						
		Notional	-	1	2	6	9	**18**
		Average Interest Rate (%)	-	(1.69%)	(1.69%)	(1.76%)	(1.82%)	
		Average FX Rate	-	310.04	310.04	308.93	307.71	
Fair Value Hedge	**FX risk**	**Cross currency interest rate swap**						
		EUR/HUF						
		Notional	-	-	191	1,474	-	**1,665**
		Average FX Rate	-	426.83	379.97	383.10	-	
		RON/HUF						
		Notional	-	175	450	425	-	**1,050**
		Average FX Rate	-	79.76	80.30	75.17	-	
		JPY/HUF						
		Notional	-	-	4,500	-	-	**4,500**
		Average FX Rate	-	-	2.43	-	-	
Cash flow Hedge	**Interest rate risk**	**Interest rate swap**						
		HUF						
		Notional	-	-	-	28,027	-	**28,027**
		Average Interest Rate	-	-	-	2.46	-	
Fair Value Hedge - Macro	**Interest rate risk**	**Interest rate swap**						
		EUR						
		Notional	-	-	(170)	(680)	(170)	**(1,020)**
		Average Interest Rate	-	-	2.93	2.57	2.51	

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.3. Hedge accounting [continued]

Amount, timing and uncertainty of future cash flows - hedging instruments as at 31 December 2023 (amounts in million currency)

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Fair Value Hedge	Interest rate risk	Interest rate swap						
		HUF						
		Notional	-	-	(24,975)	102,049	28,300	**105,374**
		Average Interest Rate (%)	-	-	15.66%	15.25%	1.38%	
		EUR						
		Notional	-	-	-	-590	-	**-590**
		Average Interest Rate (%)	-	-	-	3.92%	-	
		USD						
		Notional	-	-	-	-1,106	47	**-1,059**
		Average Interest Rate (%)	-	-	-	3.65%	4.18%	
		JPY						
		Notional	-	-	-	4,500	-	**4,500**
		Average Interest Rate (%)	-	-	-	0.22%	-	
Fair Value Hedge	FX & IR risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	1	2	8	10	**21**
		Average Interest Rate (%)	-	(1.69%)	(1.68%)	(1.73%)	(1.82%)	
		Average FX Rate	-	310.02	310.10	309.36	307.71	
Fair Value Hedge	FX risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	175	250	1,167	500	**2,092**
		Average FX Rate	-	356.12	359.11	383.36	381.11	
		RON/HUF						
		Notional	-	-	575	1,250	-	**1,825**
		Average FX Rate	-	-	73.75	74.94	-	
		JPY/HUF						
		Notional	-	-	-	4,500	-	**4,500**
		Average FX Rate	-	-	-	2.43	-	
		USD/HUF						
		Notional	-	-	143	-	-	**143**
		Average FX Rate	-	-	357.16	-	-	
Fair Value Hedge	Other	Interest rate swap						
		HUF						
		Notional	-	-	778	-	-	**778**
Cash flow Hedge	Interest rate risk	Interest rate swap						
		HUF						
		Notional	-	-	-	28,027	-	**28,027**
		Average Interest Rate	-	-	-	2.46	-	
Fair Value Hedge - Macro	Interest rate risk	Interest rate swap						
		EUR						
		Notional	-	-	(60)	(240)	(120)	**(420)**
		Average Interest Rate	-	-	3.54	2.61	2.42	

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.3. Hedge accounting [continued]

Derivative financial instruments designated as hedge accounting as follows:

Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument for the year ended 31 December 2024					Line item in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended 31 December 2024
			Before netting		Netting	After netting			
			Assets	Liabilities		Assets	Liabilities		
Fair value hedge - micro									
Interest rate swap	Interest rate risk	2,177,310	53,401	(19,974)	19,957	33,444	(17)	Derivative assets (liabilities) held for risk management	(1,193)
Cross-currency swap	FX & IR risk	5,265	-	(1,764)	-	-	(1,764)	Derivative assets (liabilities) held for risk management	(859)
Cross-currency swap	FX risk	776,876	13,903	(17,657)	-	13,903	(17,657)	Derivative assets (liabilities) held for risk management	11,104
Cash flow hedge									
Interest rate swap	Interest rate risk	66,899	1	(8,453)	8,453	(8,452)	-	Derivative assets (liabilities) held for risk management	(40)
Fair value hedge - macro									
Interest rate swap	Interest rate risk	418,292	4,235	-	-	4,235	-	Derivative assets (liabilities) held for risk management	(30)

31 December 2024	Type of risk	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities	Assets	Liabilities	
Fair value hedge - micro						
- Loans	***Interest rate risk***	29,439	-	(3,049)	-	Loans
- Loans	***Interest rate risk***	-	144,441	-	(3,618)	Amounts due to banks and deposits from the National Bank of Hungary and other banks
- Government bonds	***Interest rate risk***	354,572	-	(1,428)	-	Securities at amortised cost
- Government bonds	***Interest rate risk***	150,531	-	(17,620)	-	Securities at fair value through other comprehensive income
- Other securities	***Interest rate risk***	4,101	-	(99)	-	Securities at fair value through other comprehensive income
- Other securities	***Interest rate risk***	-	1,242,277	-	17,930	Liabilities from issued securities
- Other securities	***Interest rate risk***	-	249,936	-	(3,474)	Subordinated debts
- Loans	***FX & IR risk***	3,499	-	36	-	Loans
- Loans	***FX risk***	678,845	-	-	-	Loans
- Government bonds	***FX risk***	11,307	-	-	-	Securities at fair value through other comprehensive income
- Government bonds	***FX risk***	86,541	-	-	-	Securities at amortised cost
- Other securities	***FX risk***	-	14,053	-	-	Liabilities from issued securities
Fair value hedge - micro total		**1,318,835**	**1,650,707**	**(22,160)**	**10,838**	
Fair value hedge - macro						
- Customer deposits		**-**	**414,492**	**-**	**4,303**	Customer deposits

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.3. Hedge accounting [continued]

Derivative financial instruments designated as hedge accounting as follows:

Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument for the year ended 31 December 2023 Before netting Assets	Before netting Liabilities	Netting	After netting Assets	After netting Liabilities	Line item in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended 31 December 2023
Fair value hedge									
Interest rate swap	Interest rate risk	1,167,195	37,543	(33,055)	25,130	12,413	(7,925)	Derivative assets (liabilities) held for risk management	648
Cross-currency swap	FX & IR risk	6,394	-	(1,418)	-	-	(1,418)	Derivative assets (liabilities) held for risk management	(893)
Cross-currency swap	FX risk	997,565	10,173	(9,260)	-	10,173	(9,260)	Derivative assets (liabilities) held for risk management	6,699
Interest rate swap	Other	778	108	-	-	108	-	Derivative assets (liabilities) held for risk management	1
Cash flow hedge									
Interest rate swap	Interest rate risk	66,899	-	(9,935)	1,066	(1,066)	(8,869)	Derivative assets (liabilities) held for risk management	(84)
Fair value hedge - macro									
Interest rate swap	Interest rate risk	160,768	168	(119)	168	-	49	Derivative assets (liabilities) held for risk management	32)

31 December 2023	Type of risk	Carrying amount of the hedged item Assets	Carrying amount of the hedged item Liabilities	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item Assets	Accumulated amount of fair value hedge adjustments Liabilities	Line item in the statement of financial position in which the hedged item is included
Fair value hedges						
- Loans	***Interest rate risk***	26,839	-	(3,178)	-	Loans
- Loans	***Interest rate risk***	-	143,857	-	(11,249)	Amounts due to banks and deposits from the National Bank of Hungary and other banks
- Government bonds	***Interest rate risk***	164,229	-	7,808	-	Securities at amortised cost
- Government bonds	***Interest rate risk***	148,843	-	20,391	-	Securities at fair value through other comprehensive income
- Other securities	***Interest rate risk***	3,828	-	203	-	Securities at fair value through other comprehensive income
- Other securities	***Interest rate risk***	-	457,027	-	6,539	Liabilities from issued securities
- Other securities	***Interest rate risk***	-	219,989	-	(157)	Subordinated debts
- Loans	***FX & IR risk***	3,266	-	(96)	-	Loans
- Loans	***FX risk***	949,447	-	-	-	Loans
- Government bonds	***FX risk***	10,986	-	-	-	Securities at amortised cost
- Government bonds	***FX risk***	49,378	-	-	-	Securities at fair value through other comprehensive income
- Other securities	***Other risk***	-	897	-	(39)	Liabilities from issued securities
Fair value hedges - micro total		**1,356,816**	**821,770**	**25,128**	**(4,906)**	
Fair value hedges - macro						
- Customer deposits	***Other risk***	**-**	**157,543**	**-**	**84**	Customer deposits

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.3. Hedge accounting [continued]

For the year ended 31 December 2024 OCI related to cash flow hedges as follows:

Type of risk	Carrying amount of the hedged item		Cash flow hedge reserve for the year ended 31 December 2024	Line item in the statement of financial position in which the hedged item is included
	Assets	Liabilities		
Interest rate risk	28,027	-	3,374	Loans at amortised cost

For the year ended 31 December 2023 OCI related to cash flow hedges as follows:

Type of risk	Carrying amount of the hedged item		Cash flow hedge reserve for the year ended 31 December 2023	Line item in the statement of financial position in which the hedged item is included
	Assets	Liabilities		
Interest rate risk	28,027	-	3,509	Loans at amortised cost

For the year ended 31 December 2024 change in basis swap spread recognised in OCI related to fair value hedges as follows:

Type of risk	Carrying amount of the hedged item		Items recognised in other comprehensive income 2024	Change in the items recognized in other comprehensive income 2024	Line item in the statement of financial position in which the hedged item is included
	Assets	Liabilities			
FX risk	678,846	-	11	(217)	Loans at amortised cost
FX risk	11,308	-	(51)	10	FVOCI debt securities
FX risk	86,541	-	549	549	Securities at amortised cost
FX risk	-	14,053	16	16	Liabilities from issued securities
	776,695	**14,053**	**525**	**358**	

For the year ended 31 December 2023 change in basis swap spread recognised in OCI related to fair value hedges as follows:

Type of risk	Carrying amount of the hedged item		Items recognised in other comprehensive income 2023	Change in the items recognized in other comprehensive income 2023	Line item in the statement of financial position in which the hedged item is included
	Assets	Liabilities			
FX risk	949,447	-	167	530	Loans at amortised cost
FX risk	10,986	-	(69)	-	FVOCI debt securities
	960,433	**-**	**98**	**530**	

Change in the fair value of the hedging instrument related to cash flow hedge

31 December 2024

Type of instrument	Type of risk	Change in the value of the hedging instrument recognised in cash flow hedge reserve	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Interest rate swap	Interest rate risk	(135)	(40)	Interest Income from Placements with other banks, net of allowance for placement losses

31 December 2023

Type of instrument	Type of risk	Change in the value of the hedging instrument recognised in cash flow hedge reserve	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Interest rate swap	Interest rate risk	(5,701)	(85)	Interest Income from Placements with other banks, net of allowance for placement losses

For the year ended 31 December 2023 and 2024 there were no reclassification from cash flow hedge reserve to profit or loss due to termination of hedging relationship.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.4. Fair value classes

Methods and significant assumptions used to determine fair value of the different classes of financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, Fair value measurements – in relation with instruments measured not at fair value – are categorized in level 2;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 December 2024	Total	Level 1	Level 2	Level 3
Loans mandatorily at fair value through profit or loss	998,410	-	-	998,410
Financial assets at fair value through profit or loss	651,236	87,226	556,789	7,221
from this: securities held for trading	*447,993*	*60,934*	*387,059*	-
from this: positive FVA of derivative financial instruments designated as held for trading	*171,061*	*1,331*	*169,730*	-
from this: securities mandatorily measured at fair value through profit or loss	*32,182*	*24,961*	-	*7,221*
Equity instruments at fair value through other comprehensive income	33,934	33,934	-	-
Securities at fair value through other comprehensive income	558,668	199,323	337,822	21,523
Positive fair value of derivative financial instruments designated as hedge accounting	43,130	-	43,130	-
Financial assets measured at fair value total	**2,285,378**	**320,483**	**937,741**	**1,027,154**
Financial liabilities at fair value through profit or loss	17,024	-	-	17,024
Negative fair value of derivative financial instruments classified as held for trading	144,499	728	142,577	1,194
Short position	47,157	47,157	-	-
Negative fair value of derivative financial instruments designated as hedge accounting	19,438	-	19,438	-
Financial liabilities measured at fair value total	**228,118**	**47,885**	**162,015**	**18,218**

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.4. Fair value classes [continued]

As at 31 December 2023	Total	Level 1	Level 2	Level 3
Loans mandatorily at fair value through profit or loss	934,848	-	-	934,848
Financial assets at fair value through profit or loss	257,535	44,106	204,414	9,015
from this: securities held for trading	*27,804*	*19,756*	*8,048*	-
from this: positive FVA of derivative financial instruments designated as held for trading	*196,799*	*433*	*196,366*	-
from this: securities mandatorily measured at fair value through profit or loss	*32,932*	*23,917*	-	*9,015*
Equity instruments at fair value through other comprehensive income	21,177	21,177	-	-
Securities at fair value through other comprehensive income	538,350	229,331	278,146	30,873
Positive fair value of derivative financial instruments designated as hedge accounting	21,628	-	21,628	-
Financial assets measured at fair value total	**1,773,538**	**294,614**	**504,188**	**974,736**
Financial liabilities at fair value through profit or loss	19,786	-	-	19,786
Negative fair value of derivative financial instruments classified as held for trading	183,565	451	179,414	3,700
Short position	19,107	19,107	-	-
Negative fair value of derivative financial instruments designated as hedge accounting	27,423	-	27,423	-
Financial liabilities measured at fair value total	**249,881**	**19,558**	**206,837**	**23,486**

The fair value of investment properties is presented in Note 14 and they are categorized in level 3.
The fair value of investment in subsidiaries is presented in Note 12 and they are categorized in level 3.
Asset held for sale is valued at fair value less cost to sell, that is in this case equal to the sales price and would be classified as Level 3 fair value.

Valuation techniques and sensitivity analysis on Level 2 instruments

The fair value of Level 2 instruments is calculated by discounting their expected interest and capital cash flows. Discounting is done with the respective swap curve of each currency.

Valuation techniques and sensitivity analysis on Level 3 instruments

Sensitivity analysis is performed on products with significant unobservable inputs (Level 3) to generate a range of reasonably possible alternative valuations. The sensitivity methodologies applied take account of the nature of the valuation techniques used, as well as the availability and reliability of observable proxy and historical date and the impact of using alternative models.
The calculation is based on range or spread data of reliable reference source or a scenario based on relevant market analysis alongside the impact of using alternative models. Sensitivities are calculated without reflecting the impact of any diversification in the portfolio.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.4 Fair value classes [continued]

Unobservable inputs used in measuring fair value

Class of financial instrument	Type of financial instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
Financial assets at fair value through profit or loss	VISA C shares	Market approach combined with expert judgement	Discount applied due to illiquidity and litigation	+/-12%
Loans mandatorily at fair value through profit or loss	MFB refinancing loans	Discounted cash flow model	Probability of default	+/- 20%
Loans mandatorily at fair value through profit or loss	Subsidised personal loans	Discounted cash flow model	Probability of default	+/- 20%
Loans mandatorily at fair value through profit or loss	Subsidised personal loans	Discounted cash flow model	Operational costs	+/- 20%
Loans mandatorily at fair value through profit or loss	Subsidised personal loans	Discounted cash flow model	Demography	Change in the cash flow estimation +/- 5%
Securities at fair value through other comprehensive income	FVOCI debt securities	Market approach combined with expert judgement	Credit risk	+/-15%

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.4 Fair value classes [continued]

The effect of unobservable inputs on fair value measurement

Although the Bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 changing the assumptions used to reasonably possible alternative assumptions would have the following effects.

31 December 2024	Class of financial instrument	Unobservable inputs	Carrying amount	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	1,304	1,460	1,147	156	(156)
MFB refinancing loans	Loans mandatorily at fair value through profit or loss	Probability of default	15,094	15,663	14,525	569	(569)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	980,378	980,991	979,766	613	(612)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	980,378	987,263	973,579	6,885	(6,799)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	980,378	981,238	979,693	860	(685)
Russian government bonds	Securities at fair value through other comprehensive income	Probability of default	21,523	31,903	11,143	10,380	(10,380)

31 December 2023	Class of financial instrument	Unobservable inputs	Carrying amount	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	1,808	2,024	1,590	217	(217)
MFB refinancing loans	Loans mandatorily at fair value through profit or loss	Probability of default	19,154	19,499	18,809	345	(345)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	911,190	913,292	909,097	2,102	(2,093)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	911,190	916,712	905,728	5,522	(5,462)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	911,190	911,939	910,577	749	(613)
Russian government bonds	Securities at fair value through other comprehensive income	Probability of default	30,873	37,051	24,695	6,178	(6,178)

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.4 Fair value classes [continued]

The effect of unobservable inputs on fair value measurement [continued]

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of Visa C shares have been calculated by modifying the discount rate used for the valuation by +/-12% as being the best estimates of the management as at 31 December 2024 and 31 December 2023 respectively.

In the case of MFB refinancing loans and subsidised personal loans the Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of probability of default by +/- 20% as one of the most significant unobservable input.

In the case of subsidised personal loans operational cost and factors related to demography are considered as unobservable inputs to the applied fair value calculation model in addition to credit risk.

The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of operational costs by +/- 20% as one of the most significant unobservable input.

In the case of subsidised personal loans cash flow estimation are based on assumption related to the future number of childbirths performed by the debtors both in the current and the comparative period. According to the assumptions used in comparative period 15% of the debtors will not fulfil the conditions of the subsidy determined by the government after 5 years (“breach of conditions”), thereby debtors will be obliged to pay back advanced interest subsidy given in advance. Furthermore, in this case subsidised loans are converted to loans provided based on market conditions. Loans are prepaid by the government as part of the subsidy after the second and the third childbirth following the signatory of the loan contract. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of breach of conditions by +/- 5% as one of the most significant unobservable input in the cash flow estimation.

Since 2022 the Bank used a new and more complex model for cash flow calculations of the subsidised personal loans. The new model uses more scenarios compared to the previous one. These scenarios based on the above mentioned events (first second and third child births after signatory and breach of conditions) and also the event of divorce. The model uses public statistical information to estimate the outcome of these possible future events. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of future child births by +/-5% as one of the most significant unobservable input in the cash flow estimation.

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of FVOCI debt securities have been calculated by modifying the credit risk rate used for the valuation by +/-15% as being the best estimates of the management as at 31 December 2024 and 31 December 2023 respectively.

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

45.4 Fair value classes [continued]

The effect of unobservable inputs on fair value measurement [continued]

Reconciliation of the opening and closing balances of Level 3 instruments for the year ended 31 December 2024

	Opening balance	Change in FVA due to credit risk	Change in FVA due to market factors	Purchases/ Disbursement	Settlement/ Sales	Closing balance
Loans mandatorily measured at fair value through profit or loss	934,848	4,193	26,449	100,081	(67,161)	998,410
Securities mandatorily measured at fair value through profit or loss	9,015	-	(1,794)	-	-	7,221
Derivative financial instruments designated as held for trading	(3,700)	-	2,506	-	-	(1,194)
Securities at fair value through other comprehensive income	30,873	2,568	(11,918)	-	-	21,523
Financial liabilities at fair value through profit or loss	(19,786)	-	1,240	-	1,522	(17,024)
Total	**951,250**	**6,761**	**16,483**	**100,081**	**(65,639)**	**1,008,936**

Reconciliation of the opening and closing balances of Level 3 instruments for the year ended 31 December 2023

	Opening balance	Change in FVA due to credit risk	Change in FVA due to market factors	Purchases/ Disbursement	Settlement/ Sales	Closing balance
Loans mandatorily measured at fair value through profit or loss	793,242	(980)	93,257	103,725	(54,396)	934,848
Securities mandatorily measured at fair value through profit or loss	9,374	-	(359)	-	-	9,015
Derivative financial instruments designated as held for trading	(650)	-	(3,050)	-	-	(3,700)
Securities at fair value through other comprehensive income	27,415	1,423	2,035	-	-	30,873
Financial liabilities at fair value through profit or loss	(16,576)	-	(4,542)	-	1,332	(19,786)
Total	**812,805**	**443**	**87,341**	**103,725**	**(53,064)**	**951,250**

NOTE 46: ASSETS CLASSIFIED AS HELD-FOR-SALE (in HUF mn)

The Bank has 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. (hereinafter referred to as: 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 total selling price is EUR 347.5 million from which EUR 335 million is related to OTP Bank Romania S.A. Therefore impairment gain was recorded in amount of HUF 41 billion in the Separate Statement of Profit or Loss related to investment of OTP Bank Romania S.A., after that the carrying amount was reclassified to „Non-current asset held for sale" in the Separate Statement of Financial Position.

On 30 July 2024 the financial closure of the sale of the Romanian bank was completed.

NOTE 47: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2024

1) Capital increase at Monicomp Ltd.

See details about the event in Note 12.

2) Capital increase at JSCMB 'IPOTEKA BANK'
See details about the event in Note 12.

3) Capital increase at OTP Real Estate Ltd.
See details about the event in Note 12.

4) OTP Bank is selling its Romanian operations
See details about the event in Note 12.

5) Capital increase at OTP Real Estate Ltd.
See details about the event in Note 12.

6) Significant regulatory changes in Hungary
About the prolongation of deadline of interest rate cap, amending the previously laid down methodology of windfall tax calculation, family support schemes and economic stimulus measures and capital regulation please see details in Note 4.

7) Merger of the Slovenian entities
See details about the event in Note 12.

8) EUR 600 million bond issuance
See details about the event in Note 20.

9) EUR 700 million Green Senior Preferred bond issuance
See details about the event in Note 20.

10) EUR 400 million Green bond recall
See details about the event in Note 20.

11) EUR 500 million Subordinated bond recall
See details about the event in Note 25.

12) CNY 300 million bond issuance
See details about the event in Note 20.

13) EUR 500 million bond issuance
See details about the event in Note 20.

NOTE 47: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2024 [continued]

14) Risk relating to the Russian-Ukrainian armed conflict

In 2022 Russia launched a still ongoing war against Ukraine. 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 war 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 war 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 war and the international sanctions cause significant economic damage to the affected parties and in addition they cause disruptions in the global economic processes, and they have negative impact – inter alia – on energy and grain markets, the global transport routes and international trade as well as on tourism.

OTP Group continues to monitor the situation closely. The OTP Group's ability to conduct business may be adversely affected by disruptions and restrictions 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 war 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.

NOTE 48: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Summary of economic policy measures made and other relevant regulatory changes as post-balance sheet events

Hungary

- On 13 January 2025 OTP Bank’s share buyback program approved by the central bank on 22 August 2024 reached its maximum available amount of HUF 60 billion.
- On 24 January 2025 the Bank got another approval from the Hungarian National Bank to repurchase own shares in the amount of HUF 60 billion. The available amount was exhausted on 10 February 2025.
- From 13 January 2025 the consolidated MREL requirement is determined at 18.60% of the total risk exposure amount (RWA) and 6.02% of the total exposure measure (TEM) of the Resolution Group. The consolidated MREL requirement of OTP Bank applicable until this date was 18.94% and 5.78%. OTP Bank’s Resolution Group consists of entities included in the prudential scope of consolidation of OTP Bank without the Slovenian OTP banka d.d. and its subsidiaries. Pursuant to the CRD OTP Bank has to meet the combined buffer requirement in addition to its MREL TREA requirement as institutions shall not use CET1 capital that is maintained to meet the combined buffer requirement to meet the risk-based component of the MREL requirement. This principle is applicable to the MREL TREA subordination requirement as well.
- On 30 January 2025 Tier 2 notes have been issued in the aggregate nominal amount of USD 750 million. The notes carry an annual coupon of 7.3% due semi-annually. The tenor was 10.5NC5.5, i.e. in the period between five and five and a half years the bonds can be redeemed on any day. The notes were listed on the Luxembourg Stock Exchange.
- On 7 February 2025 the EUR 500 million Fixed to Floating Rate Perpetual Subordinated Notes have been redeemed and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.
- On 17 February 2025 OTP Bank announced the redemption of its €650,000,000 7.350 per cent. Senior Preferred Fixed-to-Floating Callable Notes due 2026 with the optional redemption date of 4 March 2025.
- As of end of February 2025, the banking sector related key initiatives of the 'New Economic Policy Action Plan' launched by government decree 1311/2024 (X. 21.), are as follows (based on the communication of the Government and submitted bills):
    - From 1 January 2025, minimum wage increased by 9%. For 2026 and 2027 further 13% and 14% hikes have been agreed as part of the three-year wage agreement, assuming that economic growth and inflation will be in line with the expectations.
    - From 2 January 2025 the Workers’ Loan Program is available at Hungarian banks. The loan is designed for young people aged 17-25 who are not eligible for student loans and who are employed in Hungary for at least 20 hours a week, or entrepreneurs who have an average income and undertake to work or run a business in Hungary for a minimum of five years. The maximum amount of the interest-free, free use, state-guaranteed loan facility is HUF 4 million, with a term of 10 years. The scheme also provides support for childbearing, with repayments suspended for two years following the birth of the first and second child, and half of the current debt waived for the second child and the full debt waived after the third one.
    - From 1 January 2025, in the case of green loans the loan-to-value limit was increased to 90%, furthermore the payment-to-income limit was increased to 60% regardless of the income.
    - On 1 January 2025, the home renovation program was reintroduced to support families in towns with less than 5,000 residents, covering up to 50% of labour- and material costs with a cap of HUF 3 million. Those who have already availed themselves of the 2021-2022 home renovation subsidy are only eligible to utilize the new subsidy up to the amount of the HUF 3 million that remains unused at that time. From 1 February 2025, a state subsidized home renovation mortgage loan with a client interest rate of 3% and with up to HUF 6 million loan amount is available to finance investment costs.
    - In 2025, voluntary pension fund savings can be used free of tax for housing loan repayments, repayment of secured loans, and modernization or renovation of existing homes. The total amount of voluntary pension savings could be utilized, but only up to the balance available as of 30 September 2024.

NOTE 48: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD [continued]

- From 1 January 2025, monthly HUF 150,000 fringe benefit can be paid to the employees under the age of 35 in order to support housing expenses (home rental or loan instalment) above the current preferential upper limit of HUF 450,000 per year.
- Half of the accumulated amount on SZÉP Cards can be used for home renovation in 2025.
- Between 1 April and 31 October 2025, based on the individual decision of the participating banks, 5% interest rate cap will be available for under 35 years old, first-time home buyers for newly granted green housing loans, with properties under 60 square meter and price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan, the product has neither disbursement nor credit assessment fees.
- From 6 January 2025, as part of the Demján Sándor program, export stimulating loan and leasing structures are available in the total sum of HUF 400 billion, partly refinanced by EXIM Hungary. Some of the products are also available for enterprises planning to start export activities in the future.
- The interest rate of certain products under the Széchenyi Card Program MAX+ scheme was significantly reduced for contracts concluded after 1 March 2025: the interest rate on investment loans (Agricultural Investment Loan, Investment Loan) and the leasing scheme was reduced to 3%, while the interest rate on the Széchenyi Card Overdraft MAX+ (including the Tourism Card) and the Liquidity Loan was reduced to 4.5%. The uniform 0.5 pp reduction in client interest rates was facilitated by the burden sharing of KAVOSZ Ltd. (0.1 pp) and the banking sector (0.4 pp). The investment loans with the exceptionally favourable interest rate of the "GREEN" sub-structure are an exception to this, which are still available to businesses with a rate of 1.5%.

- Changes in the economic policy leadership:
  - As of 31 December 2024, pursuant to Act LXXXVI of 2024, the Ministry of Finance ceased to exist by merging into the Ministry of National Economy. Minister Márton Nagy remained in office unchanged as head of the Ministry of National Economy.
  - As of 4 March 2025, the President of the Republic appointed Mihály Varga, the former Minister of Finance, to head the National Bank of Hungary.
- Based on preliminary data published by the Central Statistical Office on 30 January 2025, the performance of the Hungarian economy increased by 0.5% q-o-q and 0.4% y-o-y in the fourth quarter. With this, the annual growth in 2024 was 0.6%. The average inflation in 2024 was 3.7%.
- The Financial Stability Council of the Hungarian National Bank announced an extension to the central bank's green capital requirement relief programs for credit institutions. The deadline for these programs was extended by one year, until the end of December 2026. The decision on whether to grant further annual extensions will be made based on a professional indicator system. Additionally, from 31 January 2025, the range of exposures that can be included in the discount program was further expanded.

On 19 March 2024 the Management of OTP Bank has decided to purchase SZÉP card branch – the whole stock of contracts and the related cash - from OTP Funds Servicing and Consulting Ltd. from 1 January 2025, which was approved by NBH by decision H-EN-I-444/2024. The price of the transferred contracts was in amount of HUF 23.1 billion, and the transfer was completed on 1 of January 2025. The purchase price was transferred on 31 January 2025.

An event, that occurred in January 2025 regarding an item reported in the Bank's books as a receivable from lending activities, was identified by the Bank as a post-balance sheet event. The Bank believes that the event has no retrospective effect for 2024 concerning stage classification, therefore the Bank did not change the stage 2 classification of the affected receivable as of 31 December 2024. However, given that the Bank obtained additional information regarding the circumstances that previously justified the stage 2 classification, the Bank recognized an additional HUF 4.8 billion impairment loss for the receivable in the stage 2 category for 2024.

CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS (2024)

OTP BANK PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024
(in HUF mn)

	Note	31/12/2024	31/12/2023
Cash, amounts due from banks and balances with the National Banks	5.	6,079,012	7,125,049
Placements with other banks	6.	1,891,901	1,566,998
Repo receivables	7.	331,837	223,884
Financial assets at fair value through profit or loss	8.	743,400	288,885
Securities at fair value through other comprehensive income	9.	1,705,553	1,601,461
Securities at amortized cost	10.	7,447,177	5,249,272
Loans at amortized cost	11.	20,290,381	17,676,533
Loans mandatorily at fair value through profit or loss	11.	1,559,781	1,400,485
Finance lease receivables	36.	1,511,477	1,289,712
Associates and other investments	12.	124,523	96,110
Property and equipment	13.	581,240	523,124
Intangible assets and goodwill	13.	356,564	291,358
Right-of-use assets	36.	79,830	74,698
Investment properties	14.	88,240	53,381
Derivative financial assets designated as hedge accounting	15.	50,381	41,967
Deferred tax assets	35.	56,583	55,691
Current income tax receivables	35.	7,060	7,773
Other assets	16.	514,188	509,430
Assets classified as held for sale	50.	-	1,533,333
TOTAL ASSETS		**43,419,128**	**39,609,144**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	17.	2,022,191	1,940,862
Repo liabilities	18.	132,137	126,237
Financial liabilities designated at fair value through profit or loss	19.	72,490	70,707
Deposits from customers	20.	31,658,189	28,332,271
Fair value changes of the hedged items in portfolio hedge of interest rate risk	20.	8,209	160
Liabilities from issued securities	21.	2,593,124	2,095,548
Derivative financial liabilities held for trading	22.	114,089	140,488
Derivative financial liabilities designated as hedge accounting	23.	14,605	63,899
Leasing liabilities	36.	82,109	76,313
Deferred tax liabilities	35.	32,637	28,663
Current income tax payable	35.	76,787	69,948
Provisions	24.	131,637	121,119
Other liabilities	24.	991,552	745,820
Subordinated bonds and loans	25.	369,359	562,396
Liabilities directly associated with assets classified as held for sale	50.	-	1,139,920
TOTAL LIABILITIES		**38,299,115**	**35,514,351**
Share capital	26.	28,000	28,000
Retained earnings and reserves	27.	5,327,652	4,179,322
Treasury shares	28.	(245,319)	(120,489)
Total equity attributable to the parent		**5,110,333**	**4,086,833**
Total equity attributable to non-controlling interest	**29.**	**9,680**	**7,960**
TOTAL SHAREHOLDERS' EQUITY		**5,120,013**	**4,094,793**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**43,419,128**	**39,609,144**

Budapest, 19 March 2025

Dr. Sándor Csányi
Chairman and Chief Executive Officer

László Wolf
Deputy Chief Executive Officer

OTP BANK PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	30.	2,542,138	2,314,677
Income similar to interest income	30.	539,984	633,587
Interest income and income similar to interest income		**3,082,122**	**2,948,264**
Interest expense		**(1,336,782)**	**(1,561,558)**
NET INTEREST INCOME		**1,745,340**	**1,386,706**
Loss allowance on loans, placements, amounts due from banks and on repo receivables	31.	(72,385)	(109,223)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	31.	5,504	(91)
(Loss allowance) / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	31.	(39,907)	8,831
(Provision) / Release of provision for commitments and guarantees given	31.	(2,371)	19,870
Release of impairment of assets subject to operating lease and of investment properties	31.	17	1,332
Risk cost total		**(109,142)**	**(79,281)**
NET INTEREST INCOME AFTER RISK COST		**1,636,198**	**1,307,425**
Loss from derecognition of financial assets at amortized cost	**33.**	**(14,409)**	**(17,182)**
Modification loss	**4.**	**(13,193)**	**(38,141)**
Income from fees and commissions	32.	1,045,987	861,309
Expense from fees and commissions	32.	(203,332)	(169,316)
Net profit from fees and commissions		**842,655**	**691,993**
Foreign exchange result, net	33.	(12,048)	13,827
Gain on securities, net	33.	10,326	7,283
Fair value adjustment on financial instruments measured at fair value through profit or loss	33.	27,374	94,613
Net results on derivative instruments and hedge relationships	33.	12,004	(12,760)
Profit from associates	8., 9.	12,970	14,766
Other operating income	34.	147,895	324,266
Other operating expenses	34.	(127,174)	(110,570)
Net operating income		**71,347**	**331,425**
Personnel expenses	34.	(550,175)	(478,696)
Depreciation and amortization	13.	(134,293)	(111,996)
Other general expenses	34.	(528,306)	(483,645)
Other administrative expenses		**(1,212,774)**	**(1,074,337)**
PROFIT BEFORE INCOME TAX		**1,309,824**	**1,201,183**
Income tax expense	35.	(253,440)	(189,478)
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS		**1,056,384**	**1,011,705**

OTP BANK PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024 [continued]
(in HUF mn)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS		**1,056,384**	**1,011,705**
DISCOUNTINUED OPERATIONS			
Net Gain / (Loss) from discontinued operations	50.	19,756	(21,246)
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCOUNTINUED OPERATION		**1,076,140**	**990,459**
From this, attributable to:			
Non-controlling interest	**29.**	**4,227**	**1,801**
Owners of the company		**1,071,913**	**988,658**
Earnings per share (in HUF)			
From continuing operations			
Basic	46.	3,977	3,774
Diluted	46.	3,976	3,772
From continuing and discontinued operations			
Basic	46.	4,052	3,695
Diluted	46.	4,050	3,693

OTP BANK PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
PROFIT AFTER INCOME TAX FOR THE YEAR		**1,076,140**	**990,459**
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of securities at fair value through other comprehensive income	27.	37,528	89,734
Deferred tax related to fair value adjustment of securities at fair value through other comprehensive income	27.	(4,181)	(12,779)
Net investment hedge in foreign operations	27.	(27,310)	(2,707)
Foreign currency translation difference	27.	195,152	(200,928)
Items that will not be reclassified subsequently to profit or loss:			
Fair value changes of equity instruments at fair value through other comprehensive income	27.	16,519	2,411
Deferred tax related to equity instruments at fair value through other comprehensive income	27.	(2,115)	(947)
Change of actuarial gain related to employee benefits	27.	(949)	(392)
Deferred tax related to change of actuarial gain related to employee benefits	27.	26	(8)
Other comprehensive income		**214,670**	**(125,616)**
TOTAL COMPREHENSIVE INCOME		**1,290,810**	**864,843**
From this, attributable to:			
Non-controlling interest		**4,713**	**1,129**
Owners of the company		**1,286,097**	**863,714**

OTP BANK PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Share capital	Capital reserve	Retained earnings and other reserves[1]	Treasury shares	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance as at 1 January 2024		**28,000**	**52**	**4,179,270**	**(120,489)**	**4,086,833**	**7,960**	**4,094,793**
Profit after income tax for the period		-	-	1,071,913	-	1,071,913	4,227	1,076,140
Other Comprehensive Income		-	-	214,184	-	214,184	486	214,670
Total comprehensive income		**-**	**-**	**1,286,097**	**-**	**1,286,097**	**4,713**	**1,290,810**
Purchasing of non-controlling interest		-	-	-	-	-	(350)	(350)
Dividend paid to non-controlling interest		-	-	-	-	-	(2,643)	(2,643)
Share-based payment	40.	-	-	4,411	-	4,411	-	4,411
Paid dividends for years 2023	27.	-	-	(150,000)	-	(150,000)	-	(150,000)
Adjustment related to share-based payment		-	-	6,928	-	6,928	-	6,928
Other transfer		-	-	177	-	177	-	177
Sale of Treasury shares	28.	-	-	-	28,275	28,275	-	28,275
Treasury shares - loss on sale	28.	-	-	717	-	717	-	717
Treasury shares - acquisition	28.	-	-	-	(153,105)	(153,105)	-	(153,105)
Balance as at 31 December 2024		**28,000**	**52**	**5,327,600**	**(245,319)**	**5,110,333**	**9,680**	**5,120,013**

	Note	Share capital	Capital reserve	Retained earnings and other reserves[1]	Treasury shares	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance as at 1 January 2023		**28,000**	**52**	**3,395,163**	**(106,862)**	**3,316,353**	**5,959**	**3,322,312**
Profit after income tax for the period		-	-	988,658	-	988,658	1,801	990,459
Other Comprehensive Income		-	-	(124,944)	-	(124,944)	(672)	(125,616)
Total comprehensive income		**-**	**-**	**863,714**	**-**	**863,714**	**1,129**	**864,843**
Purchasing of non-controlling interest		-	-	-	-	-	(159)	(159)
Increase due to business combination		-	-	-	-	-	3,149	3,149
Dividend paid to non-controlling interest	29.	-	-	-	-	-	(2,118)	(2,118)
Share-based payment	40.	-	-	3,292	-	3,292	-	3,292
Paid dividends for year 2022	27.	-	-	(84,000)	-	(84,000)	-	(84,000)
Adjustment related to share-based payment		-	-	3,836	-	3,836	-	3,836
Sale of Treasury shares	28.	-	-	-	26,191	26,191	-	26,191
Treasury shares - loss on sale	28.	-	-	(2,735)	-	(2,735)	-	(2,735)
Treasury shares - acquisition	28.	-	-	-	(39,818)	(39,818)	-	(39,818)
Balance as at 31 December 2023		**28,000**	**52**	**4,179,270**	**(120,489)**	**4,086,833**	**7,960**	**4,094,793**

[1] See details in Note 27

OTP BANK PLC
CONSOLIDATED STATEMENT OF CASH-FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
OPERATING ACTIVITIES			
Profit after income tax for the period			
(attributable to the owners of the company)		**1,071,913**	**988,658**
Net accrued interest		(14,406)	4,360
Dividend income	27.	(12,970)	(14,787)
Depreciation and amortization	13.	140,720	123,327
Loss allowance / (Release of loss allowance) on securities	9.,10.	39,907	(9,066)
Loss allowance on loans and placements, amounts due from banks and on repo receivables	5-7., 11.	84,816	116,002
Loss allowance on investments	12.	957	22
Release of loss allowance on investment properties	14.	(23)	(1,362)
Impairment on tangible and intangible assets	13.	7,335	5,824
Loss allowance on other assets	16.	13,166	11,120
Provision / (Release of provision) on off-balance sheet commitments and contingent liabilities	24.	7,439	(10,052)
Share-based payment	40.	4,411	3,292
Unrealized gains on fair value change of financial instrument at fair value through profit or loss	33.	(34,047)	(89,577)
Non-realized foreign exchange (gain) / loss	33.	(59,696)	6,945
(Gain) / Loss from sale of tangible and intangible assets	13.	(2,757)	595
Unrealized gains on fair value change of derivative financial instruments	33.	(85,178)	(81,451)
Negative goodwill	42.	-	(198,361)
Gain on discontinued operations	50	(19,756)	-
Net changes in assets and liabilities in operating activities			
Net (increase) / decrease in securities at fair value through profit or loss	8.	(463,443)	120,890
Net increase in compulsory reserves at the National Banks	5.	(140,326)	(797,695)
Increase in placement with other banks, before loss allowance for placements	6.	(446,637)	(326,379)
Net increase in loans at amortized cost before loss allowance for loans and in loans at fair value	11.	(2,082,949)	(28,934)
Net (increase) / decrease in other assets before loss allowance	16.	(97,341)	95,512
Net increase / (decrease) in amounts due to banks, the National Governments, deposits from the National Banks and other banks and repo liabilities	17., 18.	147,032	(205,101)
Net increase in financial liabilities designated at fair value through profit or loss	19.	3,100	11,974
Net increase in deposits from customers	20.	2,459,297	846,428
Cash payments for the interest portion of the lease liability	36.	(3,557)	(3,099)
Net increase in other liabilities	24.	333,844	40,695
Income tax paid	35.	(94,574)	(152,201)
Net Cash Provided by Operating Activities		**756,277**	**457,579**

OTP BANK PLC
CONSOLIDATED STATEMENT OF CASH-FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024
(in HUF mn)
[continued]

	Note	Year ended 31 December 2024	Year ended 31 December 2023
INVESTING ACTIVITIES			
Purchase of securities at fair value through other comprehensive income	9.	(733,477)	(871,512)
Proceeds from sale of securities at fair value through other comprehensive income	9.	678,896	1,176,467
Purchase of investments	12.	(29,212)	(13,910)
Proceeds from sale of investments	12.	51	-
Dividends received	27.	13,016	15,642
Purchase of securities at amortized cost	10.	(141,884,521)	(1,037,889)
Redemption of securities at amortized cost	10.	139,854,176	1,329,137
Purchase of property, equipment and intangible assets	13.	(304,156)	(300,002)
Proceeds from disposals of property, equipment and intangible assets	13.	68,971	139,155
Purchase of investment properties	14.	(32,106)	(10,363)
Proceeds from sale of investment properties	14.	1,097	14,782
Net change in cash and cash equivalents from discontinued operation	50	(142,975)	-
Net cash paid for acquisition	42.	-	577,464
Net Cash (Used in) / Provided by Investing Activities		**(2,510,240)**	**1,018,971**
FINANCING ACTIVITIES			
Cash received from issuance of securities	21.	1,058,432	1,090,039
Cash used for redemption of issued securities	21.	(456,930)	(172,413)
Cash payments for the principal portion of the lease liability	36.	(12,462)	(32,567)
Cash received from issuance of subordinated bonds and loans	25.	-	290,159
Cash used for redemption of subordinated bonds and loans	25.	(148,502)	(49,445)
Sale of Treasury shares	28.	28,991	23,456
Purchase of Treasury shares	28.	(153,105)	(39,818)
Dividends paid	27.	(143,038)	(80,159)
Net Cash Provided by Financing Activities		**173,386**	**1,029,252**
TOTAL NET CASH (USED IN) / PROVIDED BY		**(1,580,577)**	**2,505,802**
Cash and cash equivalents at the beginning of the period	**5.**	**4,859,342**	**2,597,688**
Foreign currency translation		194,627	(200,253)
Net change in cash and cash equivalent		(1,580,577)	2,505,802
Adjustment due to discontinued operation		43,895	(43,895)
Cash and cash equivalents at the end of the period	**5.**	**3,517,287**	**4,859,342**

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information

OTP Bank Plc (the "Bank" or "OTP Bank") was established on 31 December 1990, when the previously State-owned company was transformed into a limited liability company. The Bank's registered office address is 16, Nador Street, Budapest 1051, Hungary.

Due to Hungarian legislation audit services are a statutory requirement for OTP Bank. Disclosure information about the auditor: Ernst & Young Audit Ltd. (001165), 1132 Budapest Váci Street 20. Registered under 01-09-267553 by Budapest-Capital Regional Court, as registry court. Statutory registered auditor: Zsolt Kónya, registration number: 007383.

These Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 19 March 2025. The Bank's owners have the power to amend the Consolidated Financial Statements after issue if applicable.

In 1995, the shares of the Bank were introduced on the Budapest and the Luxembourg Stock Exchanges and were also traded on the SEAQ board on the London Stock Exchange and on PORTAL in the USA.

The structure of the Share capital by shareholders (%):

	31/12/2024	31/12/2023
Domestic and foreign private and institutional investors	96.77%	99.25%
Employees	0.51%	0.48%
Treasury shares	2.52%	0.20%
Other	0.20%	0.07%
Total	**100.00%**	**100.00%**

The Bank's Registered Capital consists of 280.000.010 pieces of ordinary shares with the nominal value of HUF 100 each, representing the same rights to the shareholders.

The Bank and its subsidiaries ("Entities of the Group", together the "Group" or "OTP Group") provide a full range of commercial banking services through a wide network of 1,251 branches in the following countries Hungary, Bulgaria, Serbia, Croatia, Russia, Ukraine, Albania, Montenegro, Moldova, Slovenia and Uzbekistan, as well as provides other services in the Netherlands and Malta.

The number of the active employees without long-term breaks, and with part-time employees taken into account proportionately, and the average number of active employees on monthly basis at the Group (with employed agents):

	31/12/2024	31/12/2023
The number of employees at the Group	40,317	41,547
The average number of employees at the Group	40,807	40,237

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS [continued]

1.2. Basis of Accounting

These Consolidated Financial Statements were prepared based on the assumptions of the Management that the Bank will remain in business for the foreseeable future and that the Bank will not be forced to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices.

The Entities of the Group maintain their accounting records and prepare their statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary and in case of foreign subsidiaries in accordance with the commercial, banking and fiscal regulations of the country in which they are domiciled.

The Bank's functional currency is the Hungarian Forint ("HUF"). It is also presentation currency for the Group.
The financial statements of the subsidiaries used during the preparation of Consolidated Financial Statements of the Group have the same reporting period – starting from 1 January ending as at 31 December – like the reporting period of the Group.

Due to the fact that the Bank is listed on international and national stock exchanges, the Bank is obliged to present its financial statements in accordance with International Accounting Standards ("IAS") as adopted by the European Union (the "EU").
Certain adjustments have been made to the Entities' statutory accounts in order to present the Consolidated Financial Statements of the Group in accordance with all standards and interpretations approved by the International Accounting Standards Board ("IASB").

These Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the EU.
The accompanying Notes to these Consolidated Financial Statements form an integral part of these Consolidated Financial Statements prepared in accordance with IAS as adopted by EU.

1.2.1. The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2024

The following amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-Current** The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively.
  - The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.
- **Amendments to IFRS 16 "Leases" – Lease Liability in a Sale and Leaseback** The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
  - The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease. The amendments apply retrospectively to sale and leaseback transactions the entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16.

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS [continued]

1.2. Basis of Accounting [continued]

1.2.1. The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2024 [continued]

- **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
  - The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements.

The adoption of these amendments to the existing standards has not led to any material changes in these Consolidated Financial Statements.

1.2.2. New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability** The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.
  - The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

1.2.3. Standards and Interpretations issued by IASB, but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in EU as at the date of publication of these Consolidated Financial Statements:

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments) -** The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date.
  - The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income.

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS [continued]

1.2. Basis of Accounting [continued]

1.2.3. Standards and Interpretations issued by IASB, but not yet adopted by the EU [continued]

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments) -** The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.
  - The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.
- **IFRS 18 Presentation and Disclosure in Financial Statements** - IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements.
  - IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for ‘operating profit or loss’, ‘profit or loss before financing and income taxes’ and ‘profit or loss’. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** - IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted.
  - IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.
- **Annual Improvements to IFRS Accounting Standards – Volume 11** - An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026.
  - The IASB’s annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** - In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.
  - The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Group anticipates that the adoption of these new standards, amendments to the existing Standards and new interpretations will have no significant impact on the Consolidated Financial Statements of the Group in the period of initial application.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Material accounting policies applied in the preparation of the accompanying Consolidated Financial Statements are summarized below:

2.1. Basis of Presentation

These Consolidated Financial Statements have been prepared under the historical cost convention with the exception of certain financial instruments, which are recorded at fair value. Revenues and expenses are recorded in the period in which they are earned or incurred. The Group does not offset assets and liabilities or income and expenses unless it is required or permitted by an IFRS standard.

During the preparation of Consolidated Financial Statements assets and liabilities, income and expenses are presented separately, except in certain cases, when one of the IFRS standards prescribes net presenting related to certain items (see note 2.5.5. below).

The presentation of Consolidated Financial Statements in conformity with IFRS as adopted by the EU requires the Management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
Future changes in economic conditions, business strategies, regulatory requirements, accounting rules and other factors could result in a change in estimates that could have a material impact on future financial statements.

2.2. Foreign currency translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currencies are translated into functional currencies at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates quoted by the National Bank of Hungary ("NBH"), or if there is no official rate, at exchange rates quoted by OTP Bank as at the date of the Consolidated Financial Statements.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.5.4. below for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in Other Comprehensive Income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated into HUF using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in Other Comprehensive Income and accumulated in equity (attributed to non-controlling interests as appropriate).

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.2. Foreign currency translation [continued]

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in Other Comprehensive Income and accumulated in equity.

2.3. Principles of consolidation

As the ultimate parent, OTP Bank is preparing Consolidated Financial Statements of the Group.

These Consolidated Financial Statements combine the assets, liabilities, equity, income, expenses and cash flows of the Bank and of those subsidiaries of the Bank in which the Bank exercises control.
All intra-group transactions are consolidated fully on a line-by-line basis while under equity method other consolidation rules are applied. Determination of the entities which are involved into the consolidation procedures based on the determination of the Group's Control over another entity. Control exists when the Bank has power over the investee, is able to use this power and is exposed or has right to variable returns. Consolidation of a subsidiary should begin from the date when the Group obtains control and cease when the Group loses control. Therefore, income and expenses of a subsidiary should be included in the Consolidated Financial Statements from the date the Group gains control of the subsidiary until the date when the Group ceases to have control of the subsidiary.
The list of the major fully consolidated subsidiaries, the percentage of issued capital owned by the Bank and the description of their activities is provided in Note 43.

2.4. Accounting for acquisitions

Business combinations are accounted for using the acquisition method. Any goodwill arising on acquisition is recognized in the Consolidated Statement of Financial Position and accounted for as indicated below.
The acquisition date is the date on which the acquirer effectively obtains control over the acquiree. Before this date, it should be presented as Advance for investments within Other assets.
Goodwill, which represents the residual cost of the acquisition after obtaining the control over the acquiree in the fair value of the identifiable assets acquired and liabilities assumed is held as an intangible asset and recorded at cost less any accumulated impairment losses in the Consolidated Financial Statements. The Group tests goodwill for impairment by comparing its recoverable amount with its carrying amount, and recognising any excess of the carrying amount over the recoverable amount an impairment loss. The recoverable amount of goodwill is the higher of its fair value less costs of disposal and its value in use.

If the Group loses control of a subsidiary, derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost and recognizes any difference as a gain or loss on the sale attributable to the parent in the Consolidated Statement of Profit or Loss on Net income from discontinued operations.

Goodwill acquired in a business combination is tested for impairment annually or more frequently if events or changes in circumstances indicate. The goodwill is allocated to the cash-generating units that are expected to benefit from the synergies of the combinations.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.4. Accounting for acquisition [continued]

The Group calculates the fair value of identified assets and liabilities assumed on discounted cash-flow model. The 3 year period explicit cash-flow model serves as a basis for the impairment test by which the Group defines the impairment need on goodwill based on the strategic factors and financial data of its cash-generating units.

The Group, in its strategic plan, has taken into consideration the effects of the present global economic situation, the present economic growth and outlook, the associated risks and their possible effect on the financial sector as well as the current and expected availability of wholesale funding.

Negative goodwill (gain from bargain purchase), when the interest of the acquirer in the net fair value of the acquired identifiable net assets exceeds the cost of the business combination, is recognized immediately in the Consolidated Statement of Profit or Loss as “Other income”.

The Group measures non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the subsidiaries’ net assets in the event of liquidation at cost and are disclosed among equity. In case of equity investments measured at fair value through profit or loss in line with IFRS 9, non-controlling interests are measured at fair value to avoid any accounting mismatch. These types of non-controlling interests are disclosed as financial liabilities designated at fair value through profit or loss.

2.5. Financial assets

2.5.1. Business model and SPPI test

A business model refers to how the Group manages its financial instruments in order to generate cash flows. It is determined at a level that reflects how groups of financial instruments are managed rather than at an instrument level.

The financial assets held by the Group are classified into three categories depending on the business model within the financial assets are managed.

- Business model whose objective is to hold financial assets in order to collect contractual cash flows. Some sales can be consistent with hold to collect business model and the Group assesses the nature, frequency and significance of any sales occurring. The Group does not consider the sale frequent when at least six months have elapsed between sales. The significant sales are those when the sales exceed 2% of the total hold to collect portfolio. Within this business model the Group manages mainly loans and advances and long-term securities and other financial assets.
- Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Within this business model the Group only manages securities.
- Business model whose objective is to achieve gains in a short-term period. Within this business model the Group manages securities and derivative financial instrument.

If cash flows are realised in a way that is different from the expectations at the date that the Bank/Group assessed the business model, that does not give rise to a prior error in the Group’s financial statements nor does it change the classification of the remaining financial assets held in that business model.
When, and only when the Group changes its business model for managing financial assets it reclassifies all affected assets. Such changes are determined by the Group’s senior management as a result of external or internal changes and must be significant to the Group’s operations and demonstrable to external parties. The Group shall not reclassify any financial liability.

Classification of a financial asset is based on the characteristics of its contractual cash flows if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The Group should determine whether the asset’s contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI test). Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.1. Business model and SPPI test [continued]

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group assesses whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding for the currency in which the financial asset is denominated.

The time value of money is the element of interest that provides consideration for only the passage of time. However, in some cases, the time value of money element may be modified. In such cases, the Group assesses the modification to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

When assessing a modified time value of money element, the objective is to determine how different the undiscounted contractual cash flows could be from undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). The benchmark instrument can be an actual or a hypothetical financial asset. If the undiscounted contractual cash flows significantly – above 2% – differ from the undiscounted benchmark cash flows, the financial asset should be subsequently measured at fair value through profit or loss.

2.5.2. Securities at amortized cost

The Group measures at amortized cost those securities which are held for contractual cash collecting purposes, and contractual terms of these securities give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding. The Group initially recognizes these securities at fair value. Securities at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. The amortisation of any discount or premium on the acquisition of a security at amortized cost is part of the amortized cost and is recognized as interest income so that the revenue recognized in each period represents a constant yield on the investment. Securities at amortized cost are accounted for on a trade date basis.
Such securities comprise mainly securities issued by the Hungarian and foreign Governments, corporate bonds, mortgage bonds, interest-bearing and discounted treasury bills.

2.5.3. Financial assets at fair value through profit or loss

2.5.3.1. Securities held for trading

Investments in securities are accounted for on a trade date basis and are initially measured at fair value. Securities held for trading are measured at subsequent reporting dates at fair value, so unrealized gains and losses on held for trading securities are recognized in profit or loss and included in the Consolidated Statement of Profit or Loss for the period. The Group holds held for trading securities within the business model to obtain short-term gains, consequently realized and unrealized gains and losses are recognized in the net operating income, while interest income is recognized in income similar to interest income.
Such securities consist of equity instruments, shares in investment funds, Hungarian and foreign government bonds, corporate bonds, discounted treasury bills, mortgage bonds and other securities.

2.5.3.2. Financial assets designated as fair value through profit or loss

The Group may - at initial recognition - irrevocably designate a financial asset as measured at fair value through profit or loss that would otherwise be measured at fair value through other comprehensive income or at amortized cost.
The Group uses fair value designation if the classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases ('accounting mismatch').

The use of the fair value designation is based only on direct decision of the management of the Group. The Group currently doesn't apply this method.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.3. Financial assets at fair value through profit or loss [continued]

2.5.3.3. Derivative financial instruments

In the normal course of business, the Group is a party to contracts for derivative financial instruments, which represent a low initial investment compared to the notional value of the contract and their value depends on value of underlying asset and are settled in the future. The derivative financial instruments used include interest rate forward or swap agreements and currency forward or swap agreements and options. These financial instruments are used by the Group both for trading purposes and to hedge interest rate risk and currency exposures associated with its transactions in the financial markets (it is the so-called economic hedge, accounting hedge is described later).

Derivative financial instruments are accounted for on a trade date basis and are initially measured at fair value and at subsequent reporting dates also at fair value. Fair values are obtained from quoted market prices, discounted cash-flow models and option pricing models as appropriate. The Group adopts a multi curve valuation approach for calculating the net present value of future cash-flows – based on different curves used for determining forward rates and used for discounting purposes. It shows the best estimation of such derivative deals that are collateralised as the Group has almost all of its open derivative transactions collateralised.
Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in profit or loss and are included in the Consolidated Statement of Profit or Loss for the period. Each derivative deal is determined as asset when fair value is positive and as liability when fair value is negative.

Certain derivative transactions, while providing effective economic hedges under the risk management policy of the Group, do not qualify for hedge accounting under the specific rules of IFRS 9 and are therefore treated as derivatives held for trading with fair value gains and losses charged directly to the Consolidated Statement of Profit or Loss.

Foreign currency contracts

Foreign currency contracts are agreements to exchange specific amounts of currencies at a specified rate of exchange, at a spot date (settlement occurs two days after the trade date) or at a forward date (settlement occurs more than two days after the trade date). The notional amount of these forward contracts does not represent the actual market or credit risk associated with these contracts.
Foreign currency contracts are used by the Group for risk management and trading purposes. The risk management foreign currency contracts of the Group were used to hedge the exchange rate fluctuations of loans and deposits to credit institutions denominated in foreign currency.

Foreign exchange swaps and interest rate swaps

The Group enters into foreign exchange swap and interest rate swap ("IRS") transactions. The swap transaction is an agreement concerning the swap of certain financial instruments, which usually consists of spot and one or more forward contracts.
IRS transactions oblige two parties to exchange one or more payments calculated with reference to fixed or periodically reset rates of interest applied to a specific notional principal amount (the base of the interest calculation). Notional principal is the amount upon which interest rates are applied to determine the payment streams under IRS transactions. Such notional principal amounts often are used to express the volume of these transactions but are not actually exchanged between the counterparties.
IRS transactions are used by the Group for risk management and trading purposes.

Cross-currency interest rate swaps

The Group enters into cross-currency interest rate swap (CCIRS) transactions which have special attributes, i.e. the parties exchange the notional amount at the beginning and also at the maturity of the transaction. A special type of these deals is the mark-to-market CCIRS agreements. For these kind of transactions the parties – in accordance with the foreign exchange prices – revalue the notional amount during lifetime of the transaction.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.3. Financial assets at fair value through profit or loss [continued]

2.5.3.3. Derivative financial instruments [continued]

Equity and commodity swaps

Equity swaps obligate two parties to exchange more payments calculated with reference to periodically reset rates of interest and performance of indices. A specific notional principal amount is the base of the interest calculation. The payment of index return is calculated on the basis of current market price compared to the previous market price. In case of commodity swaps payments are calculated on the basis of the strike price of a predefined commodity compared to its average market price in a period.

Forward rate agreements (FRA)

A forward rate agreement is an agreement to settle amounts at a specified future date based on the difference between an interest rate index and an agreed upon fixed rate. Market risk arises from changes in the market value of contractual positions caused by movements in interest rates.

The Group limits its exposure to market risk by entering into generally matching or offsetting positions and by establishing and monitoring limits on unmatched positions. Credit risk is managed through approval procedures that establish specific limits for individual counterparties. The Group's forward rate agreements were transacted for management of interest rate exposures and have been accounted for at mark-to-market fair value.

Foreign exchange options

A foreign exchange option is a derivative financial instrument that gives the owner the right to exchange money denominated in one currency into another currency at a pre-agreed exchange rate at a specified future date. The transaction, for a fee, guarantees a worst-case exchange rate for the futures purchase of one currency for another. These options protect against unfavourable currency movements while preserving the ability to participate in favourable movements.

