



OTP BANK PLC.

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

**FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2025**

OTP BANK PLC.

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OTP BANK PLC.
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025
(UNAUDITED) (in HUF mn)

	Note	30 June 2025	31 December 2024	30 June 2024
Cash, amounts due from banks and balances with the National Bank of Hungary		2,875,881	2,075,179	2,858,762
Placements with other banks		2,919,886	2,948,536	2,759,756
Repo receivables		314,765	238,079	147,472
Financial assets at fair value through profit or loss	4.	278,091	651,236	261,688
Financial assets at fair value through other comprehensive income	5.	809,624	592,602	563,177
Securities at amortised cost	6.	3,558,941	3,334,145	4,034,500
Loans at amortised cost	7.	4,795,750	4,670,795	4,766,363
Loans mandatorily measured at fair value through profit or loss	7.	1,043,166	998,410	957,458
Investments in subsidiaries	8.	2,189,141	2,169,031	2,042,344
Property and equipment		112,557	111,772	109,074
Intangible assets		168,734	137,860	106,646
Right of use assets		56,897	58,956	64,880
Investment properties		4,397	4,227	4,257
Derivative financial assets designated as hedge accounting relationships		49,211	43,130	20,807
Non-current assets held for sale		-	-	130,718
Other assets		<u>430,344</u>	<u>357,095</u>	<u>410,261</u>
TOTAL ASSETS		<u>19,607,385</u>	<u>18,391,053</u>	<u>19,238,163</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks		1,823,395	1,606,969	2,164,274
Repo liabilities		660,804	227,632	608,768
Deposits from customers	9.	11,462,483	10,891,924	11,105,843
Fair value changes of the hedged items in portfolio hedge of interest rate risk		4,354	4,303	(2,691)
Leasing liabilities		61,765	64,380	68,828
Liabilities from issued securities	10.	1,416,717	1,750,893	1,611,265
Financial liabilities designated at fair value through profit or loss		15,695	17,024	18,610
Derivative financial liabilities designated as held for trading		139,621	144,499	120,877
Derivative financial liabilities designated as hedge accounting relationships		42,800	19,438	24,062
Deferred tax liabilities		2,221	1,707	530
Current tax liabilities		9,388	23,591	15,865
Provisions		24,437	25,647	23,445
Other liabilities		536,709	449,522	351,813
Subordinated bonds and loans		<u>503,687</u>	<u>362,271</u>	<u>542,469</u>
TOTAL LIABILITIES		<u>16,704,076</u>	<u>15,589,800</u>	<u>16,653,958</u>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		3,080,736	2,896,319	2,607,721
Treasury shares		<u>(205,427)</u>	<u>(123,066)</u>	<u>(51,516)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>2,903,309</u>	<u>2,801,253</u>	<u>2,584,205</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>19,607,385</u>	<u>18,391,053</u>	<u>19,238,163</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(in HUF mn)

	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
Interest income and similar to interest income total	754,727	832,681	1,626,153
Interest expenses total	<u>(467,819)</u>	<u>(579,511)</u>	<u>(1,107,551)</u>
NET INTEREST INCOME	<u>286,908</u>	<u>253,170</u>	<u>518,602</u>
Risk cost total	(29,240)	(18,008)	(53,455)
NET INTEREST INCOME AFTER RISK COST	<u>257,668</u>	<u>235,162</u>	<u>465,147</u>
Gains / (Losses) arising from derecognition of financial assets measured at amortised cost	(1,502)	(3,941)	(9,856)
Modification loss	(781)	(1,124)	(1,999)
Net profit from fees and commissions	210,169	169,502	376,349
Net operating income	394,219	359,748	529,862
Other administrative expenses	<u>(398,728)</u>	<u>(257,105)</u>	<u>(547,947)</u>
PROFIT BEFORE INCOME TAX	<u>461,045</u>	<u>502,242</u>	<u>811,556</u>
Income tax expense	<u>(27,537)</u>	<u>(33,259)</u>	<u>(66,557)</u>
PROFIT AFTER INCOME TAX	<u>433,508</u>	<u>468,983</u>	<u>744,999</u>
Earnings per share (in HUF)			
<i>Basic</i>	<i>1,600</i>	<i>1,683</i>	<i>2,692</i>
<i>Diluted</i>	<i>1,600</i>	<i>1,683</i>	<i>2,692</i>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(in HUF mn)