2.5.4. Hedge accounting

The Group implemented hedge accounting rules for micro hedge transactions prescribed by IFRS 9 in 2018.
The Group elected – as an accounting policy choice permitted under IFRS 9 – to apply IAS 39 hedge accounting rules for portfolio (macro) hedge transactions.
For further details please see Note 48.3

2.5.4.1. Derivative financial instruments designated as fair value hedge

Micro hedge transactions

The Group elected to apply IFRS 9 for the micro hedge transactions.
Changes in the fair value of derivatives that are designated and qualify as hedging instruments in fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the Consolidated Statement of Profit or Loss along with the corresponding change in fair value of the hedged asset or liability that is attributable to the specific hedged risk. Changes in the fair value of hedging instrument in fair value hedges is charged directly to the Consolidated Statement of Profit or Loss.
The conditions of hedge accounting applied by the Group are the following: formally designated as hedge relationship, proper hedge documentation is prepared, effectiveness test is performed and based on it the hedge is qualified as effective. In the case of a financial instrument measured at amortised cost the Group recognises the hedging gain or loss on the hedged item as the modification of its carrying amount and it is recognised in profit or loss. These adjustments of the carrying amount are amortised to the profit or loss using the effective interest rate method. The Group starts the amortisation when the hedged item is no longer adjusted by the hedging gains or losses. If the hedged item is derecognised, the Group recognises the unamortised fair value in profit or loss immediately. For fair value hedges inefficiencies and the net revaluation of hedged and hedging item are recognized in the Net results on derivative instruments and hedge relationships.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.4. Hedge accounting [continued]

2.5.4.1. Derivative financial instruments designated as fair value hedge [continued]

Macro (portfolio) hedge transactions

The Group elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39 in the case of macro hedge transactions.
The Group applies macro fair value hedging to its core part sight deposit to mitigate the interest rate risk arising from the interest rate mismatch of assets with floating behaviour and the fixed rate nature of the deposit. The nature of the hedged risk is interest rate risk arising from the fixed nature and the term structure of the interest rate risk characteristics of the hedged core sight deposits.
The hedging instruments are fixed-to-floater interest rate swaps measured at fair value through profit or loss designated in a proportion defined as the declared hedging ratio.

The hedging gain or loss is recognized in accordance with IAS39 89 and 90.
The gain or loss on the hedging instrument is recognized in profit or loss, the fair value adjustment attributable to the hedged risk is presented on a separate line in the consolidated statement of financial position.
The assessment of hedge effectiveness is measured on a monthly basis. The hedging relationship is considered appropriate if the difference of fair value change of the hedging instrument and the hedged item is between the 80% -125% range in case of all or all but one valid stress scenarios.
The aggregated fair value changes on the hedged assets are recognised on the Derivative financial asset / liability designated as hedge accounting in the Consolidated Statement of financial position.

2.5.4.2. Derivative financial instruments designated as cash-flow hedge

The Group elected to apply IFRS 9 for the micro hedge transactions.
Changes in the fair value of derivatives that are designated and qualify as hedging instrument in cash-flow hedges and that prove to be highly effective in relation to the hedged risk are recognized in their effective portion as reserve in Other Comprehensive Income. The ineffective element of the changes in fair value of hedging instrument is charged directly to the Consolidated Statement of Profit or Loss.

The Group terminates the hedge relationship if the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting. In the case of cash-flow hedges – in line with the standard - hedge accounting is still applied by the Group as long as the underlying asset is derecognized or terminated. When the Group discontinues hedge accounting to a cash-flow hedge the amount in the cash flow hedge reserve is reclassified to the profit or loss if the hedged future cash flows are no longer expected to occur. If the hedged future cash flows are still expected to occur, the amount remains in the cashflow hedge reserve and reclassified to the profit and loss only when the future cash flows occur.

2.5.4.3. Net investment hedge in foreign operations

The Group elected to apply IFRS 9 for the net investment hedge transactions.
Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, shall be accounted for similarly to cash flow hedges.
On the disposal of a foreign operation, the cumulative value of any gains and losses recognized in Other Comprehensive Income is transferred to the Consolidated Statement of Profit or Loss.
For the purposes of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated into HUF using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in Other Comprehensive Income and accumulated in equity. The Group does not intend to take foreign currency risks from open foreign currency position therefore the Group uses net investment hedge in foreign operations to hedge the foreign currency risk arising from the net assets of subsidiaries with EUR functional currency.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.5. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position when the Group has a legally enforceable right to set off the recognized amounts and the transactions are intended to be reported in the Consolidated Statement of Financial Position on a net basis. In case of the derivative financial instruments the Group applies offsetting and net presentation in the Consolidated Statement of Financial Position when the Group has the right and the ability to settle these assets and liabilities on a net basis.

2.5.6. Embedded derivatives

Sometimes, a derivative may be a component of a combined or hybrid contract that includes a host contract and a derivative (the embedded derivative) affecting cash-flows or otherwise modifying the characteristics of the host instrument. An embedded derivative must be separated from the host instrument and accounted for as a separate derivative if, and only if:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- A separate financial instrument with the same terms as the embedded derivative would meet the definition of a derivative as a stand-alone instrument; and
- The host instrument is not measured at fair value or is measured at fair value but changes in fair value are recognized in Other Comprehensive Income.

As long as a hybrid contract contains a host that is a financial asset the general accounting rules for classification, recognition and measurement of financial assets are applicable for the whole contract and no embedded derivative is separated.

Derivatives that are required to be separated are measured at fair value at initial recognition and subsequently. If the Group is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, the Group shall designate the entire hybrid contract as at fair value through profit or loss. The Group shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the Bank first becomes a party to the contract.
The separation rules for embedded derivatives are only relevant for financial liabilities.

2.5.7. Securities at fair value through other comprehensive income

Securities at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting of contractual cash flows and selling securities. Furthermore, the contractual terms of these securities give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt instruments

Investments in debt securities are accounted for on a trade date basis and are initially measured at fair value. Securities at fair value through other comprehensive income are measured at subsequent reporting dates at fair value. Unrealized gains and losses on securities at fair value through other comprehensive income are recognized directly in Other Comprehensive Income, except for interest and foreign exchange gains/losses on monetary items, unless such financial asset at fair value through other comprehensive income is part of an effective hedge. Such gains and losses are reported when realized in Consolidated Statement of Profit or Loss for the applicable period.

For debt securities at fair value through other comprehensive income the loss allowance is calculated based on expected credit loss model. The expected credit loss is accounted for against Other Comprehensive Income.
Securities at fair value through other comprehensive income are remeasured at fair value based on quoted prices or amounts derived from cash-flow models. In circumstances where the quoted market prices are not readily available, the fair value of debt securities is estimated using the present value of future cash-flows and the fair value of any unquoted equity instruments are calculated using the EPS ratio.

Such securities consist of Hungarian and foreign government bonds, corporate bonds, mortgage bonds, interest-bearing Treasury bills, securities issued by the NBH and other securities.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.7. Securities at fair value through other comprehensive income [continued]

Fair value through other comprehensive income option for equity instruments

The Group has elected to present in the Statement of Other Comprehensive Income changes of fair value of those equity instruments which are neither held for trading nor recognized as contingent consideration under IFRS 3.
In some cases, the Group made an irrevocable election at initial recognition for certain equity instruments to present subsequent changes in fair value of these securities in the consolidated other comprehensive income instead of in profit or loss.
The use of the "fair value through other comprehensive income" option is based only on direct decision of management of the Group.

2.5.8. Loans, placements with other banks, repo receivables and loss allowance for loan and placements and repo receivable losses

The Group measures at amortized cost those Loans and placements with other banks and repo receivables, which are held to collect contractual cash flows, and contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These loans are recognized as Loans at amortized cost in the Consolidated Statement of Financial Position. The Group recognizes those financial assets which are not held for trading and do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding as loans measured at fair value through profit or loss. These loans are recognized as Loans mandatorily at fair value through profit or loss in the Consolidated Statement of Financial Position.
Those Loans and placements with other banks and repo receivables that are accounted at amortized cost, stated at the principal amounts outstanding (including accrued interest), net of allowance for loan or placement losses, respectively.

In case of the above mentioned financial assets measured at amortised cost transaction fees and charges adjust the carrying amount at initial recognition and are included in effective interest calculation. In case of loans at fair value through profit or loss fees and charges are recognised when incurred in the Consolidated Statement of Profit or Loss.

Loans and placements with other banks and repo receivables are derecognized when the contractual rights to the cash-flows expire or they are transferred. When a financial asset is derecognized the difference of the carrying amount and the consideration received is recognized in the profit or loss in case of financial assets at amortised cost the gains or losses from derecognition are presented in "Gains/losses from derecognition of financial assets at amortised cost" line while in case of loans at fair value through profit or loss the gains or losses from derecognition are presented in "Net operating income".
Change in the fair value of loans at fair value through profit or loss is broken down into two components and presented in the Consolidated Statement of Profit or Loss as follows:

- Portion of the change in fair value arising from changes in credit risk are presented within "Risk cost" as "Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss".
- The remaining component of the change is presented in fair value within "Net operating income" as "Fair value adjustment on financial instruments measured at fair value through profit or loss".

Initially financial assets shall be recognized at fair value which is usually equal to transaction value in case of loans and placements. However, when the amounts are not equal, the initial fair value difference should be recognized.
If the fair value of financial assets is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the initial fair value difference in the Consolidated Statement of Profit or Loss. When the fair value of financial assets is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognized in profit or loss when the instrument is derecognized or the inputs became observable.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.8. Loans, placements with other banks, repo receivables and loss allowance for loan and placements and repo receivable losses [continued]

Initial fair value of loans lent at interest below market conditions is lower than their transaction price, the subsequent measurement of these loans is under IFRS 9.

The Group recognizes a loss allowance for expected credit losses on a financial asset at each reporting date. The loss allowance for a financial asset equals to 12-month expected credit loss or equals to the lifetime expected credit losses. The maximum period over which expected credit losses shall be measured is the maximum contractual period over which the Group is exposed to credit risk.

If the credit risk on a financial asset has not increased significantly since initial recognition then 12-month expected credit losses, otherwise (in case of significant credit risk increase) lifetime expected credit losses should be calculated. The expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.

When the contractual cash flows of a financial asset are modified and the modification does not result in the derecognition of the financial asset the Group recalculates the gross carrying amount of the financial asset by discounting the expected future cash flows with the original effective interest rate of the asset. The difference between the carrying amount and the present value of the expected cash flows is recognized as a modification gain or loss in the profit or loss. Interest and amortized cost are accounted using effective interest rate method.

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further recovery is considered to be remote. The loan is written off against the related account "Gain / (Loss) from derecognition of financial assets at amortized cost" in the Consolidated Statement of Profit or Loss.

The Group applies partial or full write-off for loans based on the definitions and prescriptions of financial instruments in accordance with IFRS 9. If the Group has no reasonable expectations regarding a financial asset (loan) to be recovered, it will be written off partially or fully at the time of emergence.

The gross amount and loss allowance of the loans shall be written off in the same amount to the estimated maximum recovery amount while the net carrying value remains unchanged. Subsequent recoveries for loans previously written-off partially or fully, which may have been derecognized from the books with no reasonable expectations for the recovery will be booked in the Consolidated Statement of Profit or Loss on "Income from recoveries of written-off, but legally existing loan" line in Risk cost.

2.5.9. Modified assets

If the net present value of the contracted cash flows changes due to the modification of the contractual terms and it is not qualified as derecognition, modification gain or loss should be calculated and accounted for in the Consolidated Statement of Profit or Loss. Modification gain or loss is accounted in cases like restructuring – as defined in guidelines of the Group – prolongation, renewal with unchanged terms, renewal with shorter terms and prescribing capital repayment rate, if it doesn't exist or has not been earlier.
The changes of net present value should be calculated on portfolio level in case of retail exposures. Each retail contract is restructured based on restructuring frameworks. The Group has to evaluate these frameworks (and not individual contracts). The changes of net present value should be calculated individually on contract level in case of corporate portfolio.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.9. Modified assets [continued]

Among the possible contract amendments, the Group considers as a derecognition and a new recognition the followings:
- merging several debts into a single debt, or one single debt splitting into several tranches,
- change of currency,
- change in counterparty,
- failing SPPI test after modification,
- interest rate change (fixed to floating or floating to fixed),

when the discounted present value – discounted at the original effective interest rate – of the cash flows under the new terms is at least 10 per cent different from the discounted present value of the remaining cash flows.

In case of derecognition and new recognition of a financial asset, the unamortized fees of the derecognized asset should be presented as Income similar to interest income. The newly recognized financial asset is initially measured at fair value and is placed in stage 1 if the derecognized financial asset was in stage 1 or stage 2 portfolio. The newly recognized financial asset will be purchased or originated credit impaired financial asset ("POCI") if the derecognized financial asset was in stage 3 portfolio or it was POCI.

The modification gain or loss shall be calculated at each contract amendments unless they are handled as a derecognition and new recognition. In case of modification the Group recalculates the gross carrying amount of the financial asset. To do this, the new contractual cash flows should be discounted using the financial asset's original effective interest rate (or credit-adjusted effective interest rate for POCI financial asset). Any costs or fees incurred adjust the carrying amount of the modified financial asset are amortized over the remaining term of the modified financial asset.

2.5.10. Purchased or originated credit impaired financial assets

Purchased or originated financial assets are credit-impaired on initial recognition. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

A purchased credit-impaired asset is likely to be acquired at a deep discount. In unusual circumstances, it may be possible that an entity originates a credit-impaired asset, for example, following a substantial modification of a distressed financial asset that resulted in the derecognition of the original financial asset.

In the case of POCI financial assets, interest income is always recognized by applying the credit-adjusted effective interest rate.

For POCI financial assets, in subsequent reporting periods an entity is required to recognize:
- the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance,
- the impairment gain or loss which is the amount of any change in lifetime expected credit losses.
  An impairment gain is recognized (with the parallel increase of the net amortized cost of receivable) if due to the favourable changes after initial recognition the lifetime expected credit loss estimation is becoming lower than the original estimated credit losses at initial recognition.

The POCI qualification remains from initial recognition to derecognition in the Group's books.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance

A loss allowance for loans and placements with other banks and repo receivables is recognized by the Group based on the expected credit loss model in accordance with IFRS 9. Based on the three-stage model the recognized loss allowance equals to 12-month expected credit loss from the initial recognition. On financial assets with significantly increased credit risk or credit impaired financial assets (based on objective evidence) the recognized loss allowance is the lifetime expected credit loss.

In the case of purchased or originated credit impaired financial assets, a loss allowance is recognized in the amount of the lifetime expected credit loss since initial recognition. The impairment gain in the Consolidated Statement of Profit or Loss is recognized if lifetime expected credit loss for purchased or originated credit impaired financial assets at measurement date is less than the estimated credit loss at initial recognition.

A loss allowance for loans and placements with other banks and repo receivables represents the Management's assessment for potential losses in relation to these activities.

The default occurs when either or both of the following events have taken place:

- objective criterion meaning that the credit obligation of the client is overdue exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or the obligor has breached the limit of the overdraft with an amount exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or
- probability criterion meaning the probability that the obligor will be unable to pay its credit obligations in full (UTP= Unlikely to Pay). The following conditions indicate the occurrence of the probability criterion: specific credit risk adjustment, sell of credit obligation with significant loss, distressed restructuring, termination of the contract on the initiative of the Bank, Bankruptcy, liquidation, personal bankruptcy, forced deleted status.

Previously described conditions should result in default status mandatorily. Moreover, during the individual expert-based assessment the client's default status shall be established if in the specific case the default can be justified on subjective basis. The default status should be terminated if in the last 3 months no other default criterion exists and the condition (either probability criterion or objective criterion) that resulted in the default status ceased at least 3 months ago.

The expected loss calculation should be forward looking. Available forward-looking information has to be included in the parameter estimation by using different scenarios, including forecasts of future economic conditions. The determination of probability-weighted forward-looking scenarios are based on the OTP Group' macro model. In general, there are two crisis scenarios (4-5), and three non-crisis scenarios (1-3) but the calculation of impairment should be based on at least two scenarios in the OTP Group. The macro conditioning is performed by Vasicek-model, which captures the relationship between point-in-time (PiT) and through-the-cycle (TTC) PD.

The Vasicek PD transformation can also be used to estimate the PIT PDs of the buckets. The required parameters (such as correlation coefficient and macro condition parameter) can be derived from the OTP's macro model.
In the collective provisioning methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. At portfolio segmentation, setting the segments is a key element of the provisioning calculation and requires the extensive knowledge of the portfolio. The segmentation is expected to stay stable from month to month. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.
The estimation of one-year and lifetime probability of default (PD) of collectively assessed exposures is performed via transition matrices. The assets should be allocated to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfil contractual obligations. The mandatory variables of the group level assessment procedure are payment delay, deal/client rating, the restructured flag, the default status and product type. Further segmentation is advisable in case significant differences are observed in probability of default. Transition matrices should be determined for each portfolio segment separately. The Group model handles healing (from default) rate in the PD parameter, thus the calculated probabilities should be reduced by this rate.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

Two different methods are applied in OTP Group for LGD parameter calculation: Retail mortgage loans and non-retail portfolios (MSE and Wholesale) that are significantly secured by mortgage: modified LGD methodology based on the Asset Quality Review (AQR) – the primary source of the recovery the collateral itself but cash recovery is also taken into account. The calculation is performed for each exposure individually based on the estimated parameters (main parameters: FSR – foreclosure success rate, SR – sales ratio, TTS – time to sale, C – cost, REC – cash recovery) and the actual value of collaterals (e.g. property, guarantee, surety, bail).

For Consumer loans and car finance: recovery based LGD methodology estimated from historical recoveries. The LGD calculation should not be automatically identified with historic actual data. The direction and degree of the shift in the factors impacting the LGD, also considering the macroeconomic effects, in addition to the anticipated developments in those, must always be analysed. The LGD – just like the PD – is not independent of the business cycles either; typically it increases in parallel with the economic downturn.

Loss allowance for loan and placements are determined at a level that provides coverage for individually identified credit losses. For loans for which it is not possible to determine the amount of the individually identified credit loss in the absence of objective evidence, a collective impairment loss is recognized. With this, the Group reduces the carrying amount of financial asset portfolios with similar credit risk characteristics to the amount expected to be recovered based on historical loss experience.

At subsequent measurement the Group recognizes an impairment gain or loss through "Impairment gain on POCI loans" in the Consolidated Statement of Profit or Loss as part of "Risk cost" line as an amount of expected credit losses or reversal which is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with IFRS 9. If the reason for the impairment no longer exist the impairment is released in the Consolidated Statement of Profit or Loss for the current period.

If a financial asset, for which previously there were no indicators of significant increase in credit risk (i.e. classified in Stage 1) is subsequently classified in Stage 2 or Stage 3 then loss allowance is adjusted to lifetime expected credit loss. If a financial asset, which was previously classified in Stage 2 or Stage 3 is subsequently classified in Stage 1 then the loss allowance is adjusted to the level of 12 month expected credit loss.

Classification into risk classes

According to the requirements of the IFRS9 the Group classifies the financial assets measured at amortized cost, at fair value through other comprehensive income and loan commitments and financial guarantees into the following stages:

- Stage 1 – performing financial instruments without significant increase in credit risk since initial recognition
- Stage 2 – performing financial instruments with significant increase in credit risk since initial recognition but not credit-impaired
- Stage 3 – non-performing, credit-impaired financial instruments
- POCI – purchased or originated credit impaired

In the case of trade receivables the Group applies the simplified approach and calculates only lifetime expected credit loss. The simplified approach is the following:

- for the past 3 years the average annual balance of receivables under simplified approach is calculated,
- the written-off receivables under simplified approach are determined in the past 3 years,
- historical losses are adjusted to reflect information about current conditions and reasonable forecasts of future economic conditions,
- the loss allowance ratio is the sum of the written-off amounts divided by the sum of the average balances,
- the loss allowance is multiplied by the end-of-year balance, it is the actual loss allowance on these receivables,
- loss allowance should be recalculated annually.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

Classification into risk classes [continued]

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. This might occur if the financial asset has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers sovereign exposures as having low credit risk.

Stage 1: financial instruments for which the events and conditions specified in respect of Stage 2 and Stage 3 do not exist on the reporting date.

A client or loan must be qualified as default if one or both the following two conditions occur:
- The client delays more than 90 days. This is considered a hard trigger.
- There is reasonable probability that the client will not pay all of its obligation. This condition is examined on the basis of probability criteria of default.

The subject of default qualification is that exposure (on-balance and off-balance) which originates credit risk (so originated from loan commitments, risk-taking contracts).

A financial instrument shows significant increase in credit risk, and is allocated to Stage 2, if in respect of which any of the following triggers exist on the reporting date, without fulfilling any of the conditions for the allocation to the non-performing stage (stage 3):
- the payment delay exceeds 30 days,
- it is classified as performing forborne,
- based on individual decision, its currency suffered a significant "shock" since the disbursement of the loan,
- the transaction/client rating exceeds a predefined value or falls into a determined range, or compared to the historic value it deteriorates to a predefined degree,
- in the case retail mortgage loans, the loan-to-value ratio exceeds a predefined rate,
- default on another loan of the retail client, if no cross-default exists,
- monitoring classification of corporate and municipal clients above different thresholds defined on group
  - financial difficulties at the debtor (capital adequacy, liquidity, deterioration of the instrument quality),
  - significant decrease of the liquidity or the activity on the active market of the financial instrument can be observed,
  - the rating of the client reflects high risk, but it is better than the default one,
  - significantly decrease in the value of the recovery from which the debtor would disburse the loan,
  - clients under liquidation.

A financial instrument is non-performing and it is allocated to Stage 3 when any of the following events or conditions exists on the reporting date:
- default (based on the group level default definition),
- classified as non-performing forborne (based on the group level forborne definition),
- the monitoring classification of corporate and municipal clients above different thresholds defined on group level (including but not limited to):
  - breaching of contracts,
  - significant financial difficulties of the debtor (like capital adequacy, liquidity, deterioration of the instrument quality),
  - bankruptcy, liquidation, debt settlement processes against debtor,
  - forced strike-off started against debtor,
  - termination of loan contract by the Bank,
  - occurrence of fraud event,
  - termination of the active market of the financial instrument.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

Classification into risk classes [continued]

If the exposure is no longer considered as credit impaired, the Group allocates this exposure to Stage 2.

When loss allowance is calculated at exposures categorized into stages the following process is needed by stages:

- Stage 1 (performing): loss allowance at an amount equal to 12-month expected credit loss should be recognized,
- Stage 2 (significant increase in credit risk): loss allowance at an amount equal to lifetime expected credit loss should be recognized,
- Stage 3 (non-performing): loss allowance at an amount equal to lifetime expected credit loss should be recognized.

For lifetime expected credit losses, an entity shall estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring.

An entity shall measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- the time value of money and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2.7. Sale and repurchase agreements, security lending

Where debt or equity securities are sold under a commitment to repurchase them at a pre-determined price, they remain on the Consolidated Statement of Financial Position and the consideration received is recorded on Repo liabilities. Conversely, debt or equity securities purchased under a commitment to resell are not recognized in the Consolidated Statement of Financial Position and the consideration paid is recorded either in Placements with other banks or Deposits from customers. Interest is accrued based on the effective interest method evenly over the life of the repurchase agreement. In the case of security lending transactions, the Group does not recognize or derecognize the securities because believes that the transferor retains substantially all the risks and rewards of the ownership of the securities. Only a financial liability or financial receivable is recognized for the consideration amount.

2.8. Associates and other investments

The control is established when the Group has the right and exposure over the variable positive yield of the investee but the same time put up with the consequences of the negative returns and the Group by its decisions is able to influence the extent of the yields.
The Group primarily considering the following factors in the process of determining the existing of the control:
- investigation of the decision-making mechanism of the entity,
- authority of the Board of Directors, Supervisory Board and General meeting based on the deed of association,
- existence of investments with preferential voting rights.

If the control can't be obviously determined, then it should be supposed that the control does not exist.
Significant influence is presumed by the Group to exist – unless the contrary case is proven – when the Group holds 20% or more of the voting power of an investee but does not have a control.
The Group considers a subsidiary significant when it is a financial institution or when the subsidiary contributes to the Groups' total balance sheet with higher amount. The Bank considers the subsidiaries as cash generating units.
Companies where the Bank has the ability to exercise significant influence are accounted for using the equity method. Subsidiaries and associated companies that were not accounted for using the equity method and other investments where the Bank does not hold a significant interest are recorded according to IFRS 9. When an investment in an associate is held indirectly through an entity that is a venture capital fund, the Group elects to measure these investments in the associate at fair value through profit or loss in accordance with IFRS 9.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.8. Associates and other investments [continued]

Under the equity method, the investment is initially recognized at cost, and the carrying amount is adjusted subsequently for:
- the Group's share of the post-acquisition profits or losses of the investee, which are recognized in the Group's Consolidated Statement of Profit or Loss; and
- the distributions received from the investee, which reduce the carrying amount of the investment.

The Group's share of the profits or losses of the investee, or other changes in the investee's equity, is determined on the basis of its proportionate ownership interest. The Group recognizes its share of the investee's income and losses based on the percentage of the equity interest owned by the Group.

Gains and losses on the sale of investments are determined based on the specific identification of the cost of each investment.

2.9. Property and equipment, Intangible assets

Property and equipment and Intangible assets are measured at cost, less accumulated depreciation and amortization and impairment, if any.
Internally generated intangibles, excluding capitalized development costs, are not capitalized – the related expenditures are accounted as cost in the period in which they are incurred. Development costs are capitalized only when the technical and commercial feasibility of the asset has been clearly demonstrated, the Group has the intent and ability to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits. Amortization of these type of assets begins when development is completed, and the asset is available for use. During the period of development, the asset is tested for impairment annually.
The Group lists mainly self-developed software among internally generated intangible assets.
The depreciable amount (book value less residual value) of the non-current assets must be allocated over the useful lives.

Depreciation and amortization are computed usually by using the straight-line method over the estimated useful lives of the assets based on the following annual percentages:

	Annual percentages	Useful life period (years)
Intangible assets		
Software	8.3% - 100.0%	1 – 12
Property right	14.3% - 100.0%	1 – 7
Property	1.0% - 33.3%	3 – 100
Machinery and office equipment	2.0% - 100.0%	1 – 50
Vehicle	2.9% - 50.0%	2 – 34

Depreciation and amortization on Property and equipment and Intangible assets commence on the day such assets are ready to use.
At each balance sheet date, the Group reviews the carrying value of its Property and equipment and Intangible assets to determine if there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent (if any) of the impairment loss.
Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Where the carrying value of Property and equipment and Intangible assets is greater than the estimated recoverable amount, it is impaired immediately to the estimated recoverable amount.

The Group may conclude contracts for purchasing property, equipment and intangible assets, where the purchase price is settled in foreign currency. By entering into such agreements, firm commitment in foreign currency due on a specified future date arises at the Group.
Reducing the foreign currency risk caused by firm commitment, forward foreign currency contracts may be concluded to ensure the amount payable in foreign currency on a specified future date on one hand and to eliminate the foreign currency risk arising until settlement date of the contract on the other hand.
In the case of an effective hedge the realized profit or loss of the hedging instrument is stated as the part of the cost of the hedged asset as it has arisen until recognizing the asset.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.10. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The Group uses generally FIFO formulas to the measurement of inventories.
Inventories are derecognized when they are sold, unusable or destroyed. When inventories are sold, the carrying amount of those inventories are recognized as an expense in the period in which the related revenue is recognized.
Repossessed assets are classified as inventories. The Group's policy is to sell repossessed assets and not to use them for its internal operations.

2.11. Government grants and government assistance

The Group recognise government grants only when there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.
The Group presents grants relating to assets as deferred income in the Consolidated Statement of Financial Position, which is recognized in profit or loss on a systematic basis over the useful life of the asset.
Grants related to an expense item are recorded as another operating income in those periods when the related costs were recognized.

2.12. Financial liabilities

The financial liabilities are presented within these lines in the Consolidated Financial Statements:

- Amount due to banks, the National Governments, deposits from the National Banks and other banks
- Repo liabilities
- Financial liabilities designated at fair value through profit or loss
- Deposits from customers
- Liabilities from issued securities
- Derivative financial liabilities held for trading
- Derivative financial liabilities designated as hedge accounting
- Other financial liabilities

At initial recognition, the Group measures financial liabilities at fair value plus or minus – in the case of a financial liability not at fair value through profit or loss – transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Usually, the initial fair value of financial liabilities equals to transaction value. However, when the amounts are not equal, the initial fair value difference should be recognized.
If the fair value of financial liabilities is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the initial fair value difference in the Consolidated Statement of Profit or Loss.
When the fair value of financial liabilities is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognized in profit or loss when the instrument is derecognized or the inputs became observable.

Financial liabilities at fair value through profit or loss are either financial liabilities held for trading or they are designated upon initial recognition as at fair value through profit or loss.
In connection to the derivative financial liabilities measured at fair value through profit or loss, the Group presents the amount of change in their fair value originated from the changes of market conditions and business environment.

The Group designated some financial liabilities upon initial recognition to measure at fair value through profit or loss. This classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases (“accounting mismatch”). The changes in fair value of these liabilities are recognized in profit or loss, except the fair value changes attributable to credit risk which are recognized among other comprehensive income.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.12. Financial liabilities [continued]

In the case of financial liabilities measured at amortized cost fees and commissions related to the origination of the financial liability are recognized through profit or loss during the maturity of the instrument using effective interest method. In certain cases, the Group repurchases a part of financial liabilities (mainly issued securities or subordinated bonds) and the difference between the carrying amount of the financial liability and the amount paid for it is recognized in the net profit or loss for the period and included in other operating income.

2.13. Leases

The Group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception date and is reassessed only if there is a lease modification.

Finance leases

At the commencement date, a lessor derecognizes the assets held under a finance lease in the Consolidated Statement of Financial Position and present them as a receivable at an amount equal to the net investment in the lease. The lessor shall use the interest rate implicit in the lease to measure the net investment in the lease. Direct costs such as commissions are included in the initial measurement of the finance lease receivables.
The Group as a lessor recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income.
The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (for more details, see Note 2.6.).

Operating leases

The Group as a lessor recognizes lease payments from operating leases as income on either a straight-line basis or another systematic basis. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.
Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense over the lease term on the same basis as the lease income.
The depreciation policy for depreciable underlying assets subject to operating leases is consistent with the Group's normal depreciation policy for similar assets. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

The Group as a lessee

The Group recognizes a right-of-use asset and a lease liability at the commencement of the lease term except for short-term leases and leases, where the underlying asset is of low value (less than USD 5,000). For these leases, the Group recognizes the lease payments as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Deferred tax implication if the Group is lessee: At the inception of the lease, there is no net lease asset or liability, no tax base and, therefore, no temporary difference. Subsequently, as depreciation on the right-of-use asset initially exceeds the rate at which the debt reduces, a net liability arises resulting in a deductible temporary difference on which a deferred tax asset should be recognized if recoverable. Assuming that the lease liability is not repaid in advance, the total discounted cash outflows should equal the total rental payments deductible for income tax purposes.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.13. Leases [continued]

Right-of-use asset

The right-of-use assets are presented separately in the Consolidated Statement of Financial Position and initially measured at cost, subsequently the Group applies the cost model and these assets are depreciated on a straight line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset.

Lease liability

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date discounted by using the rate implicit in the lease, or if this cannot be determined, by using the incremental borrowing rate of the Group.Variable lease payments that do not depend on an index or a rate but e.g. on revenues or usage are recognized as an expense. The Group always separates the non-lease components of the lease contracts and accounts them as an expense. Lease payments must be included in the measurement of the lease liability without value added taxes. Non-deductible VAT is recognized as other expense.

The lease liability is remeasured in the event of a reassessment of the lease liability or lease modification

2.14. Investment properties

Investment properties of the Group are land, buildings, part of buildings which held (as the owner or as the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of services or for administrative purposes or sale in the ordinary course of business. The Group measures the investment properties at cost less accumulated depreciation and impairment, if any.
The depreciable amount (book value less residual value) of the investment properties must be allocated over their useful lives. The depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets.
The Group discloses the fair value of the investment properties in Note 14 established mainly by external experts.

2.15. Share capital

Share capital is the capital determined in the Articles of Association and registered by the Budapest-Capital Regional Court. Share capital is the capital the Bank raised by issuing common stocks at the date the shares were issued. The amount of share capital has not changed over the current period.

2.16. Treasury shares

Treasury shares are shares which are purchased on the stock exchange and the over-the-counter market by the Bank and its subsidiaries and are presented in the Consolidated Statement of Financial Position at cost as a deduction from Consolidated Shareholders' Equity.
Gains and losses on the sale of treasury shares are credited or charged directly to shareholder's equity.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.17. Non-current assets held-for-sale and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held-for-sale. Hereinafter non-current assets classified as held-for-sale, disposal group and discontinued operations are referred to as assets in accordance with IFRS 5.
The Group classifies assets under IFRS 5 if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group does not account for an asset under IFRS 5 that has been temporarily taken out of use as if it had been abandoned.
The Group measures an asset under IFRS 5 at the lower of its carrying amount and fair value less costs to sell. When the sale is expected to occur beyond one year, the Group measures the costs to sell at their present value.

Any increase in the present value of the costs to sell that arises from the passage of time shall be presented in profit or loss. Immediately before the initial classification of the asset under IFRS 5, the carrying amounts of the asset (or all the assets and liabilities in the group) are measured in accordance with applicable IFRS.

The Group does not depreciate (or amortize) an asset under IFRS 5 while it is classified as asset in accordance with IFRS 5. Interest and other expenses attributable to the liabilities of the asset under IFRS 5 shall continue to be recognized.

If the Group has classified an asset under IFRS 5, but the criteria for that are no longer met, the Group ceases to classify the asset under IFRS 5. The Group measures these assets which cease to be classified as asset under IFRS 5 at the lower of:

- its carrying amount before the asset was classified as asset under IFRS 5, adjusted for any depreciation, amortisation or revaluations that would have been recognized had the asset not been classified as asset under IFRS 5, and
- its recoverable amount at the date of the subsequent decision not to sell.

The Group presents an asset classified as asset under IFRS 5 separately from other assets in the Consolidated Statement of Financial Position. The liabilities of the asset under IFRS 5 are presented separately from other liabilities in the Consolidated Statement of Financial Position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale or discontinued operations are separately disclosed in the Notes.
The Group presents separately any cumulative income or expense recognized in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale. Results from discontinued operations are reported separately in the Consolidated Statement of Profit or Loss as result from discontinued operations.

2.18. Interest income and income similar to interest income and interest expense

Interest income and expense are recognized in profit or loss in the period to which they relate, using the effective interest rate method.
For exposures categorized into Stage 1 and Stage 2 the interest income is recognized on a gross basis. For exposures categorized into Stage 3 (using effective interest rate) and for POCI (using credit-adjusted effective interest rate) the interest income is recognized on a net basis.
The time-proportional income similar to interest income of derivative financial instruments is calculated without using the effective interest method and the positive fair value adjustment of interest rate swaps are included in income similar to interest income.

Interest income of loans at fair value through profit or loss is calculated based on interest fixed in the contract and presented in “Income similar to interest income” line.
Interest from loans and deposits are accrued on a daily basis. Interest income and expense include certain transaction costs and the amortisation of any discount or premium between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

All interest income and expense recognized are arising from loans, placements with other banks, repo receivables, securities at fair value through other comprehensive income, securities at amortized cost and amounts due to banks, repo liabilities, deposits from customers, liabilities from issued securities, subordinated bonds and loans are presented under these lines of Consolidated Financial Statements.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.19. Revenue recognition

The Group recognizes revenue from the following major sources:
- fee and commission income from financial services
- other revenue from customers.

2.19.1. Fees and commissions

Fees and commissions that are not involved in the amortized cost model are recognized in the Consolidated Statement of Profit or Loss on an accrual basis according to IFRS 15 Revenue from contracts with customers. These fees are related to deposits, cash withdrawals, security trading, bank card etc.

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. When the Group provides a service to its customers, consideration is invoiced and generally due immediately because it typically controls the services before transferring them to the customer.

The Group provides foreign exchange trading services to its customers, the profit margin achieved on these transactions is presented as Net profit from fees and commissions in the Consolidated Statement of Profit or Loss.

Performance obligations satisfied over time include asset management, deposit and account maintenance services, where the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

The Group's fee and commission income from services where performance obligations are satisfied over time is as follows:

Deposit and account maintenance fees and commissions and fees related to cash withdrawal

The Group provides a number of account management services for both retail and corporate customers in which they charge a fee. Fees related to these services can be typically account transaction fees (money transfer fees, direct debit fees, money standing order fees, etc.), internet banking fees (e.g. OTP Direct fee), account control fees (e.g. sms fee), or other fees for occasional services (account statement fees, other administration fees, etc.). Fees for ongoing account management services are charged to the customer's account on a monthly basis. The fees are commonly fixed amounts that can be vary per account package and customer category. In the case of the transaction-based fees where the services include money transfer the fee is charged when the transaction takes place. The rate of the fee is typically determined in a certain % of the transaction amount. In the case of other transaction-based fees (e.g. SMS fee), the fee is settled monthly. In the case of occasional services, the Group basically charges the fees when the services are used by the customer. The fees can be fixed fees or they can be set in %. The rates are reviewed by the Group regularly.
These fees for ongoing account management services are charged on a monthly basis during the period when they are provided. Transaction-based fees are charged when the transaction takes place or charged monthly at the end of the month.

Fees and commission related to the issued bank cards

The Group provides a variety of bank cards to its customers, for which different fees are charged. The fees are basically charged in connection with the issuance of cards and the related card transactions. The annual fees of the cards are charged in advance in a fixed amount. The amount of the annual card fee depends on the type of card. In case of transaction-based fees (e.g. cash withdrawal/payment fee, merchant fee, interchange fee, etc.), the settlement of the fees will take place immediately after the transaction or on a monthly basis. The fee is typically determined in % of the transaction with a fixed minimum amount. For all other cases where the Group provides a continuous service to the customers (e.g. card closing fee), the fees are charged monthly. The fee is calculated in a fix amount. The rates are reviewed by the Group regularly.
These fees for ongoing services are charged on a monthly basis during the period when they are provided. Transaction-based fees are charged when the transaction takes place or charged monthly at the end of the month.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.19. Revenue recognition [continued]

2.19.1. Fees and commissions [continued]

Fees and commissions related to security account management services

The Group provides its clients security account management services. Fees will be charged for account management and transactions on accounts. Account management fees are typically charged quarterly or annually. The amount is determined in %, based on the stocks of securities managed by the clients on the account in a given period. Fees for transactions on the securities account are charged immediately after the transaction. They are determined in %, based on the transaction amount. Fees for complex services provided to clients (e.g. portfolio management or custody) are typically charged monthly or annually. The fees are fixed monthly amounts and in some cases a bonus fee are charged.
These fees for ongoing services are charged quarterly or annually during the period when they are provided. The fees are accrued monthly. Transaction-based fees are charged when the transaction takes place.

Fees and commissions related to fund management

Fees from fund management services provided to investment funds and from portfolio management provided to insurance companies, funds. The fee income are calculated on the basis of net asset value of the portfolio and by the fee rates determined in the contracts about portfolio management.
These fees for ongoing services are charged usually on monthly (mutual funds) or semi-annually (venture capital funds) during the period when they are provided but accrued monthly.

Net insurance fee income

Due to the fact that the Group rarely provides insurance services to its clients, only acts as an agent, the fee income charged to the customers and fees payable to the insurance company are presented net in the fee income. In addition, agency fee charged for the sale of insurance contracts is also recorded in this line. The fee is charged on a monthly basis and determined in %.
Fees for ongoing services are charged on a monthly basis during the period when they are provided.

Other fees

Fees that are not significant in the Group total income are included in Other fees category. Such fees are safe lease, special procedure fee, account rent fee, fee of a copy of document, etc. Other fees may include charges for continuous services or for ad hoc administration services. Continuous fees are charged monthly (e.g., safe lease fees) at the beginning of the period, typically at a fixed rate. Fees for ad hoc services are charged immediately after the service obligation were met, usually in a fixed amount.
These fees for ongoing services are charged on a monthly basis during the period when they are provided. Fees for ad hoc services are charged when the transaction takes place.

2.19.2. Other revenue from customers

Other revenue from customers contains revenues from:
- sale of agricultural produce,
- tourism activity,
- gain on transactions related to property activities,
- rental income,
- income from computer programming.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with customers and excludes amount collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to customers. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods and services before transferring them to the customer.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.19. Revenue recognition [continued]

2.19.2. Other revenue from customers [continued]

Typically, the Group's other revenue from customers is recognized at the point in time when control of the goods or services is transferred to the customer. Exceptions are revenues services provided to customers – for example rental income – where the customer simultaneously receives and consumes the benefits as the Group performs.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, existence of a significant financing component, and a consideration payable to the customer, if any.

2.20. Profit from associates

Profit from associates refers to any distribution of an entity earnings to shareholders from stocks or mutual funds that is owned by the Group. The Group recognizes profit from associates in the Consolidated Financial Statements when its right to receive payment is established.

2.21. Income tax

The Group considers corporate income tax as current tax according to IAS 12. The Group also considers local business tax and the innovation contribution as income tax in Hungary.
The annual taxation charge is based on the tax payable under fiscal regulations prevailing in the country where the company is incorporated, adjusted for deferred taxation. Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences between the tax bases of assets and liabilities and their carrying value for financial reporting purposes, measured at the tax rates that apply to the future period when the asset is expected to be realized or the liability is settled.

Current tax asset or current tax liability is presented related to income tax and innovation contribution separately in the Consolidated Statement of Financial Position.

Pillar Two – Global Anti-base Erosion Model Rules ("Globe"), global minimum tax – introduces a minimum effective tax rate of at least 15%, calculated based on a specific rule set. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024, but in year 2023 no income tax results obtained from Pillar Two rules. The Group considers this top-up tax as an income tax according to IAS 12.

Deferred tax assets are recognized by the Group for the amounts of income taxes that are recoverable in future periods in respect of deductible temporary differences as well as the carryforward of unused tax losses and the carryforward of unused tax credits.

The Group recognizes a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that:
- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

The Group considers the availability of qualifying taxable temporary differences and the probability of other future taxable profits to determine whether future taxable profits will be available according to IAS 12.
The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:
- the Bank is able to control the timing of the reversal of the temporary difference, and
- it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.21. Income tax [continued]

The Group only offsets its deferred tax liabilities against deferred tax assets when:
- there is a legally enforceable right to set-off current tax liabilities against current tax assets, and
- the taxes are levied by the same taxation authorities on either
  - the same taxable entity or
  - different taxable entities which intend to settle current tax liabilities and assets on a net basis.

2.22. Banking tax

The Bank and some of its subsidiaries are obliged to pay banking tax based on Act LIX of 2006 in Hungary. As the calculation is not based on the taxable profit but on the adjusted total assets as reported in the Separate Financial Statements of the Bank and its entities for the second period preceding the current tax year, therefore, the banking tax is considered as another administrative expense, not as income tax. Pursuant to Government Decree No. 197/2022 published on 4 June 2022, the Hungarian Government decided to impose a windfall tax on credit institutions and financial enterprises temporarily, that is for 2022 and 2023. As for 2022, the base of the windfall tax is the net revenues based on the 2021 financial statements, calculated according to local tax law, whereas the tax rate is 10%. These taxes are classified as levies according to IFRS rules.

2.23. Off-balance sheet commitments and contingent liabilities

In the ordinary course of its business, the Group enters into off-balance sheet commitments such as guarantees, letters of credit, commitments to extend credit and transactions with financial instruments. The provision for off-balance sheet commitments and contingent liabilities is maintained at a level adequate to absorb future cash outflows which are probable and relate to present obligations.
In the case of commitments and contingent liabilities, the Management determines the adequacy of the loss allowance based upon reviews of individual items, recent loss experience, current economic conditions, the risk characteristics of the various categories of transactions and other pertinent factors.

The Group recognizes provision for off-balance sheet commitment and contingent liabilities in accordance with IAS 37 when it has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation. For financial guarantees and loan commitments given which are under IFRS 9 the expected credit loss model is applied when the provision is calculated (see more details in Note 2.6.). After initial recognition the Group subsequently measures those contracts at a higher of the amount of the loss allowance or of the amount initially recognised less the cumulative amount of income recognized in accordance with IFRS 15.

2.24. Share-based payment

The Group applies the requirements of IFRS 2 Share-based Payment.
The Group issues equity-settled share-based payment to certain employees. Equity-settled share-based payment is measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the year, based on the Group’s estimate of shares that will eventually vest. Share-based payment is recorded in Consolidated Statement of Profit or Loss as Personnel expenses.
Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on the Management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.25. Employee benefits

The Group has applied the requirement of IAS 19 Employee Benefits. These benefits are recognised as an expense and liability undiscounted in the Consolidated Financial Statements. Liabilities are regularly remeasured. Gains or losses due to the remeasurement are recognised in the Consolidated Other Comprehensive Income.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. These can be wages, salaries and bonuses, premium, paid annual leave and paid sick leave and other free services (health care, reward holiday). Long-term employee benefits are mostly the jubilee reward.

Post-employment benefits are employee benefits (other than termination and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Defined benefit plan is post-employment benefit plans other than defined contribution plan. The Group's net obligation is calculated by estimating the amount of employee's future benefit based on their services for the current and prior periods. The future value of benefit is being discounted to present value.

Termination benefits are employee benefits provided in exchange for the termination of an employee’s employment as a result of either: an entity’s decision to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept an offer of benefits in exchange for the termination of employment. Other long-term employee benefits are all employee benefits other than short-term employee benefits, postemployment benefits and termination benefits.

2.26. Biological assets and agricultural produce

The Group recognises a biological asset or agricultural produce according to IAS 41 only when it controls the asset as a result of past events, it is probable that future economic benefits will flow and the fair value or the cost can be measured reliably.
Biological assets are measured on initial recognition and at subsequent periods at fair value less estimated costs to sell unless fair value cannot be reliably measured.
Agricultural produce is measured at fair value less estimated costs to sell at the point of harvest.
The gain on initial recognition of biological assets at fair value less costs to sell, and changes in fair value less costs to sell of biological assets during a period are included in profit or loss for the period in which it arises as other operating income.

2.27. Consolidated Statement of Cash-flows

Cash flows arising from the operating, investing or financing activities are reported in the Statement of Cash-Flows of the Group primarily on a gross basis. Net basis reporting are applied by the Group in the following cases:
- when the cash flows reflect the activities of the customer rather than those of the Group, and
- for items in which the turnover is quick, the amounts are large, and the maturities are short.

For the purposes of reporting Consolidated Statement of Cash-flows, cash and cash equivalents include cash, due from banks and balances with the National Banks, excluding the compulsory reserve established by the National Banks. This line item shows balances of HUF and foreign currency cash amounts, and sight deposit from NBH and from other banks, furthermore, balances of current accounts.
Consolidated cash-flows from hedging activities are classified in the same category as the item being hedged. The unrealized gains and losses from the translation of monetary items to the closing foreign exchange rates and unrealized gains and losses from derivative financial instruments are presented net as operating activity separately in the Consolidated Statement of Cash-flows for the monetary items which have been revalued.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.28. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.
Based on the above, the segments identified by the Group are the business and geographical segments.
The Group's operating segments under IFRS 8 are therefore as follows: OTP Core Hungary, Merkantil Group, Asset Management subsidiaries, Other subsidiaries, Bulgaria, Croatia, Slovenia, Romania, Serbia, Ukraine, Russia, Montenegro, Albania, Moldova, Uzbekistan. Romanian segment is classified as discontinued operation from 2023 but in line with management report it is still presented in Segment reporting as separate segment. In tables for 2024 the data for Romanian segment contains incomes and expenses until it was disposed in July 2024.

2.29. Comparative balances

These Consolidated Financial Statements are prepared in accordance with the same accounting policies in all respects as the Consolidated Financial Statements prepared in accordance with IFRS as adopted by the European Union for the year ended 31 December 2023. However, in accordance with internal management reports there were two changes comparing with the previous year.
One of them is the segmentation of loans that is changed in Note 37.1.1. where loans at amortized cost are presented by stages. Car loans and municipal loans are not presented separately from the fourth quarter of 2024, municipal loans are included in medium and large enterprise ("MLE") loans while car loans in consumer loans, micro and small enterprise ("MSE") or MLE loans depending on client segment. The other change is the segment reporting regarding the scope of "adjustment" items. For further details please see Note 49 Segment reporting. For comparative reasons these reports were presented according to the new methodology in these Consolidated Financial Statements for the previous year 2023 too.
Relating to Note 22, 24 and 31, these notes have been adjusted with respect to the previous year's disclosures to present more transparently material items. Substance of the adjustments is disclosed in the footnotes of the disclosures. With respect to Note 15, 48.3 macro hedge related disclosures indicated the changes.
In Note 43 the table about list of associates was changed in order to be more transparent by aggregating associates which are owned through venture capital fund as these companies are immaterial. The comparative previous year's table was transformed to the same structure as well.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The presentation of financial statements in conformity with IFRS as adopted by EU requires the Management of the Group to make judgement about estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on the expected loss and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period. Actual results could differ from those estimates. Significant areas of subjective judgement include:

3.1. Loss allowances on financial instruments exposed to credit risk

The Group regularly assesses its financial instruments portfolio for loss allowance. Management determines the adequacy of the loss allowances based upon reviews of individual loans and placements, recent loss experience, current economic conditions, the risk characteristics of the various categories of loans and other pertinent factors.
The use of the three-stage model was implemented for IFRS 9 purposes. The impairment methodology is used to classify financial instruments in order to determine whether credit risk has significantly increased since initial recognition and to identify the credit-impaired assets. For instruments with credit-impairment or significant increase of credit risk lifetime expected losses are recognized (see more details in Note 37.1.)

3.2. Valuation of instruments without direct quotations

Financial instruments without direct quotations in an active market are valued using the valuation model technique. The models are regularly reviewed and each model is calibrated for the most recent available market data. While the models are built only on available data, their use is subject to certain assumptions and estimates (e.g. correlations, volatilities, etc.). Changes in the model assumptions may affect the reported fair value of the relevant financial instruments.
IFRS 13 Fair Value Measurement seeks to increase the consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the beginning of the reporting period. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

3.3. Provisions

Provision is recognized and measured for commitments to extend credit and for warranties arising from banking activities based on IFRS 9 Financial Instruments. Provision for these instruments is recognized based on the credit conversion factor, which shows the proportion of the undrawn credit line that will probably be drawn.
Other provisions are recognized and measured based on IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group is involved in a number of ongoing legal disputes. Based upon historical experience and expert reports, the Group assesses the developments in these cases, and the likelihood and the amount of potential financial losses which are appropriately provided for. (See Note 24.)
Other provision includes provision for litigation, provision for retirement and expected liabilities and provision for confirmed letter of credit.
A provision is recognized by the Group when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.4. Impairment on goodwill

Goodwill acquired in a business combination is tested for impairment annually or more frequently when there is an indication that the unit might be impaired, in accordance with IAS 36 “Impairment of assets”.
The Group calculates the fair value based on discounted cash-flow model. The 3-year period explicit cash-flow model serves as a basis for the impairment test by which the Group defines the impairment need on goodwill based on the strategic factors and financial data of its cash-generating units. In the calculation of the goodwill impairment, also the expectations about possible variations in the amount or timing of those future cash-flows, the time value of money, represented by the current market risk-free rate of interest and other factors are reflected.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS IN THE APPLICATION OF ACCOUNTING POLICIES [continued]

3.5. Contingent consideration

Contingent consideration generally arises where the acquirer agrees to transfer additional consideration to the former owners of the acquired business after the acquisition date if certain specified events occur or conditions are met in the future.
These future payments may be in cash or other assets and may be contingent upon the achievement of specified events, and/or may be linked to future financial performance over a specified period of time.
Some changes in the fair value of contingent consideration may be the result of additional information that the acquirer obtained after the acquisition date about fact and circumstances that existed at that date. Such changes are measurement period adjustments and have impact of goodwill/negative goodwill. Changes resulting from events after the acquisition date are not measurement period adjustments. Contingent considerations should be recorded on the date of acquisition in consolidated financial statement at fair value.
The Group so far settled the contingent considerations in cash. The fair value estimation is made by the “Merger & Acquisition” team based on the sale and purchase agreement (“SPA”) and other available information.

Regarding the contingent consideration related to the acquisition of Ipoteka Bank, OTP concluded the contract including two instalments: first for 73.71% of the shares in 2023 (in December 2023 it increased to 79.58% after capital increase), then second for 24.57% (in December 2023 it decreased to 19.16% after capital increase) of the shares 3 years later. The price of 24.57% of the shares is variable, but within a predefined range and can be adjusted only with factors that have not direct connection with the profit of Ipoteka Bank. The purchase of the second stock cannot be avoided by the parties since the execution of the SPA. Considering the elements of the shares retained by Ministry of Finance of the Republic of Uzbekistan for the given period are treated as financial liability.
The recognized liability includes the estimate of the adjustments to the second purchase price and does not include the items that are considered as indemnity. Indemnification related expected cash-inflow is recognized as indemnification asset (measured consistently with the measurement of underlying assets).

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP

Macro economy and financial situation in Hungary

In 2024, inflation continued to recede in advanced economies, so the Fed and the ECB both started rate-cutting cycles. The US presidential election and the expectations ahead of it led to a sharp turnaround in bond markets and interest rate expectations, as the victory of Donald Trump, whose election promises included several highly inflationary elements, became increasingly likely. In mid-September, yields started to pick up from the decline that had started in spring, and expectations of further rate cuts began to ease. Growth remained strong in the United States, but the euro area continued to struggle to recover from the downturn, where the energy crisis and the inflation shock owing to the Russia-Ukraine war had thrown it. Meanwhile, labour markets remained tight on both sides of the Atlantic, with low unemployment and strong wage dynamics.

As the year was nearing its end, it became clear that the USA's growth was robust, as consumer spending and private investment steadily boosted the economy, which expanded by 2.8%, well above the 1-1.5% rate expected at the beginning of the year. Labour market conditions also surpassed expectations: despite minor temporary wobbling, employment growth remained strong, the unemployment rate remained low, and wages increased by 4%. In the autumn, disinflation stalled, and core inflation reflected 3-3.5% underlying price growth, well above the inflation target. Nevertheless, the Fed reduced its base rate by 100 basis points, to 4.25-4.5% by the end of the year, as expected.

In the euro area, the recovery was also driven by consumption, but the pace of the rebound was slower than in the USA and was uneven in the area. The best performers were tourism-driven southern member states, while the industry-heavy economies struggled to recover from the shock of the energy crisis. Political crises are also weighing on the recovery, with two major economies, Germany and France, both facing government crises. In the autumn, inflation temporarily fell below the target but has been accelerating again since October as the drop in food and energy prices faded. Nevertheless, the ECB continued its easing cycle, reducing the effective rate to 3% by the end of 2024; this is consistent with 100-basis-point cut in the full year.

The Hungarian economy started to pick up in 2024, ending a longer and deeper recession than its regional peers saw in 2023, but just like in Europe, the recovery was uneven and fragile, rising by just 0.5% in full year 2024. The rise in real wages helped consumption gradually pick up (it expanded by roughly 4% in 2024), and households' precautionary savings seemed to ease in the second half of the year. Despite the expanding consumption, the high exposure to the automotive sector, the eroded room in fiscal policy, the falling exports, and a more than 10% plunge in investment pushed the economy back into technical recession in the second and third quarters, before a recovery came in the fourth quarter. Net exports' contribution to growth was positive, but it did not stem from exports' robust performance – it was only because imports fell sharper than exports did. As a result of the government's stimulus measures, the housing market surged together with households' loan demand, while the corporate loan market's rise was rather subdued. Labour market tightness has clearly eased, employment slightly declined in the second half of the year, but the unemployment rate rose in 2024.

Inflation slowed in Hungary, too, and briefly reached the 3% target in September, giving the MNB room to cut interest rates to 6.5%, from 10.75% at the end of 2023. But inflation started to rise in October, and hit 4.6% in December, the highest monthly rate in 2024. The escalation of the Middle East conflict and the rise in US yields forced the MNB to pause its easing cycle. The EUR/HUF, which traded near 380 at the beginning of 2024, spent much of the second half-year above the 400 mark.

After years of deficits of 7-8% of GDP, a fiscal adjustment came despite the unfavourable macroeconomic environment; Hungary's primary balance improved to close to zero in 2024, and the headline deficit fell to 4.8% of GDP, close to the raised deficit target of 4.5%, but still far from the 3% Maastricht criterion. The reduction of government debt stalled in 2024, and the debt-to-GDP ratio rose to 73.9%-74%, up from 73.4% in 2023. Hungary's external balance started to improve rapidly after the energy price shock faded and domestic demand declined; the deficit swung from more than 8% of GDP in 2022 to a slight surplus in 2023, before rising to 2.5% of GDP in 2024, and external debt started to slowly decline.

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Summary of economic policy measures made and other relevant regulatory changes in the period under review

Windfall tax

- Government decree No. 206/2023 (V.31.) published on 31 May 2023 outlined the details of the extra profit tax payable by credit institutions in 2024. The basis of the tax is the 2022 profit before tax adjusted for several items. The tax rate is 13% for the part of the tax base not exceeding HUF 20 billion, and 30% for the amount above that. According to the decree, if the average amount of Hungarian government bonds owned by the financial institution increases over a certain period, the windfall tax payable by the credit institution can be reduced. The reduction cannot be more than 10% of the increase in government bond holdings and cannot exceed 50% of the windfall tax payment obligation calculated without the reduction.
- The ruling was amended according to Government Decree No. 183/2024. (VII. 8.) as the windfall tax burden in 2024 can be reduced in proportion to the growth of government bonds maturing after 2027 only if the total volume of government bonds increases at least with the same amount. The reduction can be up to 10% of the growth in the notional of government bonds, but not more than 50% of the windfall tax payment obligation.
- In 2024 the gross amount of the windfall tax was HUF 13 billion in the case of the Hungarian Group members, from which the increase in government bond holdings allowed for HUF 6.2 billion reduction, resulting in HUF 6.8 billion windfall tax burden.
- According to Government Decree No. 356/2024 (XI. 21.) published on 21 November 2024, in 2025 the windfall profit tax burden payable by OTP Group’s Hungarian group members might be around HUF 53 billion (before corporate income tax), assuming the full utilization of the reduction opportunity related to the increase in the stock of government securities.

Interest rate cap

- 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, and it was terminated that after.
- On 20 June 2024, Government Decree No. 130/2024 (VI.20) enacted the extension of the interest rate cap on certain housing loans, until 31 December 2024.
- On 2 December 2024, Government Decree No. 374/2024 (XII.2) enacted the extension of the interest rate cap on certain housing loans, until 30 June 2025.

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. The voluntary interest rate cap expired on 30 June 2024. OTP Bank participated in the initiative.
- Between 1 April and 31 October 2025, as part of the government’s 'New Economic Policy Action Plan', based on the individual decision of the participating banks, 5% interest rate cap will be available for under 35 years old, first-time home buyers for newly granted green housing loans, with properties under 60 square meter and price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan, and the product will be free of disbursement and credit assessment fees.

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Summary of economic policy measures made and other relevant regulatory changes in the period under review [continued]

Family support schemes and economic stimulus measures

- The government extended childbirth pledge deadline until 1 July 2026, for all baby loan borrowers whose deadline was or will be between 1 July 2024 and 30 June 2026, based on Government Decree No. 190/2024. (VII. 8.).
  The government decrees of 388/2024 (XII. 11.) and 437/2024 (XII. 23.) have amended the terms and conditions for the subsidized baby loan:
  - The interest-free feature of the loan may be regained if the first baby is born only after the fifth year, or if one of the members of the former couple remarries after the first five years of the term and a child is born from the new relationship. The penalty paid in a lump sum at the end of the fifth year will not be repaid to the family, but the interest-free period will be restored, and thus the instalment will also be smaller. The couple having this child may request a three-year payment moratorium.
  - If penalty imposed or interest subsidy repayment is obligated for violating any of the loan conditions, after paying the penalty exemption can be requested even from interest rate increases, via individual application; i.e. in certain cases, the loan may remain interest-free.
  - The eligibility age limit for wives increased from 30 the 35 years. However, the previous option to apply for such loan for married couples where the wife is aged 35-41 and at least 12 weeks pregnant, ceased at the end of the year.
- On 5 April 2024, the government announced a new subsidized home renovation loan programme, which began on 1 July 2024. The loan, with maximum amount of HUF 7 million and up to 12 years term, is available in OTP Bank's branches that function as 'MFB points', for the purpose of energy efficiency improvement of family houses built before 1990.
- From 1 November 2024, the client interest rate of Széchenyi Card Programme's investment loan products for Hungarian micro, small and medium-sized enterprises was lowered to fixed 3.5%, from the previous 5%.

Capital regulation

- On 20 June 2024, the National Bank of Hungary raised the countercyclical capital buffer rate to 1%, effective from 1 July 2025. In its meeting of 27 June 2024, the central bank left the systemic risk capital buffer unchanged at 0%.
- MREL minimum requirement: effective from 1 January 2025, the National Bank of Hungary imposed the below additional capital requirements for OTP Group, on consolidated level:
  - 1.01%-points in case of the Common Equity Tier1 (CET1) capital, accordingly the minimum requirement for the consolidated CET1 ratio is 5.51% (without regulatory capital buffers);
  - 1.34%-points in case of the Tier1 capital, accordingly the minimum requirement for the consolidated Tier1 ratio is 7.34% (without regulatory capital buffers);
  - 1.79%-points in case of the Total SREP Capital Requirement (TSCR), accordingly the minimum requirement for the consolidated capital adequacy ratio is 9.79% (without regulatory capital buffers).

Larger one-off items

Special taxes on financial institutions:
In 2024 HUF (45.5) billion special taxes on financial institutions weighed on earnings (after tax) which incorporates both the old banking tax in Hungary (HUF (28.7) billion after tax) and the windfall tax on extra profits (HUF (6.2) billion after tax). Outside of Hungary, in Slovenia (HUF (9.2) billion after tax) and Romania (HUF (1.3) billion) arose banking tax payment obligations.

Interest rate cap in Hungary and Serbia:
In 2024 altogether HUF (9.4) billion (after tax) amount was recognized in relation to the expected negative impact of the rate cap scheme in Hungary. According to the effective regulation, in Hungary the interest rate cap on the affected Hungarian mortgage loans was extended until 30 June 2025. In the case of MSE loans the rate cap was terminated by 1 April 2024.

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Summary of economic policy measures made and other relevant regulatory changes in the period under review [continued]

Larger one-off items [continued]

Interest rate cap in Hungary and Serbia [continued]:
On 21 November, the National Bank of Serbia approved the extension of the mortgage interest rate cap introduced in October 2023, a measure that would have expired at the end of 2024. The interest rate cap on variable-rate loans increased from 4.1% in 2024 to 5% between 1 January and 31 December 2025. In 4Q 2024 HUF (2.1) billion modification loss was booked as a result of the extension of the interest rate cap.

Provision on Russian bonds:
In Hungary and Bulgaria HUF (45) billion impairment was created on Russian bonds, of which HUF (37.6) billion was booked at OTP Bank (Hungary) and HUF (7.5) billion at DSK Bank (Bulgaria). Consequently, the coverage of Russian bonds increased from 36% in 2023 to 73% in 2024.

Revaluation result of CSOK subsidized housing loans and baby loans:
Based on the IFRS9 accounting standard, subsidized mortgage loans, such as CSOK (Housing Subsidy for Families) and CSOK Plus, as well as baby loans must be recorded in the bank's statement of financial position at fair value through profit or loss. The positive revaluation result of these loans amounted to HUF 23.5 billion (after tax) in 2024.

The principles used in the preparation of the Consolidated Statement of Financial Position as at 31 December 2024 in connection with the evaluation of Russian and Ukrainian exposures

Ukraine

In 2022 Russia launched a still ongoing war against Ukraine.
OTP Group’s Ukrainian operation incorporates the Ukrainian bank, as well as the leasing and factoring companies. The country-consolidated Ukrainian total assets represented HUF 1,187 billion at the end of 2024 (2.7% of total consolidated assets), while net loans comprised HUF 389 billion (1.7% of consolidated net loans) and shareholders’ equity amounted to HUF 206 billion (4.0% of the consolidated total equity).
At the end of 2023 the gross intragroup funding towards the Ukrainian operation represented HUF 55 billion, while taking into account the Ukrainian deposits placed with the Headquarters, i.e. the net group funding stood at HUF 14 billion equivalent towards the Ukrainian operation.
In 2024 the Ukrainian operation posted a profit after tax of HUF 41.2 billion, slightly less than the HUF 44.9 billion in 2023.

Russia

The total assets of the Group’s Russian operation represented HUF 2,371 billion at the end of 2024 (5.5% of consolidated total assets), while net loans comprised HUF 998 billion (4.3% of consolidated net loans) and shareholders’ equity HUF 299 billion (5.8% of consolidated total equity).
The Russian operation posted HUF 136.9 billion profit after tax in 2024, after the HUF 95.7 billion profit reached in full-year 2023.
As the Russian subsidiary repaid its maturing intragroup loans in 4Q 2022, the gross intragroup funding towards the Russian operation declined to zero and remained nil since then. At the end of 2024 the intragroup subordinated loan exposure toward the Russian operation amounted to HUF 11 billion equivalent.
In 2024 the Russian Central Bank approved dividend payment by OTP’s Russian subsidiary several times with a total amount of RUB 28.3 billion (with NBH central fx rate for the end of 2024 HUF 103,578 billion). With this amount RUB 41.8 billion (with NBH central fx rate for the end of 2024 HUF 152,988 million) dividend was paid since 3Q 2023.
In the case of Ukraine and Russia OTP management applies a „going concern” approach, however in Russia the management is still considering all strategic options, bearing in mind that any future solution should be strictly within the framework and in accordance with applicable local and international regulations.
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 30 bps, whereas in the Ukraine the effect would be 8 bps.

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements

During the preparation of these Consolidated Financial Statements, the Group identified the following estimates, which were significantly affected by the Russian-Ukrainian conflict:

1) Evaluation of Russian sovereign exposures (government securities) and related reserves for expected credit losses
    a) exposures of the Russian subsidiary bank
    b) exposures of other members of the group (parent company and subsidiaries)
2) Evaluation of Ukrainian sovereign exposures (government securities) and related reserves for expected credit losses
    a) exposures of the Ukrainian subsidiary bank
    b) exposures of other members of the group (parent company and subsidiaries)
3) evaluation of derivative transactions denominated in Russian rubles
4) evaluation of derivative transactions denominated in the Ukrainian hryvnia
5) claims against Russian and Ukrainian central banks, provisions for expected credit losses related to Russian and Ukrainian interbank claims and customer loans
    a) the impact of the deterioration of the Russian and Ukrainian macro-environment
    b) following direct exposure to the Russian and Ukrainian markets, non-Russian and Ukrainian bank exposures
    c) exposures of Russian and Ukrainian subsidiary banks
6) evaluation of goodwill
7) deferred tax assets

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

	Russia			Ukraine			Other countries		
	Reference	Gross value	Impairment / Depreciation	Reference	Gross value	Impairment / Depreciation	Reference	Gross value	Impairment / Depreciation
Cash, amounts due from banks and balances with the National Banks		87,222	-		72,907	(6)		765	-
Placements with other banks	5	1,086,808	-	5	59,855	(58)		-	-
Repo receivables		-	-		7,639	(301)		-	-
Financial assets at fair value through profit or loss - derivatives	3	685	-	4	88	-		-	-
Securities at fair value through other comprehensive income	1a	20,072	-	2a	155,135	-		77,352	(55,057)
Securities at amortized cost				2a	428,804	(118)		36,442	(26,299)
Loans at amortized cost	5	1,111,220	(113,633)	5	318,264	(34,352)	5	13,626	(7,034)
Finance lease receivables					122,633	(17,931)		-	-
Property and equipment		29,554	(18,747)		24,518	(9,109)		-	-
Intangible assets and goodwill		34,887	(15,199)		14,731	(8,697)	6	-	-
Right-of-use assets		12,161	(7,664)		5,969	(3,482)		-	-
Investment properties		-	-		231	-		-	-
Deferred tax assets	7	22,563	-	7	-	-		-	-
Current income tax receivables		21	-		364	--		-	-
Other assets		18,390	(6,711)		9,704	(1,344)		14,375	(12,493)
TOTAL ASSETS		**2,423,583**	**(161,954)**		**1,220,842**	**(75,398)**		**142,560**	**(100,883)**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks		44,256	-		42,786	-		-	-
Deposits from customers		1,876,526	-		842,437	-		59,289	-
TOTAL LIABILITIES		**1,920,782**	**-**		**885,223**	**-**		**59,289**	**-**

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

During the evaluation of these assets, the Group applied the evaluation principles detailed below, which evaluation contains significant estimates on the part of the Management. The results of the estimates may vary significantly depending on the development of the situation in the Russian-Ukrainian conflict.

References

1a. Evaluation of Russian sovereign exposures and related reserves for expected credit losses - exposures of the Russian subsidiary bank

Within Russia, Russian government securities are marketable, and their repayment is expected to take place in accordance with the original conditions. The fair value calculation of securities is based on market prices available and observable on local trading platforms.

1b. Evaluation of Russian sovereign exposures and related reserves for expected credit losses - other exposures of the group

Outside of Russia, the marketability of Russian government securities is significantly limited due to sanctions and capital market participants turning away from Russian securities. The credit rating of the Russian state was withdrawn in 2022, the Group classifies the Russian state as non-performing, and in accordance with this, it assigned the affected exposures to the Stage 3 category. The Russian state not only recognizes its obligation and has the necessary financial reserves, but would also be willing to pay, so the increased loss potential is caused by non-traditional credit risks. In the case of a portfolio valued at fair value through other comprehensive income, the book value is determined based on the level 3 prices of IFRS13. Cash-flow estimation, current market benchmarks (provided by Bloomberg), liquidity and non-credit risk considerations were taken into account in fair value calculation.
During 2024, the Bank conservatively increased provisions on its Russian sovereign exposures. That applies for non-matured and overdue parts of the portfolio, as well.
For the non-matured bonds, the Bank uses a time band approach, the provision level is higher for the securities with longer maturity.
In the case of overdue receivables, the Group determines the impairment based on its expectations regarding the probability of recovery. Basically, a higher probability of return can be assigned to those items for which, as a result of the legal steps taken by the Group, the claim has been paid in RUB by the competent Russian clearing house (NSD) and access to the relevant amounts is subject to Hungarian authority approvals or modification of the legal background. It is taken into consideration in the provision levels, that the latter can mean a long lasting process.
On the other hand, a lower probability of return and a longer time period were determined for those items where the payment is expected in EUR or USD with the help of European clearing houses (Euroclear, Clearstream) requiring a complex legal process.
The claims from the overdue Russian government bonds are classified to Other financial asset line and in the above table presented within Other countries in the amount of HUF 9.4 billion with the impairment of HUF 8.5 billion.

2a. Valuation of Ukrainian sovereign exposures and related reserves for expected credit losses - exposures of the Ukrainian subsidiary bank

The marketability of local government securities and the liquidity of the market are limited in Ukraine.
Ukrainian government securities can only be found in the books of the Ukrainian subsidiary as these exposures were acquired after start of the war they are classified as Stage 1. In the case of a portfolio valued at fair value through other comprehensive results, the book value is determined based on the level 3 prices of IFRS13. During the actual evaluation, the expected cash flow is discounted using yield curves observed based on current market benchmarks (published by the National Bank of Ukraine).
In order to reflect the increased uncertainty about external support of Ukraine, decision was made on additional provision for the sovereign portfolio of the Ukrainian group-member on a conservative basis at Group level only reflecting a prudential overlay.

2b. Valuation of Ukrainian sovereign exposures and related reserves for expected credit losses - other exposures of the group

Ukrainian government securities are exclusively in the books of the Ukrainian subsidiary.

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

References [continued]

3. Valuation of Russian derivative transactions

In the case of futures contracts concluded with local partners on the Russian market, the evaluation is carried out using yield curves available and observable on the local market. In cases where one of the partners is not Russian, the evaluation is done using yield curves available and observable on the local market.

4. Valuation of Ukrainian derivatives

The Treasury turnover of the Ukrainian bank is low, and a significant part of the derivative transactions are related to the bank's risk management and concluded with the parent company. During the actual evaluation, the expected cash-flow is discounted using yield curves observed based on current market benchmarks (published by the National Bank of Ukraine).

5. Claims against Russian and Ukrainian central banks, provisions for expected credit losses related to Russian and Ukrainian interbank claims and customer loans

As part of the continuous monitoring activity, OTP Group has explored and analyzed the secondary and tertiary negative effects of the war in the corporate segment for Group members outside of Russia and Ukraine, including the effects of the current sanctions policy. In the case of the affected customers, if the increased risk was substantiated, they were classified in the Stage 2 category, while in the case of non-performance, the Group classified the given exposures in the Stage 3 rating category.
In the case of Russian Group members, the impact of the current and forward-looking economic environment was taken into account when determining the expected loss, considering expected economic slowdown in Russia.
In the case of Ukrainian Group members, the portfolio quality remained stable or even improved in some segments in 2024 and the Bank neither expects significant deterioration in 2025. The impact of the current and forward-looking economic environment was taken into account when determining the expected loss, however, the Bank does not expect any further substantial deterioration of the economic environment. The identification of the increased risk – given the special situation – extends to regionally different war activity. In addition, the territorial distribution of exposures was also taken into account when evaluating the expected loss, in the areas directly and indirectly affected by the war, the Bank does not expect a significant return for non-performing customers, regardless of economic trends.

6. Evaluation of goodwill

In connection with the involvement in the Russian-Ukrainian conflict, as a result of the company value review, the Group considered it necessary to fully write off the existing goodwill in the case of the Russian subsidiary bank in the first quarter of 2022, the value of which as at 31 December 2021 was HUF 40.9 billion. The effect of goodwill write-off on the result was HUF 67.7 billion, and a HUF 26.8 billion loss was accounted for against equity. In the case of Ukraine, there was no goodwill write-off.
Based on current experience, the Group takes into account the macroeconomic effects of the current geopolitical situation in the mid- to long-term when determining the impairment of investments in the case of countries affected by the conflict. In the case of Russian and Ukrainian operations, we currently do not consider it likely that the estimated investment value before the conflict (2021) will be reached in the upcoming years as long the uncertainity due to the geopolitical conflict lasts.

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

References [continued]

7. Deferred tax

Due to the uncertainty of the expected return, the Group did not recognize deferred tax assets in Ukraine, while in Russia, the Group recognized HUF 22.56 billion and HUF 15.45 billion deferred tax assets in year 2024 and 2023, respectively. There is no limit to unused tax credits in Russia. In addition, if the bank's taxable loss were to increase (if the impairment calculated according to local rules approached the higher level of impairment according to IFRS), the difference between the settlement and the tax loss would decrease, thus reducing the deferred tax asset. As a result, the bank was able to utilize the temporary deferred tax asset both in the expected profitable operation and in a possible loss scenario.

Financial assets modified in the Group for the year ended 31 December 2024 (in HUF million)

Modification losses from changes other than Hungarian and Serbian interest rate cap resulted in HUF 325 million and HUF 1,631 million loss as at 31 December 2024 and 2023, respectively. In the following tables the modification gains and losses resulting from the prolongation of interest rate caps is presented. The newly granted loans have fixed interest throughout the lifetime and the voluntary interest rate cap does not affect the previously disbursed loans.

Financial assets modified during the period related to moratorium in the Group for the year ended 31 December 2024 (in HUF mn)

Please see details in this note above under “Larger one-off items” where Interest rate cap is described.

Modification due to prolongation of the existing interest rate cap till 31 December 2025

	Group
Gross carrying amount before modification	225,161
Loss allowance before modification	(1,540)
Net amortized cost before modification	**223,621**
Modification loss	(2,164)
Net amortized cost after modification	**221,457**

Modification due to prolongation of the existing interest rate cap till 30 June 2025

	Group
Gross carrying amount before modification	240,610
Loss allowance before modification	(3,716)
Net amortized cost before modification	**236,894**
Modification loss	(5,500)
Net amortized cost after modification	**231,394**

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP [continued]

Financial assets modified during the period related to moratorium in the Group for the year ended 31 December 2024 (in HUF mn) [continued]

Modification due to prolongation of the existing interest rate cap till 31 December 2024

	Group
Gross carrying amount before modification	236,341
Loss allowance before modification	(2,970)
Net amortized cost before modification	**233,371**
Modification loss	(5,204)
Net amortized cost after modification	**228,167**

Financial assets modified during the period related to moratorium in the Group for the year ended 31 December 2023 (in HUF mn)

Modification due to prolongation of the existing interest rate cap till 30 June 2024

	Group
Gross carrying amount before modification	351,776
Loss allowance before modification	(12,702)
Net amortized cost before modification	**339,074**
Modification loss	(8,738)
Net amortized cost after modification	**330,336**

Modification due to prolongation of the existing interest rate cap till 31 December 2023

	Group
Gross carrying amount before modification	709,771
Loss allowance before modification	(18,640)
Net amortized cost before modification	**691,131**
Modification loss	(27,772)
Net amortized cost after modification	**663,359**

NOTE 5: CASH, AMOUNTS DUE FROM BANKS AND BALANCES WITH THE NATIONAL BANKS (in HUF mn)

	31/12/2024	31/12/2023
Cash on hand		
In HUF	108,186	86,498
In foreign currency	558,501	519,333
	666,687	**605,831**

Amounts due from banks and balances with the National Banks

	31/12/2024	31/12/2023
Within one year		
In HUF	1,532,990	2,275,719
In foreign currency	3,880,608	4,244,007
	5,413,598	**6,519,726**
Over one year		
In HUF	-	-
In foreign currency	-	-
	-	**-**
Loss allowance on amounts due from bank and balances with the National Banks	(1,273)	(508)
Total	**6,079,012**	**7,125,049**
Compulsory reserve set by the National Banks	(2,561,725)	(2,265,707)
Cash and cash equivalents	**3,517,287**	**4,859,342**

Foreign subsidiary banks within the Group have to comply with country specific regulation of local National Banks. Each country within the Group has its own regulation for compulsory reserve calculation and maintenance. Based on those banks are obliged to place compulsory reserve at their National Bank in a specified percentage of their liabilities considered in compulsory reserve calculation.

An analysis of the change in the loss allowance on amounts from banks and balances with the National Banks is as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**508**	**1,703**
Loss allowance for the period	5,072	11,859
Release of loss allowance for the period	(4,332)	(12,919)
Use of loss allowance for the period	(2)	(3)
Foreign currency translation difference	27	(132)
Closing balance	**1,273**	**508**

NOTE 6: PLACEMENTS WITH OTHER BANKS (in HUF mn)

	31/12/2024	31/12/2023
Within one year		
In HUF	101,743	343,022
In foreign currency	1,522,070	961,554
	1,623,813	**1,304,576**
Over one year		
In HUF	192,276	184,696
In foreign currency	77,279	79,973
	269,555	**264,669**
Loss allowance on placements	(1,467)	(2,247)
Total	**1,891,901**	**1,566,998**

An analysis of the change in the loss allowance on placements with other banks is as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**2,247**	**3,837**
Loss allowance for the period	7,207	3,425
Release of loss allowance for the period	(5,904)	(4,880)
Use of loss allowance for the period	(754)	-
Assets held for sale	-	(12)
Foreign currency translation difference	(1,329)	(123)
Closing balance	**1,467**	**2,247**

Interest conditions of placements with other banks:

	31/12/2024	31/12/2023
Interest rates on placements with other banks denominated in HUF	0.00% - 25.00%	0.00% - 25.00%
Interest rates on placements with other banks denominated in foreign currency	(0.20)% - 21.00%	0.00% - 22.00%

	31/12/2024	31/12/2023
Average interest rates on placements with other banks denominated in HUF (%)	6.67%	15.11%
Average interest rates on placements with other banks denominated in foreign currency (%)	16.91%	13.03%

NOTE 7: REPO RECEIVABLES (in HUF mn)

	31/12/2024	31/12/2023
Within one year		
In HUF	139,632	18,341
In foreign currency	192,717	206,077
	332,349	**224,418**
Over one year		
In HUF	-	37
In foreign currency	-	22
	-	**59**
Loss allowance on repo receivables	(512)	(593)
Total	**331,837**	**223,884**

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

	31/12/2024	31/12/2023
Balance as at 1 January	**593**	**241**
Loss allowance for the period	1,839	5,002
Release of loss allowance for the period	(1,914)	(4,631)
Use of loss allowance	-	-
Foreign currency translation difference	(6)	(19)
Closing balance	**512**	**593**

Interest conditions of repo receivables (%):

	31/12/2024	31/12/2023
Interest rates on repo receivables denominated in HUF	6.00% - 6.90%	0.00% - 11.00%
Interest rates on repo receivables denominated in foreign currency	3.30% - 14.50%	0.00% - 17.96%

	31/12/2024	31/12/2023
Average interest rates on repo receivables denominated in HUF (%)	8.01%	11.83%
Average interest rates on repo receivables denominated in foreign currency (%)	5.57%	6.92%

Securities as collaterals underlying repo receivable contracts:

Types of securities	**31/12/2024**	**31/12/2023**
Government bonds	155,864	31,333
Treasury bills	182,892	197,639
Total	**338,756**	**228,972**

NOTE 8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31/12/2024	31/12/2023
Trading securities at fair value through profit or loss		
Government bonds	86,050	58,232
Equity instruments and fund units	1,197	513
Corporate bonds	753	584
Discounted Treasury bills	3,918	3,959
Mortgage bonds	102	97
National Bank of Hungary bonds	412,402	-
Other interest-bearing securities	8,953	3,852
Other non-interest-bearing securities	982	331
	514,357	**67,568**
Non-trading instruments mandatorily at fair value through profit or loss		
Open-ended fund units	73,913	64,002
Shares	2,617	3,686
	76,530	**67,688**
Total	**590,887**	**135,256**

Positive fair value of derivative financial assets held for trading

	31/12/2024	31/12/2023
Foreign exchange swaps held for trading	47,685	36,068
Interest rate swaps held for trading	56,637	65,711
Commodity swaps	10,472	32,336
CCIRS and mark-to-market CCIRS held-for-trading [1]	16,443	8,644
Foreign exchange forward contracts held for trading	17,051	7,101
Held-for-trading option contracts	2,711	3,040
Held-for-trading forward security agreement	21	3
Other derivative transactions held for trading[2]	1,493	726
Total	**152,513**	**153,629**
Total	**743,400**	**288,885**

[1] CCIRS: Cross Currency Interest Rate Swaps (See Note 2.5.3.3.)
[2] Other category includes: fx spot, equity swaps, option and index futures.

An analysis of securities held for trading portfolio by currency (%):

	31/12/2024	31/12/2023
Denominated in HUF	89.65%	30.73%
Denominated in foreign currency	10.35%	69.27%
Total	**100.00%**	**100.00%**

NOTE 8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn) [continued]

An analysis of government bond portfolio by currency (%):

	31/12/2024	31/12/2023
Denominated in HUF	47.56%	22.71%
Denominated in foreign currency	52.44%	77.29%
Total	**100.00%**	**100.00%**

Interest conditions of held for trading securities (%):

	31/12/2024	31/12/2023
Interest rates on securities held for trading denominated in HUF	1.90% - 19.10%	1.90% - 16.66%
Interest rates on securities held for trading denominated in foreign currency	0.00% - 18.00%	0.00% - 18.00%

Interest conditions and the remaining maturities of **securities held for trading** can be analysed as follows:

	31/12/2024	31/12/2023
Within one year		
With variable interest	161	135
With fixed interest	443,168	40,689
	443,329	**40,824**
Over one year		
With variable interest	3,648	1,154
With fixed interest	65,201	24,746
	68,849	**25,900**
Non-interest-bearing securities	2,179	844
Total	**514,357**	**67,568**

Interest conditions and the remaining maturities of non-trading securities mandatorily at fair value through profit or loss are as follows:

	31/12/2024	31/12/2023
Within one year		
With variable interest	-	-
With fixed interest	-	-
	-	**-**
Over one year		
With variable interest	-	-
With fixed interest	-	57
	-	**57**
Non-interest-bearing securities	76,530	67,631
Total	**76,530**	**67,688**

NOTE 8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn) [continued]

	31/12/2024	31/12/2023
Profit from associates from shares measured at fair value through profit or loss	10,246	14,297

An analysis of **non-trading securities** mandatorily at fair value through profit or loss portfolio by currency (%):

	31/12/2024	31/12/2023
Denominated in HUF	64.74%	60.76%
Denominated in foreign currency	35.26%	39.24%
Total	**100.00%**	**100.00%**

Interest conditions of non-trading instruments mandatorily at fair value through profit or loss (%):

	31/12/2024	31/12/2023
Interest rates on non-trading instruments mandatorily at fair value through profit or loss denominated in foreign currency (%)	-	2.00% - 3.00%

NOTE 9: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn)

	31/12/2024	31/12/2023
Securities at fair value through other comprehensive income		
Government bonds	1,312,063	1,288,230
Corporate bonds	27,043	34,996
Listed securities:		
In HUF	-	-
In foreign currency	*12,774*	*16,989*
	12,774	**16,989**
Non-listed securities:		
In HUF	*10,140*	*12,115*
In foreign currency	*4,129*	*5,892*
	14,269	**18,007**
Mortgage bonds	34,233	30,344
Interest bearing treasury bills	86	235
Securities issued by the National Bank of Hungary	205,050	114,746
Other securities	44,349	72,429
Total	**1,622,824**	**1,540,980**

	31/12/2024	31/12/2023
Non-interest-bearing instruments at fair value through other comprehensive income		
Listed securities:		
In HUF	-	-
In foreign currency	*11,931*	*9,472*
	11,931	**9,472**
Non-listed securities:		
In HUF	*403*	*403*
In foreign currency	*70,395*	*50,606*
	70,798	**51,009**
	82,729	**60,481**
Total	**1,705,553**	**1,601,461**

Movement table of loss allowance of securities at fair value through other comprehensive income is presented in Note 27.

An analysis of securities at fair value through other comprehensive income by currency (%):

	31/12/2024	31/12/2023
Denominated in HUF	35.30%	33.85%
Denominated in foreign currency	64.70%	66.15%
Total	**100.00%**	**100.00%**

NOTE 9: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn) [continued]

Detailed information of the non-interest-bearing instruments at fair value through other comprehensive income:

	31/12/2024	31/12/2023
Strategic investments closely related to banking activity		
Fair value	81,031	51,131
Dividend income from instruments held at the reporting date	1,036	369
Derecognition		
Fair value of disposed, reclassified equity instrument, fund units	-	2,277
Cumulative gain / loss on disposal, reclassification transferred to retained earnings	-	3,978
Other strategic investments		
Fair value	1,698	9,350
Dividend income from instruments held at the reporting date	46	61
Total		
Total fair values	**82,729**	**60,481**
Dividend income from instruments held at the reporting date	**1,082**	**430**
Fair value of derecognized equity instrument, fund units	**-**	**2,277**
Cumulative gain / loss on disposal transferred to retained earnings	**-**	**3,978**

Since the joining of OTP Banka d.d. (Slovenia) (previously: NKBM) into OTP Group on the 6 February 2023, investment in Bankart d.o.o. became an associated company and the Group reclassified the investment in Bankart from Securities at fair value through other comprehensive income to Associates and other investments. The amount of this reclassification transferred to retained earnings was HUF 1,301 million and the fair value of the investment was HUF 2,277 million as at the reclassification.
During the year ended 31 December 2022 HUF 2,677 million equity instruments measured at fair value through other comprehensive income was sold but the realized income only in 2023 was transferred to retained earnings, while in 2024 there were no sale transactions.

An analysis of government bonds by currency (%):

	31/12/2024	31/12/2023
Denominated in HUF	27.85%	29.83%
Denominated in foreign currency	72.15%	70.17%
Total	**100.00%**	**100.00%**

Interest conditions of the security portfolio at fair value through other comprehensive income are as follows (%):

	31/12/2024	31/12/2023
Interest rates on securities at fair value through other comprehensive income denominated in HUF	2.00% - 9.75%	2.00% - 13.80%
Interest rates on securities at fair value through other comprehensive income denominated in foreign currency	0.01% - 19.75%	0.01% - 19.75%

	31/12/2024	31/12/2023
Average interest rates on securities at fair value through other comprehensive income denominated in HUF (%)	3.40%	3.51%
Average interest rates on securities at fair value through other comprehensive income denominated in foreign currency (%)	4.49%	3.60%

NOTE 9: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn) [continued]

Interest conditions and the remaining maturities of securities at fair value through other comprehensive income can be analysed as follows:

	31/12/2024	31/12/2023
Within one year		
With variable interest	6,062	456
With fixed interest	577,372	373,618
	583,434	**374,074**
Over one year		
With variable interest	10,457	18,136
With fixed interest	1,028,933	1,148,770
	1,039,390	**1,166,906**
Non-interest-bearing securities	82,729	60,481
Total	**1,705,553**	**1,601,461**

Certain securities are hedged against interest rate risk. See Note 37.4.

NOTE 10: SECURITIES AT AMORTIZED COST (in HUF mn)

	31/12/2024	31/12/2023
Government bonds	6,428,625	4,468,813
Corporate bonds	346,770	310,514
Discounted Treasury bills	137,317	67,653
Mortgage bonds	32,006	24,738
Interest bearing Treasury bills	1,663	6,480
Other securities	545,301	403,722
	7,491,682	**5,281,920**
Loss allowance on securities at amortized cost	(44,505)	(32,648)
Total	**7,447,177**	**5,249,272**

Interest conditions and the remaining maturities of securities at amortized cost can be analysed as follows:

	31/12/2024	31/12/2023
Within one year		
With variable interest	-	-
With fixed interest	1,708,475	700,735
	1,708,475	**700,735**
Over one year		
With variable interest	25,325	6,005
With fixed interest	5,757,882	4,575,180
	5,783,207	**4,581,185**
Total	**7,491,682**	**5,281,920**

An analysis of securities at amortized cost by currency (%):

	31/12/2024	31/12/2023
Denominated in HUF	39.47%	46.81%
Denominated in foreign currency	60.53%	53.19%
Total	**100.00%**	**100.00%**

Interest conditions of securities at amortized cost (%):

	31/12/2024	31/12/2023
Interest rates of securities at amortized cost with variable interest	2.16% - 9.00%	0.75% - 2.91%
Interest rates of securities at amortized cost with fixed interest	0.00% - 17.14%	0.00% - 26.00%

	31/12/2024	31/12/2023
Average interest rates on securities at amortized cost denominated in HUF (%)	5.43%	4.23%
Average interest rates on securities at amortized cost denominated in foreign currency (%)	4.01%	4.71%

NOTE 10: SECURITIES AT AMORTIZED COST (in HUF mn) [continued]

An analysis of the change in the loss allowance on securities at amortized cost is as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**32,648**	**43,049**
Loss allowance for the period	25,766	10,875
Release of loss allowance	(15,707)	(20,060)
Use of loss allowance	(634)	-
Assets held for sale	-	(637)
Foreign currency translation difference	2,432	(579)
Closing balance	**44,505**	**32,648**

NOTE 11: LOANS AT AMORTIZED COST AND AT FAIR VALUE (in HUF mn)

Loans at amortized cost

	31/12/2024	**31/12/2023**
Within one year		
In HUF	1,657,482	1,340,659
In foreign currency	4,172,610	3,714,471
	5,830,092	**5,055,130**
Over one year		
In HUF	2,501,910	2,516,270
In foreign currency	12,876,113	10,999,164
	15,378,023	**13,515,434**
	21,208,115	**18,570,564**
Loss allowance on loans	(917,734)	(894,031)
Total	**20,290,381**	**17,676,533**

An analysis of the gross loan portfolio at amortized cost by currency (%):

	31/12/2024	**31/12/2023**
In HUF	19.61%	20.77%
In foreign currency	80.39%	79.23%
Total	**100.00%**	**100.00%**

Interest rates of the loan portfolio at amortized cost are as follows:

	31/12/2024	**31/12/2023**
Loans at amortized cost denominated in HUF[1]	0.00% - 56.58%	0.00% - 59.99%
Loans at amortized cost denominated in foreign currency[2]	0.00% - 90.00%	(0.50)% - 90.00%

[1] The highest interest rate relates to HUF loan is car loan.
[2] The highest interest rate relates to loan in foreign currency is personal loan, card loan and POS services in Russia.

	31/12/2024	**31/12/2023**
Average interest rates on loans at amortized cost denominated in HUF (%)	10.26%	11.36%
Average interest rates on loans at amortized cost denominated in foreign currency (%)	7.34%	6.12%

The amount of those loans which were written-off in the current year but they are still subject to enforcement activity to be collected is still going on were HUF 51,657 million and HUF 64,487 million as at 31 December 2024 and 2023, respectively.

NOTE 11: LOANS AT AMORTIZED COST AND AT FAIR VALUE (in HUF mn) [continued]

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

	31/12/2024	31/12/2023
Balance as at 1 January	**894,031**	**966,360**
Loss allowance for the period	*723,674*	*714,784*
Release of loss allowance	*(580,673)*	*(551,477)*
Loss allowance in the current period	143,001	163,307
from this: effect of change in parameters used for loss allowance calculation	*(37,558)*	*(22,784)*
Use of loss allowance	(119,999)	(61,078)
Partial write-off [1]	(25,455)	(37,169)
Assets held for sale	-	(61,355)
Unwinding	56	-
Foreign currency translation difference	26,100	(76,034)
Closing balance	**917,734**	**894,031**

[1] See details in Note 2.5.8.

Movement in loss allowance on loans and placements is summarized as below:

	31/12/2024	31/12/2023
Release of loss allowance on placements and loss from derecognition of placements	1,303	(1,455)
Loss allowance on loans and gain from derecognition of loans	76,173	111,771
Total [2]	**77,476**	**110,316**

[2] See details in Note 31.

Loans mandatorily at fair value through profit or loss

	31/12/2024	31/12/2023
Within one year		
In HUF	79,661	77,886
In foreign currency	1,134	131
	80,795	**78,017**
Over one year		
In HUF	1,477,561	1,320,889
In foreign currency	1,425	1,579
	1,478,986	**1,322,468**
Total	**1,559,781**	**1,400,485**

NOTE 11: LOANS AT AMORTIZED COST AND AT FAIR VALUE (in HUF mn) [continued]

An analysis of the loan portfolio mandatorily at fair value through profit or loss by currency (%):

	31/12/2024	31/12/2023
In HUF	99.84%	99.88%
In foreign currency	0.16%	0.12%
Total	**100.00%**	**100.00%**

Interest rates of the loan portfolio mandatorily at fair value through profit or loss are as follows (%):

	31/12/2024	31/12/2023
Interest rates on loans denominated in HUF	1.31% - 28.32%	1.31% - 25.36%
Interest rates on loans denominated in foreign currency	2.10% - 8.00%	5.00% - 30.00%

	31/12/2024	31/12/2023
Average interest rates on loan portfolio at fair value through profit or loss denominated in HUF (%)	6.71%	6.96%
Average interest rates on loan portfolio at fair value through profit or loss denominated in foreign currency (%)	16.78%	4.68%

NOTE 12: ASSOCIATES AND OTHER INVESTMENTS (in HUF mn)

	31/12/2024	31/12/2023
Investments		
Investments in associates (non-listed)	77,258	66,805
Other investments (non-listed)	57,470	39,019
	134,728	**105,824**
Impairment on investments	(10,205)	(9,714)
Total	**124,523**	**96,110**

An analysis of the change in the impairment on investments is as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**9,714**	**12,080**
Impairment for the period	1,175	44
Release of impairment for the period	(218)	(65)
Modification due to merge	673	(2,344)
Foreign currency translation difference	(1,139)	(1)
Closing balance	**10,205**	**9,714**

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn)

There are different kinds of tangible and intangible assets held by the Group. The next section covers the explanation for the changes from opening values to closing ones in the gross values, the accumulated depreciation and amortization and in the impairment of the tangible and intangible assets in the Group. Relevant information about the fair values of the tangible assets and gross amounts of those assets which were fully depreciated but which are still in use is specified below.

The carrying amount of the temporarily idle properties was HUF 3,103 million and HUF 3,334 million as at 31 December 2024 and 2023, respectively.
There was no restrictions on title and properties, plants or equipment pledged as security for liabilities as at 31 December 2024 but HUF 330 million restrictions was identified as at 31 December 2023.
As at 31 December 2024 and 31 December 2023 the amount of contractual commitments for the acquisition of tangible and intangible assets was HUF 21,748 million and HUF 29,980 million, respectively. For research and development purposes HUF 1,672 million expenses was accounted as at 31 December 2024.

Impairment for the properties in the current period was necessary as a result of the valuation performed by using the comparative value method (market analogy method) with direct comparison to the market price of other similar properties. Actual market transactions were used based on the 6-month period prior to the valuation date where the market price of the analogous property is adjusted by an expert coefficient for market adaptation ("ECMA"). Usually this range is from -25% to +25% and reflects the availability of sufficient market information for similar items. In case of properties ECMA exceeded this range where the circumstances were exceptional although by decision of the appraiser it was used only for unique properties with characteristics similar to the appraised ones, for which no sufficient market analogues are available. The price was adjusted by coefficients reflecting the area, location, size and structure of the property, as well as a weighing factor reflecting the weight of the selected market analogies in the determined fair value.
The Bank decided that the recoverable amount of goodwill is determined based on fair value less cost of disposal. When the Bank prepares goodwill impairment tests of the subsidiaries, the two methods which are used based on discounted cash-flow calculation that shows the same result; however, they represent different economical logics.
Based on the internal regulation of the Bank as at 31 December 2024 impairment test was prepared where a three-year cash-flow model was applied with an explicit period between 2025-2027. The basis for the estimation was the actual data of November 2024 and based on the prepared medium-term (2025-2027) forecasts. When the Bank prepared the calculations for the period 2025-2027, it considered the actual worldwide economic situations, the expected economic growth for the following years, their possible effects on the financial sector, the expected growth trajectory and the expected changes of the mentioned factors.

Present value calculation with the Free Cash-Flow method

The Bank calculated the expected cash-flow for the given period based on the expected after-tax profit of the companies. The calculation is highly sensitive to the level of discount rate and growth rate used. As discount factor the Bank uses a zero coupon yield curve derived by the Headquarter Asset-Liability Management department. This zero coupon curve is estimated for each related country, based on the countries' issued bonds and segmented by the issuances' currencies. In case of the subsidiaries where the yield curves were not available (Ukraine) the daily Overnight deposit yield was used as a benchmark, provided by National Bank of Ukraine as currently the only available proxy for the hryvnia rate.
The Bank calculated risk premiums on the basis of information from the country risk premiums that are published by Aswath Damodaran – New York STERN University, according to the Bank's assumption the risk-free interest rate includes the country-dependent risks in an implicit way.
When the subsidiary has subordinated debt, the discount rate is calculated as a weighted average of the expected return on equity presented previously and the subordinated debt's interest rate. At the end of the calculation, the value of subordinated debt is subtracted from the valuations' result.
The growth rate in the explicit period is the growth rate of the profit after tax adjusted by the interest rate of the cash and subordinated loans. The assumed growth rates for the periods of residual values reflect the long-term economic expectations in case of every country.
The values of the subsidiaries in the FCF method were then calculated as the sum of the discounted cash-flows of the explicit period, the present value of the terminal values and the initial free capital assuming an effective capital structure.

Summary of the impairment test for the year ended 31 December 2024 and 2023

Based on the valuations of the subsidiaries for the year ended 31 December 2024 and 2023 no goodwill impairment was necessary to be recorded by the Group.

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]

For the year ended 31 December 2024

Cost	Intangible assets	Goodwill	Property	Machinery and office equipment	Vehicle	Construction in progress	Tangible assets subject to operating lease	Total
Balance as at 1 January	**542,735**	**66,932**	**421,607**	**276,542**	**41,931**	**45,897**	**36,624**	**1,432,268**
Additions	177,293	1,671	35,487	62,257	4,507	70,260	19,618	371,093
Foreign currency translation differences	12,813	2,705	14,279	7,357	250	2,222	2,056	41,682
Disposals	(69,527)	-	(13,045)	(15,443)	(1,790)	(66,937)	(16,778)	(183,520)
Closing balance	**663,314**	**71,308**	**458,328**	**330,713**	**44,898**	**51,442**	**41,520**	**1,661,523**

Depreciation and amortization	Intangible assets	Property	Machinery and office equipment	Vehicle	Tangible assets subject to operating lease	Total
Balance as at 1 January	**312,085**	**91,690**	**187,224**	**8,147**	**7,851**	**606,997**
Charge for the period	64,283	13,349	35,899	2,574	5,380	121,485
Foreign currency translation differences	7,340	3,208	5,357	137	668	16,710
Disposals	(13,957)	(3,226)	(12,822)	(489)	(4,202)	(34,696)
Closing balance	**369,751**	**105,021**	**215,658**	**10,369**	**9,697**	**710,496**

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]

For the year ended 31 December 2024 [continued]

Impairment	**Intangible assets**	**Property**	**Machinery and office equipment**	**Tangible assets subject to operating lease**	**Total**
Balance as at 1 January	**6,224**	**4,476**	**46**	**43**	**10,789**
Impairment for the period	4,930	509	250	105	5,794
Release of impairment for the period	-	(193)	-	(99)	(292)
Foreign currency translation differences	278	298	2	3	581
Use of impairment	(3,125)	(273)	(251)	-	(3,649)
Closing balance	**8,307**	**4,817**	**47**	**52**	**13,223**

	Intangible assets	**Goodwill**	**Property**	**Machinery and office equipment**	**Vehicle**	**Construction in progress**	**Tangible assets subject to operating lease**	**Total**
Carrying value								
Balance as at 1 January	**224,426**	**66,932**	**325,441**	**89,272**	**33,784**	**45,897**	**28,730**	**814,482**
Closing balance	**285,256**	**71,308**	**348,490**	**115,008**	**34,529**	**51,442**	**31,771**	**937,804**
Fair values	**-**	**-**	**383,507**	**112,665**	**34,569**	**-**	**31,754**	**562,495**
Gross amount of the fully depreciated assets that are still in use	**66,341**	**-**	**6,717**	**96,990**	**1,310**	**-**	**-**	**171,358**

An analysis of the intangible assets for the year ended 31 December 2024 is as follows:

Intangible assets	**Self-developed**	**Purchased**	**Total**
Gross values	22,771	640,543	663,314
Accumulated amortization	(9,225)	(360,526)	(369,751)
Impairment	-	(8,307)	(8,307)
Carrying value	**13,546**	**271,710**	**285,256**

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]

For the year ended 31 December 2024 [continued]

Carrying value of the investment and goodwill allocated to the appropriate cash generating units

Subsidiaries	Carrying amounts of the subsidiary in HUF million	Goodwill values in HUF million	Goodwill values in million functional currency	Type of functional currency	Consolidated ownership interest	With ownership adjusted company value in HUF million	Applied long term grow rate	Applied long term discount rate
DSK Bank EAD	280,722	44,764	28,541	HUF	99.92%	1,313,300	3.00%	11.70%
(Bulgaria)			77	BGN				
OTP banka d.d.								
(Croatia)	205,349	23,806	58	EUR	100.00%	584,207	3.00%	9.90%
POK-DSK Rodina a.d.								
(Bulgaria)	1,680	11	11	HUF	99.85%	23,645	3.00%	11.70%
George Consult								
(Croatia)	225	227	1	EUR	76.00%	171	3.00%	9.90%
OTP Home Solutions Llc.								
(Hungary)	4,810	478	478	HUF	100.00%	8,377	3.00%	14.42%
OTP Invest Drustvo AD								
(Serbia)	1,087	352	100	RSD	100.00%	1,087	3.00%	12.60%
Hello Pay Ltd.	1,640	508	508	HUF	100.00%	1,738	3.00%	14.60%
(Hungary)								
Aranykalász Group	15,012	342	342	HUF	75.00%	15,012	2.00%	12.50%
(Hungary)								
Szekszárd Group	12,259	820	820	HUF	100.00%	12,259	2.00%	12.50%
(Hungary)								
	522,784	**71,308**						

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]

For the year ended 31 December 2023

Cost	Intangible assets	Goodwill	Property	Machinery and office equipment	Vehicle	Construction in progress	Tangible assets subject to operating lease	Total
Balance as at 1 January	**471,420**	**109,185**	**375,765**	**271,879**	**43,288**	**53,544**	**31,206**	**1,356,287**
Increase due to acquisition	18,484	-	41,770	9,085	207	339	272	70,157
Additions	131,153	328	34,384	42,538	1,744	71,211	18,644	300,002
Foreign currency translation differences	(16,618)	(1,715)	(11,158)	(10,447)	(419)	110	(1,482)	(41,729)
Disposals	(45,342)	(40,866)	(8,075)	(22,041)	(1,460)	(78,421)	(12,016)	(208,221)
Assets held for sale	(16,362)	-	(11,079)	(14,472)	(1,429)	(886)	-	(44,228)
Closing balance	**542,735**	**66,932**	**421,607**	**276,542**	**41,931**	**45,897**	**36,624**	**1,432,268**

Depreciation and amortization	Intangible assets	Property	Machinery and office equipment	Vehicle	Tangible assets subject to operating lease	Total
Balance as at 1 January	**299,912**	**93,288**	**195,614**	**9,140**	**8,855**	**606,809**
Charge for the period	53,259	11,599	28,516	2,302	4,447	100,123
Foreign currency translation differences	(9,862)	(3,455)	(8,392)	(265)	(447)	(22,421)
Disposals	(19,459)	(4,067)	(19,375)	(2,131)	(5,004)	(50,036)
Assets held for sale	(11,765)	(5,675)	(9,139)	(899)	-	(27,478)
Closing balance	**312,085**	**91,690**	**187,224**	**8,147**	**7,851**	**606,997**

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]

For the year ended 31 December 2023 [continued]

Impairment	**Intangible assets**	**Goodwill**	**Property**	**Machinery and office equipment**	**Tangible assets subject to operating lease**	**Total**
Balance as at 1 January	**2,796**	**40,866**	**4,251**	**46**	**19**	**47,978**
Impairment for the period	4,361	-	441	820	30	5,652
Release of impairment for the period	-	-	-	(2)	-	(2)
Foreign currency translation differences	37	-	(215)	2	(1)	(177)
Use of impairment	(970)	(40,866)	(1)	(820)	(5)	(42,662)
Closing balance	**6,224**	**-**	**4,476**	**46**	**43**	**10,789**

	Intangible assets	**Goodwill**	**Property**	**Machinery and office equipment**	**Vehicle**	**Construction in progress**	**Tangible assets subject to operating lease**	**Total**
Carrying value								
Balance as at 1 January	**168,712**	**68,319**	**278,226**	**76,219**	**34,148**	**53,544**	**22,332**	**701,500**
Closing balance	**224,426**	**66,932**	**325,441**	**89,272**	**33,784**	**45,897**	**28,730**	**814,482**
Fair values	**-**	**-**	**350,867**	**89,318**	**33,779**	**-**	**28,730**	**502,694**
Gross amount of the fully depreciated assets that are still in use	**164,201**	**-**	**27,950**	**136,683**	**1,612**	**-**	**582**	**331,028**

An analysis of the intangible assets for the year ended 31 December 2023 is as follows:

Intangible assets	**Self-developed**	**Purchased**	**Total**
Gross values	22,230	520,505	542,735
Accumulated amortization	(10,220)	(301,865)	(312,085)
Impairment	-	(6,224)	(6,224)
Carrying value	**12,010**	**212,416**	**224,426**

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]

For the year ended 31 December 2023 [continued]

Carrying value of the investment and goodwill allocated to the appropriate cash generating units

Subsidiaries	Carrying amounts of the subsidiary in HUF million	Goodwill values in HUF million	Goodwill values in million functional currency	Type of functional currency	Consolidated ownership interest	With ownership adjusted company value in HUF million	Applied long term grow rate	Applied long term discount rate
DSK Bank EAD	280,722	43,684	28,541	HUF	99.92%	1,072,672	3.00%	12.28%
(Bulgaria)			77	BGN				
OTP banka d.d.								
(Croatia)	205,349	22,221	58	EUR	100.00%	465,038	3.00%	10.75%
POK-DSK Rodina a.d.								
(Bulgaria)	1,680	11	11	HUF	99.85%	18,880	3.00%	12.28%
George Consult								
(Croatia)	225	212	4	HRK	76.00%	171	3.00%	10.75%
OTP Home Solutions Llc.								
(Hungary)	3,870	478	478	HUF	100.00%	3,870	3.00%	14.25%
OTP Invest Drustvo AD								
(Serbia)	304	326	100	RSD	100.00%	304	3.00%	12.69%
	492,150	**66,932**						

NOTE 14: INVESTMENT PROPERTIES (in HUF mn)

An analysis of the change in gross values of investment properties is as follows:

Gross values	**31/12/2024**	**31/12/2023**
Balance as at 1 January	**63,552**	**61,346**
Increase due to transfer from inventories or owner-occupied properties	3,788	-
Increase from purchase	32,106	10,363
Increase from acquisition	-	9,910
Transfer to held-for-sale properties	(231)	(34)
Transfer to inventories or owner-occupied properties	(983)	(4,985)
Disposal due to sale	(2,217)	(10,652)
Assets held for sale	-	(182)
Foreign currency translation difference	3,548	(2,214)
Closing balance	**99,563**	**63,552**

The applied depreciation and amortization rates were as follows:

	31/12/2024	**31/12/2023**
Depreciation and amortization rates	1.49% - 50.00%	2.00% - 15.00%

An analysis of the movement in the depreciation and amortization on investment properties is as follows:

Depreciation and amortization	**31/12/2024**	**31/12/2023**
Balance as at 1 January	**9,008**	**11,273**
Additions due to transfer from inventories or owner-occupied properties	1,491	-
Charge for the period	1,047	866
Assets held for sale	-	(86)
Transfer to inventories or owner-occupied properties	(158)	(2,178)
Disposal due to sale	(699)	(420)
Transfer to held-for-sale properties	(13)	(5)
Foreign currency translation difference	608	(442)
Closing balance	**11,284**	**9,008**

An analysis of the movement in the impairment on investment properties is as follows:

Impairment	**31/12/2024**	**31/12/2023**
Balance as at 1 January	**1,163**	**2,621**
Impairment for the period	7	32
Release of impairment for the period	(30)	(1,394)
Disposal due to sale	(1,179)	-
Assets held for sale	-	(34)
Decrease due to transfer to inventories or owner-occupied properties	(3)	(11)
Foreign currency translation difference	81	(51)
Closing balance	**39**	**1,163**

NOTE 14: INVESTMENT PROPERTIES (in HUF mn) [continued]

Carrying values	**31/12/2024**	**31/12/2023**
Balance as at 1 January	**53,381**	**47,452**
Closing balance	**88,240**	**53,381**
Fair values	**10,188**	**72,647**

The amount of restrictions on the realisability of investment property was HUF 839 million as at 31 December 2024 and HUF 781 million as at 31 December 2023.

The Group chose the cost model for measuring investment properties but estimates and reviews the fair value of the investment properties by external experts, these investment properties would have been presented on level 3 in the fair value hierarchy if the Group didn’t apply cost method for this recognition.

Income and expenses	**31/12/2024**	**31/12/2023**
Rental income	4,027	3,029
Direct operating expenses of investment properties – income generating	486	451
Direct operating expenses of investment properties – non income generating	241	307

NOTE 15: DERIVATIVE FINANCIAL ASSETS DESIGNATED AS HEDGE ACCOUNTING (in HUF mn)

Positive fair value of derivative financial assets designated as fair value hedge

	31/12/2024	31/12/2023
CCIRS and mark-to-market CCIRS designated as fair value hedge	18,190	24,750
Interest rate swaps designated as fair value hedge	21,902	17,217
Interest rate swap designated as macro fair value hedge	10,289	-
Total	**50,381**	**41,967**

NOTE 16: OTHER ASSETS (in HUF mn)

Other assets are expected to be recovered or settled no more than twelve months after the reporting period.

Other financial assets	31/12/2024	31/12/2023
Receivables from card operations	39,740	71,385
Prepayments and accrued income on other financial assets	31,042	34,369
Trade receivables	49,978	53,010
Receivables from investment services	51,401	56,855
Other advances	56,729	24,612
Stock exchange deals	27,524	20,451
Giro clearing accounts	48,354	31,022
Receivables due from pension funds and investment funds	7,064	8,507
Receivables from leasing activities	1,651	1,634
Advances for securities and investments	556	82
Other financial assets	24,458	15,075
Loss allowance on other financial assets	(46,177)	(34,602)
Total	**292,320**	**282,400**

Other financial assets contain claims from overdue Russian government bonds, for further information please see details in Note 4. 1b.

Other non-financial assets	31/12/2024	31/12/2023
Prepayments and accrued income on other non-financial assets	73,159	59,311
Receivables, subsidies from the State, Government	16,319	21,085
Settlement and suspense accounts	27,894	26,409
Biological assets and agricultural produce	11,297	10,672
Other non-financial assets	42,621	45,294
Impairment on other non-financial assets	(5,176)	(4,437)
Total	**166,114**	**158,334**

Other assets (under IAS 2)	31/12/2024	31/12/2023
Inventories	42,232	56,552
Repossessed real estate	17,763	14,832
Repossessed other non-financial assets	2,887	2,289
Write-down of the assets measured under IAS 2	(7,128)	(4,977)
Total	**55,754**	**68,696**
Total other assets	**514,188**	**509,430**

NOTE 16: OTHER ASSETS (in HUF mn) [continued]

An analysis of the movement in the loss allowance on **other financial assets** is as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**34,602**	**31,833**
Loss allowance for the period	19,253	16,278
Release of allowance for the period	(8,847)	(7,016)
Use of loss allowance	(2,020)	(3,505)
Assets held for sale	-	(371)
Foreign currency translation difference	3,189	(2,617)
Closing balance	**46,177**	**34,602**

An analysis of the movement in the impairment on **other non-financial assets** is as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**4,437**	**7,041**
Impairment for the period	1,316	778
Release of impairment for the period	(546)	(1,161)
Use of impairment	(41)	(583)
Assets held for sale	-	(1,576)
Foreign currency translation difference	10	(62)
Closing balance	**5,176**	**4,437**

NOTE 17: AMOUNTS DUE TO BANKS, THE NATIONAL GOVERNMENTS, DEPOSITS FROM THE NATIONAL BANKS AND OTHER BANKS (in HUF mn)

	31/12/2024	31/12/2023
Within one year		
In HUF	520,301	179,321
In foreign currency	377,892	244,011
	898,193	**423,332**
Over one year		
In HUF	312,107	737,892
In foreign currency	811,891	779,638
	1,123,998	**1,517,530**
Total	**2,022,191**	**1,940,862**

Interest rates on amounts due to banks, the National Governments, deposits from the National Banks and other banks are as follows:

	31/12/2024	31/12/2023
Within one year		
In HUF	(1.51)% - 9.23%	(2.40)% - 8.75%
In foreign currency	(2.12)% - 18.00%	(2.31)% - 18.00%
Over one year		
In HUF	(1.41)% - 3.50%	(1.70)% - 11.40%
In foreign currency	(2.02)% - 13.50%	(2.12)% - 16.81%

	31/12/2024	31/12/2023
Average interest rates on amounts due to banks, the National Governments, deposits from the National Banks and other banks denominated in HUF	3.10%	3.25%
Average interest rates on amounts due to banks, the National Governments, deposits from the National Banks and other banks denominated in in foreign currency	7.82%	5.65%

NOTE 18: REPO LIABILITIES (in HUF mn)

	31/12/2024	31/12/2023
Within one year		
In HUF	23,736	24,572
In foreign currency	108,401	101,665
	132,137	**126,237**
Over one year		
In HUF	-	-
In foreign currency	-	-
	-	-
Total	**132,137**	**126,237**

Interest conditions on repo liabilities are as follows (%):

	31/12/2024	31/12/2023
Interest rates on repo liabilities denominated in HUF	(4.50)% - 6.30%	0.00% - 0.00%
Interest rates on repo liabilities denominated in foreign currency	1.46% - 2.70%	0.00% - 3.65%

	31/12/2024	31/12/2023
Average interest rates on repo liabilities denominated in HUF	7.70%	12.85%
Average interest rates on repo liabilities denominated in foreign currency	2.04%	4.22%

NOTE 19: FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31/12/2024	31/12/2023
Within one year		
In HUF	1,709	1,816
In foreign currency	-	-
	1,709	**1,816**
Over one year		
In HUF	70,781	68,891
In foreign currency	-	-
	70,781	**68,891**
Total	**72,490**	**70,707**
Contractual amount outstanding	17,000	17,747
Result from associated entity's measured at fair value attributable to the Group	55,466	50,921

Interest conditions of financial liabilities designated at fair value through profit or loss can be analysed as follows:

	31/12/2024	31/12/2023
Interest rates on financial liabilities designated at fair value denominated in HUF within one year	4.33% - 8.24%	4.97% - 9,97%
Interest rates on financial liabilities designated at fair value denominated in HUF over one year	3.14%	4.83%

Certain MFB (“Hungarian Development Bank”) refinanced loan receivables are categorised as fair value through profit or loss based on SPPI test. Related refinancing loans at the liability side are categorised as fair value through profit or loss based on fair value option due to accounting mismatch as provided by the IFRS 9 standard.

The Group controls capital funds where it does not hold the 100% of the owner rights. The related non-controlling interest is treated as financial liability designated at fair value through profit or loss as it is not considered equity under IAS 32.