	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
PROFIT AFTER INCOME TAX	<u>433,508</u>	<u>468,983</u>	<u>744,999</u>
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of debt instruments at fair value through other comprehensive income	4,086	8,644	9,751
Deferred tax related to fair value adjustment of debt instruments at fair value through other comprehensive income	(336)	(759)	(848)
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument	1,358	(1,274)	(359)
Deferred tax related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	(122)	115	32
(Losses) / Gains on derivative financial instruments designated as cash flow hedge	<u>792</u>	<u>(106)</u>	<u>136</u>
Items that will not be reclassified to profit or loss:			
Fair value adjustment of equity instruments at fair value through other comprehensive income	(450)	2,223	11,547
Deferred tax related to equity instruments at fair value through other comprehensive income	<u>51</u>	<u>(251)</u>	<u>(1,305)</u>
Total	<u>5,379</u>	<u>8,592</u>	<u>18,954</u>
TOTAL COMPREHENSIVE INCOME	<u>438,887</u>	<u>477,575</u>	<u>763,953</u>

OTP BANK PLC.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(in HUF mn)

	Share Capital	Capital reserve	Retained earnings and other reserves	Treasury Shares	Total
Balance as at 1 January 2024	28,000	52	2,276,707	(6,154)	2,298,605
Profit after income tax	-	-	468,983	-	468,983
Other comprehensive income	=	=	<u>8,592</u>	=	<u>8,592</u>
Total comprehensive income	=	=	<u>477,575</u>	=	<u>477,575</u>
Share-based payment	-	-	1,984	-	1,984
Sale of treasury shares	-	-	-	32,754	32,754
Acquisition of treasury shares	-	-	-	(78,116)	(78,116)
Loss on treasury shares	-	-	1,403	-	1,403
Dividend for the year 2023	=	=	<u>(150,000)</u>	=	<u>(150,000)</u>
Other transaction with owners	=	=	<u>(146,613)</u>	<u>(45,362)</u>	<u>(191,975)</u>
Balance as at 30 June 2024	<u>28,000</u>	<u>52</u>	<u>2,607,669</u>	<u>(51,516)</u>	<u>2,584,205</u>
Balance as at 1 January 2025	28,000	52	2,896,267	(123,066)	2,801,253
Profit after income tax	-	-	433,508	-	433,508
Other comprehensive income	=	=	<u>5,379</u>	=	<u>5,379</u>
Total comprehensive income	=	=	<u>438,887</u>	=	<u>438,887</u>
Share-based payment	-	-	2,442	-	2,442
Sale of treasury shares	-	-	-	39,623	39,623
Acquisition of treasury shares	-	-	-	(121,984)	(121,984)
Loss on sale of treasury shares	-	-	13,088	-	13,088
Dividend for the year 2024	=	=	<u>(270,000)</u>	=	<u>(270,000)</u>
Other transaction with owners	=	=	<u>(254,470)</u>	<u>(82,361)</u>	<u>(336,831)</u>
Balance as at 30 June 2025	<u>28,000</u>	<u>52</u>	<u>3,080,684</u>	<u>(205,427)</u>	<u>2,903,309</u>

OTP BANK PLC.
SEPARATE CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
(in HUF mn)