NOTE 20: DEPOSITS FROM CUSTOMERS (in HUF mn)

	31/12/2024	31/12/2023
Within one year		
In HUF	8,452,289	7,584,728
In foreign currency	22,752,752	20,332,288
	31,205,041	**27,917,016**
Over one year		
In HUF	224,878	244,965
In foreign currency	228,270	170,290
	453,148	**415,255**
Deposits from customers total	**31,658,189**	**28,332,271**
Fair value changes of the hedged items in portfolio hedge of interest rate risk	**8,209**	**160**
Total	**31,666,398**	**28,332,431**

Interest rates on deposits from customers are as follows:

	31/12/2024	31/12/2023
Within one year		
In HUF	0.00% - 17.50%	0.00% - 15.40%
In foreign currency	(0.85)% - 5.00%	0.00% - 23.00%
Over one year		
In HUF	0.00% - 6.03%	(0.36)% - 17.50%
In foreign currency	0.00% - 23.00%	0.00% - 22.10%

	31/12/2024	31/12/2023
Average interest rates on deposits from customers denominated in HUF	1.94%	3.69%
Average interest rates on deposits from customers denominated in foreign currency	1.43%	0.98%

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

	31/12/2024		31/12/2023	
Retail deposits	17,967,496	56.75%	16,093,200	56.80%
Corporate deposits	12,538,696	39.61%	10,965,159	38.70%
Municipality deposits	1,151,997	3.64%	1,273,912	4.50%
Total	**31,658,189**	**100.00%**	**28,332,271**	**100.00%**

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)

	31/12/2024	31/12/2023
With original maturity		
Within one year		
In HUF	103,595	399,897
In foreign currency	163,970	153,264
	267,565	**553,161**
Over one year		
In HUF	302,741	283,165
In foreign currency	2,022,818	1,259,222
	2,325,559	**1,542,387**
Total	**2,593,124**	**2,095,548**

Interest rates on liabilities from issued securities are as follows:

	31/12/2024	31/12/2023
Issued securities denominated in HUF	1.25% - 12.00%	0.60% - 15.00%
Issued securities denominated in foreign currency	1.63% - 20.50%	1.63% - 16.00%

	31/12/2024	31/12/2023
Average interest rates on issued securities denominated in HUF	6.05%	8.83%
Average interest rates on issued securities denominated in foreign currency	6.89%	7.14%

Issued securities denominated in HUF as at 31 December 2024 (in HUF mn)

	Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)		Hedged
1	OTP_HUF_2025/3	12/01/2024	12/01/2025	1,919	2,060	fix	7.50	
2	OTP_HUF_2025/4	18/11/2022	18/11/2025	2,155	2,289	fix	6.75	
3	OTP_HUF_2025/5	30/06/2023	30/06/2025	5,957	6,284	fix	6.50	
4	OTP_HUF_2025/6	28/03/2024	28/03/2025	5,559	5,837	fix	6.50	
5	OTP_HUF_2025/7	26/04/2024	26/04/2025	8,190	8,528	fix	6.00	
6	OTP_HUF_2025/8	24/05/2024	24/05/2025	5,860	6,075	fix	6.00	
7	OTP_HUF_2025/9	07/06/2024	07/06/2025	5,756	5,955	fix	6.00	
8	OTP_HUF_2025/10	05/07/2024	05/07/2025	11,675	12,024	fix	6.00	
9	OTP_HUF_2025/11	02/08/2024	02/08/2025	6,698	6,868	fix	6.00	
10	OTP_HUF_2025/12	30/08/2024	30/08/2025	4,532	4,618	fix	5.50	
11	OTP_HUF_2025/13	27/09/2024	27/09/2025	5,162	5,239	fix	5.50	
	Subtotal			**63,463**	**65,777**			

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Issued securities denominated in HUF as at 31 December 2024 (in HUF mn) [continued]

	Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)		Hedged
12	OTP_HUF_2025/14	31/10/2024	31/10/2025	5,826	5,883	fix	5.50	
13	OTP_HUF_2025/15	29/11/2024	29/11/2025	3,243	3,260	fix	5.50	
14	OTP_HUF_2025/16	18/12/2024	18/12/2025	7,324	7,343	fix	6.00	
15	OTP_HUF_26/1	22/12/2022	05/01/2026	10,228	12,674	fix	12.00	hedged
16	OTP_HUF_2026/2	15/12/2023	15/12/2026	620	622	fix	7.40	
17	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	155	156	fix	6.88	
18	OJB2025/II	03/02/2020	26/11/2025	22,550	21,315	fix	1.50	partly hedged
19	OJB2027/I	23/07/2020	27/10/2027	76,850	67,875	fix	1.25	
20	OJB2029/A	25/07/2022	24/05/2029	72,303	72,349	floating	6.75	
21	OJB2029_B	10/04/2024	20/06/2029	60,037	60,170	floating	6.75	
22	OJB2031/I	18/08/2021	22/10/2031	82,000	63,713	fix	2.50	
23	OJB2032/A	20/09/2023	24/11/2032	25,000	24,995	floating	6.75	
24	Other			204	204			
	Total issued securities in HUF			**429,803**	**406,336**			

Issued securities denominated in foreign currency as at 31 December 2024

	Name	Date of issue	Maturity	Type of FX	Nominal value		Amortized cost		Interest conditions (actual interest rate in % p.a.)	
					(FX mn)	(HUF mn)	(FX mn)	(HUF mn)		
1	XS2871018136	31/07/2024	31/07/2027	CNY	300	16,176	300	16,443	fix	4.10
2	XS2560693181	01/12/2022	04/03/2026	EUR	648	265,938	649	282,387	fix	7.35
3	XS2642536671	27/06/2023	27/06/2026	EUR	110	45,110	110	46,871	fix	7.50
4	XS2698603326	05/10/2023	05/10/2027	EUR	649	266,321	664	276,203	fix	6.13
5	XS2737630314	22/12/2023	22/06/2026	EUR	75	30,757	75	31,845	fix	6.10
6	XS2754491640	31/01/2024	31/01/2029	EUR	598	245,420	607	260,169	fix	5.00
7	XS2838495542	12/06/2024	12/06/2028	EUR	698	286,058	710	298,861	fix	4.75
8	XS2917468618	16/10/2024	16/10/2030	EUR	499	204,680	500	206,807	fix	4.25
9	XS2703264635	13/10/2023	13/10/2026	RON	170	14,011	170	14,279	floating	8.10
10	XS2536446649	29/09/2022	29/09/2026	USD	60	23,616	60	24,063	fix	7.25
11	XS2626773381	25/05/2023	25/05/2027	USD	500	196,689	497	197,046	fix	7.50
12	AL0022100187	26/12/2023	26/12/2030	EUR	7	3,059	7	3,067	fix	4.50
13	AL0022100302	20/11/2024	20/11/2031	EUR	3	1,386	3	1,385	fix	4.50
14	SI0022104176	25/05/2021	25/05/2027	EUR	176	72,053	170	69,557	fix	1.63
15	XS2639027346	29/06/2023	29/06/2026	EUR	400	164,036	416	170,702	fix	7.38
16	XS2793675534	03/04/2024	03/04/2028	EUR	300	123,027	314	128,570	fix	4.75
17	XS2260457754	19/11/2020	19/11/2025	USD	300	118,080	294	115,787	fix	5.50
18	XS2808393370	22/04/2024	27/04/2027	UZS	1,370,220	41,792	1,401,497	42,746	fix	20.50
	Total issued securities in FX					**2,118,209**		**2,186,788**		
	Total issued securities							**2,593,124**		

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Issued securities denominated in HUF as at 31 December 2023 (in HUF mn)

	Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)		Hedged
1	OTPX2024A	18/06/2014	21/06/2024	241	283	indexed	1.30	hedged
2	OTPX2024B	10/10/2014	16/10/2024	295	339	indexed	0.70	hedged
3	OTPX2024C	15/12/2014	20/12/2024	242	275	indexed	0.60	hedged
4	OTP_HUF_24/1	17/02/2023	17/02/2024	26,079	28,593	fix	11.00	
5	OTP_HUF_24/2	10/03/2023	10/03/2024	22,977	25,048	fix	11.00	
6	OTP_HUF_24/3	31/03/2023	31/03/2024	17,015	18,441	fix	11.00	
7	OTP_HUF_24/4	21/04/2023	21/04/2024	14,698	15,837	fix	11.00	
8	OTP_HUF_24/5	12/05/2023	12/05/2024	13,946	14,937	fix	11.00	
9	OTP_HUF_24/6	02/06/2023	02/06/2024	16,722	17,806	fix	11.00	
10	OTP_HUF_24/7	23/06/2023	23/06/2024	11,232	11,859	fix	10.50	
11	OTP_HUF_24/8	30/06/2023	30/06/2024	3,730	3,931	fix	10.50	
12	OTP_HUF_24/9	28/07/2023	28/07/2024	4,173	4,364	fix	10.50	
13	OTP_HUF_24/10	07/08/2023	07/08/2024	1,431	1,490	fix	10.00	
14	OTP_HUF_24/11	01/09/2023	01/09/2024	2,655	2,743	fix	9.75	
15	OTP_HUF_24/12	25/09/2023	25/09/2024	2,777	2,845	fix	9.00	
16	OTP_HUF_24/13	20/10/2023	20/10/2024	3,494	3,557	fix	8.75	
17	OTP_HUF_24/14	17/11/2023	17/11/2024	3,509	3,547	fix	8.50	
18	OTP_HUF_24/15	20/12/2023	20/12/2024	2,994	3,004	fix	8.00	
19	OTP_HUF_25/1	18/11/2022	18/11/2025	25,563	27,042	fix	15.00	hedged
20	OTP_HUF_25/2	30/06/2023	30/06/2025	5,116	5,431	fix	12.00	
21	OTP_HUF_26/1	22/12/2022	05/01/2026	10,228	11,856	fix	12.00	hedged
22	OTP_HUF_26/2	15/12/2023	15/12/2026	647	649	fix	7.40	
23	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	155	159	fix	12.00	
24	OJB2024_A	17/09/2018	20/05/2024	59,999	59,999	floating	11.32	
25	OJB2024_C	24/02/2020	24/10/2024	80,000	79,818	floating	10.90	
26	OJB2024_II	10/10/2018	24/10/2024	96,800	92,101	fix	2.50	
27	OJB2025_II	03/02/2020	26/11/2025	22,550	21,140	fix	1.50	hedged
28	OJB2027_I	23/07/2020	27/10/2027	76,850	67,619	fix	1.25	
29	OJB2029_A	25/07/2022	24/05/2029	66,520	66,360	floating	10.85	
30	OJB2031_I	18/08/2021	22/10/2031	82,000	66,867	fix	2.50	
31	OJB2032_A	20/09/2023	24/11/2032	25,000	24,916	floating	10.85	
32	Other			206	206			
	Total issued securities in HUF			**699,844**	**683,062**			

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Issued securities denominated in foreign currency as at 31 December 2023

	Name	Date of issue	Maturity	Type of FX	Nominal value		Amortized cost		Interest conditions	
					(FX mn)	(HUF mn)	(FX mn)	(HUF mn)	(actual interest rate in % p.a.)	
1	XS2560693181	01/12/2022	04/03/2026	EUR	649	248,497	689	263,732	fix	7.35
2	XS2626773381	25/05/2023	25/05/2027	USD	500	173,152	499	173,011	fix	7.50
3	XS2499691330	13/07/2022	13/07/2025	EUR	400	153,111	410	157,095	fix	5.50
4	XS2642536671	27/06/2023	27/06/2026	EUR	110	42,106	114	43,745	fix	7.50
5	XS2536446649	29/09/2022	29/09/2026	USD	60	20,786	61	21,180	fix	7.25
6	XS2698603326	05/10/2023	05/10/2027	EUR	650	248,725	674	258,006	fix	6.13
7	XS2737630314	22/12/2023	22/06/2026	EUR	75	28,709	75	28,778	fix	6.10
8	XS2703264635	13/10/2023	13/10/2026	RON	170	13,082	173	13,320	floating	8.10
9	SI0022104176	25/05/2021	25/05/2027	EUR	176	67,254	156	59,728	fix	1.63
10	XS2430442868	27/01/2022	27/01/2024	EUR	300	114,834	304	116,407	fix	1.88
11	XS2639027346	29/06/2023	29/06/2026	EUR	400	153,112	416	159,266	fix	7.38
12	XS2260457754	19/11/2020	19/11/2025	USD	300	103,932	285	98,589	fix	5.50
13	XS2331929963	16/04/2021	16/04/2024	UZS	685,065	19,250	698,553	19,629	fix	16.00
	Total issued securities in FX					**1,386,550**		**1,412,486**		
	Total issued securities							**2,095,548**		

Hedge accounting of issued bonds

Certain issued structured securities are hedged by the Bank with interest rate swaps (“IRS”) which exchange the fixed and floating interest rate with the interest rate of the securities between the parties at a notional amount that equals the nominal amount of the hedged securities. These are considered as fair value hedge relationships as they cover the interest rate risk arising from the coupons of the hedged securities. OTP Bank does not intend to be exposed to the risk embedded in the structured bonds, consequently as part of interest rate swap transaction the structured interest payments are swapped to floating interest rate.

This hedging relationship meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of hedged item

The cash-flows of the fixed rate securities issued by the Bank are exposed to the changes in the HUF/EUR foreign exchange rate and the volatility of the quoted interest rates of EUR and HUF. The interest rate risk and foreign exchange risk related to these securities are hedged with EUR and HUF IRS transactions, where the fixed interests were swapped to payments linked to 3-month HUF BUBOR and EURIBOR, resulting in a decrease in the interest rate and foreign exchange exposure of issued securities.

Term Note Program in the value of HUF 800 billion for the year of 2023/2024

On 18 April 2023 the Bank initiated term note program in the value of HUF 800 billion with the intention of issuing registered dematerialized bonds in public. On 7 August 2023, the National Bank of Hungary approved the prospectus of Term Note Program. The prospectus is valid for 12 months following the disclosure.
The Issuer can initiate to introduce the bonds issued under the program to the Hungarian and to other stock exchanges without any obligations.

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Term Note Program in the value of HUF 800 billion for the year of 2024/2025

On 30 April 2024 the Bank initiated term note program in the value of HUF 800 billion with the intention of issuing registered dematerialized bonds in public. The NBH approved on 19 July 2024 the prospectus of Term Note Program. The prospectus is valid for 12 months following the disclosure. At the same time Term Note Program for the year 2023/2024 was closed, which was originally valid till 7 August 2024.

Issuance of Senior Preferred Notes in the aggregate nominal amount of USD 500 million

OTP Bank Plc. has issued notes (ISIN: XS2626773381) on 25 May 2023 as value date in the aggregate nominal amount of USD 500 million. The notes are rated 'Baa3' by Moody's Investor Services Cyprus Ltd., 'BBB-' by S&P Ratings Europe Limited and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Senior Non-Preferred Notes in the aggregate nominal amount of EUR 110 million

OTP Bank Plc. has issued notes (ISIN: XS2642536671) on 27 June 2023 as value date in the aggregate nominal amount of EUR 110 million. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Senior Preferred Notes in the aggregate nominal amount of EUR 650 million

OTP Bank Plc has issued the notes (ISIN: XS2698603326) on 5 October 2023 as value date in the aggregate nominal amount of EUR 650 million. The notes are rated 'Baa3' by Moody's Investor Services Cyprus Ltd. and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Senior Preferred Notes in the aggregate nominal amount of RON 170 million

OTP Bank Plc has issued the notes (ISIN: XS2703264635) on 13 October 2023 as value date in the aggregate nominal amount of RON 170 million. The notes are rated 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Senior Non-Preferred Notes in the aggregate nominal amount of EUR 75 million

OTP Bank Plc has issued the notes (ISIN: XS2737630314) on 22 December 2023 as value date in the aggregate nominal amount of EUR 75 million. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Senior Preferred Notes in the aggregate nominal amount of EUR 600 million

The Bank has issued notes (ISIN: XS2754491640) on 31 January 2024 as value date in the aggregate nominal amount of EUR 600 million. The notes are rated 'Baa3' by Moody's Investor Services Cyprus Ltd. and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Green Senior Preferred Notes in the aggregate nominal amount of EUR 700 million

The Bank has issued notes (ISIN: XS2838495542) on 12 June 2024 as value date in the aggregate nominal amount of EUR 700 million. The notes are rated 'BBB-' by S&P Ratings Europe Limited and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Recall of Green Senior Preferred Notes due 2025 issued in amount of EUR 400 million

Notes (XS2499691330) have been redeemed in amount of EUR 400 million on 15 July 2024 and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Issuance of Senior Preferred Notes in the aggregate nominal amount of CNY 300 million

The Bank has issued notes (ISIN: XS2871018136) on 31 July 2024 as value date in the aggregate nominal amount of CNY 300 million. The notes are rated 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Senior Preferred Notes in the aggregate nominal amount of EUR 500 million

The Bank has issued notes (ISIN: XS2917468618) on 16 October 2024 as value date in the aggregate nominal amount of EUR 500 million. The notes are rated 'Baa3' by Moody's Investor Services Cyprus Ltd. and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Issuance of Senior Non-Preferred bonds by Banka OTP Albania SHA

On 26 December 2023, Banka OTP Albania issued senior non-preferred bonds in the nominal amount of EUR 7.46 million with maturity on 26 December 2030. On 20 November 2024, Banka OTP Albania issued senior non-preferred bonds in the nominal amount of EUR 3.38 million with maturity on 20 November 2031. Both are with fixed rate 4.5%. They are not listed on the stock exchange.

Issuance of Senior Preferred bonds by OTP banka d.d. (Slovenia)

On 29 June 2023, OTP banka d.d. issued senior preferred bonds NOVAKR 7 06/29/26 in the total nominal amount of EUR 400 million with maturity 29 June 2026. The bonds are rated Baa2 by Moody's. The bonds are listed on the Luxembourg Stock Exchange.
On 3 April 2024, OTP banka d.d. issued senior preferred bonds NOVAKR 4 3/4 04/03/28 in the total nominal amount of EUR 300 million with maturity 3 April 2028 (and call option on 3 April 2027). The bonds are rated Baa2 by Moody's. The bonds were listed on the Luxembourg Stock Exchange.

Issuance of Senior Non-Preferred bonds by Ipoteka

On 22 April 2024, Ipoteka Bank issued senior non-preferred bonds in the total nominal amount of UZS 1,370,220 million with maturity on 27 April 2027. The bonds were rated BB- by Fitch and BB- by S&P. The bonds were listed on the Vienna Stock Exchange.

NOTE 22: DERIVATIVE FINANCIAL LIABILITIES HELD-FOR-TRADING (in HUF mn)

Negative fair value of derivative financial liabilities held for trading by type of contracts

	31/12/2024	31/12/2023
Foreign exchange swaps held for trading	54,715	51,928
Commodity swaps	10,477	31,661
Interest rate swaps held for trading	24,406	29,179
Foreign exchange forward contracts held-for-trading	8,595	11,061
CCIRS and mark-to-market CCIRS held for trading	11,627	8,945
Held for trading option contracts	2,106	2,904
Other derivative transactions held for trading[1]	2,163	4,810
Total	**114,089**	**140,488**

[1] Other category includes: fx spot, equity swaps, forward rate and forward security agreement, options and index futures.
The table was changed compared to prior year since for year 2023 HUF 214 million related to held-for-trading forward rate agreement and HUF 1 million held-for-trading forward security agreement were reclassified to other category.

NOTE 23: DERIVATIVE FINANCIAL LIABILITIES DESIGNATED AS HEDGE ACCOUNTING (in HUF mn)

Negative fair value of derivative financial liabilities designated as hedge accounting by type of contracts

	31/12/2024	31/12/2023
CCIRS and mark-to-market CCIRS designated as fair value hedge	4,280	10,009
Interest rate swaps designated as fair value hedge	10,325	53,939
Interest rate swap designated as macro fair value hedge	-	(49)
Total	**14,605**	**63,899**

NOTE 24: PROVISIONS AND OTHER LIABILITIES (in HUF mn)

Other liabilities are expected to be recovered or settled no more than twelve months after the reporting period. Besides the total other liabilities mentioned above, which are expected to be recovered or settled more than twelve months after the reporting period are the following: accrued contractual liabilities, compulsory pension reserve, loans from government and liabilities from preferential dividend shares.

Other financial liabilities	**31/12/2024**	**31/12/2023**
Liabilities connected to Cafeteria benefits	103,883	92,409
Liabilities from investment services	149,317	47,647
Accrued expenses on other financial liabilities	63,792	66,816
Liabilities from card transactions	56,949	119,984
Accounts payable	99,594	73,350
Liabilities due to short positions	47,157	19,107
Giro clearing accounts	70,773	42,172
Advances received from customers	11,809	15,061
Liabilities from wages and other salary related payments	48,270	40,631
Loans from government	5,511	7,473
Dividend payable	1,518	570
Other financial liabilities	109,356	85,507
Subtotal	**767,929**	**610,727**

Other non-financial liabilities	**31/12/2024**	**31/12/2023**
Clearing, settlement and pending accounts	84,731	31,143
Liabilities from social security contributions	17,240	16,204
Accrued expenses on other non-financial liabilities	33,173	17,577
Clearing account for advances on housing subsidies	12,333	10,824
Other non-financial liabilities	76,146	59,345
Subtotal	**223,623**	**135,093**
Total	**991,552**	**745,820**

NOTE 24: PROVISIONS AND OTHER LIABILITIES (in HUF mn) [continued]

The provisions are detailed as follows:

	31/12/2024	31/12/2023
Commitments and guarantees given	50,477	46,137
Total provision according to IFRS 9	**50,477**	**46,137**
Pending legal issues and tax litigation	39,867	39,351
Pensions and other retirement benefit obligations	10,659	9,336
Other long-term employee benefits	3,126	2,510
Restructuring	10,371	6,206
Other provision[1]	17,137	17,579
Total provision according to IAS 37	**81,160**	**74,982**
Total	**131,637**	**121,119**

[1]The table was changed compared to prior year since for year 2023 HUF 363 million related to CHF loan provision was reclassified to other provision category.

The movements of provisions according to IFRS 9 can be summarized as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**46,137**	**63,372**
Provision for the period	106,372	104,871
Release of provision for the period	(104,001)	(124,741)
Use of provision	(30)	(59)
Change due to acquisition	-	11,439
Liabilities held for sale	-	(4,728)
Foreign currency translation differences	1,999	(4,017)
Closing balance	**50,477**	**46,137**

The movements of provisions according to IAS 37 can be summarized as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**74,982**	**68,249**
Provision for the period	21,871	30,927
Release of provision for the period	(16,803)	(17,433)
Use of provision	(6,001)	(7,354)
Change due to actuarial gains or losses related to employee benefits	1,012	350
Change due to acquisition	1,209	11,626
Unwinding of the discounted amount	24	88
Liabilities held for sale	-	(8,430)
Foreign currency translation differences	4,866	(3,041)
Closing balance	**81,160**	**74,982**

NOTE 25: SUBORDINATED BONDS AND LOANS (in HUF mn)

	31/12/2024	31/12/2023
Within one year		
In HUF	-	-
In foreign currency	13,360	19,727
	13,360	**19,727**
Over one year		
In HUF	-	-
In foreign currency	355,999	542,669
	355,999	**542,669**
Total	**369,359**	**562,396**

Types of subordinated bonds and loans are as follows:

	31/12/2024	31/12/2023
Debt securities issued	22,243	19,727
Loan received	347,116	542,669
Total	**369,359**	**562,396**

Interest rates on subordinated bonds and loans are as follows:

	31/12/2024	31/12/2023
Denominated in HUF	-	-
Denominated in foreign currency	0.00% - 8.75%	2.90% - 8.75%

	31/12/2024	31/12/2023
Average interest rates on subordinated bonds and loans denominated in foreign currency	7.28%	6.17%

Subordinated bonds and loans can be detailed as follows:

Type	Nominal value	Date of issuance	Date of maturity	Issue price	Interest conditions	Interest rate as at 31 December 2024
Subordinated bond	EUR 229 million	07/11/2006	Perpetual	99.375%	Three-month EURIBOR + 3%, variable after year 10 (payable quarterly)	6.03%
Subordinated bond	USD 645 million	15/02/2023	15/05/2033	99.417%	Fix 8.75%, annually	8.75%
Subordinated loan	USD 17 million	05/06/2018	30/06/2025	100.00%	Bullet repayment, once at the end of the loan agreement	5.00%
Subordinated loan	UZS 179,948.4 million	30/04/2019	10/11/2028	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	UZS 42,693.5 million	30/04/2019	10/11/2029	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	UZS 201,450.1 million	30/04/2019	10/11/2030	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	USD 25 million	30/03/2023	31/03/2030	100.00%	Fix 0.00%, quarterly	0.00%

NOTE 26: SHARE CAPITAL (in HUF mn)

	31/12/2024	31/12/2023
Authorized, issued and fully paid:		
Ordinary shares	28,000	28,000

Share capital is the portion of the Bank’s equity that has been obtained by the issue of shares in the corporation to a shareholder, usually for cash.

The nominal value of the shares is HUF 100 per shares. All of the shares are ordinary shares representing the same rights to the shareholders. Furthermore, there are no restrictions on the distribution of dividends and the repayment of capital.

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn)

In 2024 dividend of HUF 150,000 million was paid out from the profit of the year 2023, which meant HUF 535.71 dividend per share payable to the shareholders. In 2025 dividend of HUF 270,000 million are expected to be proposed by the Management from the profit of the year 2024, which means HUF 964.28 dividend per share payable to the shareholders.

The retained earnings and reserves according to IFRS contains the retained earnings (HUF 639,228 million and HUF 459,037 million) and reserves (HUF 4,688,424 million and HUF 3,720,285 million) as at 31 December 2024 and 2023, respectively. The reserves include mainly the option reserve, other reserves, the fair value adjustment of financial instruments at fair value through other comprehensive income, share-based payment reserve, fair value of hedge transactions, changes in equity accumulated in the previous years at the subsidiaries and due to consolidation as well as translation of foreign exchange differences.
In the Consolidated Financial Statements, the Group recognizes the non-monetary items at historical cost. The difference between the historical cost of the non-monetary items in HUF amount and the translated foreign currencies into the presentation currency using the exchange rate at the balance sheet date, is presented in the shareholders' equity as a translation difference. The accumulated amounts of exchange differences were HUF 232,227 million and HUF 37,600 million as at 31 December 2024 and 2023, respectively.

Retained earnings

Profit of previous years generated by the Group that are not distributed to shareholders as dividends.

Other reserves

The other reserves contain separated reserves due to statutory provisions.

Option reserve

OTP Bank Plc and MOL Plc entered into a share swap agreement in 16 April 2009, whereby OTP has changed 24,000,000 OTP ordinary shares for 5,010,501 „A series" MOL shares. The amended final maturity of the share swap agreement is 11 July 2027, until which any party can initiate cash or physical settlement of the transaction.
Option reserve represents the written put option over OTP ordinary shares that are deducted from equity at the date of OTP-MOL share swap transaction.

Share-based payment reserve

Share-based payment reserve represents the increase in the equity due to the goods or services were received by the Bank in an equity-settled share-based payment transaction, valued at the fair value of the goods or services received (see details in Note 40).

Other comprehensive income

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other IFRSs.

Net investment hedge in foreign operations

Reserve presented as net investment hedge in foreign operations in the shareholders' equity is related to OTP Luxembourg S.à r.l., OTP banka d.d. (Croatia) and Crnogorska komercijalna banka a.d.

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn) [continued]

Changes in equity accumulated in the previous year at the subsidiaries and due to consolidation

The accumulated changes at the subsidiaries contain the accumulated gains and losses of the subsidiaries from the first day when they were included in the consolidation process. The changes due to consolidation contain the effect on the result of the eliminations in the consolidation process of the previous years.

	31/12/2024	31/12/2023
Retained earnings	639,228	459,037
Capital reserve	52	52
Option reserve	(55,468)	(55,468)
Other reserves	273,280	197,294
Actuarial loss related to employee defined benefits	(779)	144
Fair value of financial instruments measured at fair value through other comprehensive income	14,559	(33,229)
Share-based payment reserve	56,813	52,402
Net investment hedge in foreign operations	(57,423)	(30,113)
Profit after income tax	1,071,913	988,658
Changes in equity accumulated in the previous year at the subsidiaries and due to consolidation	3,153,250	2,562,945
Foreign currency translation differences	232,227	37,600
Retained earnings and other reserves [1]	**5,327,652**	**4,179,322**

[1]See more details in the Consolidated Statement of Comprehensive Income and in the Consolidated statement of Changes in equity on page 8 and 9.

Fair value adjustment of securities at fair value through other comprehensive income	**31/12/2024**	**31/12/2023**
Balance as at 1 January	**(86,397)**	**(164,432)**
Change of fair value	5,237	89,047
Deferred tax related to change of fair value	2,921	(12,725)
Transfer to profit or loss due to derecognition	342	368
Deferred tax related to transfer to proft or loss	58	(54)
Disposal due to asset held-for-sale	817	-
Foreign currency translation difference	(2,308)	1,399
Closing balance	**(79,330)**	**(86,397)**

Expected credit loss on securities at fair value through other comprehensive income	**31/12/2024**	**31/12/2023**
Balance as at 1 January	**34,573**	**39,625**
Increase of loss allowance	31,706	8,491
Release of loss allowance	(1,858)	(8,137)
Decrease due to sale, derecognition	-	(2,527)
Deferred tax effect	(7,160)	-
Disposal due to asset held-for-sale	(139)	-
Foreign currency translation difference	3,768	(2,879)
Closing balance	**60,890**	**34,573**

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn) [continued]

Fair value changes of equity instruments at fair value through other comprehensive income	31/12/2024	31/12/2023
Balance as at 1 January	**18,595**	**17,131**
Change of fair value	16,736	6,672
Deferred tax related to change of fair value	(2,115)	(947)
Transfer to retained earnings due to derecognition	-	(3,978)
Disposal due to asset held-for-sale	(740)	-
Foreign currency translation difference	523	(283)
Closing balance	**32,999**	**18,595**

Net investment hedge in foreign operations	31/12/2024	31/12/2023
Balance as at 1 January	**(30,113)**	**(27,405)**
Change of fair value on hedging item	(27,310)	(2,708)
Closing balance	**(57,423)**	**(30,113)**

Actuarial loss related to defined employee benefits	31/12/2024	31/12/2023
Balance as at 1 January	**144**	**544**
Change of actuarial loss related to employee benefits	(1,012)	(350)
Deferred tax related to change of actuarial loss related to employee benefits	26	(8)
Foreign currency translation difference	63	(42)
Closing balance	**(779)**	**144**

Foreign currency translation difference	31/12/2024	31/12/2023
Balance as at 1 January	**37,600**	**237,853**
Change of foreign currency translation	194,627	(200,253)
Closing balance	**232,227**	**37,600**

NOTE 28: TREASURY SHARES (in HUF mn)

	31/12/2024	31/12/2023
Nominal value (Ordinary shares)	1,901	1,267
Carrying value at acquisition cost	245,319	120,489

The changes in the carrying value of treasury shares are due to repurchase and sale transactions on market authorised by the General Assembly.

Change in number of shares:

	31/12/2024	31/12/2023
Number of shares as at 1 January	**12,666,770**	**11,318,096**
Additions	8,775,919	3,948,338
Disposals	(2,431,370)	(2,599,664)
Closing number of shares	**19,011,319**	**12,666,770**

Change in carrying value:

	31/12/2024	31/12/2023
Balance as at 1 January	**120,489**	**106,862**
Additions	153,105	39,818
Disposals	(28,275)	(26,191)
Closing balance	**245,319**	**120,489**

NOTE 29: NON-CONTROLLING INTEREST (in HUF mn)

	31/12/2024	31/12/2023
Balance as at 1 January	**7,960**	**5,959**
Increase due to business combination	-	3,149
Non-controlling interest included in net profit for the period	4,227	1,801
Dividend paid to non-controlling interest	(2,643)	(2,118)
Purchase of non-controlling interest	(350)	(159)
Foreign currency translation difference	486	(672)
Closing balance	**9,680**	**7,960**

The non-controlling interest is not significant in respect of the whole OTP Group.

NOTE 30: INTEREST INCOME, INCOME SIMILAR TO INTEREST INCOME AND EXPENSE (in HUF mn)

	Year ended 31 December 2024	Year ended 31 December 2023
Interest income calculated using the effective interest method from / on		
loans	1,584,771	1,348,528
securities at amortized cost	352,733	242,256
finance lease receivables	110,830	100,749
securities at fair value through other comprehensive income	60,806	55,320
banks and balances with the National Banks	171,238	354,208
placements with other banks	240,932	195,921
liabilities (negative interest expense)	492	684
repo receivables	20,336	17,011
Subtotal	**2,542,138**	**2,314,677**
Income similar to interest income from		
swap deals related to credit institutions	385,122	390,648
loans mandatorily at fair value through profit or loss	99,559	92,117
swap deals related to clients	40,359	138,567
rental income	13,479	12,255
non-trading instruments mandatorily at fair value through profit or loss	1,465	-
Subtotal	**539,984**	**633,587**
Total interest income and incomes similar to interest income	**3,082,122**	**2,948,264**

	Year ended 31 December 2024	Year ended 31 December 2023
Interest expense due to / from / on		
swaps related to banks, National Governments and to deposits from the National Banks	412,274	512,481
deposits from customers	460,991	481,807
swaps related to deposits from customers	120,223	278,907
banks, National Governments and on deposits from the National Banks	123,373	76,465
issued securities	157,008	116,628
subordinated and supplementary bonds and loans	35,471	32,565
financial assets (negative interest income)	4,719	11,443
depreciation of assets subject to operating lease and investment properties	6,427	5,313
leases	3,557	2,970
repo liabilities	11,049	40,398
other	1,690	2,581
Total interest expense	**1,336,782**	**1,561,558**

NOTE 31: LOSS ALLOWANCES / IMPAIRMENT / PROVISIONS (in HUF mn)

	Year ended 31 December 2024	Year ended 31 December 2023
Loss allowance on loans		
Loss allowance for the period	723,674	714,784
Release of loss allowance	(589,629)	(561,813)
from this: impairment gain	8,956	10,336
Income from loan recoveries	(57,110)	(39,948)
Income from recoveries exceeding the gross loans	*(8,956)*	*(11,015)*
Impairment gain	*(33,939)*	*(20,022)*
Income from provisions on loans before OTP acquisition	*(978)*	*(816)*
Income from recoveries of written-off, but legally existing loans	*(13,237)*	*(8,095)*
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	(5,504)	91
Loss allowance on finance lease	30,347	35,494
Release of loss allowance on finance lease	(36,865)	(37,150)
	64,913	**111,458**
Loss allowance / (Release of loss allowance) on		
due from banks, balances with National Banks		
Loss allowance for the period	5,072	11,859
Release of loss allowance	(4,332)	(12,919)
	740	**(1,060)**
placements		
Loss allowance for the period	7,207	3,425
Release of loss allowance	(5,904)	(4,880)
	1,303	**(1,455)**
repo receivables		
Loss allowance for the period	1,839	5,002
Release of loss allowance	(1,914)	(4,631)
	(75)	**371**
Subtotal[1]	**1,968**	**(2,144)**
Total	**66,881**	**109,314**

[1]The tables for allowances on due from banks, balances with National Banks, placements and repo receivables were changed compared to prior year when they were presented altogether. In the current year they are separated, figures for year 2023 remained the same.

NOTE 31: LOSS ALLOWANCES / IMPAIRMENT / PROVISIONS (in HUF mn) [continued]

	Year ended 31 December 2024	Year ended 31 December 2023
Loss allowance / (Release of loss allowance) on		
securities at fair value through other comprehensive income		
Loss allowance for the period	31,706	8,491
Release of loss allowance	(1,858)	(8,137)
	29,848	**354**
securities at amortized cost		
Loss allowance for the period	25,766	10,875
Release of loss allowance	(15,707)	(20,060)
	10,059	**(9,185)**
Subtotal	**39,907**	**(8,831)**
Impairment / (Release of impairment) on		
intangible, tangible assets subject to operating lease		
Impairment for the period	105	30
Release of impairment	(99)	-
	6	**30**
investment properties		
Impairment for the period	7	32
Release of impairment	(30)	(1,394)
	(23)	**(1,362)**
Subtotal	**(17)**	**(1,332)**
Provision on / (Release of provision)		
commitments and guarantees given		
Provision for the period	106,372	104,871
Release of provision	(104,001)	(124,741)
Subtotal	**2,371**	**(19,870)**
Total loss allowances, impairment and provisions	**109,142**	**79,281**

NOTE 32: NET PROFIT FROM FEES AND COMMISSIONS (in HUF mn)

Income from fees and commissions	Year ended 31 December 2024	Year ended 31 December 2023
Fees and commissions related to lending[1]	**54,057**	**45,741**
Deposit and account maintenance fees and commissions	354,823	291,530
Fees and commissions related to the issued bank cards	198,040	164,161
Currency exchange gains and losses	177,228	120,693
Fees related to cash withdrawal	72,890	68,826
Fees and commissions related to security trading	46,227	35,545
Fees and commissions related to fund management	59,251	47,445
Insurance fee income	25,701	21,727
Other	57,770	65,641
Fees and commissions from contracts with customers	**991,930**	**815,568**
Total	**1,045,987**	**861,309**

[1] Fees and commissions related to lending aren't included in the effective interest rate calculation due to their nature..

Expense from fees and commissions	Year ended 31 December 2024	Year ended 31 December 2023
Fees and commissions related to issued bank cards	84,357	66,747
Interchange fees	44,349	36,386
Fees and commissions paid on loans	12,477	9,638
Fees and commissions related to deposits	11,644	10,501
Cash withdrawal transaction fees	8,607	7,824
Fees and commissions related to security trading	7,344	7,004
Insurance fees	2,117	1,737
Fees and commissions related to collection of loans	665	705
Postal fees	4,706	4,965
Money market transaction fees and commissions	1,128	739
Other agent fee	2,014	1,684
Other	23,924	21,386
Total	**203,332**	**169,316**
Net profit from fees and commissions	**842,655**	**691,993**

NOTE 33: GAINS AND LOSSES BY TRANSACTIONS (in HUF mn)

Gains and losses by transactions	Year ended 31 December 2024	Year ended 31 December 2023
Gain by transactions	6,473	4,972
Loss by transactions	(11,215)	(3,629)
(Loss) / Gain from derecognition of loans, placements, finance lease	**(4,742)**	**1,343**
Gain by transactions	826	1,110
Loss by transactions	(10,493)	(19,635)
Loss from derecognition of securities and other receivables at amortized cost	**(9,667)**	**(18,525)**
Loss from derecognition of financial assets at amortized cost	**(14,409)**	**(17,182)**

Derecognition of financial assets is mainly related to sale transactions both in case of securities and loans due to better investment options related to short-term opportunities on the market.

Foreign exchange result consists of revaluation difference from converting assets and liabilities in foreign currencies into the presentation currency of the consolidation financial statements.

Gains and losses by transactions	Year ended 31 December 2024	Year ended 31 December 2023
Gain by transactions	17,879	18,497
Loss by transactions	(5,761)	(10,784)
Fx gain on securities at fair value through profit or loss	**12,118**	**7,713**
Gain by transactions	10	1,478
Loss by transactions	(325)	(687)
Fx (loss) / gain on derecognition of investment in subsidiaries, associates	**(315)**	**791**
Gain by transactions	97	1,175
Loss by transactions	(1,574)	(2,396)
Fx loss on securities at fair value through other comprehensive income	**(1,477)**	**(1,221)**
Gain on securities, net	**10,326**	**7,283**

Gains and losses by transactions	Year ended 31 December 2024	Year ended 31 December 2023
Gain by transactions	8,607	8,875
Loss by transactions	(2,564)	(635)
Gain on non-trading securities mandatorily at fair value through profit or loss	**6,043**	**8,240**
Gain by transactions	75,057	115,152
Loss by transactions	(51,726)	(21,571)
Gain on loans mandatorily at fair value through profit or loss (adjustment resulting from change in market factors)	**23,331**	**93,581**
Gain by transactions	2,236	766
Loss by transactions	(4,236)	(7,974)
Loss on financial assets and liabilities designated at fair value through profit or loss	**(2,000)**	**(7,208)**
Fair value adjustment on financial instruments measured at fair value through profit or loss	**27,374**	**94,613**

NOTE 33: GAINS AND LOSSES BY TRANSACTIONS (in HUF mn) [continued]

Gains and losses by transactions	Year ended 31 December 2024	Year ended 31 December 2023
Gain by transactions	90,509	85,387
Loss by transactions	(79,333)	(104,061)
Gain / (Loss) from fx swap, swap and option deals	**11,176**	**(18,674)**
Gain by transactions	5,593	6,569
Loss by transactions	(5,373)	(6,554)
Gain from option deals	**220**	**15**
Gain by transactions	382,306	501,377
Loss by transactions	(381,537)	(497,715)
Gain from commodities deals	**769**	**3,662**
Gain by transactions	473	2,633
Loss by transactions	(634)	(396)
(Loss) / Gain from futures deals	**(161)**	**2,237**
Net results on derivative instruments and hedge relationships	**12,004**	**(12,760)**

Gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and ineffectiveness in case of fair value hedge on amortised cost line items are as follows:

Fair value hedge	Year ended 31 December 2024	Year ended 31 December 2023
Hedged items	(28,937)	(15,433)
Hedging instrument	38,549	2,855
Hedge ineffectiveness	9,612	(12,578)

NOTE 34: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF mn)

Other operating income	Year ended 31 December 2024	Year ended 31 December 2023
Income from agricultural activity	86,486	72,323
Income from tourism activity	4,042	3,911
Gains on transactions related to property activities	15,918	7,194
Rental income	2,607	2,780
Income from computer programming	1,962	1,563
Fair value adjustment of biological assets and agricultural produce	(2,343)	(4,874)
Income from written-of receivable	4,996	4,163
Income from air passenger transport	2,151	1,958
Gains on transactions related to insurance activity	2,696	1,915
Non-repayable assets received	1,039	531
Negative goodwill due to acquisition	-	198,361
Other income from non-financial activities	28,341	34,441
Total	**147,895**	**324,266**

Other operating expenses	Year ended 31 December 2024	Year ended 31 December 2023
Expense related to agricultural activity	65,461	47,780
Provision for off-balance sheet commitments and contingent liabilities	5,068	13,494
Financial support for sport association and organization of public utility	14,492	14,475
Loss allowance and loan losses on other financial assets	9,948	8,919
Impairment / (Release of impairment) on investments[1]	957	(21)
Non-repayable assets contributed	2,204	885
Impairment of right-of-use assets	1,833	-
Impairment on tangible and intangible assets	5,496	5,620
Impairment and loan losses on other non-financial assets and assets measured under IAS 2	3,218	1,312
Operating expenses of assets subject to operating lease and investment property	1,114	1,252
Other	17,383	16,854
Other expenses from non-financial activities	*7,177*	*6,711*
Other costs	*10,206*	*10,143*
Total	**127,174**	**110,570**

[1] See details in Note 12.

NOTE 34: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF mn) [continued]

Other administrative expenses	Year ended 31 December 2024	Year ended 31 December 2023
Personnel expenses		
Wages	426,083	367,910
Taxes related to personnel expenses	69,612	58,267
Other personnel expenses	54,480	52,519
Subtotal	**550,175**	**478,696**
Depreciation, amortization of tangible, intangible assets, right-of-use assets [2]	**134,293**	**111,996**
Other administrative expenses		
Taxes, other than income tax [3]	171,961	165,632
Services	202,510	182,393
Professional fees	34,131	27,935
Fees payable to authorities and other fees	57,542	58,949
Advertising	38,835	26,067
Administration expenses	16,792	16,685
Rental fees	6,535	5,984
Subtotal	**528,306**	**483,645**
Total	**1,212,774**	**1,074,337**

[2] See details in Note 13 and Note 36.
[3] Special tax of financial institutions was paid by the Group in the amount of HUF 39,711 million for the year ended 31 December 2024 and HUF 56,572 million for the year ended 31 December 2023, recognized as an expense thus decreased the corporate tax base. For the year ended 31 December 2024 financial transaction duty was paid by the Bank in the amount of HUF 122,434 million while for the year ended 31 December 2023 the same duty was HUF 97,704 million.

Ernst & Young Audit Ltd.	Year ended 31 December 2024	Year ended 31 December 2023
	In thousand EUR	
OTP – annual audit – separate financial statements	600	573
OTP – annual audit – consolidated financial statements	967	923
Other audit services based on statutory provisions to OTP Group members	1,477	1,184
Other services providing assurance	3,231	1,088
Other non-audit services	662	550
Total	**6,937**	**4,318**

Ernst & Young Network	Year ended 31 December 2024	Year ended 31 December 2023
	In thousand EUR	
Audit based on statutory provisions	3,214	3,648
Other services providing assurance	-	-
Tax consulting services	205	88
Other non-audit services	196	945
Total	**3,615**	**4,681**

NOTE 35: INCOME TAXES (in HUF mn)

The Group is presently liable for income tax at rates between 9% and 35% of taxable income.

Deferred tax is calculated at the income tax rate of 9% in Hungary and Montenegro, 10% in Bulgaria, 12% in Moldova, 12.5% in Cyprus, 15% in Serbia and Albania, 18% in Croatia and Ukraine, 20% in Russia and Uzbekistan, 22% in Slovenia, 25.8% in the Netherlands and 35% in Malta.

The breakdown of the income tax expense is:

	31/12/2024	**31/12/2023**
Current tax expense	259,188	185,055
Deferred tax expense	(5,748)	4,423
Total	**253,440**	**189,478**

A reconciliation of the net deferred tax asset/liability is as follows:

	31/12/2024	**31/12/2023**
Balance as at 1 January	**27,028**	**35,327**
Deferred tax income / (expense) in profit or loss	5,748	(4,423)
Deferred tax liability related to items recognized directly in equity and in Comprehensive Income	(8,673)	(10,072)
Due to acquisition of subsidiary	(80)	12,034
Assets held for sale	-	(394)
Foreign currency translation difference	(77)	(5,444)
Closing balance	**23,946**	**27,028**

A breakdown of the deferred tax assets are as follows:

	31/12/2024	**31/12/2023**
Loss allowance on granted loans	27,657	46,155
Provision for off-balance sheet commitments and contingent liabilities, derivative financial instruments	6,226	5,145
Securities at amortized cost	949	589
Difference in depreciation of tangible assets, tangible assets subject to operating lease	1,679	1,377
Fair value adjustment of non-trading instruments mandatorily at fair value though profit or loss	1,064	92
Fair value adjustment of derivative financial instruments	9,036	6,904
Provision on other financial, non-financial liabilities	1,195	1,574
Difference in accounting for leases	-	12
Fair value adjustment of securities at fair value through other comprehensive income	2,856	2,824
Loss allowance / impairment on other financial, non-financial assets	9,558	2,457
Tax accrual caused by negative taxable income	30,189	24,511
Difference in depreciation of right-of-use assets	244	189
Loss allowance on investment	113	74
Repurchase agreement and security lending	1	-
Cash, amounts due from banks, balances with the National Banks interbank placements and receivables	192	90
Fair value adjustment of securities at fair value through profit or loss	-	2,630
Difference in accounting for investment properties	155	7
Issued securities	1,140	38
Amounts unenforceable by tax law	-	43
Other	7,421	1,204
Deferred tax asset	**99,675**	**95,915**

NOTE 35: INCOME TAXES (in HUF mn) [continued]

A breakdown of the deferred tax liabilities are as follows:

	31/12/2024	31/12/2023
Difference in depreciation of tangible assets	(16,042)	(10,873)
Fair value adjustment of securities at fair value through other comprehensive income	(15,089)	(5,189)
Fair value adjustment of securities at fair value through profit or loss	(2,376)	(2)
Loss allowance on investment	(1,751)	(1,673)
Fair value adjustment of non-trading instruments mandatorily at fair value though profit or loss	(1,374)	(312)
Securities at amortized cost	(3,742)	(3,580)
Provision for off-balance sheet commitments and contingent liabilities, derivative financial instruments	(531)	(649)
Loss allowance on granted loans	(2,462)	(1,487)
Cash, amounts due from banks, balances with the National Banks interbank placements and receivables	(1,478)	(1,196)
Unused tax allowance	-	(1)
Loss allowance / impairment on other financial, non-financial assets	(1,883)	(11,011)
Repurchase agreement and security lending	(13)	(36)
Provision on other financial, non-financial liabilities	(2,225)	(917)
Difference in accounting for investment properties	(2,442)	(748)
Issued securities	-	(298)
Difference in accounting for leases	-	(1,330)
Difference in depreciation of right-of-use assets	(374)	(5)
Other	(23,947)	(29,580)
Deferred tax liabilities	**(75,729)**	**(68,887)**

	31/12/2024	31/12/2023
Net deferred tax asset (amount presented in the consolidated statement of financial position)	**23,946**	**27,028**
Deferred tax assets	**56,583**	**55,691**
Deferred tax liabilities	**(32,637)**	**(28,663)**

Among deferred tax assets the tax accruals are included the following accruals by entities:

Tax accrual caused by negative taxable income	**31/12/2024**	**31/12/2023**	**Date until it can be used**
Merkantil Lease Ltd.	25	-	31 December 2026
Merkantil Lease Ltd.	78	-	31 December 2027
Merkantil Rental Ltd.	94	-	31 December 2028
OTP Real Estate Leasing Ltd.	14	102	31 December 2025
OTP Real Estate Leasing Ltd.	14	-	31 December 2026
OTP Real Estate Leasing Ltd.	15	-	31 December 2027
OTP Real Estate Leasing Ltd.	15	-	31 December 2028
OTP Real Estate Leasing Ltd.	15	-	31 December 2029
OTP Real Estate Leasing Ltd.	15	-	31 December 2030
OTP Real Estate Leasing Ltd.	15	-	31 December 2031
OTP Real Estate Leasing Ltd.	15	-	31 December 2032
Nagisz Ltd.	9	56	31 December 2030
OTP banka d.d. (Slovenia)	29,865	24,353	31 December 2029
	30,189	**24,511**	

NOTE 35: INCOME TAXES (in HUF mn) [continued]

Residual tax loss for which the OTB banka d.d. Slovenia has not recorded deferred tax assets amounts to HUF 334,621 million and HUF 409,628 million, so the unrecognized deferred tax assets amount to HUF 73,617 million and HUF 90,118 million as at 31 December 2024 and 2023, respectively. Tax losses could be carried forward indefinitely until 2024 and can be carried forward for five years from 2024 in accordance with the Slovenian Corporate Income Tax Act.

A reconciliation of the income tax income / expense is as follows:

	31/12/2024	**31/12/2023**
Profit before income tax	**1,309,824**	**1,201,183**
Income tax expense at statutory tax rates	**218,249**	**174,872**
Income tax adjustments due to permanent differences are as follows:		
Deferred use of tax allowance	(26)	-
Share-based payment and its tax effect of transaction costs recognized directly in shareholders' equity	408	312
Goodwill / negative goodwill correction by local law	307	-
Reversal of statutory general provision	(7)	(9)
Tax effect on discontinued operation	1,778	-
Business tax and innovation contribution	30,944	27,418
Foreign withholding tax	21,040	7,218
Global minimum tax	11,076	-
Utilization of tax loss	(14,357)	(9,073)
Amounts unenforceable by tax law	173	55
Use of tax allowance in the current year	(1,276)	989
Other	(14,869)	(12,304)
Total income tax expense	**253,440**	**189,478**
Effective tax rate	**19.35%**	**15.77%**

	31/12/2024	**31/12/2023**
Net current tax liability (amount presented in the consolidated statement of financial position)	**(69,727)**	**(62,175)**
Current income tax receivables	**7,060**	**7,773**
Current income tax payable	**(76,787)**	**(69,948)**

Global minimum tax

The global minimum tax legislation has been enacted in certain jurisdictions the Group operates in, mainly in the EU Member States. The Group is in scope of the global minimum tax legislation. The legislation has been in effect for the Group's financial year beginning 1 January 2024 and introduced a minimum rate of effective taxation of 15%.

From an accounting perspective, it is unclear if the global minimum tax rules create additional temporary differences, whether to remeasure deferred taxes for the global minimum tax rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, IAS 12 'Income taxes' has been amended to introduce a mandatory temporary exception to the requirements of IAS 12. Under the mandatory temporary exception, a company does not recognize or disclose information about deferred tax assets and liabilities related to the global minimum tax rules. The Group applied the temporary exception for the year-ended 31 December 2024.

The global minimum tax legislation had been subject to several significant changes since its first publication and changes are still expected. Based on the most recent information available regarding the financial performance of the group entities and the prevailing interpretation of the global minimum tax legislation, the calculated amount of taxes imposed under the global minimum tax legislation is HUF 11,075.6 million in 2024, the overwhelming majority of which relates to profits earned in Bulgaria. The amount of taxes under the global minimum tax legislation is included in the income tax expense recognized in the Consolidated statement of profit or loss in 2024.

NOTE 36: LEASES (in HUF mn)

The Group as a lessee:

Right-of-use assets by class of underlying assets as at 31 December 2024:

31/12/2024	**Property**	**Office equipment and vehicles**	**Total**
Depreciation expense of right-of-use assets	16,432	1,756	**18,188**
Additions to right-of-use assets	15,992	558	**16,550**
Carrying amount of right-of-use assets at the end of the reporting period	75,744	4,086	**79,830**

Right-of-use assets by class of underlying assets as at 31 December 2023:

31/12/2023	**Property**	**Office equipment and vehicles**	**Total**
Depreciation expense of right-of-use assets	15,094	1,226	**16,320**
Additions to right-of-use assets	33,091	2,656	**35,747**
Carrying amount of right-of-use assets at the end of the reporting period	69,603	5,095	**74,698**

The total cash outflow for leases was HUF 21,512 million as at 31 December 2024 and HUF 40,746 million as at 31 December 2023.

The Group mainly leases real estates, a significant part of its right-of-use assets are related to office buildings and office space, a smaller part to branch offices.

Leasing liabilities by maturities:

	31/12/2024	**31/12/2023**
Within one year	15,171	12,425
Over one year	66,938	63,888
Total	**82,109**	**76,313**

Lease liabilities by payments:

	31/12/2024	**31/12/2023**
Arising from fixed lease payments	36,587	32,119
Arising from variable lease payments	45,522	44,194
Total	**82,109**	**76,313**

On 31 December 2024 and 2023 HUF 1,025 million and HUF 335 million is the lease payment respectively to be paid in the future due to leases not yet commenced to which the Group is committed. The future lease payment not taken into account would be HUF 4,862 million as at 31 December 2024 and would have been HUF 2,868 million as at 31 December 2023 arising from extension options if they had been taken into account.
The most typical indexes/rates on which the variable lease payments depend are: Consumer Price Index, Inflation Rate, EURIBOR.

NOTE 36: LEASES (in HUF mn) [continued]

The Group as a lessee [continued]:

Amounts recognized in profit and loss	**31/12/2024**	**31/12/2023**
Interest expense on lease liabilities	3,557	2,970
Expense relating to short-term leases	3,539	3,753
Expense relating to leases of low value assets	1,949	1,323
Expense relating to variable lease payments not included in the measurement of lease liabilities	5	4
Income from subleasing right-of-use assets	3	-
Gains or losses arising from sale and leaseback transactions	-	-

The Group as a lessor:

The Group's leasing activities are most significant in Hungary, Bulgaria, Croatia and Slovenia. The main activity of the leasing companies is finance leasing. More than half of the underlying assets are passenger cars, besides this the Group leases mainly agricultural machinery, commercial vehicles, vessels and construction machinery.

The Group manages the risk associated with the rights held in the underlying assets by, inter alia, buy-back agreements, determining the residual values on level lower than future market values and registering pledge on the underlying asset.

The Group as a lessor, finance lease:

Amounts receivable under finance leases	**31/12/2024**	**31/12/2023**
In less than 1 year	601,731	527,875
Between 1 and 2 years	435,784	379,355
Between 2 and 3 years	324,401	280,865
Between 3 and 4 years	216,742	186,890
Between 4 and 5 years	122,533	117,878
More than 5 years	75,526	65,018
Total receivables from undiscounted lease payments	**1,776,717**	**1,557,881**
Unguaranteed residual values	-	68
Gross investment in the lease	**1,776,717**	**1,557,949**
Less: unearned finance income	(225,383)	(223,217)
Present value of minimum lease payments receivable	**1,551,334**	**1,334,732**
Loss allowance	(39,857)	(45,020)
Net investment in the lease	**1,511,477**	**1,289,712**

An analysis of the change in the gross values on finance receivables is as follows:

	31/12/2024	**31/12/2023**
Balance as at 1 January	**1,334,732**	**1,351,883**
Additions due to new contracts	839,584	678,107
Additions due to interest income and amortized fees	110,054	103,223
Decrease due to write-off	(505)	(115)
Decrease due to repossession of the asset	(3,040)	(11,259)
Decrease due to sale	(5,455)	(2,456)
Assets held for sale	-	(66,511)
Decrease due to early repayment	(94,348)	(78,856)
Decrease due to regular lease payment	(691,799)	(589,498)
Foreign currency translation difference	62,111	(49,786)
Closing balance	**1,551,334**	**1,334,732**

NOTE 36: LEASES (in HUF mn) [continued]

The Group as a lessor [continued]:

The Group as a lessor, finance lease [continued]:

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

	31/12/2024	31/12/2023
Balance as at 1 January	**45,020**	**53,131**
Loss allowance for the period	30,347	35,494
Release of loss allowance	(36,865)	(37,150)
Use of loss allowance	(1,279)	(98)
Partial write-off	(128)	(7)
Decrease due to sale	(5)	(545)
Assets held for sale	-	(2,906)
Foreign currency translation difference	2,767	(2,899)
Closing balance	**39,857**	**45,020**

Result from finance leases	31/12/2024	31/12/2023
Selling profit or loss	-	-
Finance income on the net investment in the lease	110,830	100,749
Income relating to variable lease payments not included in the measurement of the net investment in the lease	-	-

The Group as a lessor, operating lease:

Amounts receivable under operating leases	31/12/2024	31/12/2023
In less than 1 year	16,361	13,464
Between 1 and 2 years	11,607	8,540
Between 2 and 3 years	9,126	7,500
Between 3 and 4 years	6,059	6,187
Between 4 and 5 years	2,732	3,703
More than 5 years	2,428	1,786
Total receivables from undiscounted lease payments	**48,313**	**41,180**

Result from operating leases	31/12/2024	31/12/2023
Lease income	16,086	15,035
Therein lease income relating to variable lease payments that do not depend on an index or a rate	-	-

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
Financial instruments may result in certain risks to the Group. The most significant risks the Group faces include:

37.1. Credit risk

The Group takes on exposure to credit risk which is the risk that a counter-party will be unable to pay amounts in full when due. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical areas and loan types. Such risks are monitored on a periodical basis and are subject to an annual or more frequent review. The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is managed by obtaining collateral, corporate and personal guarantees.

Defining the expected credit loss on individual and collective basis

On individual basis:

Individually assessed are the non-retail or non- micro- and small enterprise exposure of significant amount on a stand-alone basis:

- exposure in stage 3,
- exposure in workout management,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

The calculation of impairment must be prepared and approved by the risk management functional areas. The calculation, all relevant factors (amortized cost, original and current EIR, contracted and expected cash flows (from business and/or collateral) for the individual periods of the entire lifecycle, other essential information enforced during the valuation) and the criteria thereof (including the factors underlying the classification as stage 3) must be documented individually.

The expected credit loss of the exposure equals the difference of the items’ AC (gross book value) on the valuation date and the present value of the receivable's expected cash flows discounted to the valuation date by the exposure's original effective interest rate (EIR) (calculated at the initial recognition, or in the case of variable rate, recalculated due to the last interest rate change). The estimation of the expected future cash flows should be forward looking, it must also contain the effects of the possible change of macroeconomic outlook.
At least two scenarios must be used for the estimation of the expected cash flow. It should be at least one scenario in which the entity anticipates that realized cash flows will be significantly different from the contractual cash flows. Probability weights must be allocated to the individual scenarios. The estimation must reflect the probability of the occurrence and non-occurrence of the credit loss, even if the most probable result is the non-occurrence of the loss.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

Defining the expected credit loss on individual and collective basis [continued]

On collective basis:

The following exposures are subject to collective assessment:
- retail exposure irrespective of the amount,
- micro and small enterprise exposures irrespective of the amount,
- all other exposure which are insignificant on a stand-alone basis and not part of the workout management,
- exposure which are not in stage 3, significant on a stand-alone basis,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

In the collective impairment methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. In order to achieve this, the main risk drivers shall be identified and used to form homogeneous segments having similar risk characteristics. The segmentation is expected to stay stable from month to month, however a regular (at least yearly) revision of the segmentation process should be set up to capture the change of risk characteristics. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The Bank's Headquarter Group Reserve Committee stipulates the guidelines related to the collective impairment methodology at group level. In addition, it has right of agreement in respect of the risk parameters (PD -probability of default, LGD - loss given default, EAD – exposure at default) and segmentation criteria proposed by the group members.

The review of the parameters must be performed at least annually, and the results should be approved by the Group Reserve Committee. Local Risk Managements are responsible for parameter estimations / updates, macroeconomic scenarios are calculated by OTP Bank Headquarter for each subsidiary and each parameter. Based on the consensus proposal of Local Risk Management and OTP Bank Headquarter, the Group Reserve Committee decides on the modification of parameters (all parameters for impairment calculation).

At least on a yearly basis the impairment parameters should be back tested as well.

The expected loss calculation should be forward looking, including forecasts of future economic conditions. This may be achieved by applying 3-5 different macroeconomic scenarios, which may be integrated in the PD, LGD and EAD parameters.

During 2024 in line with the rollout plan DSK Bank and OTP banka Srbija implemented the advanced, lifetime-based methodology for some portfolios to identify the significant increase in credit risk, this methodological change resulted in HUF 3 billion provision creation in the second quarter (DSK Bank) and HUF 1.5 billion in the fourth quarter. DSK bank identified “novel risks” in the fourth quarter, the provision increase was EUR 10 million. In the fourth quarter of year 2024 a new forward-looking methodology was implemented in Ipoteka Bank regarding the PD parameter estimation in line with the Group IFRS9 methodology. The refinement in the methodology resulted immaterial effect on the total ECL level.

During 2023 there were ECL SICR methodological changes in Hungary. The previously used methodology – which was based on rating category changes – was replaced by the advanced, lifetime-based methodology to identify the significant increase in credit risk. The changes resulted HUF 2.8 billion more impairment in 2023. The impact of the SICR methodology changes and parameter updates are presented under Note 11 as part of effect of change in parameters used for loss allowance calculation line item.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.1. Gross values and loss allowance / provision of financial instruments by stages

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and of interest-bearing securities at fair value through other comprehensive income and financial commitments and provision on them by stages as at 31 December 2024:

		Gross carrying amount / Notional value					Accumulated loss allowance / Provision				
31/12/2024	**Carrying amount / Exposure**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Placements with other banks	**1,891,901**	1,890,786	1,013	1,569	-	**1,893,368**	505	958	4	-	**1,467**
Repo receivables	**331,837**	332,349	-	-	-	**332,349**	512	-	-	-	**512**
Mortgage loans	**5,947,341**	5,431,298	472,986	98,928	62,342	**6,065,554**	13,685	37,630	44,604	22,294	**118,213**
Loans to medium and large corporates	**8,430,951**	7,032,611	1,396,700	268,335	65,329	**8,762,975**	58,069	113,232	140,769	19,954	**332,024**
Consumer loans	**4,995,814**	4,346,073	719,392	281,199	38,405	**5,385,069**	59,143	118,967	207,025	4,120	**389,255**
Loans to micro and small enterprises	**916,275**	655,090	256,690	72,173	10,564	**994,517**	6,606	19,342	50,005	2,289	**78,242**
Loans at amortized cost	**20,290,381**	**17,465,072**	**2,845,768**	**720,635**	**176,640**	**21,208,115**	**137,503**	**289,171**	**442,403**	**48,657**	**917,734**
Finance lease receivable	**1,511,477**	1,327,216	169,791	54,290	37	**1,551,334**	6,522	6,168	27,167	-	**39,857**
Interest-bearing securities at fair value through other comprehensive income[1]	**1,622,824**	1,593,287	1,739	27,798	-	**1,622,824**	12,906	87	55,057	-	**68,050**
Securities at amortized cost	**7,447,177**	7,441,670	12,521	37,491	-	**7,491,682**	16,301	855	27,349	-	**44,505**
Financial assets total	**33,095,597**	**30,050,380**	**3,030,832**	**841,783**	**176,677**	**34,099,672**	**174,249**	**297,239**	**551,980**	**48,657**	**1,072,125**
Loan commitments given	**5,660,885**	5,347,629	332,965	12,610	599	**5,693,803**	19,520	12,046	1,255	97	**32,918**
Financial guarantees given	**1,535,734**	1,440,075	95,405	11,832	67	**1,547,379**	4,450	2,357	4,773	65	**11,645**
Other commitments given	**1,033,567**	980,085	51,765	6,015	1,616	**1,039,481**	2,134	1,785	549	1,446	**5,914**
Financial liabilities total	**8,230,186**	**7,767,789**	**480,135**	**30,457**	**2,282**	**8,280,663**	**26,104**	**16,188**	**6,577**	**1,608**	**50,477**

[1] Interest bearing securities at fair value through other comprehensive income are recognized in the Consolidated statement of financial position as at fair value (see in Note 9). Loss allowances for securities at fair value through other comprehensive income that are in Stage 1 and / or in Stage 2 is recognized in the Other comprehensive income. It is included in the accumulated loss allowance of this table showed above.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.1. Gross values and loss allowance / provision of financial instruments by stages [continued]

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and of interest-bearing securities at fair value through other comprehensive income and financial commitments and provision on them by stages as at 31 December 2023:

		Gross carrying amount / Notional value					Accumulated loss allowance / Provision				
31/12/2023	**Carrying amount / Exposure**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Placements with other banks	**1,566,998**	1,569,167	63	15	-	**1,569,245**	2,182	55	10	-	**2,247**
Repo receivables	**223,884**	224,477	-	-	-	**224,477**	593	-	-	-	**593**
Mortgage loans	**5,034,890**	4,562,463	438,501	96,334	53,399	**5,150,697**	12,870	28,369	50,155	24,413	**115,807**
Loans to medium and large corporates	**7,904,890**	6,675,761	1,221,137	245,491	40,515	**8,182,904**	32,632	87,746	147,793	9,843	**278,014**
Consumer loans	**3,770,593**	3,312,352	558,058	281,209	11,894	**4,163,513**	77,799	92,583	216,265	6,273	**392,920**
Loans to micro and small enterprises	**966,160**	713,352	237,948	84,887	37,263	**1,073,450**	14,491	29,446	51,855	11,498	**107,290**
Loans at amortized cost[1]	**17,676,533**	**15,263,928**	**2,455,644**	**707,921**	**143,071**	**18,570,564**	**137,792**	**238,144**	**466,068**	**52,027**	**894,031**
Finance lease receivable	**1,289,712**	1,095,039	176,856	62,799	38	**1,334,732**	5,331	8,342	31,309	38	**45,020**
Interest-bearing securities at fair value through other comprehensive income[2]	**1,540,980**	1,423,021	87,085	30,874	-	**1,540,980**	11,395	258	22,920	-	**34,573**
Securities at amortized cost	**5,249,272**	5,228,599	12,224	41,097	-	**5,281,920**	17,141	755	14,752	-	**32,648**
Financial assets total	**27,547,379**	**24,804,231**	**2,731,872**	**842,706**	**143,109**	**28,521,918**	**174,434**	**247,554**	**535,059**	**52,065**	**1,009,112**
Loan commitments given	**4,755,009**	4,495,101	277,346	11,673	823	**4,784,943**	19,890	7,772	2,007	265	**29,934**
Financial guarantees given	**1,474,285**	1,381,657	92,012	10,222	64	**1,483,955**	6,392	2,012	1,206	60	**9,670**
Other commitments given	**864,718**	829,611	34,112	5,909	1,619	**871,251**	1,860	1,388	2,354	931	**6,533**
Financial liabilities total	**7,094,012**	**6,706,369**	**403,470**	**27,804**	**2,506**	**7,140,149**	**28,142**	**11,172**	**5,567**	**1,256**	**46,137**

[1] Please see details in Note 2.29.
[2] Interest bearing securities at fair value through other comprehensive income are recognized in the Consolidated statement of financial position as at fair value (see in Note 9). Loss allowances for securities at fair value through other comprehensive income that are in Stage 1 and / or in Stage 2 is recognized in the Other comprehensive income. It is included in the accumulated loss allowance of this table showed above.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.2. Financial instruments under simplified approach by day-past-due categories

31/12/2024	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate	**3.67%**	**6.03%**	**2.79%**	**18.66%**	**65.02%**	
Gross value	145,429	34,947	2,544	5,718	53,582	**242,220**
Loss allowance	(5,333)	(2,108)	(71)	(1,067)	(34,839)	**(43,418)**
Net carrying amount	**140,096**	**32,839**	**2,473**	**4,651**	**18,743**	**198,802**

31/12/2023	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate	**2.69%**	**2.69%**	**3.80%**	**6.03%**	**44.49%**	
Gross value	114,764	26,136	2,340	1,029	67,177	**211,446**
Loss allowance	(3,082)	(703)	(89)	(62)	(29,890)	**(33,826)**
Net carrying amount	**111,682**	**25,433**	**2,251**	**967**	**37,287**	**177,620**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments

Movement of gross values of financial assets at amortized cost and on interest bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2024:

31/12/2024	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Foreign exchange and other adjustment	Closing balance
Stage 1	**24,804,231**	**49,571,066**	**3,265,291**	**(47,671,939)**	**(557,933)**	**(385,833)**	**(77,702)**	**1,103,199**	**30,050,380**
Placements with other banks	1,569,167	12,121,835	34,344	(11,915,052)	(2,878)	70,700	-	12,670	**1,890,786**
Repo receivables	224,477	25,909,255	829,891	(26,642,511)	-	-	-	11,237	**332,349**
Loans at amortized cost	15,263,928	8,021,531	1,277,288	(6,771,271)	(610,914)	(455,022)	(77,702)	817,234	**17,465,072**
Finance lease receivables	1,095,039	653,498	41,095	(484,115)	(25,069)	(1,690)	-	48,458	**1,327,216**
Interest-bearing securities at fair value through other comprehensive income	1,423,021	936,826	48,326	(965,565)	85,223	-	-	65,456	**1,593,287**
Securities at amortized cost	5,228,599	1,928,121	1,034,347	(893,425)	(4,295)	179	-	148,144	**7,441,670**
Stage 2	**2,731,872**	**557,587**	**221,602**	**(1,005,159)**	**368,756**	**51,024**	**(4,568)**	**109,718**	**3,030,832**
Placements with other banks	63	-	2,006	(1,994)	887	-	-	51	**1,013**
Repo receivables	-	-	-	-	-	-	-	-	**-**
Loans at amortized cost	2,455,644	495,632	213,584	(898,194)	434,478	51,024	(4,568)	98,168	**2,845,768**
Finance lease receivables	176,856	61,955	5,711	(97,828)	14,319	-	-	8,778	**169,791**
Interest-bearing securities at fair value through other comprehensive income	87,085	-	-	(2,397)	(85,223)	-	-	2,274	**1,739**
Securities at amortized cost	12,224	-	301	(4,746)	4,295	-	-	447	**12,521**
Stage 3	**842,706**	**127,120**	**38,712**	**(316,752)**	**189,177**	**60,452**	**(123,558)**	**23,926**	**841,783**
Placements with other banks	15	8,575	5	(9,087)	1,991	-	(7)	77	**1,569**
Repo receivables	-	-	-	-	-	-	-	-	**-**
Loans at amortized cost	707,921	112,880	34,359	(268,866)	176,437	60,454	(123,037)	20,487	**720,635**
Finance lease receivables	62,799	4,616	1,561	(27,832)	10,749	(2)	(514)	2,913	**54,290**
Interest-bearing securities at fair value through other comprehensive income	30,874	-	27	(3,103)	-	-	-	-	**27,798**
Securities at amortized cost	41,097	1,049	2,760	(7,864)	-	-	-	449	**37,491**
Financial assets subtotal	**28,378,809**	**50,255,773**	**3,525,605**	**(48,993,850)**	**-**	**(274,357)**	**(205,828)**	**1,236,843**	**33,922,995**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments [continued]

Movement of gross values of financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2024 [continued]:

31/12/2024	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Foreign exchange and other adjustment	Closing balance
POCI	**143,109**	**57,247**	**9,563**	**(33,303)**	**-**	**(4,826)**	**(4,076)**	**8,963**	**176,677**
Placements with other banks	-	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	143,071	57,247	9,563	(33,300)	-	(4,826)	(4,076)	8,961	**176,640**
Finance lease receivables	38	-	-	(3)	-	-	-	2	**37**
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Securities at amortized cost	-	-	-	-	-	-	-	-	-
Financial assets total	**28,521,918**	**50,313,020**	**3,535,168**	**(49,027,153)**	**-**	**(279,183)**	**(209,904)**	**1,245,806**	**34,099,672**
Loan commitments and financial guarantees given - stage 1	6,706,369	4,352,876	1,242,666	(4,682,200)	(71,095)	(23,984)	-	243,157	**7,767,789**
Loan commitments and financial guarantees given - stage 2	403,470	220,286	66,676	(277,203)	58,042	(3,896)	-	12,760	**480,135**
Loan commitments and financial guarantees given - stage 3	27,804	7,868	888	(19,335)	13,053	(326)	-	505	**30,457**
Loan commitments and financial guarantees given - poci	2,506	2,190	528	(3,118)	-	(3)	-	179	**2,282**
Financial liabilities total	**7,140,149**	**4,583,220**	**1,310,758**	**(4,981,856)**	**-**	**(28,209)**	**-**	**256,601**	**8,280,663**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments [continued]

Movement of gross values of financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2023:

31/12/2023	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Assets held for sale	Foreign exchange and other adjustment	Closing balance
Stage 1	**23,127,980**	**23,356,461**	**3,416,632**	**(22,203,492)**	**(508,278)**	**(306,140)**	**(245)**	**(1,320,012)**	**(758,675)**	**24,804,231**
Placements with other banks	1,354,832	7,416,490	381,963	(7,453,395)	-	-	-	(4,529)	(126,194)	**1,569,167**
Repo receivables	41,250	4,458,449	53,911	(4,337,597)	-	-	-	-	8,464	**224,477**
Loans at amortized cost	14,176,668	8,774,565	2,081,887	(7,499,976)	(496,301)	(306,192)	(245)	(938,176)	(528,302)	**15,263,928**
Finance lease receivables	1,045,688	527,738	214,240	(597,894)	(10,997)	-	-	(52,206)	(31,530)	**1,095,039**
Interest-bearing securities at fair value through other comprehensive income	1,642,481	798,838	55,751	(1,006,842)	-	52	-	(39,100)	(28,159)	**1,423,021**
Securities at amortized cost	4,867,061	1,380,381	628,880	(1,307,788)	(980)	-	-	(286,001)	(52,954)	**5,228,599**
Stage 2	**2,228,626**	**714,891**	**212,807**	**(638,272)**	**441,295**	**34,021**	**(2,212)**	**(172,079)**	**(87,205)**	**2,731,872**
Placements with other banks	63	-	-	-	-	-	-	-	-	**63**
Repo receivables	-	-	-	-	-	-	-	-	-	**-**
Loans at amortized cost	1,949,320	554,572	176,241	(459,903)	436,755	34,021	(2,212)	(161,009)	(72,141)	**2,455,644**
Finance lease receivables	235,817	72,482	36,313	(148,456)	3,560	-	-	(11,070)	(11,790)	**176,856**
Interest-bearing securities at fair value through other comprehensive income	28,285	83,167	-	(21,461)	-	-	-	-	(2,906)	**87,085**
Securities at amortized cost	15,141	4,670	253	(8,452)	980	-	-	-	(368)	**12,224**
Stage 3	**989,503**	**190,604**	**27,942**	**(252,740)**	**66,975**	**16,888**	**(73,726)**	**(63,427)**	**(59,313)**	**842,706**
Placements with other banks	24	-	75	(84)	-	-	-	-	-	**15**
Repo receivables	-	-	-	-	-	-	-	-	-	**-**
Loans at amortized cost	837,964	171,781	24,518	(214,793)	59,541	16,888	(73,594)	(60,193)	(54,191)	**707,921**
Finance lease receivables	70,050	15,286	3,349	(25,520)	7,434	-	(132)	(3,234)	(4,434)	**62,799**
Interest-bearing securities at fair value through other comprehensive income	28,680	3,480	-	(1,231)	-	-	-	-	(55)	**30,874**
Securities at amortized cost	52,785	57	-	(11,112)	-	-	-	-	(633)	**41,097**
Financial assets subtotal	**26,346,109**	**24,261,956**	**3,657,381**	**(23,094,504)**	**(8)**	**(255,231)**	**(76,183)**	**(1,555,518)**	**(905,193)**	**28,378,809**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments [continued]

Movement of gross values of financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2023 [continued]:

31/12/2023	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Assets held for sale	Foreign exchange and other adjustment	Closing balance
POCI	**97,194**	**19,386**	**41,718**	**(2,872)**	**8**	**-**	**(6,616)**	**(4,185)**	**(1,524)**	**143,109**
Placements with other banks	-	-	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-	-	-
Loans at amortized cost	96,866	19,386	41,366	(2,302)	5	-	(6,553)	(4,185)	(1,512)	**143,071**
Finance lease receivables	328	-	352	(570)	3	-	(63)		(12)	**38**
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Securities at amortized cost	-	-	-	-	-	-	-	-	-	-
Financial assets total	**26,443,303**	**24,281,342**	**3,699,099**	**(23,097,376)**	**-**	**(255,231)**	**(82,799)**	**(1,559,703)**	**(906,717)**	**28,521,918**
Loan commitments and financial guarantees given - stage 1	5,842,958	3,472,892	53,896,979	(56,158,534)	(152,848)	3,465	-	-	(198,543)	**6,706,369**
Loan commitments and financial guarantees given - stage 2	359,236	178,252	127,132	(382,733)	138,545	1,149	-	-	(18,111)	**403,470**
Loan commitments and financial guarantees given - stage 3	58,980	4,908	910	(48,833)	14,304	14	-	-	(2,479)	**27,804**
Loan commitments and financial guarantees given - poci	202	2,719	566	(972)	(1)	-	-	-	(8)	**2,506**
Financial liabilities total	**6,261,376**	**3,658,771**	**54,025,587**	**(56,591,072)**	**-**	**4,628**	**-**	**-**	**(219,141)**	**7,140,149**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2024:

31/12/2024	**Opening balance**	**Increases due to origination and acquisition**	**Decreases due to derecognition**	**Transfers between stages (net)**	**Changes due to change in credit risk (net)**	**Changes due to modifications without derecognition (net)**	**Decrease in loss allowance account due to write-offs**	**Foreign exchange and other adjustment**	**Closing balance**
Stage 1	**174,434**	**97,184**	**(92,071)**	**(21,893)**	**14,001**	**(3,066)**	**(1,030)**	**6,690**	**174,249**
Placements with other banks	2,182	2,077	(3,709)	-	(209)	-	-	164	505
Repo receivables	593	7,730	(8,052)	-	249	-	-	(8)	512
Loans at amortized cost	137,792	77,157	(68,211)	(25,665)	14,422	(2,853)	(1,030)	5,891	137,503
Finance lease receivables	5,331	2,591	(5,159)	3,821	(318)	(73)	-	329	6,522
Interest-bearing securities at fair value through other comprehensive income	11,395	4,150	(2,964)	(2,150)	2,354	46	-	75	12,906
Securities at amortized cost	17,141	3,479	(3,976)	2,101	(2,497)	(186)	-	239	16,301
Stage 2	**247,554**	**30,326**	**(64,795)**	**(11,643)**	**54,067**	**33,705**	**(1,311)**	**9,336**	**297,239**
Placements with other banks	55	-	(41)	-	938	-	-	6	958
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	238,144	28,554	(60,447)	(10,722)	52,253	33,705	(1,311)	8,995	289,171
Finance lease receivables	8,342	1,772	(3,761)	(970)	498	-	-	287	6,168
Interest-bearing securities at fair value through other comprehensive income	258	-	(125)	-	(59)	-	-	13	87
Securities at amortized cost	755	-	(421)	49	437	-	-	35	855
Stage 3	**535,059**	**29,447**	**(85,603)**	**33,536**	**102,133**	**19,342**	**(96,122)**	**14,188**	**551,980**
Placements with other banks	10	-	(224)	-	148	-	(7)	77	4
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	466,068	26,150	(75,990)	36,389	53,089	19,342	(95,603)	12,958	442,403
Finance lease receivables	31,309	2,247	(8,082)	(2,853)	4,058	-	(512)	1,000	27,167
Interest-bearing securities at fair value through other comprehensive income	22,920	-	-	2,150	29,987	-	-	-	55,057
Securities at amortized cost	14,752	1,050	(1,307)	(2,150)	14,851	-	-	153	**27,349**
Loss allowance on financial assets	**957,047**	**156,957**	**(242,469)**	**-**	**170,201**	**49,981**	**(98,463)**	**30,214**	**1,023,468**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments [continued]

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2024 [continued]:

31/12/2024	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Transfers between stages (net)	Changes due to change in credit risk (net)	Changes due to modifications without derecognition (net)	Decrease in loss allowance account due to write-offs	Foreign exchange and other adjustment	Closing balance
POCI	**52,065**	**137**	**(11,443)**	**-**	**8,484**	**1,005**	**(3,859)**	**2,268**	**48,657**
Placements with other banks	-	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	52,027	137	(11,440)	-	8,484	1,005	(3,859)	2,303	48,657
Finance lease receivables	38	-	(3)	-	-	-	-	(35)	-
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Securities at amortized cost	-	-	-	-	-	-	-	-	-
Loss allowance on financial assets total	**1,009,112**	**157,094**	**(253,912)**	**-**	**178,685**	**50,986**	**(102,322)**	**32,482**	**1,072,125**
Loan commitments and financial guarantees given - stage 1	28,142	14,476	(10,645)	(4,365)	(3,420)	850	-	1,066	26,104
Loan commitments and financial guarantees given - stage 2	11,172	3,746	(5,965)	2,752	4,098	52	-	333	16,188
Loan commitments and financial guarantees given - stage 3	5,567	1,505	(3,187)	1,613	1,149	(169)	-	99	6,577
Loan commitments and financial guarantees given - poci	1,256	-	(562)	-	824	-	-	90	**1,608**
Provision on financial liabilities total	**46,137**	**19,727**	**(20,359)**	**-**	**2,651**	**733**	**-**	**1,588**	**50,477**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments [continued]

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2023:

31/12/2023	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Transfers between stages (net)	Changes due to change in credit risk (net)	Changes due to modifications without derecognition (net)	Decrease in loss allowance account due to write-offs	Assets held for sale	Foreign exchange and other adjustment	Closing balance
Stage 1	**198,457**	**182,142**	**(50,688)**	**(120,176)**	**(7,185)**	**(3,832)**	**(137)**	**(11,421)**	**(12,726)**	**174,434**
Placements with other banks	3,801	21,893	(10,716)	-	(13,863)	-	-	(12)	1,079	2,182
Repo receivables	241	28,013	(12,536)	-	(15,120)	-	-	-	(5)	593
Loans at amortized cost	152,189	120,934	(24,021)	(118,838)	34,649	(3,832)	(137)	(10,089)	(13,063)	137,792
Finance lease receivables	4,797	2,665	(760)	(1,255)	838	-	-	(683)	(271)	5,331
Interest-bearing securities at fair value through other comprehensive income	13,754	5,346	(2,384)	-	(5,302)	-	-	-	(19)	11,395
Securities at amortized cost	23,675	3,291	(271)	(83)	(8,387)	-	-	(637)	(447)	17,141
Stage 2	**240,869**	**63,850**	**(26,201)**	**59,380**	**(65,542)**	**6,335**	**(1,131)**	**(16,538)**	**(13,468)**	**247,554**
Placements with other banks	12	-	-	-	147	-	-	-	(104)	55
Repo receivables	-	-	-	-	-	-	-	-	-	-
Loans at amortized cost	223,965	56,062	(20,246)	59,297	(57,563)	6,335	(1,131)	(15,806)	(12,769)	238,144
Finance lease receivables	15,241	2,774	(404)	-	(8,052)	-	-	(732)	(485)	8,342
Interest-bearing securities at fair value through other comprehensive income	1,040	4,603	(5,266)	-	(19)	-	-	-	(100)	258
Securities at amortized cost	611	411	(285)	83	(55)	-	-	-	(10)	755
Stage 3	**632,966**	**62,579**	**(65,642)**	**60,796**	**5,297**	**2,207**	**(67,994)**	**(35,475)**	**(59,675)**	**535,059**
Placements with other banks	24	1	-	-	50	-	-	-	(65)	10
Repo receivables	-	-	-	-	-	-	-	-	-	-
Loans at amortized cost	556,473	52,104	(61,111)	59,541	13,856	2,207	(67,862)	(33,984)	(55,156)	466,068
Finance lease receivables	32,875	10,474	(1,507)	1,255	(8,268)	-	(132)	(1,491)	(1,897)	31,309
Interest-bearing securities at fair value through other comprehensive income	24,831	-	(413)	-	(1)	-	-	-	(1,497)	22,920
Securities at amortized cost	18,763	-	(2,611)	-	(340)	-	-	-	(1,060)	**14,752**
Loss allowance on financial assets	**1,072,292**	**308,571**	**(142,531)**	**-**	**(67,430)**	**4,710**	**(69,262)**	**(63,434)**	**(85,869)**	**957,047**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments [continued]

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2023 [continued]:

31/12/2023	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition	Transfers between stages (net)	Changes due to change in credit risk (net)	Changes due to modifications without derecognition (net)	Decrease in loss allowance account due to write-offs	Assets held for sale	Foreign exchange and other adjustment	Closing balance
POCI	**33,951**	**-**	**(2,603)**	**-**	**17,029**	**-**	**(3,702)**	**(1,476)**	**8,866**	**52,065**
Placements with other banks	-	-	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-	-	-
Loans at amortized cost	33,733	-	(2,302)	-	16,825	-	(3,639)	(1,476)	8,886	52,027
Finance lease receivables	218	-	(301)	-	204	-	(63)	-	(20)	38
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Securities at amortized cost	-	-	-	-	-	-	-	-	-	-
Loss allowance on financial assets total	**1,106,243**	**308,571**	**(145,134)**	**-**	**(50,401)**	**4,710**	**(72,964)**	**(64,910)**	**(77,003)**	**1,009,112**
Loan commitments and financial guarantees given - stage 1	41,557	16,878	(8,107)	(12,482)	(4,418)	4	-	-	(5,290)	28,142
Loan commitments and financial guarantees given - stage 2	15,121	2,686	(4,336)	9,186	(11,278)	307	-	-	(514)	11,172
Loan commitments and financial guarantees given - stage 3	6,665	852	(1,499)	3,296	(3,388)	9	-	-	(368)	5,567
Loan commitments and financial guarantees given - poci	29	832	(34)	-	430	-	-	-	(1)	**1,256**
Provision on financial liabilities total	**63,372**	**21,248**	**(13,976)**	**-**	**(18,654)**	**320**	**-**	**-**	**(6,173)**	**46,137**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.5. Loan portfolio by internal ratings

31/12/2024	Gross carrying amount				
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Low risk grade (1-4)	12,329,875	987,132	-	6,655	**13,323,662**
Medium risk grade (5-7)	6,170,989	1,499,654	-	78,012	**7,748,655**
High risk grade (8-9)	291,424	528,773	-	8,907	**829,104**
Non-performing	-	-	774,925	83,103	**858,028**
Total loans at amortized cost and finance lease receivable	**18,792,288**	**3,015,559**	**774,925**	**176,677**	**22,759,449**

31/12/2024	Accumulated loss allowance				
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Low risk grade (1-4)	69,858	86,080	-	185	**156,123**
Medium risk grade (5-7)	67,302	152,411	-	12,292	**232,005**
High risk grade (8-9)	6,865	56,848	-	231	**63,944**
Non-performing	-	-	469,570	35,949	**505,519**
Total loans at amortized cost and finance lease receivable	**144,025**	**295,339**	**469,570**	**48,657**	**957,591**

31/12/2023	Gross carrying amount				
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Low risk grade (1-4)	10,537,131	886,493	-	4,209	**11,427,833**
Medium risk grade (5-7)	5,633,057	1,283,637	-	53,680	**6,970,374**
High risk grade (8-9)	172,435	466,658	-	5,247	**644,340**
Non-performing	-	-	805,560	57,189	**862,749**
Total loans at amortized cost and finance lease receivable	**16,342,623**	**2,636,788**	**805,560**	**120,325**	**19,905,296**

31/12/2023	Accumulated loss allowance				
Internal rating grade	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
Low risk grade (1-4)	57,516	67,598	-	257	**125,371**
Medium risk grade (5-7)	58,691	128,311	-	9,585	**196,587**
High risk grade (8-9)	7,074	54,521	-	396	**61,991**
Non-performing	-	-	516,126	38,976	**555,102**
Total loans at amortized cost and finance lease receivable	**123,281**	**250,430**	**516,126**	**49,214**	**939,051**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.6. Geographical analysis of the loan portfolio

The geographical analysis of the non-qualified and qualified gross loan portfolio at amortized cost, finance lease receivables, placements with other banks and repo receivables and their loss allowances is as follows:

	31/12/2024		31/12/2023	
Country	**Gross amount of exposure**	**Loss allowance**	**Gross amount of exposure**	**Loss allowance**
Hungary	6,031,853	247,357	5,626,438	242,888
Bulgaria	4,751,756	142,822	3,816,273	121,488
Croatia	2,802,968	88,648	2,345,342	97,746
Slovenia	2,657,708	45,290	2,774,813	30,370
Serbia	2,656,365	84,911	2,324,130	70,973
Russia	2,209,676	121,391	1,435,654	137,714
Uzbekistan	1,300,549	121,084	995,010	97,557
Montenegro	547,509	14,351	446,091	17,541
Albania	506,958	20,809	392,333	18,059
Ukraine	450,007	52,645	408,142	85,631
Moldova	185,111	7,266	153,566	7,171
Germany	127,030	4,250	128,158	2,849
The Netherlands	120,264	2,211	153,202	2,787
United States of America	117,556	382	146,703	485
Romania	92,050	177	65,234	1,168
France	98,937	326	167,441	543
Belgium	52,880	130	64,906	240
Austria	40,781	220	34,095	104
Slovakia	69,786	409	40,899	930
Spain	15,312	517	20,137	338
Switzerland	11,705	183	5,668	76
United Kingdom	28,745	265	29,879	1,794
Luxembourg	28,654	266	33,109	1,210
Poland	24,322	513	27,022	857
Italy	18,116	670	32,403	587
Ireland	12,129	56	4,155	30
Cyprus	142	13	36	15
Denmark	128	2	127	2
Subtotal	**24,958,997**	**957,164**	**21,670,966**	**941,153**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.6. Geographical analysis of the loan portfolio [continued]

	31/12/2024		31/12/2023	
Country	**Gross amount of exposure**	**Loss allowance**	**Gross amount of exposure**	**Loss allowance**
Czech Republic	3,002	7	1,153	14
Portugalia	3,086	182	302	3
Canada	86	2	164	3
Australia	96	-	76	-
Greece	1,961	192	1,440	123
Turkey	340	7	1,953	51
Israel	1,389	10	1,080	13
Bosnia and Herzegovina	1,915	318	1,401	155
Sweden	784	13	374	25
Norway	111	1	4,808	54
United Arab Emirates	3,049	1,051	28	12
Egypt	100	4	693	11
Kazakhstan	345	7	218	8
Latvia	132	4	44	33
Gibraltar	-	-	9,384	57
Other[1]	9,773	608	4,934	176
Subtotal	**26,169**	**2,406**	**28,052**	**738**
Total	**24,985,166**	**959,570**	**21,699,018**	**941,891**

[1]Other category as at 31 December 2024 mainly includes e.g.: Tunisia, Algeria, Kosovo, Armenia, Republic of South-Africa, Japan, Brazil, North-Macedonia, India, Finland, China, Iceland, Georgia and other countries.

The geographical analysis of the non-qualified and qualified loan portfolio mandatorily at fair value through profit or loss is as follows**:**

Country	**31/12/2024**	**31/12/2023**
Hungary	1,559,631	1,399,463
Switzerland	127	-
Germany	10	-
United Kingdom	-	998
Slovakia	1	11
Romania	2	2
Others	10	11
Total loans at fair value	**1,559,781**	**1,400,485**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.7. Loan portfolio classification by economic activities

Gross loan at amortized cost and finance lease receivable portfolio by economic activities	31/12/2024	31/12/2023
Retail	10,717,244	7,735,508
Agriculture, forestry and fishing	766,924	796,687
Manufacturing, mining and quarrying and other industry	3,330,225	2,963,753
Construction	923,426	882,237
Wholesale and retail trade, transportation, storage and hospitality	3,617,724	3,641,475
Information and communication	279,907	276,945
Financial and insurance activities	432,383	825,663
Real estate activities	999,529	1,006,429
Professional, scientific, technical, administration and support service activities	877,282	810,498
Public administration, defence, education, human health and social work activities	578,553	550,186
Other services	236,252	415,915
Total gross loans and finance lease receivable	**22,759,449**	**19,905,296**

Loss allowance on loans at amortized cost and finance lease receivable by economic activities	31/12/2024	31/12/2023
Retail	415,191	427,342
Agriculture, forestry and fishing	42,137	41,221
Manufacturing, mining and quarrying and other industry	183,900	110,915
Construction	47,242	42,661
Wholesale and retail trade, transportation, storage and hospitality	170,773	217,283
Information and communication	12,998	8,628
Financial and insurance activities	7,429	10,523
Real estate activities	35,331	36,600
Professional, scientific, technical, administration and support service activities	27,885	26,433
Public administration, defence, education, human health and social work activities	10,803	8,810
Other services	3,902	8,635
Total loss allowance on loans and finance lease receivable	**957,591**	**939,051**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.8. Collateral

The values of collateral received and held by the Group by types are as follows (**total value of the collaterals**). The collateral covers loans as well as off-balance sheet exposures.

Held collaterals at book value by type of collateral

	31/12/2024	31/12/2023
Mortgages	23,642,106	21,549,776
Guarantees and warranties	1,745,316	1,436,170
Guarantees of state or state-owned organizations	1,934,251	1,786,112
Assignments (revenue or other receivables)	222,085	263,292
Securities	270,824	235,213
Cash deposits	299,769	285,722
Other	3,077,755	2,973,138
Total	**31,192,106**	**28,529,423**

Held collaterals at fair value by type of collateral

	31/12/2024	31/12/2023
Mortgages	28,502,087	25,222,164
Guarantees and warranties	1,754,520	1,411,444
Guarantees of state or state-owned organizations	1,945,681	1,659,146
Assignments (revenue or other receivables)	374,866	410,643
Securities	308,090	394,575
Cash deposits	284,637	359,261
Other	3,703,979	3,471,916
Total	**36,873,860**	**32,929,149**

The values of collateral received and held by the Group by types are as follows (**to the extent of the exposures**). The collaterals cover loans as well as off-balance sheet exposures.

Held collaterals at book value by type of collateral

	31/12/2024	31/12/2023
Mortgages	10,372,684	9,155,801
Guarantees of state or state-owned organizations	1,614,324	1,466,444
Guarantees and warranties	1,360,597	996,758
Assignments (revenue or other receivables)	97,793	148,043
Securities	94,680	79,742
Cash deposits	162,142	103,650
Other	1,014,932	1,286,908
Total	**14,717,152**	**13,237,346**

The coverage level of the loan portfolio to the total collateral at book value decreased from 115.14% to 109.64% and the coverage level to the extent of the exposures at book value decreased from 53.42% to 51.73% as at 31 December 2024 comparing with the previous period.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.8. Collateral [continued]

The values of collateral received and held by the Group by the positions of the related exposures are as follows:

31/12/2024	Maximum exposure to credit risk, book value	Fair value of collaterals	Surplus collateral	Net exposure	Associated expected credit loss
On balance items					
Cash, due from banks and balances with the National Banks	6,079,012	-	-	6,079,012	(1,273)
Placements with other banks	1,891,901	136,366	(369)	1,755,904	(1,467)
Repo receivables	331,837	35,435	14,058	282,344	(512)
Securities at amortized cost	7,447,177	20,944	(449)	7,426,682	(44,505)
Loans and undrawn line of credit	27,930,682	31,644,423	(10,653,035)	6,939,294	(990,509)
Total financial assets at amortized cost	**43,680,609**	**31,837,168**	**(10,639,795)**	**22,483,236**	**(1,038,266)**
Financial assets at fair value through profit or loss	512,178	3,331,055	(1,830,051)	(988,826)	-
Financial assets at fair value through other comprehensive income	1,622,824	7,405	(315)	1,615,734	(60,890)
Derivative financial instruments	202,894	129,509	-	73,385	-
Total financial assets at fair value	**2,337,896**	**3,467,969**	**(1,830,366)**	**700,293**	**(60,890)**
Total on balance sheet items	**46,018,505**	**35,305,137**	**(12,470,161)**	**23,183,529**	**(1,099,156)**
Off-balance items					
Financial guarantees	1,535,734	1,295,042	(253,697)	494,389	(11,645)
Other off-balance sheet commitments	565,628	273,681	(80,899)	372,846	(5,914)
Total off-balance sheet items	**2,101,362**	**1,568,723**	**(334,596)**	**867,235**	**(17,559)**

31/12/2023	Maximum exposure to credit risk, book value	Fair value of collaterals	Surplus collateral	Net exposure	Associated expected credit loss
On balance items					
Cash, due from banks and balances with the National Banks	7,125,049	1,528	-	7,123,521	(508)
Placements with other banks	1,566,998	10,801	(1,090)	1,557,287	(2,247)
Repo receivables	223,884	17,711	-	206,173	(593)
Securities at amortized cost	5,249,272	45,954	(844)	5,204,162	(32,648)
Loans and undrawn line of credit	24,181,710	30,948,896	(9,314,169)	2,546,983	(968,985)
Total financial assets at amortized cost	**38,346,913**	**31,024,890**	**(9,316,103)**	**16,638,126**	**(1,004,981)**
Financial assets at fair value through profit or loss	66,724	918,520	(44,555)	(807,241)	-
Financial assets at fair value through other comprehensive income	1,540,980	13,646	(597)	1,527,931	(34,573)
Derivative financial instruments	195,596	-	-	195,596	-
Total financial assets at fair value	**1,803,300**	**932,166**	**(45,152)**	**916,286**	**(34,573)**
Total on balance sheet items	**40,150,213**	**31,957,056**	**(9,361,255)**	**17,554,412**	**(1,039,554)**
Off-balance items					
Financial guarantees	1,412,288	809,462	(253,697)	856,523	(9,670)
Other off-balance sheet commitments	466,260	162,631	(80,899)	384,528	(6,533)
Total off-balance sheet items	**1,878,548**	**972,093**	**(334,596)**	**1,241,051**	**(16,203)**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.8. Collateral [continued]

Returns from realization of collaterals taken into possession by types of collateral

Types of collateral	31/12/2024	31/12/2023
Real estate	15,796	13,944
from this: real estate taken into possession by OTP group member	5,470	2,597
Guarantee	47,292	28,062
Bail	31	407
Movable property	5,807	3,576
Other	3,399	1,138
Proceeds from enforcement of collaterals	**72,325**	**47,127**

37.1.9. Restructured loans

	31/12/2024		31/12/2023	
	Gross portfolio	Loss allowance	Gross portfolio	Loss allowance
Retail mortgage loans	16,542	(1,102)	31,828	(2,570)
Loans to medium and large corporations	209,001	(28,987)	212,158	(24,634)
Retail consumer loans	54,239	(18,861)	45,587	(17,525)
Loans to micro and small enterprises	23,580	(2,247)	33,102	(2,991)
Municipal	1,433	(48)	1,134	(52)
Other loans	4,345	(1,130)	1,752	(791)
Total	**309,140**	**(52,375)**	**325,561**	**(48,563)**

The forborne definition used by the Group is based on EU 2015/227 regulation.
Restructuring (forbearance) is a modification of the contract – initiated by either the client or the bank – that provides a concession or allowance towards the client in respect to the client's current or future financial difficulties. The table of restructured loans contains exposures classified as performing forborne. An exposure is considered performing forborne if the conditions of the non-performing status are not met at the time of the restructuring, or the exposure fulfilled the requirements of the minimum one-year cure period as non-performing forborne.

There is no significant change in the forborne exposures compared to the end of previous year 2023.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories

Trading securities as at fair value through profit or loss

31/12/2024	Aaa	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B2	Not rated	Total
Government bonds	8,738	-	9,910	-	2,499	1,138	10,287	46,394	3,499	-	1,648	1,707	230	-	**86,050**
Equity instruments and fund units	-	12	11	17	42	52	22	56	54	145	-	5	-	781	**1,197**
Corporate bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	753	**753**
Discounted Treasury bills	-	-	-	-	-	20	-	3,844	-	-	-	-	-	54	**3,918**
Mortgage bonds	-	-	-	93	-	-	-	-	-	-	-	-	-	9	**102**
National Bank of Hungary bonds	-	-	-	-	-	-	-	8,878	-	-	-	-	-	403,524	**412,402**
Other interest bearing securities	-	-	-	-	-	173	-	4,287	472	1,183	-	-	-	2,838	**8,953**
Other non-interest bearing securities	-	-	-	-	-	-	-	-	-	-	-	-	-	982	**982**
Total	**8,738**	**12**	**9,921**	**110**	**2,541**	**1,383**	**10,309**	**63,459**	**4,025**	**1,328**	**1,648**	**1,712**	**230**	**408,941**	**514,357**

31/12/2023	Aaa	Aa2	Aa3	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	Not rated	Total
Government bonds	2,122	14,925	-	532	-	9,531	28,869	910	-	718	-	625	-	**58,232**
Equity instruments and fund units	-	23	52	56	33	17	20	2	39	-	4	-	267	**513**
Corporate bonds	-	-	-	-	-	-	-	40	-	-	-	-	544	**584**
Discounted Treasury bills	-	-	-	-	8	-	3,918	-	-	-	-	-	33	**3,959**
Mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	97	**97**
Other interest bearing securities	-	-	-	-	-	-	2,211	-	-	-	-	-	1,641	**3,852**
Other non-interest bearing securities	-	-	-	-	-	-	-	-	-	-	-	-	331	**331**
Total	**2,122**	**14,948**	**52**	**588**	**41**	**9,548**	**35,018**	**952**	**39**	**718**	**4**	**625**	**2,913**	**67,568**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories [continued]

Non-trading instruments mandatorily at fair value through profit or loss

31/12/2024	Aaa	Aa3	A3	Baa2	Not rated	Total
Non-trading equity instruments mandatorily at fair value through profit or loss	6,096	-	575	28,513	38,729	**73,913**
Non-trading debt instruments mandatorily at fair value through profit or loss	-	839	-	-	1,778	**2,617**
Total	**6,096**	**839**	**575**	**28,513**	**40,507**	**76,530**

31/12/2023	Aaa	Aa2	Aa3	A3	Baa2	Not rated	Total
Non-trading equity instruments mandatorily at fair value through profit or loss	11,196	-	-	471	-	52,335	**64,002**
Non-trading debt instruments mandatorily at fair value through profit or loss	1,166	655	6	-	45	1,814	**3,686**
Total	**12,362**	**655**	**6**	**471**	**45**	**54,149**	**67,688**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories [continued]

Securities at fair value through other comprehensive income

31/12/2024	Aaa	Aa1	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	B1	Ca	Not rated	N/A	Total
Government bonds	40,673	2,275	10,356	8,665	19,924	207,629	115,964	245,858	81,623	-	296,786	102,780	155,135	-	24,395	**1,312,063**
Corporate bonds	-	833	822	-	-	2,056	-	-	-	7,326	5,866	-	-	10,140	-	**27,043**
Mortgage bonds	13,169	-	390	11,751	-	-	-	-	-	-	-	-	-	8,923	-	**34,233**
National Bank of Hungary bonds	-	-	-	-	-	-	-	205,050	-	-	-	-	-	-	-	**205,050**
Interest bearing treasury bills	-	-	-	-	-	-	-	86	-	-	-	-	-	-	-	**86**
Other securities	2,409	-	-	615	812	8,361	-	-	-	-	26,606	-	-	5,546	-	**44,349**
Non-trading equity instruments	-	-	10,143	-	-	27,003	-	-	-	-	-	-	-	45,583	-	**82,729**
Total	**56,251**	**3,108**	**21,711**	**21,031**	**20,736**	**245,049**	**115,964**	**450,994**	**81,623**	**7,326**	**329,258**	**102,780**	**155,135**	**70,192**	**24,395**	**1,705,553**

31/12/2023	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	B2	Ca	Not rated	N/A	Total
Government bonds	17,862	2,480	9,863	1,852	15,740	18,033	96,741	107,428	572,598	72,542	-	135,873	95,481	85,428	25,436	30,873	**1,288,230**
Corporate bonds	-	1,526	751	-	-	-	4,336	-	-	-	3,840	5,504	6,924	-	12,115	-	**34,996**
Mortgage bonds	-	-	-	-	21,463	-	-	-	-	-	-	-	-	-	8,881	-	**30,344**
National Bank of Hungary bonds	-	-	-	-	-	-	-	-	114,746	-	-	-	-	-	-	-	**114,746**
Interest bearing treasury bills	-	-	-	-	-	-	-	-	235	-	-	-	-	-	-	-	**235**
Other securities	28,404	-	1,541	734	553	2,632	9,171	-	-	-	-	24,424	-	-	4,970	-	**72,429**
Non-trading equity instruments	8,984	-	-	160	-	-	19,056	3,219	278	-	-	-	-	-	28,784	-	**60,481**
Total	**55,250**	**4,006**	**12,155**	**2,746**	**37,756**	**20,665**	**129,304**	**110,647**	**687,857**	**72,542**	**3,840**	**165,801**	**102,405**	**85,428**	**80,186**	**30,873**	**1,601,461**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories [continued]

Securities at amortized cost

31/12/2024	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	B1	B3	Caa1	Ca	C	Not rated	N/A	Total
Government bonds	630,724	101,890	8,160	215,094	1,224	213,019	816,635	645,168	2,892,326	383,412	-	23,728	87,987	51,204	-	308,362	2,510	-	7,211	**6,388,654**
Corporate bonds	1,980	1,549	6,944	12,634	4,093	4,422	14,500	15,729	15,942	774	581	-	-	-	-	-	-	264,506	-	**343,654**
Discounted Treasury bills	-	-	-	-	-	-	-	22	92,894	-	-	-	-	43,535	-	-	-	-	-	**136,451**
Mortgage bonds	2,077	-	-	-	18,057	-	-	-	-	-	-	-	-	-	-	-	-	11,847	-	**31,981**
Interest bearing Treasury bills	-	-	-	-	-	-	-	-	-	-	-	-	1,658	-	-	-	-		-	**1,658**
Other securities	87,011	-	27,855	56,856	119,230	53,358	65,109	48,363	16,259	14,507	2,517	-	-	-	1,628	-	-	52,086	-	**544,779**
Total	**721,792**	**103,439**	**42,959**	**284,584**	**142,604**	**270,799**	**896,244**	**709,282**	**3,017,421**	**398,693**	**3,098**	**23,728**	**89,645**	**94,739**	**1,628**	**308,362**	**2,510**	**328,439**	**7,211**	**7,447,177**

31/12/2023	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Ca	Not rated	N/A	Total
Government bonds	464,270	75,313	54,311	38,405	11,767	149,424	219,773	295,442	2,558,935	72,024	-	19,625	68,071	35,377	29,321	57,801	-	268,207	-	22,174	**4,440,240**
Corporate bonds	1,802	1,414	13,396	4,471	2,991	5,182	16,084	14,592	17,371	16,064	-	-	-	-	6,427	-	-	-	207,836	-	**307,630**
Discounted Treasury bills	6,454	7,234	12,497	10,245	-	-	1,120	-	-	-	-	-	-	-	-	29,407	-	-	54	-	**67,011**
Mortgage bonds					13,019														11,689		**24,708**
Interest bearing Treasury bills	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,462	-	-	-	-	-	**6,462**
Other securities	26,494	-	14,868	61,393	66,831	35,813	50,775	50,481	24,007	17,747	4,244	-	-	-	-	-	1,491	-	49,077	-	**403,221**
Total	**499,020**	**83,961**	**95,072**	**114,514**	**94,608**	**190,419**	**287,752**	**360,515**	**2,600,313**	**105,835**	**4,244**	**19,625**	**68,071**	**35,377**	**42,210**	**87,208**	**1,491**	**268,207**	**268,656**	**22,174**	**5,249,272**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities

Liquidity risk is a measure of the extent to which the Group may be required to raise funds to meet its commitments associated with financial instruments. The Group maintains its liquidity position in accordance with regulations prescribed by the NBH.

The essential aspect of the liquidity risk management strategy is to identify all relevant systemic and idiosyncratic sources of liquidity risk and to measure the probability and severity of such events. During liquidity risk management the Group considers the effect of liquidity risk events caused by reasons arising in the bank business line (deposit withdrawal), the national economy (exchange rate shock yield curve shock) and the global financial system (capital market shock).

In line with the Group's risk management policy liquidity risks are measured and managed on multiply hierarchy levels and applying integrated unified VaR based methodology. The basic requirement is that the Group must keep high quality liquidity reserves which means it can fulfill all liabilities when they fall due without material additional costs.

The liquidity reserves can be divided in two parts. There are separate decentralized liquid asset portfolios at subsidiary level and a centralized flexible liquidity pool at a Group level. The reserves at subsidiary levels are held to cover the relevant shocks of the subsidiaries which may arise in local currencies (deposit withdrawal, local capital market shock, unexpected business expansion), while the centralized liquidity pool is held to cover the Bank's separate shocks (deposit-, yield curve- and exchange rate shocks) and all group member's potential shocks that may arise in foreign currencies (deposit withdrawal, capital market shock).

The recalculation of shocks is made at least quarterly while the recalibration of shock measurement models and review of the risk management methodology is an annual process. The monitoring of liquidity reserves for both centralized and decentralized liquid asset portfolio has been built into the daily reporting process.

Due to the balance sheet adjustment process (deleveraging) experienced in the last few years, the liquidity reserves of the Group increased significantly while the liquidity risk exposure has decreased considerably. Currently the (over)coverage of potential liquidity risk exposure by high quality liquid assets is high. There were no material changes in the liquidity risk management process for the year ended 31 December 2024.

The contractual amounts disclosed in the maturity analyses are the contractual undiscounted cash-flows like gross finance lease obligations (before deducting finance charges); prices specified in forward agreements to purchase financial assets for cash; net amounts for pay-floating/receive-fixed interest rate swaps for which net cash-flows are exchanged; contractual amounts to be exchanged in a derivative financial instrument for which gross cash-flows are exchanged; gross loan commitments.

Such undiscounted cash-flows differ from the amount included in the Consolidated Statement of Financial Position because the amount in that statement is based on discounted cash-flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.

The following tables provide an analysis of assets and liabilities about the non-discounted cash-flow into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities [continued]

31/12/2024	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash, amounts due from banks and balances with the National Banks	6,081,452	149	-	-	-	6,081,601
Placements with other banks	1,573,903	55,598	167,564	105,797	1,811	1,904,673
Repo receivables	332,369	-	-	-	-	332,369
Trading securities at fair value through profit or loss	435,363	10,204	44,540	25,888	377	516,372
Non-trading instruments mandatorily at fair value through profit or loss	6,671	-	-	-	57,543	64,214
Securities at fair value through other comprehensive income	308,098	204,069	980,059	262,531	158,247	1,913,004
Securities at amortized cost	710,483	1,055,389	3,288,055	2,898,233	-	7,952,160
Loans at amortized cost	2,547,329	4,315,757	8,552,986	8,516,428	-	23,932,500
Finance lease receivable	148,644	356,068	1,063,186	105,855	-	1,673,753
Loans mandatorily at fair value through profit or loss	36,245	44,927	256,515	1,132,775	-	1,470,462
Associates and other investments	-	-	-	-	134,728	134,728
Other financial assets[1]	316,678	7,435	13,558	283	1,273	339,227
TOTAL ASSETS	**12,497,235**	**6,049,596**	**14,366,463**	**13,047,790**	**353,979**	**46,315,063**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	407,594	506,520	629,096	627,990	-	2,171,200
Repo liabilities	132,122	15	-	-	-	132,137
Financial liabilities designated at fair value through profit or loss	650	1,059	5,130	65,627	-	72,466
Deposits from customers[2]	29,551,220	1,723,312	430,297	53,913	-	31,758,742
Liabilities from issued securities	65,947	224,388	2,034,050	316,132	-	2,640,517
Leasing liabilities	4,177	11,022	38,641	32,261	-	86,101
Other financial liabilities[1]	717,826	40,698	26,643	60	2,181	787,408
Subordinated bonds and loans	76	9,597	7,360	361,046	-	378,079
TOTAL LIABILITIES	**30,879,612**	**2,516,611**	**3,171,217**	**1,457,029**	**2,181**	**38,026,650**
NET POSITION[3]	**(18,382,377)**	**3,532,985**	**11,195,246**	**11,590,761**	**351,798**	**8,288,413**

[1] Without derivative financial instruments.
[2] Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.
[3] Analysis for net position of assets and liabilities are calculated in accordance with IFRS 7, therefore certain financial instruments are presented in the earliest period in which the Group could be required to pay. On-demand deposits are presented in the earliest (within 3 month) period category, however based on the Management's discretion the Group has appropriate liquidity reserves as maintenance and management of liquidity risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities [continued]

31/12/2024	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Receivables from derivative financial instruments held for trading	5,850,423	1,437,108	672,271	59,398	-	8,019,200
Liabilities from derivative financial instruments held for trading	(5,875,018)	(1,461,135)	(678,939)	(63,456)	-	(8,078,548)
Net position of financial instruments held for trading	**(24,595)**	**(24,027)**	**(6,668)**	**(4,058)**	**-**	**(59,348)**
Receivables from derivative financial instruments designated as hedge accounting	39,945	242,697	873,658	25,923	-	1,182,223
Liabilities from derivative financial instruments designated as hedge accounting	(30,267)	(242,235)	(819,664)	(18,919)	-	(1,111,085)
Net position of financial instruments designated as hedge accounting	**9,678**	**462**	**53,994**	**7,004**	**-**	**71,138**
Net position of derivative financial instruments total	**(14,917)**	**(23,565)**	**47,326**	**2,946**	**-**	**11,790**
Commitments to extend credit	4,703,379	650,088	255,927	84,409	-	5,693,803
Bank guarantees	687,488	333,929	380,441	145,521	-	1,547,379
Confirmed letters of credit	26,331	6,973	7,816	-	-	41,120
Factoring loan commitment	466,323	1,616	-	-	-	467,939
Other commitments	122,059	170,113	173,083	65,167	-	530,422
Off-balance sheet commitments	**6,005,580**	**1,162,719**	**817,267**	**295,097**	**-**	**8,280,663**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities [continued]

31/12/2023	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash, amounts due from banks and balances with the National Banks	7,125,535	120	-	-	-	7,125,655
Placements with other banks	1,293,027	14,893	173,595	91,787	1,098	1,574,400
Repo receivables	224,555	-	65	-	-	224,620
Trading securities at fair value through profit or loss	39,807	2,531	17,808	6,673	52	66,871
Non-trading instruments mandatorily at fair value through profit or loss	4,752	-	58	21	49,216	54,047
Securities at fair value through other comprehensive income	216,151	163,292	1,030,583	244,023	117,626	1,771,675
Securities at amortized cost	506,405	281,883	3,028,531	1,622,705	-	5,439,524
Loans at amortized cost	2,184,372	3,423,492	7,381,337	7,325,898	40,988	20,356,087
Finance lease receivable	138,144	326,395	878,914	112,276	-	1,455,729
Loans mandatorily at fair value through profit or loss	38,389	40,227	238,792	1,026,918	-	1,344,326
Associates and other investments	-	-	-	-	105,824	105,824
Other financial assets[1]	273,035	25,755	3,513	10,521	4,179	317,003
TOTAL ASSETS	**12,044,172**	**4,278,588**	**12,753,196**	**10,440,822**	**318,983**	**39,835,761**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	276,875	164,640	1,133,668	518,712	-	2,093,895
Repo liabilities	126,237	-	-	-	-	126,237
Financial liabilities designated at fair value through profit or loss	739	1,077	5,387	62,240	-	69,443
Deposits from customers[2]	26,566,638	1,362,729	391,470	26,550	-	28,347,387
Liabilities from issued securities	143,613	424,469	1,253,504	330,306	-	2,151,892
Leasing liabilities	3,100	10,046	50,179	18,270	-	81,595
Other financial liabilities[1]	562,576	34,753	28,200	2	5,555	631,086
Subordinated bonds and loans	7,273	1,844	14,234	546,893	-	570,244
TOTAL LIABILITIES	**27,687,051**	**1,999,558**	**2,876,642**	**1,502,973**	**5,555**	**34,071,779**
NET POSITION[3]	**(15,642,879)**	**2,279,030**	**9,876,554**	**8,937,849**	**313,428**	**5,763,982**

[1] Without derivative financial instruments
[2] Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.
[3] Analysis for net position of assets and liabilities are calculated in accordance with IFRS 7, therefore certain financial instruments are presented in the earliest period in which the Group could be required to pay. On-demand deposits are presented in the earliest (within 3 month) period category, however based on the Management's discretion the Group has appropriate liquidity reserves as maintenance and management of liquidity risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities [continued]

31/12/2023	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Receivables from derivative financial instruments held for trading	7,408,699	1,198,261	827,516	21,685	-	9,456,161
Liabilities from derivative financial instruments held for trading	(7,308,301)	(1,210,824)	(886,862)	(24,149)	-	(9,430,136)
Net position of financial instruments held for trading	**100,398**	**(12,563)**	**(59,346)**	**(2,464)**	**-**	**26,025**
Receivables from derivative financial instruments designated as hedge accounting	86,989	283,147	765,793	211,390	-	1,347,319
Liabilities from derivative financial instruments designated as hedge accounting	(84,445)	(296,781)	(1,810,723)	(204,952)	-	(2,396,901)
Net position of financial instruments designated as hedge accounting	**2,544**	**(13,634)**	**(1,044,930)**	**6,438**	**-**	**(1,049,582)**
Net position of derivative financial instruments total	**102,942**	**(26,197)**	**(1,104,276)**	**3,974**	**-**	**(1,023,557)**
Commitments to extend credit	4,148,938	461,161	156,921	39,707	-	4,806,727
Bank guarantees	644,440	313,978	305,642	157,898	-	1,421,958
Confirmed letters of credit	42,990	11,403	7,604	-	-	61,997
Factoring loan commitment	456,411	4,044	-	-	-	460,455
Other commitments	89,821	152,175	128,559	40,241	-	410,796
Off-balance sheet commitments	**5,382,600**	**942,761**	**598,726**	**237,846**	**-**	**7,161,933**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.3. Net foreign currency position and foreign currency risk

31/12/2024	USD	EUR	CHF	Other	Total
Assets	1,530,210	17,126,367	80,020	11,582,268	30,318,865
Liabilities	(2,036,244)	(15,307,447)	(166,380)	(9,749,648)	(27,259,719)
Derivative financial instruments	426,671	(118,045)	85,845	(47,804)	346,667
Net position	**(79,363)**	**1,700,875**	**(515)**	**1,784,816**	**3,405,813**

31/12/2023	USD	EUR	CHF	Other	Total
Assets	1,425,785	15,568,497	67,915	10,112,894	27,175,091
Liabilities	(1,958,951)	(14,622,216)	(170,709)	(8,299,337)	(25,051,213)
Derivative financial instruments	691,178	1,038,718	156,360	5,047	1,891,303
Net position	**158,012**	**1,984,999**	**53,566**	**1,818,604**	**4,015,181**

The table above provides an analysis of the main foreign currency exposures of the Group that arise in the non-functional currency of the entities constituting the Group. The remaining foreign currencies are shown within ‘Others’. ‘Others’ category contains mainly foreign currencies in RON, RSD, HRK, UAH, RUB, BGN, ALL, MDL and UZS. The Group monitors its foreign exchange position for compliance with the regulatory requirements of the National Banks and its own limit system established in respect of limits on open positions. The measurement of the open foreign currency position of the Group involves monitoring the “VaR” limit on the foreign exchange exposure of the Group. The derivative financial instruments detailed in the table above are presented at fair value.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument, therefore, indicates to what extent it is exposed to interest rate risk.

The majority of the interest-bearing assets and liabilities of the Group are structured to match either short-term assets and short-term liabilities, or long-term assets and liabilities with repricing opportunities within one year, or long-term assets and corresponding liabilities where repricing is performed simultaneously.

In addition, the significant spread existing between the different types of interest-bearing assets and liabilities enables the Group to benefit from a high level of flexibility in adjusting for its interest rate matching and interest rate risk exposure.

The following table presents the interest repricing periods of the assets and liabilities. Variable yield assets and liabilities have been reported in accordance with their next repricing date. Fixed income assets and liabilities have been reported in accordance with their maturity.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024

ASSETS	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Cash, amounts due from banks and balances with the National Banks	**1,409,105**	**2,745,110**	**10**	**534**	**-**	**689**	**-**	**-**	**-**	**1**	**232,060**	**1,691,503**	**1,641,175**	**4,437,837**	**6,079,012**
fixed rate	1,402,976	2,509,429	2	534	-	689	-	-	-	1	-	-	1,402,978	2,510,653	**3,913,631**
variable rate	6,129	235,681	8	-	-	-	-	-	-	-	-	-	6,137	235,681	**241,818**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	232,060	1,691,503	232,060	1,691,503	**1,923,563**
Placements with other banks	**203,611**	**1,168,594**	**32,057**	**83,994**	**1**	**54,955**	**-**	**4,183**	**1,344**	**64,992**	**55,057**	**223,113**	**292,070**	**1,599,831**	**1,891,901**
fixed rate	15,176	1,032,986	-	83,825	1	54,955	-	4,183	1,344	63,298	-	-	16,521	1,239,247	**1,255,768**
variable rate	188,435	135,608	32,057	169	-	-	-	-	-	1,694	-	-	220,492	137,471	**357,963**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	55,057	223,113	55,057	223,113	**278,170**
Repo receivables	**139,427**	**192,276**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**134**	**139,427**	**192,410**	**331,837**
fixed rate	139,427	192,276	-	-	-	-	-	-	-	-	-	-	139,427	192,276	**331,703**
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	134	-	134	**134**
Trading instruments at fair value through profit or loss	**417,158**	**4,811**	**1,149**	**9,462**	**5,236**	**9,679**	**525**	**9,183**	**36,602**	**18,373**	**450**	**1,729**	**461,120**	**53,237**	**514,357**
fixed rate	415,465	4,757	214	9,462	4,109	9,679	525	9,183	36,602	18,373	-	-	456,915	51,454	**508,369**
variable rate	1,693	54	935	-	1,127	-	-	-	-	-	-	-	3,755	54	**3,809**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	450	1,729	450	1,729	**2,179**
Non-trading instruments mandatorily at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**49,547**	**26,983**	**49,547**	**26,983**	**76,530**
fixed rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	49,547	26,983	49,547	26,983	**76,530**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024 [continued]

ASSETS [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Securities at fair value through other comprehensive income	**312,048**	**12,489**	**281**	**59,022**	**91,839**	**171,975**	**127**	**211,180**	**197,315**	**566,548**	**403**	**82,326**	**602,013**	**1,103,540**	**1,705,553**
fixed rate	301,641	12,489	36	59,022	91,839	167,846	127	209,442	197,315	566,548	-	-	590,958	1,015,347	**1,606,305**
variable rate	10,407	-	245	-	-	4,129	-	1,738	-	-	-	-	10,652	5,867	**16,519**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	403	82,326	403	82,326	**82,729**
Securities at amortized cost	**10,795**	**497,298**	**10,042**	**159,923**	**690,404**	**426,360**	**755,037**	**557,349**	**1,473,057**	**2,844,974**	**-**	**21,938**	**2,939,335**	**4,507,842**	**7,447,177**
fixed rate	751	497,298	-	155,801	690,404	426,360	755,037	557,349	1,472,558	2,844,974	-	-	2,918,750	4,481,782	**7,400,532**
variable rate	10,044	-	10,042	4,122	-	-	-	-	499	-	-	-	20,585	4,122	**24,707**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	21,938	-	21,938	**21,938**
Loans at amortized cost, net of allowance for loan losses	**1,042,915**	**8,293,966**	**423,550**	**2,216,029**	**144,037**	**1,753,825**	**167,504**	**762,093**	**2,033,163**	**3,190,139**	**131,337**	**131,823**	**3,942,506**	**16,347,875**	**20,290,381**
fixed rate	44,776	2,012,784	58,830	267,791	73,472	918,694	134,008	745,751	1,529,058	3,133,887	-	-	1,840,144	7,078,907	**8,919,051**
variable rate	998,139	6,281,182	364,720	1,948,238	70,565	835,131	33,496	16,342	504,105	56,252	-	-	1,971,025	9,137,145	**11,108,170**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	131,337	131,823	131,337	131,823	**263,160**
Finance lease receivables	**29,187**	**117,006**	**11,948**	**182,729**	**19,684**	**218,323**	**49,854**	**165,108**	**298,129**	**412,867**	**92**	**6,550**	**408,894**	**1,102,583**	**1,511,477**
fixed rate	8,234	3,853	2,553	22,739	19,478	77,985	49,334	82,644	282,166	258,657	-	-	361,765	445,878	**807,643**
variable rate	20,953	113,153	9,395	159,990	206	140,338	520	82,464	15,963	154,210	-	-	47,037	650,155	**697,192**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	92	6,550	92	6,550	**6,642**
Loans mandatorily at fair value through profit or loss	**52,930**	**-**	**73,479**	**-**	**444,796**	**2,558**	**291,153**	**-**	**694,865**	**-**	**-**	**-**	**1,557,223**	**2,558**	**1,559,781**
fixed rate	-	-	-	-	-	2,558	-	-	-	-	-	-	-	2,558	**2,558**
variable rate	52,930	-	73,479	-	444,796	-	291,153	-	694,865	-	-	-	1,557,223	-	**1,557,223**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Fair value adjustment of derivative financial instruments	**1,135,228**	**1,050,184**	**1,082,978**	**1,051,630**	**1,000,250**	**614,282**	**188,848**	**36,176**	**326,300**	**317,311**	**837,606**	**327,441**	**4,571,210**	**3,397,024**	**7,968,234**
fixed rate	1,067,092	986,576	854,189	542,623	651,699	448,091	188,848	36,137	329,605	316,781	-	-	3,091,433	2,330,208	**5,421,641**
variable rate	68,136	63,608	228,789	509,007	348,551	166,191	-	39	(3,305)	530	-	-	642,171	739,375	**1,381,546**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	837,606	327,441	837,606	327,441	**1,165,047**
Other financial assets	**617**	**38,521**	**805**	**17**	**216**	**1,790**	**-**	**-**	**-**	**186**	**99,212**	**150,956**	**100,850**	**191,470**	**292,320**
fixed rate	313	33,966	132	3	216	1,790	-	-	-	181	-	-	661	35,940	**36,601**
variable rate	304	4,555	673	14	-	-	-	-	-	5	-	-	977	4,574	**5,551**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	99,212	150,956	99,212	150,956	**250,168**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024 [continued]

LIABILITIES	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Amounts due to banks, the Hungarian Government, deposits from the National Bank of Hungary and other banks	**56,243**	**107,988**	**176,224**	**313,462**	**295,501**	**124,345**	**89,956**	**110,324**	**160,824**	**448,283**	**53,660**	**85,381**	**832,408**	**1,189,783**	**2,022,191**
fixed rate	15,565	23,373	98,839	68,997	281,384	61,808	89,956	100,447	160,824	418,827	-	-	646,568	673,452	**1,320,020**
variable rate	40,678	84,615	77,385	244,465	14,117	62,537	-	9,877	-	29,456	-	-	132,180	430,950	**563,130**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	53,660	85,381	53,660	85,381	**139,041**
Repo liabilities	**23,736**	**108,401**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**23,736**	**108,401**	**132,137**
fixed rate	23,736	108,401	-	-	-	-	-	-	-	-	-	-	23,736	108,401	**132,137**
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Financial liabilities designated at fair value through profit or loss	**17,008**	**-**	**-**	**-**	**-**	**-**	**16**	**-**	**1,456**	**-**	**54,010**	**-**	**72,490**	**-**	**72,490**
fixed rate	-	-	-	-	-	-	16	-	-	-	-	-	16	-	**16**
variable rate	17,008	-	-	-	-	-	-	-	1,456	-	-	-	18,464	-	**18,464**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	54,010	-	54,010	-	**54,010**
Deposits from customers[1]	**8,226,803**	**20,445,413**	**117,347**	**745,736**	**77,747**	**1,184,609**	**60,318**	**185,142**	**141,261**	**145,784**	**53,691**	**282,547**	**8,677,167**	**22,989,231**	**31,666,398**
fixed rate	1,080,245	9,229,742	117,347	744,055	77,652	1,182,192	60,318	181,916	141,261	143,141	-	-	1,476,823	11,481,046	**12,957,869**
variable rate	7,146,558	11,215,671	-	1,681	95	2,417	-	3,226	-	2,643	-	-	7,146,653	11,225,638	**18,372,291**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	53,691	282,547	53,691	282,547	**336,238**
Liabilities from issued securities	**181,102**	**2,501**	**14,410**	**-**	**87,099**	**131,816**	**8,298**	**586,584**	**115,427**	**1,455,408**	**-**	**10,479**	**406,336**	**2,186,788**	**2,593,124**
fixed rate	2,262	2,501	14,410	-	87,099	117,537	8,298	586,584	115,427	1,455,408	-	-	227,496	2,162,030	**2,389,526**
variable rate	178,840	-	-	-	-	14,279	-	-	-	-	-	-	178,840	14,279	**193,119**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	10,479	-	10,479	**10,479**

[1]Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024 [continued]

LIABILITIES [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Fair value adjustment of derivative financial instruments	**905,752**	**1,553,774**	**1,422,318**	**639,273**	**1,237,309**	**523,519**	**149,761**	**42,400**	**291,452**	**215,645**	**696,524**	**216,307**	**4,703,116**	**3,190,918**	**7,894,034**
fixed rate	781,932	1,508,386	878,673	490,085	769,354	332,117	149,585	42,394	291,452	215,645	-	-	2,870,996	2,588,627	**5,459,623**
variable rate	123,820	45,388	543,645	149,188	467,955	191,402	176	6	-	-	-	-	1,135,596	385,984	**1,521,580**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	696,524	216,307	696,524	216,307	**912,831**
Leasing liabilities	**291**	**1,207**	**1,566**	**2,610**	**156**	**13,023**	**129**	**11,438**	**875**	**46,043**	**1,043**	**3,728**	**4,060**	**78,049**	**82,109**
fixed rate	182	707	2	1,583	9	7,390	3	5,331	389	15,527	-	-	585	30,538	**31,123**
variable rate	109	500	1,564	1,027	147	5,633	126	6,107	486	30,516	-	-	2,432	43,783	**46,215**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	1,043	3,728	1,043	3,728	**4,771**
Other financial liabilities	**1,144**	**45,638**	**1**	**249**	**826**	**1,942**	**-**	**158**	**-**	**252**	**476,830**	**291,366**	**478,801**	**339,605**	**818,406**
fixed rate	451	45,580	1	83	826	1,801	-	138	-	248	-	-	1,278	47,850	**49,128**
variable rate	693	58	-	166	-	141	-	20	-	4	-	-	693	389	**1,082**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	476,830	291,366	476,830	291,366	**768,196**
Subordinated bonds and loans	**-**	**42**	**-**	**94,656**	**-**	**9,646**	**-**	**2,874**	**-**	**262,135**	**-**	**6**	**-**	**369,359**	**369,359**
fixed rate	-	42	-	43	-	9,646	-	2,874	-	262,135	-	-	-	274,740	**274,740**
variable rate	-	-	-	94,613	-	-	-	-	-	-	-	-	-	94,613	**94,613**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	6	-	6	**6**
Net position	**(4,659,058)**	**(8,144,709)**	**(95,567)**	**1,967,354**	**697,825**	**1,265,536**	**1,144,570**	**806,352**	**4,349,480**	**4,841,841**	**70,006**	**1,774,682**	**1,507,256**	**2,511,056**	**4,018,312**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2023

ASSETS	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Cash, amounts due from banks and balances with the National Banks	**2,183,603**	**3,080,965**	**-**	**19,565**	**-**	**20,837**	**-**	**8,464**	**-**	**13,708**	**178,600**	**1,619,307**	**2,362,203**	**4,762,846**	**7,125,049**
fixed rate	15,209	2,935,907	-	-	-	86	-	-	-	2	-	-	15,209	2,935,995	**2,951,204**
variable rate	2,168,394	145,058	-	19,565	-	20,751	-	8,464	-	13,706	-	-	2,168,394	207,544	**2,375,938**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	178,600	1,619,307	178,600	1,619,307	**1,797,907**
Placements with other banks	**349,710**	**746,451**	**94,487**	**46,167**	**14,115**	**31,926**	**-**	**26,306**	**-**	**77,964**	**68,900**	**110,972**	**527,212**	**1,039,786**	**1,566,998**
fixed rate	12,841	728,857	34,723	21,302	-	28,799	-	26,306	-	75,866	-	-	47,564	881,130	**928,694**
variable rate	336,869	17,594	59,764	24,865	14,115	3,127	-	-	-	2,098	-	-	410,748	47,684	**458,432**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	68,900	110,972	68,900	110,972	**179,872**
Repo receivables	**18,263**	**202,272**	**-**	**3,248**	**-**	**-**	**37**	**-**	**-**	**6**	**-**	**58**	**18,300**	**205,584**	**223,884**
fixed rate	18,263	202,272	-	3,248	-	-	37	-	-	6	-	-	18,300	205,526	**223,826**
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	58	-	58	**58**
Trading instruments at fair value through profit or loss	**11,732**	**5,548**	**625**	**10,605**	**1,240**	**13,334**	**2,293**	**7,454**	**4,653**	**9,240**	**217**	**627**	**20,760**	**46,808**	**67,568**
fixed rate	11,507	5,515	71	10,605	948	13,155	2,287	7,454	4,653	9,240	-	-	19,466	45,969	**65,435**
variable rate	225	33	554	-	292	179	6	-	-	-	-	-	1,077	212	**1,289**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	217	627	217	627	**844**
Non-trading instruments mandatorily at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**41,130**	**26,558**	**41,130**	**26,558**	**67,688**
fixed rate	-	-	-	-	-	-	-	-	-	-	57	-	57	-	**57**
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	41,073	26,558	41,073	26,558	**67,631**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2023 [continued]

ASSETS [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Securities at fair value through other comprehensive income	**222,862**	**711**	**46**	**50,498**	**13,145**	**151,935**	**96,740**	**153,331**	**208,914**	**642,798**	**403**	**60,078**	**542,110**	**1,059,351**	**1,601,461**
fixed rate	210,231	709	44	50,498	13,145	151,481	96,740	149,484	208,914	641,142	-	-	529,074	993,314	**1,522,388**
variable rate	12,631	2	2	-	-	454	-	3,847	-	1,656	-	-	12,633	5,959	**18,592**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	403	60,078	403	60,078	**60,481**
Securities at amortized cost	**1,268**	**329,278**	**-**	**119,709**	**129,361**	**199,108**	**636,997**	**326,501**	**1,689,717**	**1,817,333**	**-**	**-**	**2,457,343**	**2,791,929**	**5,249,272**
fixed rate	1,268	329,278	-	114,865	129,361	197,947	636,997	326,501	1,689,717	1,817,333	-	-	2,457,343	2,785,924	**5,243,267**
variable rate	-	-	-	4,844	-	1,161	-	-	-	-	-	-	-	6,005	**6,005**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Loans at amortized cost, net of allowance for loan losses	**886,690**	**7,262,799**	**427,155**	**1,870,582**	**127,122**	**1,776,768**	**153,043**	**594,725**	**1,929,709**	**2,418,583**	**116,419**	**112,938**	**3,640,138**	**14,036,395**	**17,676,533**
fixed rate	43,777	1,077,919	16,415	220,298	68,967	732,988	123,176	557,721	1,316,067	2,354,992	-	-	1,568,402	4,943,918	**6,512,320**
variable rate	842,913	6,184,880	410,740	1,650,284	58,155	1,043,780	29,867	37,004	613,642	63,591	-	-	1,955,317	8,979,539	**10,934,856**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	116,419	112,938	116,419	112,938	**229,357**
Finance lease receivables	**41,807**	**293,789**	**5,628**	**136,318**	**24,443**	**151,241**	**43,716**	**109,584**	**260,094**	**218,359**	**231**	**4,502**	**375,919**	**913,793**	**1,289,712**
fixed rate	6,926	175,117	3,360	7,847	24,172	32,945	43,396	40,115	242,904	97,957	-	-	320,758	353,981	**674,739**
variable rate	34,881	118,672	2,268	128,471	271	118,296	320	69,469	17,190	120,402	-	-	54,930	555,310	**610,240**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	231	4,502	231	4,502	**4,733**
Loans mandatorily at fair value through profit or loss	**28,046**	**-**	**9,571**	**-**	**264,085**	**1,711**	**304,546**	**-**	**792,526**	**-**	**-**	**-**	**1,398,774**	**1,711**	**1,400,485**
fixed rate	-	-	-	-	-	1,711	-	-	-	-	-	-	-	1,711	**1,711**
variable rate	28,046	-	9,571	-	264,085	-	304,546	-	792,526	-	-	-	1,398,774	-	**1,398,774**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Fair value adjustment of derivative financial instruments	**718,070**	**2,088,017**	**961,287**	**1,413,898**	**487,263**	**725,487**	**54,251**	**111,275**	**297,986**	**233,911**	**580,115**	**148,516**	**3,098,972**	**4,721,104**	**7,820,076**
fixed rate	610,190	2,025,881	364,434	1,025,262	323,861	444,688	54,251	111,035	297,986	231,517	-	-	1,650,722	3,838,383	**5,489,105**
variable rate	107,880	62,136	596,853	388,636	163,402	280,799	-	240	-	2,394	-	-	868,135	734,205	**1,602,340**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	580,115	148,516	580,115	148,516	**728,631**
Other financial assets	**300**	**22,255**	**2,464**	**7,820**	**38**	**13**	**-**	**683**	**-**	**9,551**	**95,864**	**143,412**	**98,666**	**183,734**	**282,400**
fixed rate	19	19,301	973	7,508	38	5	-	683	-	9,530	-	-	1,030	37,027	**38,057**
variable rate	281	2,954	1,491	312	-	8	-	-	-	21	-	-	1,772	3,295	**5,067**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	95,864	143,412	95,864	143,412	**239,276**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2023 [continued]

LIABILITIES	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Amounts due to banks, the Hungarian Government, deposits from the National Bank of Hungary and other banks	**76,208**	**156,143**	**25,234**	**132,265**	**147,542**	**151,010**	**371,329**	**88,629**	**241,628**	**434,069**	**55,272**	**61,533**	**917,213**	**1,023,649**	**1,940,862**
fixed rate	18,526	50,694	25,233	28,872	118,910	66,941	371,329	73,820	241,628	395,989	-	-	775,626	616,316	**1,391,942**
variable rate	57,682	105,449	1	103,393	28,632	84,069	-	14,809	-	38,080	-	-	86,315	345,800	**432,115**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	55,272	61,533	55,272	61,533	**116,805**
Repo liabilities	**24,572**	**101,665**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24,572**	**101,665**	**126,237**
fixed rate	24,572	101,665	-	-	-	-	-	-	-	-	-	-	24,572	101,665	**126,237**
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Financial liabilities designated at fair value through profit or loss	**19,761**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,481**	**-**	**49,465**	**-**	**70,707**	**-**	**70,707**
fixed rate	-	-	-	-	-	-	-	-	25	-	-	-	25	-	**25**
variable rate	19,761	-	-	-	-	-	-	-	1,456	-	-	-	21,217	-	**21,217**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	49,465	-	49,465	-	**49,465**
Deposits from customers[1]	**7,317,642**	**17,837,998**	**163,141**	**553,995**	**107,810**	**1,023,858**	**31,774**	**173,344**	**189,371**	**258,705**	**19,955**	**654,838**	**7,829,693**	**20,502,738**	**28,332,431**
fixed rate	1,109,775	9,060,538	163,141	552,607	107,810	1,015,265	31,774	172,913	189,371	258,705	-	-	1,601,871	11,060,028	**12,661,899**
variable rate	6,207,867	8,777,460	-	1,388	-	8,593	-	431	-	-	-	-	6,207,867	8,787,872	**14,995,739**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	19,955	654,838	19,955	654,838	**674,793**
Liabilities from issued securities	**249,008**	**-**	**72,641**	**19,182**	**178,027**	**112,356**	**32,371**	**268,667**	**151,014**	**1,004,515**	**1**	**7,766**	**683,062**	**1,412,486**	**2,095,548**
fixed rate	206	-	72,083	19,182	178,027	99,036	32,371	268,667	151,014	1,004,515	-	-	433,701	1,391,400	**1,825,101**
variable rate	248,802	-	558	-	-	13,320	-	-	-	-	-	-	249,360	13,320	**262,680**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	1	7,766	1	7,766	**7,767**

[1]Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2023 [continued]

LIABILITIES [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total
	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	HUF	Fx	
Fair value adjustment of derivative financial instruments	**1,822,128**	**1,016,999**	**524,302**	**1,865,964**	**445,921**	**874,989**	**59,172**	**111,700**	**197,826**	**173,012**	**693,221**	**43,633**	**3,742,570**	**4,086,297**	**7,828,867**
fixed rate	1,772,814	881,895	373,167	1,019,236	280,907	500,307	59,172	111,700	197,826	173,012	-	-	2,683,886	2,686,150	**5,370,036**
variable rate	49,314	135,104	151,135	846,728	165,014	374,682	-	-	-	-	-	-	365,463	1,356,514	**1,721,977**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	693,221	43,633	693,221	43,633	**736,854**
Leasing liabilities	**368**	**596**	**1,733**	**3,030**	**523**	**6,284**	**1,208**	**16,417**	**1,758**	**36,875**	**-**	**7,521**	**5,590**	**70,723**	**76,313**
fixed rate	359	465	60	2,074	163	2,226	12	8,345	1,290	8,503	-	-	1,884	21,613	**23,497**
variable rate	9	131	1,673	956	360	4,058	1,196	8,072	468	28,372	-	-	3,706	41,589	**45,295**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	7,521	-	7,521	**7,521**
Other financial liabilities	**2,442**	**61,562**	**678**	**292**	**51**	**1,078**	**-**	**179**	**4**	**46**	**349,062**	**241,470**	**352,237**	**304,627**	**656,864**
fixed rate	2,170	61,551	-	272	51	744	-	86	4	46	-	-	2,225	62,699	**64,924**
variable rate	272	11	678	20	-	334	-	93	-	-	-	-	950	458	**1,408**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	349,062	241,470	349,062	241,470	**590,532**
Subordinated bonds and loans	**-**	**30**	**-**	**89,415**	**-**	**192,337**	**-**	**10,019**	**-**	**270,280**	**-**	**315**	**-**	**562,396**	**562,396**
fixed rate	-	30	-	-	-	443	-	10,019	-	270,280	-	-	-	280,772	**280,772**
variable rate	-	-	-	89,415	-	191,894	-	-	-	-	-	-	-	281,309	**281,309**
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	315	-	315	**315**
Net position	**(5,049,778)**	**(5,142,908)**	**713,534**	**1,014,267**	**180,938**	**710,448**	**795,769**	**669,368**	**4,400,517**	**3,263,951**	**(85,097)**	**1,209,892**	**955,883**	**1,725,018**	**2,680,901**

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.5. Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group applies a 'Value-at-Risk' (VaR) methodology to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Management Board sets limits on the value of risk that may be accepted, which is monitored on a daily basis. (Analysis of liquidity risk, foreign currency risk and interest rate risk is detailed in Notes 37.2., 37.3. and 37.4., respectively.)

37.5.1. Market Risk sensitivity analysis

The VaR risk measure estimates the potential loss in pre-tax profit over a given holding period for a specified confidence level.

The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 99% VaR number used by the Group reflects the 99% probability that the daily loss will not exceed the reported VaR.

VaR methodologies are employed to calculate daily risk numbers include the historical and variance-covariance approach. The diversification effect has not been validated among the various market risk types when capital calculation happens. In addition to these two methodologies, Monte Carlo simulations are applied to the various portfolios on a monthly basis to determine potential future exposure.

The VaR of the trading portfolio can be summarized as follows (in HUF mn):

Historical VaR (99%, one-day) by risk type	**Average VaR**	
	31/12/2024	**31/12/2023**
Foreign exchange	6,936	10,391
Interest rate	263	406
Equity instruments	11	18
Diversification	-	-
Total VaR exposure	**7,209**	**10,815**

The table above shows the VaR figures by asset classes. Since processes driving the value of the major asset classes are not independent (for example the depreciation of HUF against the EUR mostly coincide with the increase of the yields of Hungarian Government Bonds), a diversification impact emerges, so the overall VaR is less than the sum of the VaR of each individual asset class.

While VaR captures the Group's daily exposure to currency and interest rate risk, sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency rates over a year. The longer time frame of sensitivity analysis complements VaR and helps the Group to assess its market risk exposures. Details of sensitivity analysis for foreign currency risk are set out in Note 37.5.2., for interest rate risk in Note 37.5.3., and for equity price sensitivity analysis in Note 37.5.4.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.5. Market risk [continued]

37.5.2. Foreign currency sensitivity analysis

The Bank changed its methodology of foreign currency sensitivity analysis and has been using a historical VaR calculation since 31 March 2021. The former Monte Carlo simulation represented the Group's sensitivity to the rise and fall in the HUF exchange rate against EUR, over a 3-month period. The sensitivity analysis included only outstanding foreign currency denominated monetary items as strategic open positions related to foreign activities. In line with the Management's intention, the former EUR (310) million strategic open position was fully closed as at 31 March 2021.
Since the closing of the strategic open position, the Group has been using a historical VaR calculation with a one-day holding period. The analysis includes the same net open foreign exchange position as used under the internal capital adequacy assessment process (ICAAP). The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets.
Additionally, the Bank determines the foreign currency risk of assets evaluated through the Other Comprehensive Income, which includes securities valuated on fair value through other comprehensive income and the foreign currency translation reserves.

The following table shows the result of the foreign currency sensitivity analysis.
The numbers below indicate the expected daily profit or loss of the portfolio beside the given confidence level.

Probability	Effects to the Consolidated Statement of Profit or Loss In HUF million		Effects to the Consolidated Statement of Other Comprehensive Income In HUF million	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
1%	(4,017)	(9,947)	(6,716)	(4,201)
5%	(2,463)	(4,586)	(3,322)	(3,150)
25%	(988)	(1,041)	(1,155)	(1,264)
50%	(94)	157	(7)	(211)
25%	862	1,488	930	928
5%	2,202	4,740	2,634	2,480
1%	2,890	7,333	4,961	4,116

Note:
(1) Historical VaR simulation is based on the empirical distribution of the historical exchange rate movements between 31 December 2023 and 31 December 2024.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.5. Market risk [continued]

37.5.3. Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. The analysis is prepared assuming the amount of assets and liabilities outstanding at the balance sheet date was outstanding for the whole year. The analysis was prepared by assuming only adverse interest rate changes. The main assumptions were as follows:

- Floating rate assets and liabilities were repriced to the modelled benchmark yields at the repricing dates assuming the unchanged margin compared to the last repricing.
- Fixed rate assets and liabilities were repriced at the contractual maturity date.
- As for liabilities with discretionary repricing feature by the Bank were assumed to be repriced with two-weeks delay, assuming no change in the margin compared to the last repricing date.
- Deposits with an interest rate lower than 0.3% even at high market rates were assumed to be unchanged for the whole period.

The sensitivity of interest income to changes in BUBOR was analysed by assuming two interest rate path scenarios:

(1) BUBOR decreases gradually by 35 bps over the next year (probable scenario)
(2) BUBOR increases gradually by 100 bps over the next year (alternative scenario)

The net interest income in a one-year period after 1 January 2025 would be decreased by HUF 664 million (probable scenario) and increased by HUF 1,850 million (alternative scenario) as a result of these simulation. A similar simulation indicated HUF (2,800) million decrease (probable scenario) and HUF 296 million (alternative scenario) increase in the Net interest income in a one-year period after 1 January 2024.
This effect is further enhanced by capital results HUF 960 million (for probable scenario) and HUF (1,596) million (for alternative scenario) as at 31 December 2024, the comparative results were (HUF 429 million for probable scenario, HUF (104) million for alternative scenario as at 31 December 2023) on the government bond portfolio held for hedging (economic).

Furthermore, the effects of an instant 10bps parallel shift of the HUF, EUR and USD yield-curves on net interest income over a one-year period and on the market value of the hedge government bond at fair value through other comprehensive income portfolio booked against capital was analysed. The results of unfavorable shocks can be summarized as follows (in HUF million):

	31/12/2024		31/12/2023	
Description	**Effects to the net interest income**	**Effects to capital**	**Effects to the net interest income**	**Effects to capital**
HUF (0.1%) parallel shift	(491)	273	(298)	14
HUF 0.1% parallel shift	488	(273)	298	(14)
EUR (0.1%) parallel shift	(3,868)	-	(4,409)	-
EUR 0.1% parallel shift	4,175	-	3,933	-
USD (0.1%) parallel shift	(82)	-	(102)	-
USD 0.1% parallel shift	65	-	112	-

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.5. Market risk [continued]

37.5.4. Equity price sensitivity analysis

The following table shows the effect of the equity price sensitivity. The Group uses VaR calculation with 1 day holding period and a 99% confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. The daily loss will not exceed the reported VaR number with 99% of probability.
The stress test assumes the largest price movement of the last year and calculates with it as the adverse direction. These scenarios show the loss of the portfolio when all prices change with the maximum amount of the last year.

Description	31/12/2024	31/12/2023
VaR (99%, one day, HUF million)	9	10
Stress test (HUF million)	(52)	(103)

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.6. Capital management

Capital management

The primary objective of the capital management of the Group is to ensure the prudent operation, the entire compliance with the prescriptions of the regulator for a persistent business operation and maximising the shareholder value, accompanied by an optimal financing structure.
The capital management of the Group members includes the management and evaluation of the shareholders` equity and other types of funds available for hedging risks, to be recorded in the equity and all material risks to be covered by the capital.
The basis of the capital management of the Group members in the short run is the continuous monitoring of their capital position, in the long run the strategic and the business planning, which includes the monitoring and forecast of the capital position.
The Group members maintain the capital adequacy required by the regulatory bodies and the planned risk taking mainly by means of ensuring and developing their profitability. In the event that the planned risk level of a Group member exceeded its Core and the previously raised Supplementary capital, it ensures the prudent operation by occasional measures. A further tool in the capital management of the Bank is the dividend policy, and the transactions performed with the treasury shares.

Capital adequacy on the basis of CRR consolidation

The Capital Requirements Directive package (CRDIV/CRR) transposes the new global standards on banking regulation (known as the Basel III agreement) into the EU legal framework. The new rules are applied from 1 January 2014. They set stronger prudential requirements for institutions, requiring them to keep sufficient capital reserves and liquidity. This new framework makes institutions in the EU more solid and strengthens their capacity to adequately manage the risks linked to their activities and absorb any losses they may incur in doing business.
The capital adequacy of the Group is supervised based on the financial statements data prepared in accordance with IFRS applying the current directives, rulings and indicators from 1 January 2014.

For regulatory compliance the capital adequacy ratios according to regulatory scope of consolidation are relevant. The Pillar3 Disclosure of OTP Group contains the capital adequacy ratios calculated under regulatory scope of consolidation. The Group has entirely complied with the regulatory capital requirements both in the year ended 31 December 2024 and 2023.

The Group uses the standard method for determining the regulatory capital requirements of the credit risk and market risk, and parallel to that, the base indicator method, and the advanced method ("AMA") in case of the operational risk.

For international comparison purposes, the Group calculated the Regulatory capital based on CRR data as adopted by the EU, and the consolidated Capital adequacy ratio based on this in accordance with the regulations of Basel III. The Capital adequacy ratio of the Group (CRR) was 20.3%, the Regulatory capital was HUF 5,200,375 million and the Total regulatory capital requirement was HUF 2,046,142 million as at 31 December 2024. The same ratios calculated as at 31 December 2023 were the following: 18.9%, HUF 4,475,381 million and HUF 1,896,022 million.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.6. Capital management [continued]

Capital adequacy [continued]

Calculation on CRR basis (in HUF million)	**31/12/2024**	**31/12/2023**
Core capital (Tier 1) = Common Equity Tier 1 (CET 1)	**4,842,978**	**3,945,571**
Issued capital	28,000	28,000
Reserves[1]	4,808,726	3,992,843
Fair value adjustments	(43,555)	(64,033)
Other capital components	287,847	92,443
Non-controlling interests	33,741	28,542
Treasury shares	(139,315)	(13,226)
Goodwill and other intangible assets	(220,998)	(188,894)
Other adjustments	88,532	69,896
Additional Tier 1 (AT1)	-	-
Supplementary capital (Tier 2)	**357,397**	**529,810**
Subordinated bonds and loans	345,063	500,555
Other issued capital components	-	-
Components recognized in T2 capital issued by subsidiaries	12,334	29,255
Regulatory capital	**5,200,375**	**4,475,381**
Credit risk capital requirement	1,839,095	1,702,000
Market risk capital requirement	30,461	29,346
Operational risk capital requirement	176,586	164,676
Total requirement regulatory capital	**2,046,142**	**1,896,022**
Surplus capital	**3,154,233**	**2,579,359**
CET 1 ratio	18.90%	16.60%
Tier 1 ratio	18.90%	16.60%
Capital adequacy ratio	**20.30%**	**18.90%**

[1] The dividend amount planned to pay out / paid out is deducted from reserves.

Basel III

The components of the Common Equity Tier 1 capital (CET 1) are the following: Issued capital, Reserves (Retained earnings, Other reserves, Changes in the equity of subsidiaries, Net Profit for the year, Changes due to consolidation) Fair value adjustments, Other capital components, (Revaluation reserves, Share based payments, Cash-flow hedges, Net investment hedge in foreign operations), Non-controlling interest, Treasury shares, Goodwill and other Intangible assets, other adjustments (due to prudential filters, due to deferred tax receivables, due to temporary regulations).
Supplementary capital (Tier 2): Subordinated loan capital, Supplementary loan capital, Other issued capital components, Components recognized in T2 capital issued by subsidiaries.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.6. Capital management [continued]

Resolution strategy of OTP Group

The National Bank of Hungary as the group-level resolution authority of OTP Group draw up the group resolution plan for OTP in close cooperation with the national resolution authorities of the EU and the equivalent third country subsidiaries in line with Section 7 of the Resolution Act (XXXVII of 2014 on the further development of the system of institutions strengthening the security of the individual players of the financial intermediary system) implementing Article 12 of BRRD (2014/59/EU Directive). According to the plan the resolution strategy for OTP Group is the Multiple Point of Entry Approach (MPE) which determines two intervention points in the Group in case of resolution: OTP Bank (Hungary) and OTP banka d.d. (Slovenia).

OTP Bank's Resolution Group covers entities included in the prudential scope of consolidation of OTP Bank without OTP banka d.d. (Slovenia) and its subsidiaries, while OTP banka d.d.'s Resolution Group covers OTP banka d.d. and its subsidiaries which is equivalent to the prudential scope of consolidation. For both resolution groups the preferred resolution tool is the application of open-bank bail-in at the level of each of the resolution entities – OTP Bank Plc. and OTP banka d.d. (Slovenia).

Having regard to the acquisition of the Slovenian Nova KBM d.d. (renamed as OTP banka d.d after the merger with former OTP subsidiary SKB Bank in August 2024), the SPE strategy formerly determined for OTP Group as the preferred resolution strategy has been altered as a result of the update of the resolution plan in October 2023. NKBM Group was considered by the resolution authorities financially and operationally independent from the rest of the OTP Group, therefore the MPE approach has been selected as the most suitable resolution strategy in respect of OTP Group. Nevertheless, the MPE resolution strategy will be reviewed in the next update of the group-level resolution plan and for this reason the resolution authorities monitor the degree of integration of OTP banka d.d. (Slovenia) into the OTP Group as a result of the integration project.

MREL requirement of OTP Group

Pursuant to Section 62 (1) of the Resolution Act OTP Bank shall meet the minimum requirement for own funds and eligible liabilities (MREL) on a consolidated basis at the level of the resolution group. The MNB establishes and updates annually the MREL requirement on the basis of the Joint Decision of the Resolution College, which is operated jointly with the resolution authorities of OTP Bank's subsidiaries.

The consolidated MREL requirement of OTP Bank applicable in 2024 was 18.94% of the total risk exposure amount/risk weighted assets (TREA/RWA) and 5.78% of the total exposure measure (TEM) of OTP Bank's Resolution Group. From 13 January 2025, OTP Bank's consolidated MREL requirement is 18.6% of the TREA/RWA and 6.02% of the TEM of OTP Bank's Resolution Group. Subordination requirements are applicable to OTP Bank from 16 December 2024 that are set at 13.5% of TREA/RWA, 5% of TEM and 8% of TLOF (total liabilities and own funds) of OTP Bank's Resolution Group which shall be met with own funds and subordinated eligible instruments. OTP Bank shall meet the combined buffer requirement in addition to the consolidated MREL RWA requirement / MREL RWA subordination requirement.

NOTE 38: TRANSFER OF FINANCIAL INSTRUMENTS (in HUF mn)

Financial assets transferred but not derecognized

	Transferred assets	Associated liabilities	Transferred assets	Associated liabilities
	Carrying amount		Carrying amount	
	31/12/2024		31/12/2023	
Financial assets at amortized cost				
Debt securities	205,726	132,137	221,951	126,237
Total	**205,726**	**132,137**	**221,951**	**126,237**

As at 31 December 2024 and 2023, respectively, the Group had an obligation from repurchase agreements (repo liability) of HUF 132,137 million and HUF 126,237 million respectively. Securities sold temporarily under repurchase agreements will continue to be recognized in the Consolidated Statement of Financial Position of the Group in the appropriate securities category. The related liability is measured at amortized cost in the Consolidated Statement of Financial Position as "Repo liabilities".

Financial assets transferred, derecognized with continuing involvement

Financial assets which would have been derecognized but would be represented the continuing involvement are not recognized in the Consolidated Statement of Financial Position as at 31 December 2024 or as at 31 December 2023.

NOTE 39: OFF-BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)

In the normal course of business, the Group becomes a party to various financial transactions that are not reflected on the Consolidated statement of financial position and are referred to as off-balance sheet financial instruments. The following represent notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

Contingent liabilities	**31/12/2024**	**31/12/2023**
Commitments to extend credit	5,693,803	4,784,943
Guarantees arising from banking activities	1,547,379	1,421,958
Factoring loan commitment	467,939	460,455
Confirmed letters of credit	41,120	61,997
Other	530,422	410,796
Contingent liabilities and commitments total in accordance with IFRS 9	**8,280,663**	**7,140,149**
Legal disputes (disputed value)	115,918	88,750
Underwriting guarantees	8,768	29,915
Other	56,677	2,990
Contingent liabilities and commitments total in accordance with IAS 37	**181,363**	**121,655**
Total	**8,462,026**	**7,261,804**

Legal disputes

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

The Group believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash-flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation. Provisions due to legal disputes were HUF 39,867 million as at 31 December 2024 and HUF 39,351 million as at 31 December 2023, respectively. (See Note 24.)

Commitments to extend credit, guarantees and letters of credit

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans.

Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

Guarantees, irrevocable letters of credit and undrawn loan commitments are subject to similar credit risk monitoring and credit policies as utilised in the extension of loans. The Management of the Group believes the market risk associated with guarantees, irrevocable letters of credit and undrawn loan commitments are minimal.

NOTE 39: OFF-BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn) [continued]

Guarantees, payment undertakings arising from banking activities

Payment undertaking is a promise by the Group to assume responsibility for the debt obligation of a borrower if that borrower defaults until a determined amount, until a determined date, in case of fulfilling conditions, without checking the underlying transactions. The guarantee's liability is joint and primary with the principal, in case of payment undertaking, while the Group assumes the obligation derived from guarantee independently by the conditions established by the Group. A guarantee is most typically required when the ability of the primary obligor to perform its obligations under a contract is in question, or when there is some public or private interest which requires protection from the consequences of the principal's default or delinquency.

A contract of guarantee is subject to the statute of frauds (or its equivalent local laws) which has maturity and is only enforceable if recorded in writing and signed by the surety and the principal. This means that if the beneficiary has not exercised his rights against the surety or guarantor by the deadline indicated, he automatically forfeits all his claims against the guarantor or surety.
In the case of a simple surety, the beneficiary is obliged to seek recovery of the debt from the debtor, because as long as the debt is recoverable from the debtor, the guarantor can refuse to pay, whereas in the case of a cash surety, the beneficiary can also go to the guarantor immediately, there being no objection to enforcement.

Derivatives

The Group maintains strict control limits on net open derivative positions, that is the difference between purchase and sale contracts, regarding both the amount and the term. At any time the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e. assets), which in relation to derivatives is only a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except for trading with clients, where the Group in most of the cases requires margin deposits.

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn)

The previously approved option program required a modification due to the introduction of the Bank Group Policy on Payments accepted in resolution of Annual General Meeting regarding to the amendment of CRD III. Directives and Act on Credit Institutions and Financial Enterprises.
Key management personnel affected by the Bank Group Policy receive compensation based on performance assessment generally in the form of cash bonus and equity shares in a ratio of 50-50%. Assignment is based on OTP shares, furthermore performance-based payments are deferred in accordance with the rules of Credit Institutions Act.
The Bank ensures the share-based payment part for the management personnel of the Group members.
During implementation of the Remuneration Policy of the Group appeared that in case of certain foreign subsidiaries it is not possible to ensure the originally determined share-based payment because of legal reasons – incompatible with relevant EU-directives –, therefore a decision was made to cancel the share-based payment in affected countries, and virtual share-based payment – cash payment fixed to share price - was made from 2017. In case of foreign subsidiaries virtual share-based payment was made uniformly from 2021 (in the case of payments related to 2021).
The quantity of usable shares for individuals calculated for settlement of share-based payment shall be determined as the ratio of the amount of share-based payment and share price determined by Supervisory Board (until the end of 2014 by Board of Directors).
The value of the share-based payment at the performance assessment is determined within 10 days by Supervisory Board based on the average of the three previous trade day's middle rate of OTP Bank's equity shares fixed on the Budapest Stock Exchange.
At the same time the conditions of discounted share-based payment are determined, and share-based payment shall contain maximum HUF 6,000 discount at the assessment date, and earnings for the shares at the payment date is maximum HUF 12,000. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 Employee Benefits shall be applied in accounting for all employee benefits, except those to which IFRS 2 Share-based Payment applies.

The parameters for the share-based payment relating to ongoing years 2018-2020 by the Supervisory Board for periods of each year as follows:

Year	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share
	Exercise price	Maximum earnings		Exercise price	Maximum earnings		Exercise price	Maximum earnings	
					HUF per share				
	for the year 2018			for the year 2019			for the year 2020		
2019	10,413	4,000	12,413	-	-	-	-	-	-
2020	10,413	4,000	12,413	9,553	4,000	11,553	-	-	-
2021	10,413	4,000	12,413	9,553	4,000	11,553	12,644	9,000	16,644
2022	10,913	4,000	12,413	9,553	4,000	11,553	12,644	8,000	16,644
2023	10,913	4,000	12,413	9,553	4,000	11,553	13,644	8,000	16,644
2024	10,913	4,000	12,413	9,553	4,000	11,553	13,644	8,000	16,644
2025	10,913	4,000	12,413	9,553	4,000	11,553	13,644	8,000	16,644
2026	-	-	-	9,553	4,000	11,553	13,644	8,000	16,644
2027	-	-	-	-	-	-	13,644	8,000	16,644

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

The parameters for the share-based payment relating to ongoing years 2021-2023 by the Supervisory Board for periods of each year as follows:

Year	**Share purchasing at a discounted price**		Price of remuneration exchanged to share	**Share purchasing at a discounted price**		Price of remuneration exchanged to share	**Share purchasing at a discounted price**		Price of remuneration exchanged to share
	Exercise price	Maximum earnings		Exercise price	Maximum earnings		Exercise price	Maximum earnings	
					HUF per share				
	for the year 2021				**for the year 2022**			**for the year 2023**	
2022	5,912	6,000	8,912	-	-	-	-	-	-
2023	6,912	7,000	8,912	7,773	6,000	10,773	-	-	-
2024	6,912	8,000	8,912	8,773	7,000	10,773	14,486	12,000	17,486
2025	6,912	9,000	8,912	8,773	8,000	10,773	15,486	12,000	17,486
2026	6,912	10,000	8,912	8,773	9,000	10,773	16,486	12,000	17,486
2027	6,912	10,000	8,912	8,773	10,000	10,773	16,486	12,000	17,486
2028	6,912	10,000	8,912	8,773	10,000	10,773	16,486	12,000	17,486
2029	-	-	-	8,773	10,000	10,773	16,486	12,000	17,486
2030	-	-	-	-	-	-	16,486	12,000	17,486

[1]Parameters of benefits for year after 2023 due in 2030 only is applicable to foreign companies and for virtual benefits.

Relevant factors considered during measurement of fair value related to share-based payment as follows:

Year	**Reference price**	**Assumed volatility**	**Risk-free interest rate (HUF)**						
			1-year	**2-year**	**3-year**	**4-year**	**5-year**	**6-year**	**7-year**
2017	9,200	21.30%	0.10%	0.50%	0.70%	1.00%	1.30%	1.30%	1.30%
2018	10,064	26.00%	0.20%	0.60%	1.00%	1.30%	1.60%	1.90%	2.10%
2019	12,413	19.20%	0.20%	0.70%	0.90%	1.10%	1.30%	1.40%	1.60%
2020	11,553	33.60%	0.60%	0.40%	0.50%	0.60%	0.80%	0.90%	1.00%
2021	16,644	28.60%	1.00%	1.60%	1.80%	1.90%	2.00%	2.10%	2.10%
2022	8,912	42.60%	7.10%	7.90%	7.60%	7.30%	7.10%	7.00%	6.90%
2023	10,773	33.30%	13.20%	9.20%	8.20%	7.70%	7.30%	7.10%	6.90%
2024	17,485	22.10%	6.20%	5.80%	5.80%	5.90%	5.90%	6.00%	6.00%

Year	**Expected dividends (HUF/Share)**							**Pricing model**
	1 -year	**2-year**	**3-year**	**4-year**	**5-year**	**6-year**	**7-year**	
2017	219	219	252	290	334	384	442	Binomial
2018	219	219	219	219	219	219	219	Binomial
2019	252	290	333	383	440	507	583	Binomial
2020	219	252	290	333	383	440	507	Binomial
2021	371	321	357	393	432	475	523	Binomial
2022	452	497	547	601	661	728	800	Binomial
2023	300	330	363	399	439	483	531	Binomial
2024	714	786	864	951	1,046	1,150	1,265	Binomial

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board relating to the year **2018** effective pieces are as follows as at 31 December 2024:

	Approved pieces of shares	**Exercised until 31 December 2024**	**Weighted average share price at the date of exercise (in HUF)**	**Expired pieces**	**Exercisable as at 31 December 2024**
Share purchasing period started in 2019	82,854	82,854	13,843	-	-
Remuneration exchanged to share provided in 2019	17,017	17,017	11,829	-	-
Share purchasing period started in 2020	150,230	150,230	14,294	-	-
Remuneration exchanged to share provided in 2020	33,024	33,024	11,897	-	-
Share purchasing period started in 2021	73,799	73,799	16,314	-	-
Remuneration exchanged to share provided in 2021	14,618	14,618	16,468	-	-
Share purchasing period started in 2022	86,456	77,425	14,605	9,031	-
Remuneration exchanged to share provided in 2022	13,858	13,858	8,529	-	-
Share purchasing period started in 2023	45,155	45,155	14,736	-	-
Remuneration exchanged to share provided in 2023	3,217	3,217	11,820	-	-
Remuneration exchanged to share provided in 2024	864	864	17,888	-	-
Remuneration exchanged to share applying in 2025	-	-	-	-	432

Based on parameters accepted by Supervisory Board relating to the year **2019** effective pieces are as follows as at 31 December 2024:

	Approved pieces of shares	**Exercised until 31 December 2024**	**Weighted average share price at the date of exercise (in HUF)**	**Expired pieces**	**Exercisable as at 31 December 2024**
Share purchasing period started in 2020	91,403	91,403	12,218	-	-
Remuneration exchanged to share provided in 2020	22,806	22,806	11,897	-	-
Share purchasing period started in 2021	201,273	201,273	16,298	-	-
Remuneration exchanged to share provided in 2021	30,834	30,834	17,618	-	-
Share purchasing period started in 2022	107,760	101,897	13,771	5,863	-
Remuneration exchanged to share provided in 2022	10,564	10,564	8,529	-	-
Share purchasing period started in 2023	126,749	123,676	14,336	3,073	-
Remuneration exchanged to share provided in 2023	13,427	13,427	11,674	-	-
Share purchasing period started in 2024	31,262	31,262	17,618	-	-
Remuneration exchanged to share provided in 2024	6,183	6,183	17,540	-	-
Remuneration exchanged to share applying in 2025	-	-	-	-	1,000
Remuneration exchanged to share applying in 2026	-	-	-	-	500

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board relating to the year **2020** effective pieces are as follows as at 31 December 2024:

	Approved pieces of shares	**Exercised until 31 December 2024**	**Weighted average share price at the date of exercise (in HUF)**	**Expired pieces**	**Exercisable as at 31 December 2024**
Share purchasing period started in 2021	41,098	14,142	17,997	26,956	-
Remuneration exchanged to share provided in 2021	17,881	17,881	17,498	-	-
Share purchasing period started in 2022	83,688	76,928	17,629	6,760	-
Remuneration exchanged to share provided in 2022	15,232	15,111	8,529	121	-
Share purchasing period started in 2023	47,275	45,755	19,805	1,520	-
Remuneration exchanged to share provided in 2023	8,562	8,562	11,659	-	-
Share purchasing period starting in 2024	49,974	38,371	20,867	-	11,603
Remuneration exchanged to share applying in 2024	11,837	11,837	17,613	-	-
Share purchasing period starting in 2025	-	-	-	-	13,080
Remuneration exchanged to share applying in 2025	-	-	-	-	3,443
Remuneration exchanged to share applying in 2026	-	-	-	-	680
Remuneration exchanged to share applying in 2027	-	-	-	-	680

Based on parameters accepted by Supervisory Board relating to the year **2021** effective pieces are as follows as at 31 December 2024:

	Approved pieces of shares	**Exercised until 31 December 2024**	**Weighted average share price at the date of exercise (in HUF)**	**Expired pieces**	**Exercisable as at 31 December 2024**
Share purchasing period started in 2022	60,018	59,776	10,122	242	-
Remuneration exchanged to share provided in 2022	11,028	11,028	8,691	-	-
Share purchasing period started in 2023	117,276	117,276	13,672	-	-
Remuneration exchanged to share provided in 2023	10,824	10,824	11,534	-	-
Share purchasing period started in 2024	50,402	49,201	17,848	-	1,201
Remuneration exchanged to share provided in 2024	4,807	4,807	17,399	-	-
Share purchasing period starting in 2025	-	-	-	-	54,262
Remuneration exchanged to share applying in 2025	-	-	-	-	4,942
Share purchasing period starting in 2026	-	-	-	-	58,155
Remuneration exchanged to share applying in 2026	-	-	-	-	4,942
Share purchasing period starting in 2027	-	-	-	-	25,305
Remuneration exchanged to share applying in 2027	-	-	-	-	631

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board relating to the year **2022** effective pieces are as follows as at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable as at 31 December 2024
Share purchasing period started in 2023	57,412	57,364	13,484	48	-
Remuneration exchanged to share provided in 2023	8,726	8,590	11,629	136	-
Share purchasing period started in 2024	103,159	102,651	17,684	-	508
Remuneration exchanged to share provided in 2024	3,769	3,769	17,399	-	-
Share purchasing period starting in 2025	-	-	-	-	42,814
Remuneration exchanged to share applying in 2025	-	-	-	-	3,993
Share purchasing period starting in 2026	-	-	-	-	43,714
Remuneration exchanged to share applying in 2026	-	-	-	-	3,993
Share purchasing period starting in 2027	-	-	-	-	44,701
Remuneration exchanged to share applying in 2027	-	-	-	-	3,993
Share purchasing period starting in 2028	-	-	-	-	19,756

Based on parameters accepted by Supervisory Board relating to the year **2023** effective pieces are as follows as at 31 December 2024:

	Approved pieces of shares	Exercised until 31 December 2024	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable as at 31 December 2024
Share purchasing period started in 2024	164,371	96,566	20,731	1,124	66,681
Remuneration exchanged to share provided in 2024	6,745	6,745	17,402	-	-
Share purchasing period starting in 2025	-	-	-	-	166,280
Remuneration exchanged to share applying in 2025	-	-	-	-	6,091
Share purchasing period starting in 2026	-	-	-	-	71,160
Remuneration exchanged to share applying in 2026	-	-	-	-	2,960
Share purchasing period starting in 2027	-	-	-	-	81,415
Remuneration exchanged to share applying in 2027	-	-	-	-	2,960
Share purchasing period starting in 2028	-	-	-	-	87,315
Remuneration exchanged to share applying in 2028	-	-	-	-	2,960
Share purchasing period starting in 2029	-	-	-	-	39,324

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Effective pieces relating to the periods starting in 2025-2029 settled during valuation of performance of year 2020-2023, can be modified based on risk assessment and personal changes.

In connection with the share-based compensation for Board of Directors and connecting compensation, shares given as a part of payments detailed above and for the year 2024 based on performance assessment accounted as equity-settled share-based transactions, HUF 4,411 million and HUF 3,292 million was recognized as expense for the year ended 31 December 2024 and 2023, respectively.

Defined benefit plan

Defined benefit plan is post-employment benefit plans other than defined contribution plan. The Group's net obligation is calculated by estimating the amount of employee's future benefit based on their servicies for the current and prior periods. The future value of benefit is being discounted to present value.

The Group has small number of plans and mainly in Bulgaria, Serbia, Montenegro, Croatia and Slovenia. These plans are providing retirement benefits upon pension age as lump-sum payment based either on fixed amounts or certain months of salary.
These plans are unfunded consequently there are no significant plan assets associated with these plans.

The movements of defined benefit obligation can be summarized as follows:

	31/12/2024	31/12/2023
Balance as at 1 January	**6,584**	**4,728**
Increase due to acquisition	-	1,621
Current service cost	498	369
Interest cost	343	322
Actuarial losses / (gains) from changes in demographic assumptions	5	(497)
Actuarial losses from changes in financial assumptions	471	844
Benefits paid	(619)	(279)
Past service cost	15	-
Other increase / (decrease)	180	(322)
Revaluation difference	463	(202)
Closing balance	**7,940**	**6,584**

Amounts recognized in profit and loss	**31/12/2024**	**31/12/2023**
Current service cost	498	369
Net interest expense	343	322
Past service cost	15	-
Actuarial loss	326	11
Other income	(487)	(340)
Total	**695**	**362**

Maturity analysis of the present value of defined benefit obligations	**31/12/2024**	**31/12/2023**
Within one year	127	609
Within 5 years and over one year	1,237	2,015
Within 10 years and over 5 years	2,210	2,107
Over 10 years	1,688	1,853
Total present value	**5,262**	**6,584**

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Defined benefit plan [continued]

Actuarial assumptions	**31/12/2024**	**31/12/2023**
Discount rate	2.75% - 8.00%	2.88% - 6.25%
Future salary increases	1.48% - 8.65%	1.28% - 8.50%

Inflation rate is also included into actuarial assumptions which ranges between 2.20% and 12.00%.
Since plan asset is not recognized in the Consolidated Financial Statements, the effect of the asset ceiling, the effect of changes in foreign exchange rates and the return on plan assets, excluding amounts included in interest accounts are also not recognized and therefore not presented.

OTP Group made an insignificant amount of contribution to the defined benefit plans during the year ended 31 December 2024 and 2023, respectively.

NOTE 41: RELATED PARTY TRANSACTIONS (in HUF mn)

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	**31/12/2024**	**31/12/2023**
Short-term employee benefits	12,688	9,974
Share-based payment	4,350	2,173
Other long-term employee benefits	1,042	556
Termination benefits	178	126
Total	**18,258**	**12,829**

Share based compensations to the members of the Board of Directors, Supervisory Board or key employees of the Bank and its major subsidiaries are detailed in Note 40 Share-based payments.

An analysis of payment to executives of the Group related to their activity in Board of Directors and Supervisory Board is as follows:

	31/12/2024	**31/12/2023**
Members of Board of Directors	4,773	3,225
Members of Supervisory Board	551	432
Total	**5,324**	**3,657**

NOTE 41: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Connections with related party (key management personnel and their close family member and companies) by which line of the consolidated statement of financial position and off-balance sheet is presented:

	31/12/2024				31/12/2023			
Assets	**Other related parties**	**Associated companies**	**Other companies**	**Total**	**Other related parties**	**Associated companies**	**Other companies**	**Total**
Securities (net value)	614	18	-	**632**	608	52	-	**660**
Fair value adjustment of derivative financial instruments	-	253	-	**253**	-	164	-	**164**
Loans at amortized cost (net value)	67,671	22,689	2,111	**92,471**	70,091	22,048	2,459	**94,598**
Finance lease receivable (net value)	-	23	-	**23**	-	47	-	**47**
Loans mandatorily at fair value through profit or loss	182	408	2,150	**2,740**	200	1,711	-	**1,911**
Total assets	**68,467**	**23,391**	**4,261**	**96,119**	**70,899**	**24,022**	**2,459**	**97,380**
Liabilities								
Deposits from customers and loan liabilities	33,445	12,626	8,128	**54,199**	87,857	22,042	1,373	**111,272**
Total liabilities	**33,445**	**12,626**	**8,128**	**54,199**	**87,857**	**22,042**	**1,373**	**111,272**

NOTE 41: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Connections with related party (key management personnel and their close family member and companies) by which line of the consolidated statement of financial position and off-balance sheet is presented [continued]:

	31/12/2024				31/12/2023			
Off-balance sheet items	**Other related parties**	**Associated companies**	**Other companies**	**Total**	**Other related parties**	**Associated companies**	**Other companies**	**Total**
Undrawn line of credit	54,572	50	1,850	**56,472**	64,900	50	1,910	**66,860**
Bank Guarantee	7,472	2,050	1,228	**10,750**	11,080	1,914	2,491	**15,485**
Commitments and guarantees given	34	-	-	**34**	40	-	-	**40**
Total off-balance sheet items	**62,078**	**2,100**	**3,078**	**67,256**	**76,020**	**1,964**	**4,401**	**82,385**

Statement of profit or loss (turnover during the current period)	**31/12/2024**	**31/12/2023**
Interest income	2,654	2,448
Fees and commissions	352	164
Interest expense	(781)	(514)
Fees and commission expenses	(1,510)	(2,094)
Loss allowance / Provision on loans, placements, for commitments and guarantees given	(270)	(86)
Operational costs	(4,989)	(4,093)
Net income from sale of assets	-	-

In the normal course of business, the Bank enters into other transactions with its unconsolidated subsidiaries of the Group, the amounts and volumes of which are not significant to these Consolidated Financial Statements taken as a whole. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions and such terms can be substantiated.

NOTE 42: ACQUISITION (in HUF mn)

Acquisition and consolidation of subsidiaries

In line with the sale and purchase agreement (two-step structure of 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 Ipoteka Bank acquisition 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 will be bought three years after the first step by purchasing further 25% (calculated at acquisition) of the shares owned by the seller. On the basis of contractual conditions, different purchase price modifying factors can modify the second instalment of the purchase price. In this regard, the amount of HUF 20,454 million in year 2024 and HUF 15,757 million in year 2023 compensation assets were presented in the consolidated financial statement, which comes from the fact that the former owners of the acquired company are contractually indemnifying the acquiring OTP Bank due to the acquired uncertainties.
As a result of the acquisition, OTP Group entered the Central Asian region, and is the first foreign bank to participate in the privatization of the Uzbek banking sector.

On 31 May 2021, OTP Bank signed a share sale and purchase agreement on purchasing 100% shareholding of OTP Luxembourg S.a.r.l. and its subsidiaries - Nova KBM d.d. and Aleja Finance d.o.o., (hereinafter "NKBM group") which are 80% owned by funds managed by affiliates of Apollo Global Management, Inc. and 20% by EBRD. The financial closing of the transaction took place on 6 February 2023, after obtaining all the necessary regulatory approvals. The acquisition of the bank is the most significant acquisition in the history of OTP Group.

The integration process of the two Slovenian subsidiaries, SKB banka purchased in 2019 and Nova KBM was completed in October 2024.

On 27 September, 2023, Aranykalász Group became with 100% ownership the member of OTP Group through Portfolion Zöld Magántőkealap. Aranykalász Group contains Aranykalász 1955. Mezőgazdasági Ltd., Aranymező 2001. Mezőgazdasági Ltd., Agromag-Plusz Mezőgazdasági Ltd.
On 7 November 2023, Szekszárd Group engaged in agricultural activities became 100% owned by OTP Group through Portfolion Zöld Magántőkealap. Szekszárd Group contains Szekszárdi Mezőgazdasági Plc. and Szajki Mezőgazdasági Plc.
In the case of Aranykalász Group and Szekszárd Group, the Bank reestimated the purchase price allocation within 12 months and this resulted in a small change in these tables below. The changes are presented in a separate column as "Adjustment".

On 10 October 2022 OTP Fund Management Company and OTP banka Srbija a.d. signed a share sale and purchase agreement on purchasing 100% shareholding of Ilirika DZU AD Beograd, a Serbian asset management company, with the Slovenian companies Ilirika Fintrade d.o.o., Ilirika svetovanje d.o.o. and Ilirika d.d. The ownership proportion is 75 – 25%, de total consideration for the purchase of the shares was 93,8 million RSD. The financial closing of the transaction took place on 11 July 2023.
In October 2023 the Subsidiary changed its name to OTP Invest AD Beograd. Through this acquisition OTP Group entered the Serbian asset management market with only a few market competitors.

NOTE 42: ACQUISITION (in HUF mn) [continued]

The fair value of the assets and liabilities acquired is as follows:

	JSCMB 'Ipoteka Bank' (June 2023)	NKBM group (February 2023)	Aranykalász group (August 2023)	Adjust-ment	Remeasured Aranykalász group (August 2023)	Szekszárd group (November 2023)	Adjust-ment	Remeasured Szekszárd group (November 2023)	OTP Invest (July 2023)	Total
Cash amounts and due from banks and balances with the National Banks	(98,886)	(887,441)	(925)	(21)	(946)	(585)	-	(585)	(57)	**(987,915)**
Placements with other banks, repo receivables	(50,298)	(11,605)	-	-	-	-	-	-	-	**(61,903)**
Financial assets at fair value through profit or loss	-	(11,167)	-	-	-	-	-	-	-	**(11,167)**
Securities at fair value through other comprehensive income	(154)	(136,612)	-	-	-	-	-	-	-	**(136,766)**
Loans at amortized cost	(875,037)	(2,037,656)	-	-	-	-	-	-	-	**(2,912,693)**
Associates and other investments	(981)	(4,891)	(12)	-	(12)	(2,279)	-	(2,279)	-	**(8,163)**
Securities at amortized cost	(136,267)	(788,383)	-	-	-	-	-	-	-	**(924,650)**
Property and equipment	(27,187)	(20,199)	(2,852)	25	(2,827)	(1,434)	(2,764)	(4,198)	(1)	**(54,412)**
Intangible assets	(1,200)	(17,171)	-	-	-	(3)	-	(3)	(110)	**(18,484)**
Right-of-use assets	(1,920)	(1,941)	-	(743)	(743)	-	(1,116)	(1,116)	-	**(5,720)**
Investment properties	-	(9,910)	-	-	-	-	-	-	-	**(9,910)**
Derivative financial assets designated as hedge accounting	-	(1,842)	-	-	-	-	-	-	-	**(1,842)**
Other assets	(31,533)	(50,941)	(11,294)	(783)	(12,077)	(10,502)	3,118	(7,384)	(6)	**(101,941)**
Total assets	**(1,223,463)**	**(3,979,759)**	**(15,083)**	**(1,522)**	**(16,605)**	**(14,803)**	**(762)**	**(15,565)**	**(174)**	**(5,235,566)**

NOTE 42: ACQUISITION (in HUF mn) [continued]

The fair value of the assets and liabilities acquired is as follows [continued]:

	JSCMB 'Ipoteka Bank' (June 2023)	NKBM group (February 2023)	Aranykalász group (August 2023)	Adjust-ment	Remeasured Aranykalász group (August 2023)	Szekszárd group (November 2023)	Adjust -ment	Remeasured Szekszárd group (November 2023)	OTP Invest (July 2023)	Total
Amounts due to the banks, the National Governments, deposits from the National Banks and other banks and repo liabilities	571,792	69,398	300	-	300	990	-	990	-	**642,480**
Deposits from customers	309,898	3,250,141	-	-	-	-	-	-	188	**3,560,227**
Liabilities from issued securities	118,897	169,071	-	-	-	-	-	-	-	**287,968**
Derivative financial liabilities designated as hedge accounting	-	2,982	-	-	-	-	-	-	-	**2,982**
Leasing liabilities	-	1,967	-	743	743	-	1,116	1,116	-	**3,826**
Other liabilities	27,681	51,157	1,415	(165)	1,250	768	1,252	2,020	7	**82,115**
Subordinated bonds and loans	12,098	32,916	-	-	-	-	-	-	-	**45,014**
Total liabilities	**1,040,366**	**3,577,632**	**1,715**	**578**	**2,293**	**1,758**	**2,368**	**4,126**	**195**	**4,624,612**
Net assets	**(183,097)**	**(402,127)**	**(13,368)**	**(944)**	**(14,312)**	**(13,045)**	**1,606**	**(11,439)**	**21**	**(610,954)**

	JSCMB 'Ipoteka Bank' (June 2023)	NKBM group (February 2023)	Aranykalász group (August 2023)	Adjust-ment	Remeasured Aranykalász group (August 2023)	Szekszárd group (November 2023)	Adjust-ment	Remeasured Szekszárd group (November 2023)	OTP Invest (July 2023)	Total
Net assets total	**(183,097)**	**(402,127)**	**(13,368)**	**-**	**(13,368)**	**(13,045)**	**1,606**	**(11,439)**	**21**	**(610,010)**
Non-controlling interest[1]	3,149	-	-		-	-	-	-	-	**3,149**
Negative goodwill / (Goodwill)	93,891	104,470	-		-	-	(821)	(821)	(324)	**197,216**
Net cash	**(86,057)**	**(297,657)**	**(13,368)**	**-**	**(13,368)**	**(13,045)**	**785**	**(12,260)**	**(303)**	**(409,645)**
Cash acquired on purchase	98,886	887,441	925	-	925	585	-	585	57	**987,894**
Net cash paid for acquisition	**12,829**	**589,784**	**(12,443)**	**-**	**(12,443)**	**(12,460)**	**785**	**(11,675)**	**(246)**	**578,249**

Purchase price - part one	(83,347)
Purchase price - part two	(2,710)
Total	**(86,057)**

[1]Non-controlling interest was measured at its proportionate share of net assets of the acquiree.

NOTE 42: ACQUISITION (in HUF mn) [continued]

The fair value of the assets and liabilities acquired is as follows [continued]:

Breakdown of the acquired entity's income, profit / loss in 2023 from the date of the acquisition:

	Interest income	Net result	One-off expense[2]
JSCMB 'Ipoteka Bank'	96,490	(52,760)	(40,060)
NKBM group	156,314	77,804	(10,010)
Aranykalász group	-	-	-
Szekszárd group	-	-	-
OTP Invest	1	(37)	-
Total	**252,805**	**25,007**	**(50,070)**

[2]The net result was decreased by the loss allowance on loans in accordance with IFRS 9 after the first day of the acquisition (Day 1).

Breakdown of the acquired entity's income, profit / loss in 2023 if the Group would have acquired from the beginning of year 2023:

	Interest income	Net result	One-off expense[2]
JSCMB 'Ipoteka Bank'	175,815	(70,215)	(40,060)
NKBM group	166,772	79,338	(10,010)
Aranykalász group	-	1,607	-
Szekszárd group	-	2,904	-
OTP Invest	2	(89)	-
Total	**342,589**	**13,545**	**(50,070)**

[2]The net result was decreased by the loss allowance on loans in accordance with IFRS 9 after the first day of the acquisition (Day 1).

With the acquisition the following shares were purchased:

	Number of shares	Type	Voting rights
JSCMB 'Ipoteka Bank'	2,203,591,374,374	Common stock	73.7090%
JSCMB 'Ipoteka Bank'	59,197,658	Preferred dividend	0.0020%
Ipoteka Leasing LLC	60,000,000,000	Common stock	100.00%
IMKON Sugurta JSC	45,000,000,000	Business share	100.00%
Mortgage refinancing Company of Uzbekistan	20,000,000	Common stock	20.00%
OTP Luxembourg s.á.r.l.	2,771,440	Business share	100.00%
Nova Kreditna Banka Maribor d.d.	10,000,000	Common stock	100.00%
Telekom Slovenije, d.d.	11,938	Common stock	0.18%
Elektro Maribor d.d.	76,715	Common stock	0.23%
Pivka Perutninarstvo d.d.	486	Common stock	0.04%
Skupina Prva, Zavarovalniški Holding, d.d.	4,764	Preferred dividend	2.35%
Sava d.d.	496,851	Common stock	1.71%
VISA Inc. C	3,688	Preferred dividend	0.00%
VISA Inc. A	369	Preferred dividend	0.00%
Bodočnost Maribor d.o.o.	1	Business share	1.00%
Sklad Za Reševanje Bank	50,003,264	Business share	26.17%
SWIFT SCRL La Hulpe, Belgija	32	Business share	0.03%
Bankart d.o.o.	584,424	Business share	29.22%
Aleja Finance d.o.o.	500,000	Business share	100.00%

NOTE 42: ACQUISITION (in HUF mn) [continued]

With the acquisition the following shares were purchased [continued]:

	Number of shares	Type	Voting rights
Aranykalász 1955. Mezőgazdasági Ltd.	41,670,000	Business share	100.00%
Dél-borsodi Gazdák Ltd.	3,703,260	Business share	40.82%
"Egertej" Ltd.	4,274,600	Business share	28.12%
Aranymező 2001. Mezőgazdasági Ltd.	2,250,000	Business share	100.00%
Agromag-Plusz Mezőgazdasági Ltd.	28,650,000	Business share	98.34%
Szekszárdi Mezőgazdasági Plc.	52	Common stock	100.00%
Szajki Mezőgazdasági Plc.	659,859	Common stock	100.00%
Újberek Ltd.	4,800,000	Business share	100.00%
Sióvölgye Ltd.	156,580,000	Business share	100.00%
Orbánhegyi Szőlőbirtok Limited partnership	25,000	Business share	76.92%
Szekszárdi Liszt Pincészet Ltd.	30,000,000	Business share	100.00%
Iphygénia Ltd.	51,000,000	Business share	100.00%
ZA-Gamma Agro Ltd.	2,250,000	Business share	99.00%
GM Agrár Ltd.	3,000,000	Business share	100.00%
Szajkmenti Gazda Limited partnership	95,000	Business share	100.00%
Sióparti Gazda Limited partnership	5,000	Business share	87.50%
OTP invest AD Beograd	177,032	Common stock	100.00%

NOTE 43: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn)

Investments in companies in which the Bank has a controlling interest are detailed below. They are fully consolidated companies and incorporated in Hungary unless otherwise stated.

Significant subsidiaries

Name	Ownership (Direct and Indirect)		Activity
	31/12/2024	31/12/2023	
DSK Bank AD (Bulgaria)	99.92%	99.92%	commercial banking services
OTP Bank JSC (Ukraine)	100.00%	100.00%	commercial banking services
JSC “OTP Bank” (Russia)	97.92%	97.92%	commercial banking services
OTP banka d.d. (Croatia)	100.00%	100.00%	commercial banking services
OTP Bank Romania S.A. (Romania)	-	100.00%	commercial banking services
OTP banka Srbija a.d. Novi Sad (Serbia)	100.00%	100.00%	commercial banking services
Crnogorska komercijalna banka a.d. (Montenegro)	100.00%	100.00%	commercial banking services
Banka OTP Albania SHA (Albania)	100.00%	100.00%	commercial banking services
OTP Bank S.A. (Moldova)	98.26%	98.26%	commercial banking services
SKB Banka d.d. Ljubljana (Slovenia)	-	100.00%	commercial banking services
OTP banka d.d. (previously: Nova Kreditna Banka Maribor d.d.) (Slovenia)	100.00%	100.00%	commercial banking services
JSCMB 'Ipoteka Bank' (Uzbekistan)	79.82%	79.58%	commercial banking services
OTP Financing Malta Company Ltd. (Malta)	100.00%	100.00%	refinancing activities
OTP Holding Ltd. (Cyprus)	100.00%	100.00%	refinancing activities
OTP Factoring Ltd.	100.00%	100.00%	work-out
OTP Mortgage Bank Ltd.	100.00%	100.00%	mortgage lending
OTP Real Estate Ltd.	100.00%	100.00%	real estate management and development
Merkantil Bank Ltd.	100.00%	100.00%	finance lease
OTP Building Society Ltd.	100.00%	100.00%	housing savings and loan
OTP Fund Management Ltd.	100.00%	100.00%	fund management
Bank Center No. 1. Ltd.	100.00%	100.00%	real estate lease
OTP Funds Servicing and Consulting Ltd.	100.00%	100.00%	fund services
OTP Real Estate Leasing Ltd.	100.00%	100.00%	real estate leasing

NOTE 43: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn) [continued]

Significant associates and joint ventures

The associated entities that are owned through venture capital funds are not detailed below neither for year 2024 nor for 2023, only the funds that own them are presented below. PortfoLion funds are subsidiaries in the consolidated financial statements.
Summarized financial and non-financial information of associates which are accounted according to IAS 28 and in line with IFRS 9 as at 31 December 2024 is as follows:

List of associated entities (amounts in HUF million)	Carrying amount	Shareholder's equity	Share capital	Profit after tax	Voting right	Country / Headquarter	Activity
PortfoLion Digital Venture Capital Fund I.	15,593	14,179	7,000	(7,479)	100.00%	Hungary /Budapest	Digital technology, solutions that strengthen the bank's innovation capacity (e.g. big data, financial software, payment solutions, blockchain etc.).
PortfoLion Regional Venture Capital Fund II.	15,672	15,511	17,847	(472)	49.88%	Hungary /Budapest	Investment in any industries and sectors, due to which international expansion of Hungarian enterprises can be realized.
PortfoLion Partner Venture Capital Fund	30,661	70,262	60,421	5,031	30.56%	Hungary /Budapest	Financing of domestic or foreign takeover, capital increase or merger in which the acquiring company is at least majority-owned by Hungarians.
PortfoLion Digital Venture Capital Fund II.	6,374	6,516	7,270	(687)	100.00%	Hungary /Budapest	IT, digital technology, fintech
PortfoLion Green Venture Capital Fund	11	35,298	33,571	234	100.00%	Hungary /Budapest	Investing in companies engaged in agricultural activities, as well as in food processing and agriculture-related areas.
Subtotal	**68,311**						
OTP-DayOne Magvető Fund	648	2,947	1,271	23	22.00%	Hungary /Budapest	Trusts, funds and similar financial entities
D-ÉG Thermoset Ltd 'u.l.'	-	n.a.	1,045	n.a.	46.99%	Hungary / Dunaújváros	Wholesale of hardware, plumbing and heating equipment and supplies
Company for Cash Services AD	392	4,319	1,982	(333)	25.00%	Bulgaria / Sofia	Other financial service activities, except insurance and pension funding
Bankart Procesiranje Placilnih Instrumentov d.o.o.	7,219	11,403	658	1,182	43.06%	Ljubjana / Slovenia	Data processing, web hosting services
Subtotal	**8,259**						
Total	**76,570**						

There are no material investments in associates owned by equity funds below 50% voting right and without control.

NOTE 43: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn) [continued]

Significant associates and joint ventures [continued]

Summarized financial and non-financial information of associates which are accounted according to IAS 28 and in line with IFRS 9 as at 31 December 2023 is as follows:

List of associated entities (amounts in HUF million)	Carrying amount	Shareholder's equity	Share capital	Profit after tax	Voting right	Country / Headquarter	Activity
PortfoLion Digital Venture Capital Fund I.	12,332	20,968	8,800	460	100.00%	Hungary /Budapest	Digital technology, solutions that strengthen the bank's innovation capacity (e.g. big data, financial software, payment solutions, blockchain etc.).
PortfoLion Regional Venture Capital Fund II.	12,733	13,381	15,245	288	49.88%	Hungary /Budapest	Investment in any industries and sectors, due to which international expansion of Hungarian enterprises can be realized.
PortfoLion Partner Venture Capital Fund	27,201	64,269	60,421	119	30.56%	Hungary /Budapest	Financing of domestic or foreign takeover, capital increase or merger in which the acquiring company is at least majority-owned by Hungarians.
PortfoLion Digital Venture Capital Fund II.	3,941	5,681	5,800	14	100.00%	Hungary /Budapest	IT, digital technology, fintech
PortfoLion Green Venture Capital Fund	15	35,064	33,571	1,264	100.00%	Hungary /Budapest	Investing in companies engaged in agricultural activities, as well as in food processing and agriculture-related areas.
Subtotal	**56,222**						
OTP-DayOne Magvető Fund	280	2,954	1,271	308	22.00%	Hungary /Budapest	Trusts, funds and similar financial entities
D-ÉG Thermoset Ltd 'u.l.'	-	n.a.	1,045	n.a.	46.99%	Hungary / Dunaújváros	Wholesale of hardware, plumbing and heating equipment and supplies
Company for Cash Services AD	392	3,464	1,982	333	25.00%	Bulgaria / Sofia	Other financial service activities, except insurance and pension funding
Bankart Procesiranje Placilnih Instrumentov d.o.o.	7,219	9,265	658	1,182	43.06%	Ljubjana / Slovenia	Data processing, web hosting services
OTP Risk Fund I.	611	1,384	6,800	158	44.12%	Hungary /Budapest	Trusts, funds and similar financial entities
Mortgage Refinancing Company of Uzbekistan	1,030	4,338	2,990	(615)	20.00%	Uzbekistan / Tashkent	Refinancing mortgage loans issued by banks and others credit organizations.
Subtotal	**9,532**						
Total	**65,754**						

There are no material investments in associates owned by equity funds below 50% voting right and without control.

NOTE 44: TRUST ACTIVITIES (in HUF mn)

The Bank acts as a trustee for certain loans granted by companies or employers to their employees, mainly for housing purposes. The ultimate risk for these loans rests with the party advancing the funds. As these loans and related funds are not considered to be assets or liabilities of the Group, they have been excluded from the accompanying Consolidated Statement of Financial Position.

	31/12/2024	**31/12/2023**
The amount of loans managed by the Group as a trustee	37,412	37,402

NOTE 45: CONCENTRATION OF ASSETS AND LIABILITIES

	31/12/2024	31/12/2023
In the percentage of the total assets		
Receivables from, or securities issued by the Hungarian Government or the NBH	12.92%	13.32%

There were no other significant concentrations of the assets or liabilities of the Group either as at 31 December 2024 or as at 31 December 2023.

The Group continuously provides the NBH with reports on the extent of dependency on large depositors as well as the exposure of the biggest 50 depositors towards the Group.

Further to this obligatory reporting to the NBH, the Group pays particular attention on the exposure of its largest partners and cares for maintaining a closer relationship with these partners in order to secure the stability of the level of deposits.

The organisational unit of the Bank in charge of partner-risk management analyses the biggest partners on a constant basis and sets limits on the Bank's and the Group's exposure separately partner-by-partner. If necessary, it modifies partner-limits in due course thereby reducing the room for manoeuvring of the Treasury and other business areas.

The Bank's internal regulation (Limit-management regulation) controls risk management related to exposures of clients. The Bank makes a difference between clients or clients who are economically connected with each other, partners, partners operating in the same geographical region or in the same economic sector, exposures from customers. Limit-management regulation includes a specific range provision system used by the Bank to control risk exposures. This regulation has to be used by the Bank for its business (lending) risk-taking activity both in retail and corporate sector.

To specify credit risk limits Group strives their clients get an acceptable margin of risk based on their financial situation.
In the Group limit system has to be provided a lower-level decision-making delegation.
If a Group member takes risk against a client or group of clients (either inside the local economy or outside), the client will be qualified as a group level risk and these limits will be specified at group level.
The validity period of this policy is 12 months. The limit shall be reviewed prior to the expiry date but at least once a year - based on the relevant information required to limit calculations.

NOTE 46: EARNINGS PER SHARE

Consolidated Earnings per share attributable to the ordinary shares of the Group are determined by dividing consolidated Net profit for the year attributable to ordinary shareholders, after the deduction of declared preference dividends, by the weighted average number of ordinary shares outstanding during the year. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares.

Earnings per share from continuing and discontinued operations	**31/12/2024**	**31/12/2023**
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,071,913	988,658
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	264,542,718	267,591,265
Basic Earnings per share (in HUF)	**4,052**	**3,695**
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,071,913	988,658
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	264,652,623	267,737,358
Diluted Earnings per share (in HUF)	**4,050**	**3,693**

Earnings per share from continuing operations	**31/12/2024**	**31/12/2023**
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,052,157	1,009,904
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	264,542,718	267,591,265
Basic Earnings per share (in HUF)	**3,977**	**3,774**
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,052,157	1,009,904
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	264,652,623	267,737,358
Diluted Earnings per share (in HUF)	**3,976**	**3,772**

Earnings per share from discontinued operations	**31/12/2024**	**31/12/2023**
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	19,756	(21,246)
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	264,542,718	267,591,265
Basic Earnings per share (in HUF)	**75**	**(79)**
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	19,756	(21,246)
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	264,652,623	267,737,358
Diluted Earnings per share (in HUF)	**75**	**(79)**

NOTE 46: EARNINGS PER SHARE [continued]

	31/12/2024	31/12/2023
Weighted average number of ordinary shares	280,000,010	280,000,010
Average number of Treasury shares	15,457,292	12,408,745
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS	**264,542,718**	**267,591,265**
Dilutive effects of options issued in accordance with the remuneration policy and convertible into ordinary shares[1]	109,905	146,093
The modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS	**264,652,623**	**267,737,358**

[1] Both for the year 2024 and for the year 2023 the dilutive effect is in connection with the Remuneration Policy and the Management Option Program.

NOTE 47: NET GAIN OR LOSS REALIZED ON FINANCIAL INSTRUMENTS (in HUF mn)

31/12/2024	Net interest / similar to interest gain and loss	Net non-interest gain and loss	Loss allowance	Other Comprehensive Income
Cash, amounts due from banks and balances with the National Banks	171,238	-	(740)	-
Placements with other banks	238,235	-	(1,303)	-
Repo receivables	20,336	-	75	-
Securities at amortized cost	352,733	(9,495)	(10,059)	-
Loans at amortized cost	1,582,749	39,569	(94,870)	-
Finance lease receivables	110,830	-	6,518	-
Other financial assets[1]	7,052	-	17	-
Financial assets at amortized cost total	**2,483,173**	**30,074**	**(100,362)**	**-**
Trading securities at fair value through profit or loss	-	12,118	-	-
Non-trading instruments mandatorily at fair value through profit or loss	1,465	6,043	-	-
Interest-bearing securities at fair value through other comprehensive income	60,806	(1,477)	(29,848)	33,347
Non-interest-bearing instruments at fair value through other comprehensive income	-	1,082	-	14,404
Loans mandatorily at fair value through profit or loss	99,559	25,746	5,504	-
Financial assets at fair value total	**161,830**	**43,512**	**(24,344)**	**47,751**
Total result on financial assets	**2,645,003**	**73,586**	**(124,706)**	**47,751**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	(121,536)	-	-	-
Repo liabilities	(11,049)	-	-	-
Deposits from customers	(462,682)	477,930	-	-
Liabilities from issued securities	(157,008)	-	-	-
Leasing liabilities	(3,557)	-	-	-
Subordinated bonds and loans	(35,471)	-	-	-
Financial liabilities at amortized cost total	**(791,303)**	**477,930**	**-**	**-**
Financial liabilities designated at fair value through profit or loss	**(1,344)**	**(1,240)**	**-**	**-**
Total result on financial liabilities	**(792,647)**	**476,690**	**-**	**-**
Derivative financial instruments[1]	**(107,016)**	**12,004**	**-**	**-**
Total result on financial instruments	**1,745,340**	**562,280**	**(124,706)**	**47,751**

[1] Gains from other financial assets and derivative financial instruments recognized in net interest income as Income similar to interest income.

Current year change of derivative financial assets and liabilities held-for-trading and designated as hedge accounting by types of results in the profit or loss

31/12/2024	Held-for-trading	Hedge accounting
Balance as at 1 January	**13,141**	**(21,932)**
Change in current period through p/l	**712**	**75,875**
on interest income/interest expense	34,595	(10,189)
on net results on derivative instruments	(122,489)	51,705
on revaluation difference	88,606	34,359
Realized result on closed deals /matured deals	24,077	(18,960)
Foreign currency translation difference	494	793
Closing balance	**38,424**	**35,776**

NOTE 47: NET GAIN OR LOSS REALIZED ON FINANCIAL INSTRUMENTS (in HUF mn) [continued]

31/12/2023	Net interest / similar to interest gain and loss	Net non-interest gain and loss	Loss allowance	Other Comprehensive Income
Cash, amounts due from banks and balances with the National Banks	354,208	-	1,060	-
Placements with other banks	187,436	-	1,455	-
Repo receivables	17,011	-	(371)	-
Securities at amortized cost	242,256	(18,716)	9,185	-
Loans at amortized cost	1,345,570	34,335	(149,822)	-
Finance lease receivables	100,749	-	1,656	-
Other financial assets[1]	6,942	-	1,333	-
Financial assets at amortized cost total	**2,254,172**	**15,619**	**(135,504)**	**-**
Trading securities at fair value through profit or loss	-	7,713	-	-
Non-trading instruments mandatorily at fair value through profit or loss	-	8,240	-	-
Interest-bearing securities at fair value through other comprehensive income	55,320	(1,221)	(354)	76,954
Non-interest-bearing instruments at fair value through other comprehensive income	-	430	-	1,465
Loans mandatorily at fair value through profit or loss	92,117	96,082	(91)	-
Financial assets at fair value total	**147,437**	**111,244**	**(445)**	**78,419**
Total result on financial assets	**2,401,609**	**126,863**	**(135,949)**	**78,419**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	(74,338)	-	-	-
Repo liabilities	(40,398)	-	-	-
Deposits from customers	(484,398)	386,823	-	-
Liabilities from issued securities	(116,628)	-	-	-
Leasing liabilities	(2,970)	-	-	-
Subordinated bonds and loans	(32,565)	-	-	-
Financial liabilities at amortized cost total	**(751,297)**	**386,823**	**-**	**-**
Financial liabilities designated at fair value through profit or loss	**(1,433)**	**(4,542)**	**-**	**-**
Total result on financial liabilities	**(752,730)**	**382,281**	**-**	**-**
Derivative financial instruments[1]	**(262,173)**	**(12,760)**	**-**	**-**
Total result on financial instruments	**1,386,706**	**496,384**	**(135,949)**	**78,419**

[1] Gains from other financial assets and derivative financial instruments recognized in net interest income as Income similar to interest income.

Current year change of derivative financial assets and liabilities held for trading and designated as hedge accounting by types of results in the profit or loss

31/12/2023	Held-for-trading	Hedge accounting
Balance as at 1 January	**(109,265)**	**20,298**
Change in current period through p/l	**106,994**	**(44,576)**
on interest income/interest expense	(27,506)	86,915
on net results on derivative instruments	66,774	(26,714)
on revaluation difference	67,726	(104,777)
Realized result on closed deals /matured deals	13,088	494
Increase due to acquisition	104	1,842
Assets held for sale	1,216	-
Foreign currency translation difference	1,004	10
Closing balance	**13,141**	**(21,932)**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn)

In determining the fair value of a financial asset or liability the Group uses the market price in the case of instruments that are quoted on an active market. In most cases market price is not publicly available, so the Group has to make assumptions or use valuation techniques to determine the fair value of a financial instrument. See Note 48.4. for more information about fair value classes applied for financial assets and liabilities measured at fair value in these financial statements.

To provide a reliable estimate of the fair value of those financial instruments that are originally measured at amortized cost, the Group used the discounted cash-flow analyses (loans, placements with other banks, repo receivables, amounts due to banks, repo liabilities, deposits from customers). The fair value of issued securities and subordinated bonds is based on quoted prices (e.g. Reuters). Cash and amounts due from banks and balances with the National Banks represent amounts available immediately thus the fair value equals to the cost.

The assumptions used when calculating the fair value of financial assets and liabilities when using valuation technique are the following:

- the discount rates are the risk-free rates related to the denomination currency adjusted by the appropriate risk premium as of the end of the reporting period,
- the contractual cash-flows are considered for the performing loans and for the non-performing loans, the amortized cost less impairment is considered as fair value,
- the future cash-flows for floating interest rate instruments are estimated from the yield curves as of the end of the reporting period,
- the fair value of the deposit which can be due in demand cannot be lower than the amount payable on demand.

Classes of assets and liabilities not measured at fair value in the Consolidated Statement of Financial Position, the income approach was used to convert future cash-flows to a single current amount. Fair value of current assets is equal to carrying amount, fair value of liabilities from issued securities and other bond-type classes of assets and liabilities not measured at fair value measured based on Reuters market rates, and the fair value of other classes not measured at fair value of the Consolidated Statement of Financial Position is measured at discounted cash-flow method. Fair value of loans, net of loss allowance for loans measured at discount rate adjustment technique, the discount rate is derived from observed rates of return for comparable assets or liabilities that are traded in the market.

Methods and significant assumptions used to determine fair value of the different levels of financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Asset held for sale is valued at fair value less cost to sell, that is in this case equal to the sales price and would be classified as Level 3 fair value.

Use of modified yield curve

Yield curves derived from Hungarian government bonds ("ÁKK curve") have become distorted due to certain market events, which means that real liquidity has concentrated on certain part of the yield curve. Therefore, a modified yield curve - which is not observable on the market - has been used at the concerning fair value calculations. This yield curve is based on the relevant yield curve points of the original ÁKK curve. Based on Management's discretion fair value calculated with modified yield curves can represent the perspective of market participants reliable at current market conditions.

Modified yield curve was used for calculating fair value in case of subsidized personal loans represented in "Loans mandatorily measured at fair value through profit or loss" line.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.1. Fair value of financial assets and liabilities at amortized cost by level of the fair value hierarchy and their carrying amount

31/12/2024	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash, amounts due from banks and balances with the National Banks	6,079,012	6,080,255	4,964,693	1,115,562	-
Placements with other banks	1,891,901	1,907,253	220,867	1,461,918	224,468
Repo receivables	331,837	332,039	3,768	328,271	-
Securities at amortized cost	7,447,177	7,254,449	6,356,814	870,803	26,832
Loans at amortized cost	20,290,381	20,507,024	-	8,315	20,498,709
Finance lease receivables	1,511,477	1,564,724	-	365,783	1,198,941
Other financial assets	292,320	291,485	-	-	291,485
Total financial assets at amortized cost	**37,844,105**	**37,937,229**	**11,546,142**	**4,150,652**	**22,240,435**
Amounts due to the National Governments, to the National Banks and other banks	2,022,191	1,999,976	508,358	926,517	565,101
Repo liabilities	132,137	135,771	-	135,771	-
Deposits from customers[1]	31,666,398	31,616,807	-	16,752,706	14,864,101
Liabilities from issued securities	2,593,124	2,613,242	2,207,606	-	405,636
Leasing liabilities	82,109	83,601	-	259	83,342
Other financial liabilities	818,406	793,524	-	-	793,524
Subordinated bonds and loans	369,359	372,137	349,895	8,879	13,363
Total financial liabilities at amortized cost	**37,683,724**	**37,615,058**	**3,065,859**	**17,824,132**	**16,725,067**

31/12/2023	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash, amounts due from banks and balances with the National Banks	7,125,049	7,125,049	6,005,164	1,119,885	-
Placements with other banks	1,566,998	1,448,684	1,059,696	375,266	13,722
Repo receivables	223,884	223,884	-	223,884	-
Securities at amortized cost	5,249,272	5,184,729	4,478,411	640,591	65,727
Loans at amortized cost	17,676,533	17,723,130	-	1,219	17,721,911
Finance lease receivables	1,289,712	1,504,439	189,830	91,948	1,222,661
Other financial assets	282,400	282,400	-	-	282,400
Assets classified as held for sale	1,533,333	1,533,333	-	-	1,533,333
Total financial assets at amortized cost	**34,947,181**	**35,025,648**	**11,733,101**	**2,452,793**	**20,839,754**
Amounts due to the National Governments, to the National Banks and other banks	1,940,862	1,974,503	458,700	690,452	825,351
Repo liabilities	126,237	126,237	-	126,237	-
Deposits from customers[1]	28,332,431	28,295,214	-	10,459,658	17,835,556
Liabilities from issued securities	2,095,548	2,118,233	1,770,138	19,629	328,466
Leasing liabilities	76,313	76,313	-	-	76,313
Other financial liabilities	656,864	656,864	-	-	656,864
Subordinated bonds and loans	562,396	452,595	410,495	-	42,100
Liabilities directly associated with assets classified as held for sale	1,139,920	1,139,920	-	-	1,139,920
Total financial liabilities at amortized cost	**34,930,571**	**34,839,879**	**2,639,333**	**11,295,976**	**20,904,570**

[1]Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.2. Fair value of derivative instruments

The Group regularly enters into hedging transactions in order to decrease its financial risks. However some economically hedging transaction do not meet the criteria to qualify as hedge accounting, therefore these transactions were accounted for as derivatives held for trading.
The assessment of the hedge effectiveness (both for fair value hedges and cash flow hedges) to determine the economic relationship between the hedged item and the hedging instrument is accomplished with prospective scenario analysis via different rate shift scenarios of the relevant risk factor(s) of the hedged risk component(s). The fair value change of the hedged item and the hedging instrument is compared in the different scenarios. Economic relationship is justified if the change of the fair value of the hedged item and the hedging instrument are in the opposite direction and the absolute changes are similar amounts. The hedge ratio is determined as the ratio of the notional of the hedged item and the notional of the hedging instrument. The sources of hedge ineffectiveness are the not hedged risk components (e.g. change of cross currency basis spreads in case of interest rate risk hedges), slight differences in maturity dates and interest payment dates in case of fair value hedges, and differences between the carrying amount of the hedged item and the carrying amount of the hedging instrument in case of FX hedges (e.g. caused by interest rate risk components in the fair value of the hedging instrument).

The summary of the derivatives held for trading and derivatives designated as hedge accounting of the Group are as follows:

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.2. Fair value of derivative instruments [continued]

	31/12/2024					31/12/2023				
	Before netting		Netting	After netting		Before netting		Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets	Liabilities
Held for trading derivative financial instruments										
Interest rate derivatives										
Interest rate swaps	144,530	(123,151)	99,513	45,017	(23,638)	134,599	(117,778)	110,939	23,660	(6,839)
Cross currency interest rate swaps	10,472	(10,558)	-	10,472	(10,558)	8,644	(6,544)	-	8,644	(6,544)
OTC options	1,278	(1,281)	-	1,278	(1,281)	2,024	(2,033)	-	2,024	(2,033)
Forward rate agreement	219	(172)	219	-	47	-	(214)	-	-	(214)
Total interest rate derivatives (OTC derivatives)	**156,499**	**(135,162)**	**99,732**	**56,767**	**(35,430)**	**145,267**	**(126,569)**	**110,939**	**34,328**	**(15,630)**
Foreign exchange derivatives										
Foreign exchange swaps	38,573	(49,720)	-	38,573	(49,720)	31,397	(32,382)	-	31,397	(32,382)
Foreign exchange forward contracts	17,051	(8,595)	-	17,051	(8,595)	7,101	(11,061)	-	7,101	(11,061)
OTC options	1,433	(825)	-	1,433	(825)	1,016	(871)	-	1,016	(871)
Foreign exchange spot conversion	180	(288)	-	180	(288)	170	(319)	-	170	(319)
Total foreign exchange derivatives (OTC derivatives)	**57,237**	**(59,428)**	**-**	**57,237**	**(59,428)**	**39,684**	**(44,633)**	**-**	**39,684**	**(44,633)**
Equity stock and index derivatives										
Commodity Swaps	10,472	(10,477)	-	10,472	(10,477)	32,336	(31,661)	-	32,336	(31,661)
Equity swaps	-	(1,194)	-	-	(1,194)	126	(3,826)	-	126	(3,826)
OTC derivatives total	**10,472**	**(11,671)**	**-**	**10,472**	**(11,671)**	**32,462**	**(35,487)**	**-**	**32,462**	**(35,487)**
Exchange traded futures and options	1,334	(728)	-	1,334	(728)	433	(451)	-	433	(451)
Total equity stock and index derivatives	**11,806**	**(12,399)**	**-**	**11,806**	**(12,399)**	**32,895**	**(35,938)**	**-**	**32,895**	**(35,938)**
Derivatives held for risk management not designated in hedge										
Interest rate swaps	49,053	(38,201)	37,433	11,620	(768)	64,288	(44,577)	22,237	42,051	(22,340)
Foreign exchange swaps	9,112	(4,995)	-	9,112	(4,995)	4,671	(19,546)	-	4,671	(19,546)
Cross currency interest rate swaps	5,971	(1,069)	-	5,971	(1,069)	-	(2,401)	-	-	(2,401)
Total derivatives held for risk management not designated in hedge	**64,136**	**(44,265)**	**37,433**	**26,703**	**(6,832)**	**68,959**	**(66,524)**	**22,237**	**46,722**	**(44,287)**
Total held for trading derivative financial instruments	**289,678**	**(251,254)**	**137,165**	**152,513**	**(114,089)**	**286,805**	**(273,664)**	**133,176**	**153,629**	**(140,488)**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.2. Fair value of derivative instruments [continued]

Micro hedge	31/12/2024 Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities	31/12/2023 Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities
Derivative financial instruments designated as hedge accounting										
Derivatives designated in cash flow hedges										
Interest rate swaps	-	-	-	-	-	1,066	(1,066)	1,066	-	-
Total derivatives designated in cash flow hedges	**-**	**-**	**-**	**-**	**-**	**1,066**	**(1,066)**	**1,066**	**-**	**-**
Derivatives designated in fair value hedges										
Interest rate swaps	41,859	(30,282)	19,957	21,902	(10,325)	42,347	(79,069)	25,130	17,217	(53,939)
Cross currency interest rate swaps	18,190	(4,280)	-	18,190	(4,280)	24,750	(10,009)	-	24,750	(10,009)
Total derivatives designated in fair value hedges	**60,049**	**(34,562)**	**19,957**	**40,092**	**(14,605)**	**67,097**	**(89,078)**	**25,130**	**41,967**	**(63,948)**
Total derivatives held for risk management (OTC derivatives) micro portfolio	**60,049**	**(34,562)**	**19,957**	**40,092**	**(14,605)**	**68,163**	**(90,144)**	**26,196**	**41,967**	**(63,948)**

Macro hedge	31/12/2024 Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities	31/12/2023 Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities
Derivative financial instruments designated as hedge accounting										
Derivatives designated in fair value hedges										
Interest rate swaps	10,289	-	-	10,289	-	168	(119)	168	-	49
Total derivatives designated in macro fair value hedges	**10,289**	**-**	**-**	**10,289**	**-**	**168**	**(119)**	**168**	**-**	**49**

Financial assets subject to offsetting, netting arrangement as at 31 December 2024

31/12/2024	Offsetting recognised on the balance sheet: Gross assets before offset	Offsetting with gross liabilities	Net assets recognized on the statement of financial position	Netting potential not recognized on the balance sheet: Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets not subject to netting arrangements: Assets recognized on the statement of financial position	Total assets: Recognized in the statement of financial position	Maximum exposure to risk: After consideration of netting potential
Derivative financial instruments	235,661	(157,122)	78,539	(39,854)	(77,022)	(38,337)	124,355	202,894	86,018

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.2. Fair value of derivative instruments [continued]

Financial liabilities subject to offsetting, netting arrangement as at 31 December 2024

31/12/2024	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum exposure to risk
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognized on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	191,806	(157,122)	34,684	(39,854)	(41,981)	(47,151)	94,010	128,694	46,859

Financial assets subject to offsetting, netting arrangement as at 31 December 2023

31/12/2023	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offsetting with gross liabilities	Net assets recognized on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	324,446	(158,844)	165,602	(60,721)	(76,853)	28,028	29,994	195,596	58,022

Financial liabilities subject to offsetting, netting arrangement as at 31 December 2023

31/12/2023	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum exposure to risk
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognized on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	347,414	(158,844)	188,570	(60,721)	(103,563)	24,286	15,817	204,387	40,103

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting

Interest rate risk management is centralized at the Group. Interest rate risk exposures in major currencies are managed at OTP Headquarter on a consolidated level. Although risk exposures in local currencies are managed at subsidiary level, the respective decisions are subject to Headquarter ALCO approval. Interest rate risk is measured by simulating NII and EVE under different stress and plan scenarios, the established risk limits are described in „OTP Bank's Group-Level Regulations on the Management of Liquidity Risk and Interest Rate Risk of Banking Book". The interest rate risk management activity aims to stabilize NII within the approved risk limits.

The risk management objective of these hedge relationships is to mitigate the risk of clean fair value (i.e. excluding accrued interest) change of MIRS loans due to the change of interest rate reference indices (BUBOR, EURIBOR, LIBOR, etc.) of the respective currency.

The ineffective part of fair value hedge accounting is presented on Interest income / Interest expense in the Consolidated Statement of Profit or Loss.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

Amount, timing and uncertainty of future cash flows – hedging instruments as at 31 December 2024 (in fx million)

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Micro hedge								
Fair value hedge	**Interest rate risk**	**Interest rate swap**						
		HUF						
		Notional	(10,000)	(3,000)	(193,376)	221,893	(41,000)	**(25,483)**
		Average Interest Rate (%)	12.20%	1.20%	(5.24%)	5.26%	4.20%	
		EUR						
		Notional	-	-	(439)	(2,657)	452	**(2,644)**
		Average Interest Rate (%)	-	-	3.89%	3.17%	-	
		USD						
		Notional	-	-	-	(1,013)	47	**(966)**
		Average Interest Rate (%)	-	-	-	3.77%	4.18%	
		JPY						
		Notional	-	-	4,500	-	-	**4,500**
		Average Interest Rate (%)	-	-	0.22%	-	-	
Fair value hedge	**Foreign exchange & Interest rate risk**	**Cross currency interest rate swap**						
		EUR/HUF						
		Notional	-	1	2	6	9	**18**
		Average Interest Rate (%)	(1.63%)	(1.69%)	(1.69%)	(1.76%)	(1.82%)	
		Average FX Rate	310.53	310.04	310.04	308.93	307.71	

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

Amount, timing and uncertainty of future cash flows – hedging instruments as at 31 December 2024 (in fx million) [continued]

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Micro hedge								
Fair value hedge	**Foreign exchange risk**	**Cross currency interest rate swap**						
		EUR/HUF						
		Notional	-	-	191	1,474	-	**1,665**
		Average FX Rate	-	426.83	379.97	383.10	-	
		RON/HUF						
		Notional	-	175	450	425	-	**1,050**
		Average FX Rate	-	79.76	80.30	75.17	-	
		RUB/HUF						
		Notional	-	-	-	2,700	-	**2,700**
		Average FX Rate	-	-	-	3.74	-	
		JPY/HUF						
		Notional	-	-	4,500	-	-	**4,500**
		Average FX Rate	-	-	2.43	-	-	
Type of hedge	**Type of risk**	**Type of instrument**	**Within one month**	**Within three months and over one month**	**Within one year and over three months**	**Within five years and over one year**	**More than five years**	**Total**
Macro hedge								
Fair value hedge	**Interest rate risk**	**Interest rate swap**						
		EUR						
		Notional	-	-	(345)	(1,205)	(170)	**(1,720)**
		Average Interest Rate (%)	-	-	3.16%	2.75%	2.51%	

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

Amount, timing and uncertainty of future cash flows – hedging instruments as at 31 December 2023 (in fx million)

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Micro hedge								
Fair value hedge	**Interest rate risk**	**Interest rate swap**						
		HUF						
		Notional	-	-	(121,675)	(218,683)	(51,700)	**(392,058)**
		Average Interest Rate (%)	-	-	5.10%	(3.24%)	4.72%	
		EUR						
		Notional	-	-	65	(461)	180	**(216)**
		Average Interest Rate (%)	-	-	2.64%	4.80%	-	
		USD						
		Notional	30	45	-	(1,013)	47	**(891)**
		Average Interest Rate (%)	2.10%	2.13%	-	3.77%	4.18%	
		JPY						
		Notional	-	-	-	4,500	-	**4,500**
		Average Interest Rate (%)	-	-	-	0.22%	-	
Fair value hedge	**Foreign exchange & Interest rate risk**	**Cross currency interest rate swap**						
		EUR/HUF						
		Notional	-	1	2	8	10	**21**
		Average Interest Rate (%)	(1.65%)	(1.69%)	(1.68%)	(1.73%)	(1.82%)	
		Average FX Rate	310.23	310.02	310.10	309.36	307.71	

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

Amount, timing and uncertainty of future cash flows – hedging instruments as at 31 December 2023 (in fx million) [continued]

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Micro hedge								
Fair value hedge	**Foreign exchange risk**	**Cross currency interest rate swap**						
		EUR/HUF						
		Notional	-	175	250	1,167	500	**2,092**
		Average FX Rate	363.88	356.12	359.11	383.36	381.11	
		RON/HUF						
		Notional	-	-	575	1,950	-	**2,525**
		Average FX Rate	-	-	73.75	73.98	-	
		RUB/HUF						
		Notional	-	-	4,000	7,870	-	**11,870**
		Average FX Rate	-	-	3.65	3.73	-	
		JPY/HUF						
		Notional	-	-	-	4,500	-	**4,500**
		Average FX Rate	-	-	-	2.43	-	
		USD/HUF						
		Notional	-	-	143	-	-	**143**
		Average FX Rate	-	357.16	357.16	-	-	
	Other	**Interest rate swap**						
		HUF						
		Notional	-	-	778	-	-	**778**

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Macro hedge								
Fair value hedge	**Interest rate risk**	**Interest rate swap**						
		EUR						
		Notional	-	-	(60)	(240)	(120)	**(420)**
		Average Interest Rate (%)	-	-	3.54%	2.61%	2.42%	

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

As at 31 December 2024 is as follows:

Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2024					Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2024
				Before netting		Netting	After netting			
Micro hedge				Assets	Liabilities		Assets	Liabilities		
Fair value hedge	IRS	Interest rate risk	3,297,470	41,859	(30,282)	19,957	21,902	(10,325)	Derivative financial instruments designated as hedge accounting	7,801
	CCIRS	FX & IR risk	5,265	-	(1,764)	-	-	(1,764)	Derivative financial instruments designated as hedge accounting	(859)
	CCIRS	FX risk	600,883	18,190	(2,516)	-	18,190	(2,516)	Derivative financial instruments designated as hedge accounting	11,104
Micro fair value hedges total			**3,903,618**	**60,049**	**(34,562)**	**19,957**	**40,092**	**(14,605)**		**18,046**

Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2024					Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2024
				Before netting		Netting	After netting			
Macro hedge				Assets	Liabilities		Assets	Liabilities		
Fair value hedge	IRS	Interest rate risk	705,355	10,289	-	-	10,289	-	Derivative financial instruments designated as hedge accounting	3,875
Macro fair value hedges total			**705,355**	**10,289**	**-**	**-**	**10,289**	**-**		**3,875**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

As at 31 December 2023 is as follows:

Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2023					Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2023
				Before netting		Netting	After netting			
Micro hedge				Assets	Liabilities		Assets	Liabilities		
Fair value hedge	IRS	Interest rate risk	2,448,226	43,305	(79,238)	26,196	17,109	(53,042)	Derivative financial instruments designated as hedge accounting	10,642
	CCIRS	FX & IR risk	6,394	-	(1,418)	-	-	(1,418)	Derivative financial instruments designated as hedge accounting	(668)
	CCIRS	FX risk	1,009,180	24,750	(9,488)	-	24,750	(9,488)	Derivative financial instruments designated as hedge accounting	38,146
	IRS	Other	778	108	-	-	108	-	Derivative financial instruments designated as hedge accounting	1
Micro fair value hedges total			**3,464,578**	**68,163**	**(90,144)**	**26,196**	**41,967**	**(63,948)**		**48,121**

Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2023					Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2023
				Before netting		Netting	After netting			
Macro hedge				Assets	Liabilities		Assets	Liabilities		
Fair value hedge	IRS	Interest rate risk	160,768	168	(119)	168	-	49	Derivative financial instruments designated as hedge accounting	32
Macro fair value hedges total			**160,768**	**168**	**(119)**	**168**	**-**	**49**		**32**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

As at 31 December 2024 is as follows:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2024		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2024		Line item in the consolidated statement of financial position in which the hedged item is included
		Assets	**Liabilities**	**Assets**	**Liabilities**	
Micro hedge						
Fair value hedge						
Loans	Interest rate risk	180,000	-	1,024	-	Loans at amortized cost
Loans	Interest rate risk	-	144,441	-	(3,618)	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Interest rate risk	481,715	-	1,376	-	Securities at amortized cost
Government bonds	Interest rate risk	290,270	-	(20,342)	-	Securities at fair value through other comprehensive income
Other bonds	Interest rate risk	4,101	-	(99)	-	Securities at fair value through other comprehensive income
Other bonds	Interest rate risk	-	1,796,848	-	43,723	Liabilities from issued securities
Other bonds	Interest rate risk	-	249,936	-	(3,474)	Subordinated bonds and loans
Loans	Foreign exchange & Interest rate risk	3,499	-	36	-	Loans at amortized cost
Loans	Foreign exchange risk	678,845	-	-	-	Loans at amortized cost
Refinanced loans	Interest rate risk	-	224,979	-	4,948	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Foreign exchange risk	11,307	-	-	-	Securities at fair value through other comprehensive income
Government bonds	Foreign exchange risk	86,541	-	-	-	Securities at amortized cost
Other securities	Foreign exchange risk	-	14,053	-	-	Liabilities from issued securities
Micro fair value hedges total		**1,736,278**	**2,430,257**	**(18,005)**	**41,579**	

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

As at 31 December 2024 is as follows [continued]:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2024		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2024		Line item in the consolidated statement of financial position in which the hedged item is included
Macro hedge						
Fair value hedge		**Assets**	**Liabilities**	**Assets**	**Liabilities**	
Customer deposits	Portfolio risk	-	719,517	-	8,209	Fair value changes of the hedged items in portfolio hedge of interest rate risk
Macro fair value hedges total		**-**	**719,517**	**-**	**8,209**	

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

As at 31 December 2023 is as follows:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2023		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2023		Line item in the consolidated statement of financial position in which the hedged item is included
		Assets	**Liabilities**	**Assets**	**Liabilities**	
Micro hedge						
Fair value hedge						
Loans	Interest rate risk	26,839	-	(3,178)	-	Loans at amortized cost
Loans	Interest rate risk	-	143,857	-	(11,249)	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Interest rate risk	164,229	-	7,808	-	Securities at amortized cost
Government bonds	Interest rate risk	806,018	-	28,001	-	Securities at fair value through other comprehensive income
Other bonds	Interest rate risk	3,828	-	203	-	Securities at fair value through other comprehensive income
Other bonds	Interest rate risk	-	730,971	-	31,398	Liabilities from issued securities
Other bonds	Interest rate risk	-	219,989	-	(157)	Subordinated bonds and loans
Loans	Foreign exchange & Interest rate risk	3,266	-	(96)	-	Loans at amortized cost
Loans	Foreign exchange risk	949,447	-	-	-	Loans at amortized cost
Refinanced loans	Interest rate risk	-	213,864	-	13,460	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Foreign exchange risk	10,986	-	-	-	Securities at fair value through other comprehensive income
Government bonds	Foreign exchange risk	49,378	-	-	-	Securities at amortized cost
Other securities	Other risk	-	897	-	(39)	Liabilities from issued securities
Micro fair value hedges total		**2,013,991**	**1,309,578**	**32,738**	**33,413**	

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

As at 31 December 2023 is as follows [continued]:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2023		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2023		Line item in the consolidated statement of financial position in which the hedged item is included
Macro hedge						
Fair value hedge		**Assets**	**Liabilities**	**Assets**	**Liabilities**	
Customer deposits	Portfolio risk	-	157,543	-	160	Fair value changes of the hedged items in portfolio hedge of interest rate risk
Macro fair value hedges total		**-**	**157,543**	**-**	**160**	

Change in basis swap spread recognised in the consolidated other comprehensive income related fair value hedges as follows:

Type of risk	Carrying amount of the hedged item		Items recognized in the consolidated other comprehensive income for the year 2024	Change in the items recognized in other comprehensive income for the year 2024	Line item in the consolidated statement of financial position in which the hedged item is included
	Assets	**Liabilities**			
FX risk	678,846	-	11	(217)	Loans at amortised cost
FX risk	11,308	-	(51)	10	Securities at fair value through other comprehensive income
FX risk	86,541	-	549	549	Securities at amortized cost
FX risk	-	14,053	16	16	Liabilities from issued securities
Total	**776,695**	**14,053**	**525**	**358**	

Type of risk	Carrying amount of the hedged item		Items recognised in the consolidated other comprehensive income for the year 2023	Change in the items recognized in other comprehensive income for the year 2023	Line item in the consolidated statement of financial position in which the hedged item is included
	Assets	**Liabilities**			
FX risk	949,447	-	167	530	Loans at amortised cost
FX risk	10,986	-	(69)	-	Securities at fair value through other comprehensive income
Total	**960,433**	**-**	**98**	**530**	

On Group level there weren't any cash-flow hedges for the year ended 31 December 2024 and 2023, respectively.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

Details of the Group's activities in relation to hedges of its net investment in EUR against foreign exchange movements are, as follows:

31/12/2024	**Change in fair value of hedged item for ineffectiveness assessment**	**Translation difference**	**Balances remaining in the Translation difference for hedge accounting is no longer applied**
Net assets of subsidiaries where the investment is in EUR	-	168,230	63,997

Details of the EUR issued bonds used as hedging instruments and hedge effectiveness is as follows:

31/12/2024	**Carrying amount**		**Changes in fair value of hedging instruments used for measuring hedge ineffectiveness**			
	Notional amount	**Liabilities**	**Total**	**Effective part recognized in other comprehensive income**	**Hedge ineffectiveness recognized in statement of profit or loss**	**Reclassification into statement of profit or loss**
Eur issued bonds	410,090	410,090	(27,310)	(27,310)	-	-

The following table shows maturity of the hedging instruments:

31/12/2024	**Less than 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
Eur issued bonds	-	-	-	410,090	-	**410,090**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.3. Types of hedge accounting [continued]

Details of the Group's activities in relation to hedges of its net investment in EUR against foreign exchange movements are, as follows:

31/12/2023	Change in fair value of hedged item for ineffectiveness assessment	Translation difference	Balances remaining in the Translation difference for hedge accounting is no longer applied
Net assets of subsidiaries where the investment is in EUR	-	69,188	(31,588)

Details of the EUR issued bonds used as hedging instruments and hedge effectiveness is as follows:

31/12/2023	Carrying amount		Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			
	Notional amount	Liabilities	Total	Effective part recognized in other comprehensive income	Hedge ineffectiveness recognized in statement of profit or loss	Reclassification into statement of profit or loss
Eur issued bonds	382,780	382,780	(2,707)	(2,707)	-	-

The following table shows maturity of the hedging instruments:

31/12/2023	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Eur issued bonds	-	-	-	382,780	-	**382,780**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31/12/2024	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	**743,400**	**184,743**	**548,838**	**9,819**
Trading securities at fair value through profit or loss	*514,357*	*123,379*	*390,978*	-
Positive fair value of derivative financial assets held for trading	*152,513*	*1,336*	*151,177*	-
Non-trading instruments mandatorily at fair value through profit or loss[1]	*76,530*	*60,028*	*6,683*	*9,819*
Interest-bearing securities at fair value through other comprehensive income[2]	1,622,824	1,156,908	297,759	168,157
Non-interest bearing instruments at fair value through other comprehensive income[3]	82,729	37,569	31,887	13,273
Loans mandatorily at fair value through profit or loss	1,559,781	-	-	1,559,781
Equity instruments measured at fair value[4]	68,311			68,311
Positive fair value of derivative financial assets designated as fair value hedge	50,381	-	50,381	-
Financial assets measured at fair value total	**4,127,426**	**1,379,220**	**928,865**	**1,819,341**
Financial liabilities designated at fair value through profit or loss	72,490	-	-	72,490
Negative fair value of held-for-trading derivative financial liabilities	114,089	728	112,162	1,199
Negative fair value of derivative financial liabilities designated as fair value hedge	14,605	-	14,605	-
Financial liabilities measured at fair value total	**201,184**	**728**	**126,767**	**73,689**

[1] The portfolio in level 3 mainly includes Visa C shares, East West Venture Capital Fund and TCE Fund.
[2] The portfolio in level 3 includes HUF 144,138 million Ukrainian and HUF 24,019 million Russian government bonds.
[3] The portfolio in level 3 includes mainly Visa A preferred stock (in the book of OTP banka d.d. Croatia) and Borika AD (in the book of DSK Bank).
[4] The detailed list of equity investments measured at fair value categorized in level 3 is presented in Note 43.

The fair value of investment properties is presented in Note 14 and they are categorized in level 3.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels [continued]

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31/12/2023	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	**288,885**	**96,816**	**179,786**	**12,283**
Trading securities at fair value through profit or loss	*67,568*	*48,016*	*19,552*	-
Positive fair value of derivative financial assets held for trading	*153,629*	*433*	*153,196*	-
Non-trading instruments mandatorily at fair value through profit or loss[1]	*67,688*	*48,367*	*7,038*	*12,283*
Interest-bearing securities at fair value through other comprehensive income[2]	1,540,980	800,168	634,396	106,416
Non-interest bearing instruments at fair value through other comprehensive income	60,481	23,809	30,029	6,643
Loans mandatorily at fair value through profit or loss	1,400,485	-	-	1,400,485
Equity instruments measured at fair value[3]	44,162	-	-	44,162
Positive fair value of derivative financial assets designated as fair value hedge	41,967	-	41,967	-
Financial assets measured at fair value total	**3,376,960**	**920,793**	**886,178**	**1,569,989**
Financial liabilities designated at fair value through profit or loss	70,707	-	-	70,707
Negative fair value of held-for-trading derivative financial liabilities	140,488	517	136,263	3,708
Negative fair value of derivative financial liabilities designated as fair value hedge	63,899	-	63,899	-
Financial liabilities measured at fair value total	**275,094**	**517**	**200,162**	**74,415**

[1] The portfolio in level 3 mainly includes Visa C shares, East West Venture Capital Fund and TCE Fund.
[2] The portfolio in level 3 includes HUF 78,355 million Ukrainian and HUF 22,452 million Russian government bonds.
[3] The detailed list of equity investments measured at fair value categorized in level 3 is presented in Note 43.

The fair value of investment properties is presented in Note 14 and they are categorized in level 3.
Asset classified as held for sale is valued at fair value less cost to sell, that is in this case equal to the sales price and would be classified as Level 3 fair value.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels [continued]

Movements in Level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

31/12/2024	Opening balance	Purchase / Issuance / Disbursement (+)	Settlement / Close / Sale (-)	FVA (+/-)	Transfer (+/-)	Fx effect / Revaluation	Other	Closing balance
Non-trading instruments mandatorily at fair value through profit or loss	12,283	-	-	(1,794)	-	(209)	(461)	**9,819**
Interest-bearing securities at fair value through other comprehensive income	106,416	90,917	(27,726)	(9,350)	-	1,978	5,922	**168,157**
Non-interest-bearing instruments at fair value through other comprehensive income	6,643	1,763	(22)	-	989	1,919	1,981	**13,273**
Loans mandatorily at fair value through profit or loss[1]	1,400,485	235,187	(104,638)	28,833	-	2	(88)	**1,559,781**
Equity instruments measured at fair value	44,162	18,976	(57)	2,797	-	2,433	-	**68,311**
Financial assets measured at fair value total	**1,569,989**	**346,843**	**(132,443)**	**20,486**	**989**	**6,123**	**7,354**	**1,819,341**
Financial liabilities designated at fair value through profit or loss	70,707	-	(1,522)	2,000	-	-	1,305	**72,490**
Negative fair value of held-for-trading derivative financial liabilities	3,708	-	-	(2,506)	-	(3)	-	**1,199**
Financial liabilities designated at fair value total	**74,415**	**-**	**(1,522)**	**(506)**	**-**	**(3)**	**1,305**	**73,689**

[1] HUF 5,504 million fair value adjustment resulting from risk factors and HUF 23,331 million adjustment resulting from market factors are included into FVA change for the current period at loans mandatorily measured at fair value through profit or loss.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels [continued]

Movements in Level 3 financial instruments measured at fair value [continued]

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

31/12/2023	Opening balance	Purchase / Issuance / Disbursement (+)	Settlement / Close / Sale (-)	FVA (+/-)	Transfer (+/-)	Fx effect / Revaluation	Other	Closing balance
Non-trading instruments mandatorily at fair value through profit or loss	11,988	-	(3)	(359)	39	(116)	734	**12,283**
Interest-bearing securities at fair value through other comprehensive income	64,695	78,411	(21,594)	3,458	(2,143)	(2,838)	(13,573)	**106,416**
Non-interest-bearing instruments at fair value through other comprehensive income	9,745	-	(2)	-	(2,704)	(541)	145	**6,643**
Loans mandatorily at fair value through profit or loss[1]	1,247,414	154,902	(96,390)	91,575	394	11	2,579	**1,400,485**
Equity instruments measured at fair value	42,558	5,782	(4,769)	498	-	93	-	**44,162**
Financial assets measured at fair value total	**1,376,400**	**239,095**	**(122,758)**	**95,172**	**(4,414)**	**(3,391)**	**(10,115)**	**1,569,989**
Financial liabilities designated at fair value through profit or loss	54,191	-	(1,332)	4,543	-	-	13,305	**70,707**
Negative fair value of held-for-trading derivative financial liabilities	650	-	-	3,050	-	-	8	**3,708**
Financial liabilities designated fair value total	**54,841**	**-**	**(1,332)**	**7,593**	**-**	**-**	**13,313**	**74,415**

[1] HUF (91) million fair value adjustment resulting from risk factors and HUF 93,581 million adjustment resulting from market factors are included into FVA change for the current period at loans mandatorily measured at fair value through profit or loss.

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels [continued]

Valuation techniques on Level 2 instruments

The fair value of Level 2 instruments is calculated by discounting their expected interest and capital cash flows. Discounting is done with the respective swap curve of each currency.

Valuation techniques and sensitivity analysis on Level 3 instruments

Sensitivity analysis is performed on products with significant unobservable inputs (Level 3) to generate a range of reasonably possible alternative valuations. The sensitivity methodologies applied take account of the nature of the valuation techniques used, as well as the availability and reliability of observable proxy and historical date and the impact of using alternative models.
The calculation is based on a range or spread data of reliable reference source or a scenario based on relevant market analysis alongside the impact of using alternative models. Sensitivities are calculated without reflecting the impact of any diversification in the portfolio.

Unobservable inputs used in measuring fair value

Type of financial instrument	Presentation in the Statement of Financial Position	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
VISA C shares	Financial assets at fair value through profit or loss	Market approach combined with expert judgement.	Illiquidity	+ 12% / (12%)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+ 20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+ 20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Operational costs	+20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Demography	Change in the cash flow estimation + 5% /(5)%
Ministry of Finance of Russia	Securities at fair value through other comprehensive income	Discounted cash flow model	Credit risk	+15% / (15)%
Ministry of Finance of Ukraine	Securities at fair value through other comprehensive income	Discounted cash flow model	Credit risk	+1% / (1)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+20% / (20)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Operational costs	+20% / (20)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Demography	Change in the cash flow estimation + 5% /(5)%

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 changing the assumptions used to reasonably possible alternative assumptions would have the following effects.

31/12/2024	Presentation in the Statement of Financial Position	Unobservable inputs	Book value	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	3,304	3,700	2,908	396	(396)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Probability of default	15,094	15,663	14,525	569	(569)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	980,378	980,991	979,766	613	(612)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	980,378	987,263	973,579	6,885	(6,799)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	980,378	981,238	979,693	860	(685)
Russian government bonds	Securities at fair value through other comprehensive income	Credit risk	24,019	34,777	13,261	10,758	(10,758)
Ukrainian government bonds	Securities at fair value through other comprehensive income	Credit risk	144,138	146,217	142,104	2,079	(2,034)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Probability of default	558,812	559,071	558,553	259	(259)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Operational costs	558,812	565,807	552,001	6,995	(6,811)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Demography	110,042	110,236	109,663	194	(379)
Total			**4,355,355**	**4,384,963**	**4,326,053**	**29,608**	**(29,302)**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement [continued]

31/12/2023	Presentation in the Statement of Financial Position	Unobservable	Book value	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	10,301	11,538	9,065	1,237	(1,236)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Probability of default	19,154	19,499	18,809	345	(345)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	911,190	913,292	909,097	2,102	(2,093)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	911,190	916,712	905,728	5,522	(5,462)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	911,190	911,939	910,577	749	(613)
Russian government bonds	Securities at fair value through other comprehensive income	Credit risk	22,452	27,909	16,995	5,457	(5,457)
Ukrainian government bonds	Securities at fair value through other comprehensive income	Credit risk	78,355	79,138	77,572	783	(783)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Probability of default	463,926	464,170	463,682	244	(244)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Operational costs	463,926	470,864	457,215	6,938	(6,711)
Total			**3,791,684**	**3,815,061**	**3,768,740**	**23,377**	**(22,944)**

NOTE 48: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

48.4. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement [continued]

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of Visa C shares have been calculated by modifying the discount rate used for the valuation by +/-12% as being the best estimates of the management as at 31 December 2024 and 31 December 2023, respectively.

In the case of Hungarian Development Bank ("MFB") refinancing loans and subsidised personal loans the Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of probability of default by +/- 20% as one of the most significant unobservable inputs.
In case of subsidised personal loans operational cost and factors related to demography are considered as unobservable inputs to the applied fair value calculation model in addition to credit risk.
The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of operational costs by +/- 20% as one of the most significant unobservable inputs.

In case of subsidised personal loans cash flow estimation are based on assumption related to the future number of childbirths performed by the debtors both in the current and the comparative period. According to the assumptions used in comparative period 15% of the debtors will not fulfill the conditions of the subsidy determined by the government after 5 years ("breach of conditions"), thereby debtors will be obliged to pay back the interest subsidy given in advance. Furthermore, in this case subsidised loans are converted to loans provided based on market conditions. Loans are prepaid by the government as part of the subsidy after the second and the third childbirth following the signatory of the loan contract. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of breach of conditions by +/- 5% as the most significant unobservable input in the cash flow estimation.

Since 2022 the Bank has used a new and more detailed model for cash flow calculations of the subsidised personal loans. The new model uses more scenarios compared to the previous one. These scenarios based on the above-mentioned events (child births after signatory and breach of conditions) and also the event of divorce. The model uses public statistical information for these events to estimate. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of future child births by +/-5% as one of the most significant unobservable inputs in the cash flow estimation.

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of FVOCI securities have been calculated by modifying the discount rate used for the valuation by +/-15% and +/-1% as being the best estimates of the management as at 31 December 2024 and 31 December 2023, respectively.

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn)

The Group distinguishes business and geographical segments. The report on the base of the business and geographical segments is reported below.

The reportable segments of the Group on the base of IFRS 8 are as the follows:
OTP Core Hungary, Merkantil Group, Asset Management subsidiaries, Other subsidiaries, Bulgaria, Croatia, Slovenia, Romania, Serbia, Ukraine, Russia, Montenegro, Albania, Moldova, Uzbekistan. Although Romanian segment was classified as discontinued operation from 2023 in these consolidated financial statements, segment reporting contained it as a separate segment because – in line with the structure of the financial statements monitored by the management (Stock Exchange Report) – the Romanian operation was presented in a way as if it was classified as continuing operation. The Romanian segment was deconsolidated in July 2024.

OTP Core is an economic unit for measuring the result of core business activity of the Group in Hungary. Financials for OTP Core are calculated from the partially Consolidated Financial Statements of the companies engaged in the Group's underlying banking 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 the fourth quarter of 2016; OTP Card Factory Ltd., OTP Facility Management Llc., Monicomp Ltd. and OTP Real Estate Lease Ltd. were included from the first quarter of 2017 (from the first quarter of 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc., OTP Ingatlanpont Llc. were included from the first quarter of 2019, OTP Ecosystem Ltd. (previous name: OTP eBIZ Ltd. it was eliminated from the first quarter of 2023) from the first quarter of 2020; OTP Home Solutions Ltd. was included from the second quarter of 2021; Bajor-Polár Center, Real Estate Management Ltd., CIL Babér Ltd., Bank Center No. 1. Ltd. and MFM Project Investment and Development Ltd. were included from the first quarter of 2024. In the fourth quarter of 2024, MFM Project Investment and Development Ltd and Bajor-Polár Center Real Estate Management Ltd merged into Bank Center No. 1. Investment and Development Ltd. At the same time OTP Facility Management Ltd., which was already part of OTP Core before 2024, merged into CIL Babér Ltd.

The statement of financial position of Ipoteka Bank in Uzbekistan was consolidated from June 2023. The profit contribution of Ipoteka Bank was recognized in the consolidated profit or loss from the third quarter of 2023.

The results of foreign factoring companies (OTP Factoring Ukraine LLC, OTP Factoring Bulgaria LLC (it was merged into DSK Bank EAD in the second quarter of 2023), OTP Factoring Serbia d.o.o., and OTP Debt Collection d.o.o., as well as the foreign leasing companies are included into the relevant foreign bank's segment.

The Other subsidiaries include, among others: OTP Real Estate Ltd., OTP Life Annuity Ltd, OTP Funds Servicing and Consulting Ltd.

The reportable business and geographical segments of the Group are those components where:

- separated income and expenses, assets and liabilities can be identified and assignable to the segments,
- transactions between the different segments were eliminated,
- the main decisive board of the Group regularly controls the operating results,
- separated financial information is available.

In accordance with the management's decision, the scope of adjustment items presented in the stock exchange report on consolidated level changed from the first quarter of 2024.
According to the methodology applied until the end of 2023 (hereinafter: old methodology), in 2023 the following adjustment items were carved out of the regular profit or loss accounts of individual segments, with after tax amount: dividends and net cash transfers, goodwill/investment impairment charges, special tax on financial institutions, expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia, effect of the winding up of Sberbank Hungary, effect of acquisitions, result of the treasury share swap agreement, and impairments on Russian government bonds at OTP Core and DSK Bank.

According to the methodology applied from 2024 onwards (hereinafter: new methodology), only the following adjustment items are carved out and presented on consolidated level, with after tax amount: goodwill impairment, and the direct effect of acquisitions. Starting from 2024, the direct effect of acquisitions includes only three items: badwill and initial risk cost related to acquisitions, and the gain or loss on the sale of a subsidiary. Under the old methodology, the effect of acquisitions line included further acquisition-related items, such as integration costs, and customer base value amortization.

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

From the third quarter of 2024, a materiality threshold was introduced: the relevant items are presented amongst adjustments only if the given item exceeds 10% of the quarterly consolidated profit after tax.

Under the new methodology, items previously presented as adjustments are now presented in the relevant geographical or business segment where they occurred (e.g. the special banking taxes in Hungary are presented partly within OTP Core and partly within Merkantil Group segment).

For the sake of comparability, in the report the relevant consolidated tables are presented in accordance with both the old and the new methodologies for the comparative year 2024.

This change in methodology does not affect the consolidated and separate statements of financial position, as, according to both the old and the new methodologies, the adjustment items affect only the profit and loss statement and the relevant performance indicators calculated from the profit and loss lines concerned, but not the statement of financial position.

Explanation to the segments in the following table below:

3; 4; 6: The segments distinguished on geographical basis contain banks in given country and sometimes other financial institutions (like leasing or factoring companies) or other companies. The income generated in the given segments arise mainly from providing financial services like: collecting deposits, granting loans, leasing and treasury activities, payment and investment services and other financial services.
7: Merkantil Group conducts leasing activities in Hungary, with its source of income being provided leasing services (financing cars and production equipment).
8: Incomes arising in this segment is mainly fee income of fund management companies in Hungary, Bulgaria, Serbia, Ukraine (and in Romania until its sale in October 2024) based on their assets in investment funds or other managed assets.
9: The activities of other Hungarian and foreign subsidiaries are very divergent, so their income also originates from different sources. The main part of the income in the Other subsidiaries segment comes from the activities of OTP Funds Servicing and Consulting, OTP Real Estate, OTP Real Estate Investment Fund Management and PortfoLion Funds.

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below:

As at 31 December 2024

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports a	Adjustments on the accounting in Recognized Income b	OTP Group - in the consolidated statement of profit or loss - structure of management reports 1=a+b
Profit after income tax for the year from continued and discontinued operations	**1,076,140**		**1,076,140**
Profit after income tax for the year from discontinued operations	19,756	(19,756)	-
Profit after income tax for the year from continued operations	**1,056,384**	**(19,756)**	**1,076,140**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports	Adjustments on the accounting in Recognized Income	OTP Group - in the consolidated statement of profit or loss - structure of management reports	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	1=a+b; 1=2+3+4+5	2	3	4	5
Consolidated adjusted profit after income tax for the year	**1,056,384**	**19,756**	**1,076,140**	**329,404**	**377,840**	**352,890**	**16,006**
Profit before income tax	**1,309,824**	**77,059**	**1,386,883**	**444,289**	**451,825**	**474,758**	**16,011**
Adjusted operating profit	**1,473,088**	**81,958**	**1,555,046**	**506,499**	**484,669**	**556,876**	**7,002**
Adjusted total income	**2,685,862**	**(42,287)**	**2,643,575**	**1,011,558**	**800,524**	**836,445**	**(4,952)**
Adjusted net interest income	1,745,340	37,264	1,782,604	606,919	590,060	586,644	(1,019)
Adjusted net profit from fees and commissions	842,655	(297,024)	545,631	266,889	169,474	110,547	(1,279)
Adjusted other net non-interest income	97,867	217,473	315,340	137,750	40,990	139,254	(2,654)
Adjusted other administrative expenses	**(1,212,774)**	**124,245**	**(1,088,529)**	**(505,059)**	**(315,855)**	**(279,569)**	**11,954**
Personnel expenses	(550,175)	(14,199)	(564,374)	(239,952)	(164,036)	(161,276)	890
Depreciation and amortization	(134,293)	15,665	(118,628)	(65,943)	(25,781)	(26,480)	(424)
Other general expenses	(528,306)	122,779	(405,527)	(199,164)	(126,038)	(91,813)	11,488
Gains from derecognition of financial assets at amortized cost	**(14,409)**	**84**	**(14,325)**	**(10,717)**	**2,982**	**(6,586)**	**(4)**
Modification loss	**(13,193)**	**-**	**(13,193)**	**(10,891)**	**(7)**	**(2,294)**	**(1)**
Total risk costs	**(135,662)**	**(4,983)**	**(140,645)**	**(40,602)**	**(35,819)**	**(73,238)**	**9,014**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(109,142)	37,128	(72,014)	13,439	(24,332)	(61,700)	579
Goodwill impairment	-	-	-	-	-	-	-
Other impairment (adjustment)	(26,520)	(42,111)	(68,631)	(54,041)	(11,487)	(11,538)	8,435
from this: Adjusted impairment under IAS 36	(9,056)	1,745	(7,311)	(7,013)	159	(8)	(449)
Income tax	**(253,440)**	**(57,303)**	**(310,743)**	**(114,885)**	**(73,985)**	**(121,868)**	**(5)**
				-	-	-	
Total Assets	**43,419,128**	**-**	**43,419,128**	**21,069,530**	**17,566,160**	**10,574,190**	**(5,790,752)**
Total Liabilities	**38,299,115**	**-**	**38,299,115**	**17,428,696**	**15,253,492**	**9,113,844**	**(3,496,917)**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	**Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)**	OTP CORE (Hungary)	Merkantil Group (Hungary)	Asset Management subsidiaries	Other subsidiaries
	2=6+…+9	6	7	8	9
Consolidated adjusted profit after income tax for the year	**329,404**	**270,386**	**10,841**	**24,747**	**23,430**
Profit before income tax	**444,289**	**374,636**	**14,569**	**27,361**	**27,723**
Adjusted operating profit	**506,499**	**434,843**	**11,794**	**27,296**	**32,566**
Adjusted total income	**1,011,558**	**877,922**	**27,237**	**34,103**	**72,296**
Adjusted net interest income	606,919	578,001	24,052	82	4,784
Adjusted net profit from fees and commissions	266,889	219,505	669	31,491	15,224
Adjusted other net non-interest income	137,750	80,416	2,516	2,530	52,288
Adjusted other administrative expenses	**(505,059)**	**(443,079)**	**(15,443)**	**(6,807)**	**(39,730)**
Personnel expenses	(239,952)	(212,184)	(7,883)	(4,373)	(15,512)
Depreciation and amortization	(65,943)	(58,437)	(2,199)	(157)	(5,150)
Other general expenses	(199,164)	(172,458)	(5,361)	(2,277)	(19,068)
Gains from derecognition of financial assets at amortized cost	**(10,717)**	**(10,972)**	**255**	**-**	**-**
Modification loss	**(10,891)**	**(10,367)**	**(524)**	**-**	**-**
Total risk costs	**(40,602)**	**(38,868)**	**3,044**	**65**	**(4,843)**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	13,439	10,805	3,067	13	(446)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(54,041)	(49,673)	(23)	52	(4,397)
from this: Adjusted impairment under IAS 36	(7,013)	(5,161)	-	(7)	(1,845)
Income tax	**(114,885)**	**(104,250)**	**(3,728)**	**(2,614)**	**(4,293)**
Total Assets	**21,069,530**	**19,288,046**	**1,009,625**	**46,117**	**725,742**
Total Liabilities	**17,428,696**	**16,234,215**	**943,022**	**15,261**	**236,198**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	**Foreign banks in EU subtotal (without adjustments)** **3=10+…+13**	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	OTP banka d.d. (Slovenia) 12	OTP Bank Romania S.A. (Romania) 13
Consolidated adjusted profit after income tax for the year	**377,840**	**200,764**	**61,743**	**113,283**	**2,050**
Profit before income tax	**451,825**	**234,156**	**75,418**	**137,571**	**4,680**
Adjusted operating profit	**484,669**	**255,204**	**73,593**	**146,283**	**9,589**
Adjusted total income	**800,524**	**375,365**	**138,875**	**252,418**	**33,866**
Adjusted net interest income	590,060	267,411	105,300	190,303	27,046
Adjusted net profit from fees and commissions	169,474	83,724	28,923	53,756	3,071
Adjusted other net non-interest income	40,990	24,230	4,652	8,359	3,749
Adjusted other administrative expenses	**(315,855)**	**(120,161)**	**(65,282)**	**(106,135)**	**(24,277)**
Personnel expenses	(164,036)	(58,893)	(34,888)	(56,259)	(13,996)
Depreciation and amortization	(25,781)	(10,672)	(5,845)	(7,580)	(1,684)
Other general expenses	(126,038)	(50,596)	(24,549)	(42,296)	(8,597)
Gains from derecognition of financial assets at amortized cost	**2,982**	**585**	**3,642**	**(1,329)**	**84**
Modification loss	**(7)**	**-**	**-**	**(7)**	**-**
Total risk costs	**(35,819)**	**(21,633)**	**(1,817)**	**(7,376)**	**(4,993)**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(24,332)	(18,600)	6,793	(7,728)	(4,797)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(11,487)	(3,033)	(8,610)	352	(196)
from this: Adjusted impairment under IAS 36	159	165	(6)	-	-
Income tax	**(73,985)**	**(33,392)**	**(13,675)**	**(24,288)**	**(2,630)**
Total Assets	**17,566,160**	**7,674,660**	**3,784,532**	**6,106,968**	**-**
Total Liabilities	**15,253,492**	**6,623,233**	**3,300,816**	**5,329,443**	**-**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks not in EU subtotal (without adjustments) 4=14+…+20	OTP banka Srbija a.d. (Serbia) 14	OTP Bank JSC (Ukraine) 15	JSC "OTP Bank" (Russia) and Touch Bank 16	Crnogorska komercijalna banka a.d. (Montenegro) 17	Banka OTP Albania SHA (Albania) 18	OTP Bank S.A. (Moldova) 19	JSCMB Ipoteka Bank (Uzbekistan) 20
Consolidated adjusted profit after income tax for the year	**352,890**	**66,496**	**41,179**	**136,946**	**24,195**	**19,687**	**11,493**	**52,894**
Profit before income tax	**474,758**	**77,469**	**72,842**	**195,535**	**28,580**	**23,450**	**13,039**	**63,843**
Adjusted operating profit	**556,876**	**95,477**	**68,415**	**252,216**	**27,170**	**23,146**	**12,414**	**78,038**
Adjusted total income	**836,445**	**153,565**	**101,605**	**343,619**	**45,661**	**40,048**	**26,179**	**125,768**
Adjusted net interest income	586,644	116,621	89,894	187,070	35,460	33,531	15,353	108,715
Adjusted net profit from fees and commissions	110,547	21,726	7,769	55,095	9,729	4,243	2,483	9,502
Adjusted other net non-interest income	139,254	15,218	3,942	101,454	472	2,274	8,343	7,551
Adjusted other administrative expenses	**(279,569)**	**(58,088)**	**(33,190)**	**(91,403)**	**(18,491)**	**(16,902)**	**(13,765)**	**(47,730)**
Personnel expenses	(161,276)	(29,216)	(19,960)	(55,292)	(8,668)	(6,962)	(8,007)	(33,171)
Depreciation and amortization	(26,480)	(4,941)	(2,808)	(8,505)	(2,193)	(2,152)	(1,417)	(4,464)
Other general expenses	(91,813)	(23,931)	(10,422)	(27,606)	(7,630)	(7,788)	(4,341)	(10,095)
Gains from derecognition of financial assets at amortized cost	**(6,586)**	**(84)**	**204**	**283**	**(29)**	**(1,328)**	**(228)**	**(5,404)**
Modification loss	**(2,294)**	**(2,164)**	**(134)**	**-**	**4**	**-**	**-**	**-**
Total risk costs	**(73,238)**	**(15,760)**	**4,357**	**(56,964)**	**1,435**	**1,632**	**853**	**(8,791)**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(61,700)	(13,615)	9,052	(55,172)	1,973	1,328	802	(6,068)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(11,538)	(2,145)	(4,695)	(1,792)	(538)	304	51	(2,723)
from this: Adjusted impairment under IAS 36	(8)	(36)	-	-	-	-	28	-
Income tax	**(121,868)**	**(10,973)**	**(31,663)**	**(58,589)**	**(4,385)**	**(3,763)**	**(1,546)**	**(10,949)**
Total Assets	**10,574,190**	**3,483,775**	**1,186,801**	**2,370,967**	**776,370**	**791,495**	**455,246**	**1,509,536**
Total Liabilities	**9,113,844**	**3,047,166**	**981,096**	**2,072,180**	**654,980**	**676,846**	**386,192**	**1,295,384**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023

Main components of the consolidated statement of profit or loss in HUF million	**OTP Group - in the consolidated statement of profit or loss - structure of accounting reports** **a**	Adjustments on the accounting in Recognized Income b	**OTP Group - in the consolidated statement of profit or loss - structure of management reports** **1=a+b**
Profit after income tax for the year from continued and discontinued operations	**990,459**		**990,459**
Profit after income tax for the year from discontinued operations	(21,246)	21,246	-
Profit after income tax for the year from continued operations	**1,011,705**	**21,246**	**990,459**
Adjustments (total)		**85,507**	**85,507**
Effect of acquisition (after income tax)		85,507	85,507

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million	**OTP Group - in the consolidated statement of profit or loss - structure of accounting reports**	Adjustments on the accounting in Recognized Income	**OTP Group - in the consolidated statement of profit or loss - structure of management reports**	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	**1=a+b; 1=2+3+4+5**	2	3	4	5
Consolidated adjusted profit after income tax for the year	**1,011,705**	**(106,753)**	**904,952**	**297,338**	**383,980**	**230,959**	**(7,325)**
Profit before income tax	**1,201,183**	**(21,959)**	**1,179,224**	**434,423**	**427,854**	**323,542**	**(6,595)**
Adjusted operating profit	**1,365,111**	**(80,678)**	**1,284,433**	**457,799**	**434,851**	**398,769**	**(6,986)**
Adjusted total income	**2,439,448**	**(175,218)**	**2,264,230**	**931,929**	**726,750**	**627,569**	**(22,018)**
Adjusted net interest income	1,386,706	75,144	1,461,850	474,616	538,796	446,302	2,136
Adjusted net profit from fees and commissions	691,993	(213,875)	478,118	241,178	149,074	88,999	(1,133)
Adjusted other net non-interest income	360,749	(36,487)	324,262	216,135	38,880	92,268	(23,021)
Adjusted other administrative expenses	**(1,074,337)**	**94,540**	**(979,797)**	**(474,130)**	**(291,899)**	**(228,800)**	**15,032**
Personnel expenses	(478,696)	(27,769)	(506,465)	(229,991)	(150,979)	(126,364)	869
Depreciation and amortization	(111,996)	11,538	(100,458)	(52,018)	(26,088)	(21,817)	(535)
Other general expenses	(483,645)	110,771	(372,874)	(192,121)	(114,832)	(80,619)	14,698
Gains from derecognition of financial assets at amortized cost	**(17,182)**	**6,624**	**(10,558)**	**(20,137)**	**8,010**	**1,572**	**(3)**
Modification loss	**(38,141)**	**36,909**	**(1,232)**	**(27)**	**4**	**(1,209)**	**-**
Total risk costs	**(108,605)**	**15,186**	**(93,419)**	**(3,212)**	**(15,011)**	**(75,590)**	**394**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(79,281)	857	(78,424)	(12,149)	(4,235)	(62,230)	190
Goodwill impairment	-	-	-	-	-	-	-
Other impairment (adjustment)	(29,324)	14,329	(14,995)	8,937	(10,776)	(13,360)	204
from this: adjusted impairment under IAS 36	(5,216)	3,566	(1,650)	(439)	(1,046)	(130)	(35)
Income tax	**(189,478)**	**(84,794)**	**(274,272)**	**(137,085)**	**(43,874)**	**(92,583)**	**(730)**
Total Assets	**38,075,811**	**1,533,333**	**39,609,144**	**20,253,197**	**17,227,907**	**8,331,503**	**(6,203,463)**
Total Liabilities	**34,374,431**	**1,139,920**	**35,514,351**	**17,276,859**	**15,071,974**	**7,128,153**	**(3,962,635)**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	**Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)**	OTP CORE (Hungary)	Merkantil Group (Hungary)	Asset Management subsidiaries	Other subsidiaries
	2=6+…+9	6	7	8	9
Consolidated adjusted profit after income tax for the year	**297,338**	**233,871**	**6,647**	**19,860**	**36,960**
Profit before income tax	**434,423**	**359,862**	**10,507**	**22,376**	**41,678**
Adjusted operating profit	**457,799**	**380,027**	**14,396**	**22,425**	**40,951**
Adjusted total income	**931,929**	**793,953**	**27,442**	**29,051**	**81,483**
Adjusted net interest income	474,616	432,651	26,257	52	15,656
Adjusted net profit from fees and commissions	241,178	197,341	759	27,056	16,022
Adjusted other net non-interest income	216,135	163,961	426	1,943	49,805
Adjusted other administrative expenses	**(474,130)**	**(413,926)**	**(13,046)**	**(6,626)**	**(40,532)**
Personnel expenses	(229,991)	(205,223)	(6,658)	(4,437)	(13,673)
Depreciation and amortization	(52,018)	(44,745)	(1,648)	(195)	(5,430)
Other general expenses	(192,121)	(163,958)	(4,740)	(1,994)	(21,429)
Gains from derecognition of financial assets at amortized cost	**(20,137)**	**(20,690)**	**553**	**-**	**-**
Modification loss	**(27)**	**-**	**(27)**	**-**	**-**
Total risk costs	**(3,212)**	**525**	**(4,415)**	**(49)**	**727**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(12,149)	(9,558)	(4,393)	(39)	1,841
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	8,937	10,083	(22)	(10)	(1,114)
from this: adjusted impairment under IAS 36	(439)	(1,816)	(4)	-	1,381
Income tax	**(137,085)**	**(125,991)**	**(3,860)**	**(2,516)**	**(4,718)**
Total Assets	**20,253,197**	**18,459,423**	**930,761**	**42,031**	**820,982**
Total Liabilities	**17,276,859**	**16,087,459**	**869,524**	**11,609**	**308,267**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	**Foreign banks in EU subtotal (without adjustments) 3=10+…+13**	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	SKB Banka and Nova KBM d.d. (Slovenia) 12	OTP Bank Romania S.A. (Romania) 13
Consolidated adjusted profit after income tax for the year	**383,980**	**198,182**	**53,334**	**112,343**	**20,121**
Profit before income tax	**427,854**	**219,485**	**65,120**	**119,569**	**23,680**
Adjusted operating profit	**434,851**	**216,102**	**66,117**	**131,637**	**20,995**
Adjusted total income	**726,750**	**316,105**	**123,133**	**218,877**	**68,635**
Adjusted net interest income	538,796	226,693	91,117	167,121	53,865
Adjusted net profit from fees and commissions	149,074	72,366	25,661	46,028	5,019
Adjusted other net non-interest income	38,880	17,046	6,355	5,728	9,751
Adjusted other administrative expenses	**(291,899)**	**(100,003)**	**(57,016)**	**(87,240)**	**(47,640)**
Personnel expenses	(150,979)	(47,720)	(29,235)	(47,716)	(26,308)
Depreciation and amortization	(26,088)	(9,116)	(5,592)	(7,351)	(4,029)
Other general expenses	(114,832)	(43,167)	(22,189)	(32,173)	(17,303)
Gains from derecognition of financial assets at amortized cost	**8,010**	**1,638**	**-**	**(251)**	**6,623**
Modification loss	**4**	**-**	**-**	**4**	**-**
Total risk costs	**(15,011)**	**1,745**	**(997)**	**(11,821)**	**(3,938)**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(4,235)	1,141	721	(2,245)	(3,852)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(10,776)	604	(1,718)	(9,576)	(86)
from this: adjusted impairment under IAS 36	(1,046)	(838)	(25)	(9)	(174)
Income tax	**(43,874)**	**(21,303)**	**(11,786)**	**(7,226)**	**(3,559)**
Total Assets	**17,227,907**	**6,456,668**	**3,278,199**	**5,892,803**	**1,600,237**
Total Liabilities	**15,071,974**	**5,566,481**	**2,874,712**	**5,223,180**	**1,407,601**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the NEW methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	**Foreign banks not in EU subtotal (without adjustments)**	OTP banka Srbija a.d. (Serbia)	OTP Bank JSC (Ukraine)	JSC "OTP Bank" (Russia) and Touch Bank	Crnogorska komercijalna banka a.d. (Montenegro)	Banka OTP Albania SHA (Albania)	OTP Bank S.A. (Moldova)	JSCMB Ipoteka Bank (Uzbekistan)
	4=14+…+20	14	15	16	17	18	19	20
Consolidated adjusted profit after income tax for the year	**230,959**	**58,211**	**44,909**	**95,675**	**21,359**	**11,603**	**14,624**	**(15,422)**
Profit before income tax	**323,542**	**67,354**	**82,083**	**130,181**	**25,220**	**14,074**	**16,671**	**(12,041)**
Adjusted operating profit	**398,769**	**81,179**	**78,019**	**149,307**	**23,019**	**13,750**	**13,352**	**40,143**
Adjusted total income	**627,569**	**132,149**	**108,854**	**223,654**	**38,425**	**33,123**	**25,275**	**66,089**
Adjusted net interest income	446,302	103,730	93,450	122,084	29,771	27,912	16,349	53,006
Adjusted net profit from fees and commissions	88,999	18,419	10,837	40,831	7,797	3,465	2,389	5,261
Adjusted other net non-interest income	92,268	10,000	4,567	60,739	857	1,746	6,537	7,822
Adjusted other administrative expenses	**(228,800)**	**(50,970)**	**(30,835)**	**(74,347)**	**(15,406)**	**(19,373)**	**(11,923)**	**(25,946)**
Personnel expenses	(126,364)	(25,710)	(18,046)	(45,063)	(7,299)	(6,610)	(7,013)	(16,623)
Depreciation and amortization	(21,817)	(4,547)	(2,472)	(8,660)	(1,838)	(1,494)	(1,234)	(1,572)
Other general expenses	(80,619)	(20,713)	(10,317)	(20,624)	(6,269)	(11,269)	(3,676)	(7,751)
Gains from derecognition of financial assets at amortized cost	**1,572**	**53**	**328**	**1,487**	**932**	**(219)**	**(1,009)**	**-**
Modification loss	**(1,209)**	**-**	**(1,239)**	**-**	**30**	**-**	**-**	**-**
Total risk costs	**(75,590)**	**(13,878)**	**4,975**	**(20,613)**	**1,239**	**543**	**4,328**	**(52,184)**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(62,230)	(11,085)	11,565	(17,765)	1,967	327	4,115	(51,354)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(13,360)	(2,793)	(6,590)	(2,848)	(728)	216	213	(830)
from this: adjusted impairment under IAS 36	(130)	(93)	-	-	-	-	(37)	-
Income tax	**(92,583)**	**(9,143)**	**(37,174)**	**(34,506)**	**(3,861)**	**(2,471)**	**(2,047)**	**(3,381)**
Total Assets	**8,331,503**	**2,874,794**	**1,036,912**	**1,470,796**	**663,676**	**669,765**	**428,192**	**1,187,368**
Total Liabilities	**7,128,153**	**2,506,449**	**879,824**	**1,196,279**	**550,672**	**588,663**	**364,839**	**1,041,427**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million	**OTP Group - in the consolidated statement of profit or loss - structure of accounting reports** **a**	Adjustments on the accounting in Recognized Income b	**OTP Group - in the consolidated statement of profit or loss - structure of management reports** **1=a+b**
Profit after income tax for the year from continued and discontinued operations	**990,459**		**990,459**
Profit after income tax for the year from discontinued operations	(21,246)	21,246	-
Profit after income tax for the year from continued operations	**1,011,705**	**21,246**	**990,459**
Adjustments (total)		**(18,123)**	**(18,123)**
Dividends and net cash transfers (after income tax)		(1,911)	(1,911)
Goodwill /investment impairment (after income tax)		(3,919)	(3,919)
Special tax on financial institutions (after income tax)		(62,551)	(62,551)
Effect of acquisition (after income tax)		64,887	64,887
Result of the treasury share swap agreement at OTP Core (after income tax)		10,680	10,680
Loss allowance on Russian government bonds at OTP Core and DSK Bank (after income tax)		(2,799)	(2,799)
Effect of the winding up of Sberbank Hungary (after income tax)		10,388	10,388
Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary (after income tax)		(32,898)	(32,898)

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports	Adjustments on the accounting in Recognized Income	OTP Group - in the consolidated statement of profit or loss - structure of management reports	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	1=a+b; 1=2+3+4+5	2	3	4	5
Consolidated adjusted profit after income tax for the year	**1,011,705**	**(3,123)**	**1,008,582**	**364,621**	**404,779**	**238,565**	**617**
Profit before income tax	**1,201,183**	**21,145**	**1,222,328**	**437,074**	**450,536**	**333,369**	**1,349**
Adjusted operating profit	**1,365,111**	**(85,737)**	**1,279,374**	**432,460**	**445,671**	**400,279**	**964**
Adjusted total income	**2,439,448**	**(196,339)**	**2,243,109**	**903,559**	**730,860**	**622,761**	**(14,071)**
Adjusted net interest income	1,386,706	72,988	1,459,694	474,616	543,257	439,685	2,136
Adjusted net profit from fees and commissions	691,993	(213,847)	478,146	240,942	149,074	89,263	(1,133)
Adjusted other net non-interest income	360,749	(55,480)	305,269	188,001	38,529	93,813	(15,074)
Adjusted other administrative expenses	**(1,074,337)**	**110,602**	**(963,735)**	**(471,099)**	**(285,189)**	**(222,482)**	**15,035**
Personnel expenses	(478,696)	(25,263)	(503,959)	(229,992)	(149,674)	(125,163)	870
Depreciation and amortization	(111,996)	16,435	(95,561)	(52,017)	(22,271)	(20,738)	(535)
Other general expenses	(483,645)	119,430	(364,215)	(189,090)	(113,244)	(76,581)	14,700
Gains from derecognition of financial assets at amortized cost	**(17,182)**	**6,624**	**(10,558)**	**(20,137)**	**8,261**	**1,572**	**(254)**
Modification loss	**(38,141)**	**36,909**	**(1,232)**	**(27)**	**-**	**(1,209)**	**4**
Total risk costs	**(108,605)**	**63,349**	**(45,256)**	**24,778**	**(3,396)**	**(67,273)**	**635**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(79,281)	37,766	(41,515)	16,023	(4,475)	(53,493)	430
Goodwill impairment	-	-	-	-	-	-	-
Other impairment (adjustment)	(29,324)	25,583	(3,741)	8,755	1,079	(13,780)	205
from this: adjusted impairment under IAS 36	(5,216)	3,566	(1,650)	(452)	(1,037)	(130)	(31)
Income tax	**(189,478)**	**(24,268)**	**(213,746)**	**(72,453)**	**(45,757)**	**(94,804)**	**(732)**
Total Assets	**38,075,811**	**1,533,333**	**39,609,144**	**20,253,197**	**17,227,907**	**8,331,503**	**(6,203,463)**
Total Liabilities	**34,374,431**	**1,139,920**	**35,514,351**	**17,276,859**	**15,071,959**	**7,128,153**	**(3,962,620)**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	**Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)**	OTP CORE (Hungary)	Merkantil Group (Hungary)	Asset Management subsidiaries	Other subsidiaries
	2=6+…+9	6	7	8	9
Consolidated adjusted profit after income tax for the year	**364,621**	**302,936**	**10,266**	**19,860**	**31,559**
Profit before income tax	**437,074**	**366,502**	**11,949**	**22,376**	**36,247**
Adjusted operating profit	**432,460**	**360,132**	**14,382**	**22,425**	**35,521**
Adjusted total income	**903,559**	**771,037**	**27,428**	**29,051**	**76,043**
Adjusted net interest income	474,616	432,651	26,257	52	15,656
Adjusted net profit from fees and commissions	240,942	197,104	759	27,056	16,023
Adjusted other net non-interest income	188,001	141,282	412	1,943	44,364
Adjusted other administrative expenses	**(471,099)**	**(410,905)**	**(13,046)**	**(6,626)**	**(40,522)**
Personnel expenses	(229,992)	(205,223)	(6,658)	(4,437)	(13,674)
Depreciation and amortization	(52,017)	(44,745)	(1,648)	(195)	(5,429)
Other general expenses	(189,090)	(160,937)	(4,740)	(1,994)	(21,419)
Gains from derecognition of financial assets at amortized cost	**(20,137)**	**(20,690)**	**553**	**-**	**-**
Modification loss	**(27)**	**-**	**(27)**	**-**	**-**
Total risk costs	**24,778**	**27,060**	**(2,959)**	**(49)**	**726**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	16,023	16,977	(2,756)	(39)	1,841
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	8,755	10,083	(203)	(10)	(1,115)
from this: adjusted impairment under IAS 36	(452)	(1,816)	(4)	-	1,368
Income tax	**(72,453)**	**(63,566)**	**(1,683)**	**(2,516)**	**(4,688)**
Total Assets	**20,253,197**	**18,459,423**	**930,761**	**42,031**	**820,982**
Total Liabilities	**17,276,859**	**16,087,459**	**869,524**	**11,609**	**308,267**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	**Foreign banks in EU subtotal (without adjustments) 3=10+…+13**	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	SKB Banka and Nova KBM d.d. (Slovenia) 12	OTP Bank Romania S.A. (Romania) 13
Consolidated adjusted profit after income tax for the year	**404,779**	**201,991**	**53,960**	**128,729**	**20,099**
Profit before income tax	**450,536**	**223,731**	**65,746**	**137,401**	**23,658**
Adjusted operating profit	**445,671**	**217,238**	**66,743**	**140,717**	**20,973**
Adjusted total income	**730,860**	**315,980**	**122,952**	**223,315**	**68,613**
Adjusted net interest income	543,257	226,693	90,996	171,703	53,865
Adjusted net profit from fees and commissions	149,074	72,366	25,661	46,028	5,019
Adjusted other net non-interest income	38,529	16,921	6,295	5,584	9,729
Adjusted other administrative expenses	**(285,189)**	**(98,742)**	**(56,209)**	**(82,598)**	**(47,640)**
Personnel expenses	(149,674)	(47,720)	(29,235)	(46,411)	(26,308)
Depreciation and amortization	(22,271)	(7,855)	(4,785)	(5,602)	(4,029)
Other general expenses	(113,244)	(43,167)	(22,189)	(30,585)	(17,303)
Gains from derecognition of financial assets at amortized cost	**8,261**	**1,638**	**-**	**-**	**6,623**
Modification loss	**-**	**-**	**-**	**-**	**-**
Total risk costs	**(3,396)**	**4,855**	**(997)**	**(3,316)**	**(3,938)**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(4,475)	1,141	721	(2,485)	(3,852)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	1,079	3,714	(1,718)	(831)	(86)
from this: adjusted impairment under IAS 36	(1,037)	(838)	(25)	-	(174)
Income tax	**(45,757)**	**(21,740)**	**(11,786)**	**(8,672)**	**(3,559)**
Total Assets	**17,227,907**	**6,456,668**	**3,278,199**	**5,892,803**	**1,600,237**
Total Liabilities	**15,071,959**	**5,566,481**	**2,874,712**	**5,223,180**	**1,407,586**

NOTE 49: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below according to the OLD methodology [continued]:

As at 31 December 2023 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks not in EU subtotal (without adjustments) 4=14+…+20	OTP banka Srbija a.d. (Serbia) 14	OTP Bank JSC (Ukraine) 15	JSC "OTP Bank" (Russia) and Touch Bank 16	Crnogorska komercijalna banka a.d. (Montenegro) 17	Banka OTP Albania SHA (Albania) 18	OTP Bank S.A. (Moldova) 19	JSCMB Ipoteka Bank (Uzbekistan) 20
Consolidated adjusted profit after income tax for the year	**238,565**	**68,025**	**45,184**	**95,666**	**21,814**	**15,033**	**14,700**	**(21,857)**
Profit before income tax	**333,369**	**78,646**	**82,358**	**130,172**	**25,737**	**18,173**	**16,759**	**(18,476)**
Adjusted operating profit	**400,279**	**83,734**	**78,294**	**149,298**	**23,536**	**18,269**	**13,440**	**33,708**
Adjusted total income	**622,761**	**133,591**	**108,854**	**223,645**	**38,362**	**33,387**	**25,268**	**59,654**
Adjusted net interest income	439,685	104,050	93,450	122,084	29,717	27,912	16,349	46,123
Adjusted net profit from fees and commissions	89,263	18,419	10,837	40,831	7,797	3,729	2,389	5,261
Adjusted other net non-interest income	93,813	11,122	4,567	60,730	848	1,746	6,530	8,270
Adjusted other administrative expenses	**(222,482)**	**(49,857)**	**(30,560)**	**(74,347)**	**(14,826)**	**(15,118)**	**(11,828)**	**(25,946)**
Personnel expenses	(125,163)	(25,710)	(18,046)	(45,063)	(6,910)	(5,798)	(7,013)	(16,623)
Depreciation and amortization	(20,738)	(3,661)	(2,472)	(8,660)	(1,645)	(1,494)	(1,234)	(1,572)
Other general expenses	(76,581)	(20,486)	(10,042)	(20,624)	(6,271)	(7,826)	(3,581)	(7,751)
Gains from derecognition of financial assets at amortized cost	**1,572**	**53**	**328**	**1,487**	**932**	**(219)**	**(1,009)**	**-**
Modification loss	**(1,209)**	**-**	**(1,239)**	**-**	**30**	**-**	**-**	**-**
Total risk costs	**(67,273)**	**(5,141)**	**4,975**	**(20,613)**	**1,239**	**123**	**4,328**	**(52,184)**
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(53,493)	(2,348)	11,565	(17,765)	1,967	327	4,115	(51,354)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(13,780)	(2,793)	(6,590)	(2,848)	(728)	(204)	213	(830)
from this: adjusted impairment under IAS 36	(130)	(93)	-	-	-	-	(37)	-
Income tax	**(94,804)**	**(10,621)**	**(37,174)**	**(34,506)**	**(3,923)**	**(3,140)**	**(2,059)**	**(3,381)**
Total Assets	**8,331,503**	**2,874,794**	**1,036,912**	**1,470,796**	**663,676**	**669,765**	**428,192**	**1,187,368**
Total Liabilities	**7,128,153**	**2,506,449**	**879,824**	**1,196,279**	**550,672**	**588,663**	**364,839**	**1,041,427**

NOTE 50: DISCONTINUED OPERATIONS (in HUF mn)

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, until the final closure of the sale and as comparative period for the end of 2023 the Romanian operation was presented on a separate line as assets /liabilities held for sale in the consolidated statement of financial position and as discontinued operation in the consolidated profit or loss.
As for the consolidated profit or loss, the Romanian contribution for the end of year 2023 was shown separately from the result of continuing operation, on the “Net gain / (loss) from discontinued operations” line, that is the particular profit or loss lines in the ‘continuing operations’ section don’t incorporate the contribution from the Romanian subsidiaries.
The result from discontinued operations for the year 2024 was HUF 19,756 million, which was allocated in the consolidated profit or loss under the same line as previous year "Net gain / (loss) from discontinued operations" and consisted of:

- The contribution of the Romanian subsidiaries to the Group's result amounted to HUF 8,871 million.
- The combined effect of the gain on sale, the reclassification of exchange differences to profit or loss and other income items recognized in the Group's books amounted to HUF 10,885 million.

The negative impact of the translation difference removed from the consolidated statement of comprehensive income was HUF 18,166 million.

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 profit or loss impact of HUF 55.9 billion (before tax) on consolidated level, which has already been booked in the fourth quarter of 2023.
The Romanian segment of the Group which was classified as discontinued operation includes the following companies: OTP Bank Romania S.A., OTP Asset Management SAI S.A., OTP Leasing Romania IFN S.A., OTP Factoring SRL, SC Favo Consultanta SRL, SC Aloha Buzz SRL, SC Tezaur Cont SRL.

The major classes of assets and liabilities comprising the assets classified as held for sale and liabilities directly associated with assets classified as held for sale are as follows:

	31/12/2023
Cash, amounts due from banks and balances with the National Banks	199,587
Placements with other banks	8,147
Financial assets at fair value through profit or loss	2,090
Securities at fair value through other comprehensive income	39,430
Securities at amortized cost	226,427
Loans at amortized cost	1,013,582
Finance lease receivables	67,068
Associates and other investments	236
Property and equipment	10,313
Intangible assets and goodwill	3,848
Right-of-use assets	4,299
Investment properties	40
Deferred tax assets	224
Current income tax receivables	55
Other assets	13,927
TOTAL ASSETS	**1,589,273**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,764
Deposits from customers	1,095,853
Derivative financial liabilities held for trading	311
Leasing liabilities	4,348
Deferred tax liabilities	912
Current income tax payable	1,865
Provisions	9,006
Other liabilities	25,861
TOTAL LIABILITIES	**1,139,920**

NOTE 50: DISCONTINUED OPERATIONS (in HUF mn) [continued]

The results of discontinued operations, which have been separated on line "Net Gain / (Loss) from discontinued operations" in the consolidated statement of profit or loss, were as follows:

	Year ended 31 December 2024	**Year ended 31 December 2023**
Interest income calculated using the effective interest method	54,388	103,321
Income similar to interest income	4,055	15,252
Interest income and income similar to interest income	**58,443**	**118,573**
Interest expense	**(24,810)**	**(50,513)**
NET INTEREST INCOME	**33,633**	**68,060**
Loss allowance on loans, placements, amounts due from banks and on repo receivables	(3,789)	(6,779)
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	72	235
(Provision) / Release of provision for commitments and guarantees given	(1,012)	2,931
Risk cost total	**(4,729)**	**(3,613)**
NET INTEREST INCOME AFTER RISK COST	**28,904**	**64,447**
Gain from derecognition of financial assets at amortized cost	**85**	**6,624**
Income from fees and commissions	9,800	22,351
Expense from fees and commissions	(2,977)	(7,036)
Net profit from fees and commissions	**6,823**	**15,315**
Foreign exchange result, net	(1,705)	(11,397)
(Loss) / Gain on securities, net	(12)	37
Fair value adjustment on financial instruments measured at fair value through profit or loss	36	157
Net results on derivative instruments and hedge relationships	1,811	11,526
Profit from associates	124	22
Other operating income	370	409
Other operating expenses	(570)	(1,105)
Net operating income / (expense)	**54**	**(351)**
Personnel expenses	(14,133)	(26,571)
Depreciation and amortization	(2,676)	(5,998)
Other general expenses	(8,867)	(15,197)
Other administrative expenses	**(25,676)**	**(47,766)**
PROFIT BEFORE INCOME TAX	**10,190**	**38,269**
Income tax expense	(1,319)	(3,575)
PROFIT AFTER INCOME TAX FOR THE PERIOD	**8,871**	**34,694**

NOTE 51: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2024

1) Term Note Program

See details in Note 21.

2) OTP Bank is selling its Romanian operations

On 30 July 2024, the financial closing of the sale and purchase transaction with Banca Transilvania S.A. took place, as a result of which Banca Transilvania S.A. acquired 100% of the direct and indirect shares in OTP Bank Romania S.A., the Romanian subsidiary bank of OTP Group. As part of the transaction, OTP Group also sold OTP Leasing Romania IFN S.A. to Banca Transilvania Group. The closing of the sale of OTP Asset Management S.A.I. S.A. took place in October 2024 after the relevant regulatory approvals had arrived. Consequently, starting from the third quarter in 2024 the consolidated financial statements no longer include the contribution from the Romanian segment.
See details in Note 50 Assets classified as held for sale and discontinued operations.

3) Merger of the two Slovenian banks

On 22 August, 2024 the two members of the banking group in Slovenia, Nova KBM d.d. and SKB banka d.d - after all the necessary regulatory approvals - successfully completed the legal merger, and continues to operate under one brand name, OTP banka d.d.. Following this, the operational merger was also successfully completed.

4) Significant regulatory changes in Hungary

About the prolongation of deadline of interest rate cap, voluntary interest rate cap on newly granted loans, amending the previously laid down methodology of windfall tax calculation, family support schemes and economic stimulation measures, capital regulation please see details in Note 4.

5) Risk relating to the Russian-Ukrainian armed conflict

In 2022 Russia launched a still ongoing war against Ukraine. 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 war 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 war 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 war and the international sanctions cause significant economic damage to the affected parties and in addition they cause disruptions in the global economic processes, and they have negative impact – inter alia – on energy and grain markets, the global transport routes and international trade as well as on tourism.
OTP Group continues to monitor the situation closely. The OTP Group's ability to conduct business may be adversely affected by disruptions and restrictions 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 war 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.

NOTE 52: POST BALANCE SHEET EVENTS

Summary of economic policy measures made and other relevant regulatory changes as post-balance sheet events

Hungary

- On 13 January 2025 OTP Bank's share buyback program approved by the central bank on 22 August 2024 reached its maximum available amount of HUF 60 billion.
- On 24 January 2025 the Bank got another approval from the Hungarian National Bank to repurchase own shares in the amount of HUF 60 billion. The available amount was exhausted on 10 February 2025.
- About the consolidated MREL requirement amount and rules of OTP Group please see Note 37.6 in more details.
- On 30 January Tier 2 notes have been issued in the aggregate nominal amount of USD 750 million. The notes carry an annual coupon of 7.3% due semi-annually. The tenor was 10.5NC5.5, i.e. in the period between five and five and a half years the bonds can be redeemed on any day. The notes were listed on the Luxembourg Stock Exchange.
- On 7 February the EUR 500 million Fixed to Floating Rate Perpetual Subordinated Notes have been redeemed and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.
- On 17 February OTP Bank announced the redemption of its EUR 650,000,000 7.350 per cent. Senior Preferred Fixed-to-Floating Callable Notes due 2026 with the optional redemption date of 4 March 2025.
- As of end of February, the banking sector related key initiatives of the 'New Economic Policy Action Plan' launched by government decree 1311/2024 (X. 21.), are as follows (based on the communication of the Government and submitted bills):
    - From 1 January 2025, minimum wage increased by 9%. For 2026 and 2027 further 13% and 14% hikes have been agreed as part of the three-year wage agreement, assuming that economic growth and inflation will be in line with the expectations.
    - From 2 January 2025 the Workers' Loan Program is available at Hungarian banks. The loan is designed for young people aged 17-25 who are not eligible for student loans and who are employed in Hungary for at least 20 hours a week, or entrepreneurs who have an average income and undertake to work or run a business in Hungary for a minimum of five years. The maximum amount of the interest-free, free use, state-guaranteed loan facility is HUF 4 million, with a term of 10 years. The scheme also provides support for childbearing, with repayments suspended for two years following the birth of the first and second child, and half of the current debt waived for the second child and the full debt waived after the third one.
    - From 1 January 2025, in case of green loans the loan-to-value limit was increased to 90%, furthermore the payment-to-income limit was increased to 60% regardless of the income.
    - On 1 January 2025, the home renovation program was reintroduced to support families in towns with less than 5,000 residents, covering up to 50% of labor- and material costs with a cap of HUF 3 million. Those who have already availed themselves of the 2021-2022 home renovation subsidy are only eligible to utilize the new subsidy up to the amount of the HUF 3 million that remains unused at that time. From 1 February 2025, a state subsidized home renovation mortgage loan with a client interest rate of 3% and with up to HUF 6 million loan amount is available to finance investment costs.
    - In 2025, voluntary pension fund savings can be used free of tax for housing loan repayments, repayment of secured loans, and modernization or renovation of existing homes. The total amount of voluntary pension savings could be utilized, but only up to the balance available as of 30 September 2024.
    - From 1 January 2025, monthly HUF 150,000 fringe benefit can be paid to the employees under the age of 35 in order to support housing expenses (home rental or loan installment) above the current preferential upper limit of HUF 450,000 per year.
    - Half of the accumulated amount on SZÉP Cards can be used for home renovation in 2025.
    - Between 1 April and 31 October 2025, based on the individual decision of the participating banks, 5% interest rate cap will be available for under 35 years old, first-time home buyers for newly granted green housing loans, with properties under 60 square meter and price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan, the product has neither disbursement nor credit assessment fees.

NOTE 52: POST BALANCE SHEET EVENTS [continued]

Summary of economic policy measures made and other relevant regulatory changes as post-balance sheet events [continued]

  - From 6 January 2025, as part of the Demján Sándor program, export stimulating loan and leasing structures are available in the total sum of HUF 400 billion, partly refinanced by EXIM Hungary. Some of the products are also available for enterprises planning to start export activities in the future.
  - The interest rate of certain products under the Széchenyi Card Program MAX+ scheme was significantly reduced for contracts concluded after 1 March 2025: the interest rate on investment loans (Agricultural Investment Loan, Investment Loan) and the leasing scheme was reduced to 3%, while the interest rate on the Széchenyi Card Overdraft MAX+ (including the Tourism Card) and the Liquidity Loan was reduced to 4.5%. The uniform 0.5 pp reduction in client interest rates was facilitated by the burden sharing of KAVOSZ Ltd. (0.1 pp) and the banking sector (0.4 pp). The investment loans with the exceptionally favorable interest rate of the "GREEN" sub-structure are an exception to this, which are still available to businesses with a rate of 1.5%.
- Changes in the economic policy leadership:
  - As of 31 December 2024, pursuant to Act LXXXVI of 2024, the Ministry of Finance ceased to exist by merging into the Ministry of National Economy. Minister Márton Nagy remained in office unchanged as head of the Ministry of National Economy.
  - As of 4 March 2025, the President of the Republic appointed Mihály Varga, the former Minister of Finance, to head the National Bank of Hungary.
- Based on preliminary data published by the Central Statistical Office on 30 January 2025, the performance of the Hungarian economy increased by 0.5% q-o-q and 0.4% y-o-y in the fourth quarter. With this, the annual growth in 2024 was 0.6%. The average inflation in 2024 was 3.7%.
- The Financial Stability Council of the Hungarian National Bank announced an extension to the central bank's green capital requirement relief programs for credit institutions. The deadline for these programs was extended by one year, until the end of December 2026. The decision on whether to grant further annual extensions will be made based on a professional indicator system. Additionally, from 31 January 2025, the range of exposures that can be included in the discount program was further expanded.

Moldova

- On 10 January 2025, the National bank of Moldova raised the base interest rate by 200 basis points, from 3.6% to 5.6%.
- On 5 February 2025, the National Bank of Moldova further raised the base rate by 90 basis points to 6.5%.

Ukraine

- According to the announcement on 6 January 2025, the European Bank for Reconstruction and Development (EBRD) will be supporting the lending activities of OTP's subsidiary bank in Ukraine through a scheme that facilitates the sharing of portfolio risk. The risk-sharing instrument will enable the Ukrainian subsidiary to provide new financing to the local private business sector, amounting to EUR 200 million. The credit risks of these enterprises will be covered by the scheme, with the coverage amounting to 50 percent of the outstanding debt.
- On 23 January 2025, the National Bank of Ukraine raised the policy rate by 100 basis points to 14.5%.

Slovenia

- On 30 January 2025, ECB cut the policy rate by 25 basis points from 3.00% to 2.75%.

An event, that occurred in January 2025 regarding an item reported in the Group's books as a receivable from lending activities, was identified by the Group as a post-balance sheet event. The Group believes that the event has no retrospective effect for 2024 concerning stage classification, therefore the Group did not change the stage 2 classification of the affected receivable as of 31 December 2024. However, given that the Group obtained additional information regarding the circumstances that previously justified the stage 2 classification, the Group recognized an additional HUF 13.9 billion impairment loss for the receivable in the stage 2 category for 2024.

ANNEX TO SUSTAINABILITY REPORT

RESPONSIBLE BANKING PROGRESS STATEMENT FOR PRB SIGNATORIES – OTP BANK 2024[1]

Principle 1 Alignment	Principle 2 Impact & Target Setting	Principle 3 Clients & Customers
OTP Group's commitment to sustainability OTP Group is dedicated to enabling the transition to a sustainable future and contributing to the positive development of society. The Group aspires to take a leading regional role in financing a fair and gradual transition to a low-carbon economy, offering responsible solutions to build a sustainable future. Stability and sustainability are fundamental pillars of OTP Group's corporate strategy. Our corporate responsibility strategy outlines the Bank's principles, goals, and priorities concerning sustainability and social responsibility. The Group's long-term commitment to sustainability, transparency, and ethical operations is reflected through stable management, responsible governance, and a commitment to being a responsible employer and active societal participant. Our objective is to provide responsible and fair financial services that are tailored to customer needs while fostering open, trust-based cooperation with stakeholders and minimizing negative environmental impacts. The sustainability strategy of OTP Group is built on three pillars: responsible service provider, responsible employer, and responsible social actor. **Alignment with frameworks and goals** OTP Group strives to be a regional leader in financing the fair and gradual transition to a low-carbon economy. Our sustainability efforts are aligned with key international frameworks, including the UNEP FI Principles for Responsible Banking (PRB), the United Nations Sustainable Development Goals (SDGs), and the European Union's Green Deal.	**OTP Group's sustainability initiatives** OTP Bank's PRB impact analysis identified climate change mitigation and financial health & inclusion as target setting areas under PRB. In 2024, OTP Group conducted the first Double Materiality Assessment (DMA) aligned with the requirements in the European Sustainability Reporting Standards (ESRS). This assessment utilized the UNEP FI Portfolio Impact Analysis Tool. The DMA identified **climate change** (mitigation and adaptation) and **access to quality information** and **access to financial products and services** as material. Therefore, climate change mitigation and financial health&inclusion remain priority areas for target setting under PRB, due to the 2024 assessment. In pursuit of our climate change mitigation actions, we have disclosed the current scope and status of OTP Group's climate-target setting plan per ESRS E1 in the 2024 OTP Group Sustainability Statement. *Climate Change* OTP Group has set two primary goals related to climate change: 1. **portfolio-specific GHG emission reduction target**: o OTP Group aims to reduce its financed GHG emissions (Scope 3) by 2030, based on the IEA's Net Zero 2050 scenarios and national decarbonization plans. o The target includes relative reduction goals for financed Scope 1-2 emissions, aiming for a 29.8% decrease from the 2023 base year, and absolute reduction targets derived from these relative goals. **2. Green Lending Goal** o OTP Group plans to build a green loan portfolio worth HUF 1,500 billion by 2025.	**Safety, Security, and Ethical Operations** At OTP Group, safe and secure operations are of utmost importance. We continuously assess and manage risks that could impact our operations and implement robust protections against fraud attempts. When developing products and ensuring service accessibility, we strictly adhere to ethical standards and consumer protection regulations. Our goal is to provide modern, high-quality, and fair services that meet customer needs. We are dedicated to our customers' financial well-being by offering products that align with their real needs and financial capabilities. Given the complexity of financial products and services, clear and effective communication is essential. OTP Group is committed to maintaining transparent and understandable communication practices to help customers make informed decisions. **Green Lending** OTP Group actively integrates green lending into its business strategy, aiming to ensure that any client from any sector can access loans under green conditions, provided they have a green or sustainable goal. The development and maturity of this approach vary based on the country, industry, and customer segment**.** The key sectors targeted by the Group's green portfolio include: o Energy: financing renewable energy production, distribution, storage, and related loan purposes, o Real estate: supporting the construction and purchase of green properties, as well as financing building renovations that lead to significant energy improvements, o Transportation: promoting electro-mobility initiatives. By focusing on these sectors, OTP Group aims to support the transition to a **low-carbon economy** while fostering sustainable development through responsible financing.

[1] This Progress Statement has been prepared following the guidance provided by the [Principles for Responsible Banking (PRB)]

Principle 1 Alignment	Principle 2 Impact & Target Setting	Principle 3 Clients & Customers
The Group regularly evaluates its activities to ensure alignment with the climate targets set by the Paris Agreement, reaffirming its commitment to a low-carbon economy. We are committed to sustainable growth and social improvement, gradually aligning our activities transparently and responsibly.	*Financial Health&Inclusion* OTP Group prioritizes responsible marketing and financial education, ensuring that customers receive clear and accurate information about products and services. Key initiatives include: ○ Expanding **digital accessibility** to financial products ○ Improving **customer financial literacy** ○ Supporting disadvantaged groups through initiatives such as the **Social Lab**, which focuses on Financial Health & Inclusion	
References and other relevant links: https://www.otpgroup.info/sustainability/strategy https://www.otpgroup.info/static/sw/file/OTPGroup_ESG_approach.pdf Integrated Annual Report 2024 (page 156; 159; 160; 165)	References and other relevant links: https://www.otpgroup.info/sustainability/strategy https://www.otpgroup.info/static/sw/file/OTPGroup_ESG_approach.pdf https://www.otpbank.hu/static/portal/sw/file/Group_remuneration_guidelines_20210416.pdf https://www.otpgroup.info/static/sw/file/OTP_Group_Environmental_and_Social_Risk_Management_Framework.pdf Integrated Annual Report 2024 (page 167, 243, 248)	References and other relevant links: https://www.otpgroup.info/sustainability/responsible-service-provider Integrated Annual Report 2024 (page 285)

Principle 4 Stakeholders	Principle 5 Governance & Culture	Principle 6 Transparency & Accountability
We continually engage with a wide range of stakeholders, including shareholders, customers, employees, regulatory authorities, business partners, NGOs, employee representatives, and external ESG expert groups. These engagements serve commercial, informational, and policy-related purposes, allowing us to gather insights and address material issues such as climate stability, biodiversity, circularity, financial inclusion, health, and human rights. As part of our double materiality assessment, we consult affected stakeholders or their representatives to understand the impact of our business activities. Insights from these consultations, along with due diligence processes, ongoing stakeholder engagement, and regulatory guidelines, inform our methodology, assessment updates, sustainability reporting, strategic planning, and operational practices. We view stakeholders as groups and individuals who directly or indirectly influence, or are influenced by, our business operations. We maintain an ongoing dialogue about our societal role, products and services, business performance, and other relevant matters.	**Transparent Operations and Ethical Business Conduct** At OTP Group, transparent operations and ethical business conduct are of the highest priority. Our key objectives include ensuring legal compliance, mitigating risks, and effectively enforcing business, ethical, and internal controls. Adhering to ethical norms and principles not only guarantees legal compliance but also fosters trust, cooperation, and fairness within the organization. The corporate culture at OTP Group is defined by long-term thinking, a responsible mindset, and a commitment to sustainability. At the same time, OTP Bank remains conscious of its legal obligation to maintain the profitable operation of OTP Bank and OTP Group for the benefit of depositors, shareholders, and investors. Balancing responsibility and profitability is essential, and these aspects must interact harmoniously. Through the operation of the corporate group, OTP Bank pays special attention to transparency, regulation and the definition of internal responsibilities to meet a wide range of environmental, social, and regulatory expectations. **ESG Governance** OTP Bank's ESG organization was established by the decision of the Board of Directors in 2021. The ESG Committee and ESG Sub-Committee were incorporated as standing committees in the Organizational and Operational Regulation. Responsibilities, tasks, and reporting obligations for the relevant organizational units and departments have been clearly defined. Sustainability-related incentives for members covered by the Remuneration Policy are linked to the achievement of institutional and individual objectives within a two-tier performance measurement system, evaluated separately on a scale of 0-100%. In 2023, targeted ESG training was provided to the executive and strategic-level leaders of the Banking Group, whereby nearly 360 leaders of OTP Group received the e-learning tailored for the target group. The training covered the general basics of ESG, legal and regulatory requirements, business aspects, risk management, human resources topics, and the necessity of avoiding greenwashing.	OTP Group publishes its consolidated Sustainability statement, aligned with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) in the 2024 OTP Group Integrated Annual Report. To ensure reliability, the contents of the report have been independently assured by E&Y, confirming adherence to established regulatory standards and the accuracy of the reported sustainability data. In addition, detailed and segmented ESG data is presented in supplemental background materials, in Analyst table.

Principle 4 Stakeholders	Principle 5 Governance & Culture	Principle 6 Transparency & Accountability
References and other relevant links: https://www.otpgroup.info/sustainability/strategy https://www.otpgroup.info/static/sw/file/OTPGroup_ESG_approach.pdf Integrated Annual Report 2024 (page 166)	References and other relevant links: https://www.otpgroup.info/sustainability/strategy https://www.otpgroup.info/static/sw/file/OTPGroup_ESG_approach.pdf https://www.otpbank.hu/static/portal/sw/file/Group_remuneration_guidelines_20210416.pdf https://www.otpgroup.info/static/sw/file/OTP_Group_Environmental_and_Social_Risk_Management_Framework.pdf Integrated Annual Report 2024 (page 306)	References and other relevant links: https://www.otpgroup.info/sustainability/responsible-service-provider https://www.otpgroup.info/investor-relations/reports Integrated Annual Report 2024 (page 356)