	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
Profit before income tax	461,045	502,242	811,556
Net accrued interest	(36,377)	62,833	8,015
Income tax paid	(37,883)	(13,472)	(37,966)
Depreciation and amortization	36,427	28,939	63,700
Loss allowance / (Release of loss allowance)	42,625	28,317	74,109
Share-based payment	2,442	1,984	4,411
Unrealised losses / (gains) on fair value adjustment of financial instruments at fair value through profit or loss	11,162	(8,886)	(31,315)
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	28,135	(298)	(21,014)
Losses / (Gains) on securities	(288)	3,210	7,017
Interest expense from leasing liabilities	1,214	(1,369)	(2,495)
Foreign exchange gain / (loss)	(54,321)	47,435	69,407
Proceeds from sale of tangible and intangible assets	53	(81)	19
Net change in assets and liabilities in operating activities	<u>926,877</u>	<u>307,961</u>	<u>(1,314,984)</u>
Net cash provided by operating activities	<u>1,381,111</u>	<u>958,815</u>	<u>(369,540)</u>
Net cash used in investing activities	<u>(279,222)</u>	<u>(1,030,979)</u>	<u>(282,355)</u>
Net cash (used in) / provided by financing activities	<u>(375,661)</u>	<u>166,141</u>	<u>(1,194)</u>
Net increase in cash and cash equivalents	<u>726,228</u>	<u>93,977</u>	<u>(653,089)</u>
Cash and cash equivalents at the beginning of the year	<u>911,836</u>	<u>1,564,925</u>	<u>1,564,925</u>
Cash and cash equivalents at the end of the year	<u>1,638,064</u>	<u>1,658,902</u>	<u>911,836</u>

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General information

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

1.2. Accounting

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

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

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

NOTE 2: SIGNIFICANT EVENTS DURING THE SIX MONTH PERIOD ENDED 30 JUNE 2025

1) USD 750 million bond issuance

See details about the event in Note 10.

2) EUR 500 million bond recall

See details about the event in Note 10.

3) EUR 650 million bond recall

See details about the event in Note 10.

4) Constitutional complaint related to Interest Rate Cap

On 30 May 2025 OTP Bank with several other market participants submitted a constitutional complaint at the Constitutional Court, related to the so-called „Interest-rate cap Decree” that is „Government Decree 782/2021. (XII. 24.) on the different application of Act CLXII of 2009 on consumer credit in a state of emergency” and its latest amendment dated 2 December 2024 (Government Decree 374/2024 (XII.2.)).

According to OTP Bank’s standpoint the above-mentioned Government Decree intervenes in private legal relations retrospectively, unnecessarily and disproportionately without constitutional justification, thus the applicants request the Constitutional Court to determine that the provisions of and that the latest extension of the application of the Government decree violates the Constitution.

5) EUR 75 million bond recall

See details about the event in Note 10.

6) EUR 110 million bond recall

See details about the event in Note 10.

7) CNY 900 million bond issuance

See details about the event in Note 10.

8) Direct ownership of OTP Bank

OTP Bank Plc. acquires the 100% stake of Balansz Zárkörű Nyíltvégű Intézményi Ingatlan Alap in Mendota Invest Nepremiálninska Družba d.o.o. The closing of the sale and purchase of Mendota Invest Nepremiálninska Družba d.o.o. may take place at a later date, subject to obtaining the relevant regulatory approval.

NOTE 3: **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

Post-balance sheet events cover the period until 25 July 2025.

- On 3 July 2025, the Government announced the 'Otthon Start' subsidized housing loan programme. The aim of the scheme is to support the purchase or construction of residential property under favourable conditions, regardless of marital status or plans to have children. The draft regulation of the program was submitted for public consultation on July 21. Accordingly, the scheme will be available from 1 September 2025. The loan can be accessed with a fixed interest rate of up to 3%, for a maximum amount of HUF 50 million, and a repayment term of up to 25 years. At least 10% down payment is required, and the loan can only be applied for once. The loan is available if, at the time of application and during the preceding 10 years, the applicant has not held more than a 50% ownership share in a residential property located within a municipality, and has had at least two years of continuous social security coverage. The loan can be used for residential properties with a maximum value of HUF 100 million in the case of apartments, and HUF 150 million in the case of detached houses. The price per square meter must not exceed HUF 1.5 million, and the property must be located within the inner area of a municipality in Hungary. The loan may be combined with other subsidized or market-based housing loans.
- On 14 July 2025, the Curia (Supreme Court of Hungary) published its uniformity decision based on the guidance of the Court of Justice of the European Union of 30 April 2025, concerning the settlement of FX-denominated loans.
In its decision, the Curia confirmed OTP Bank's previous position that the judgment of the Court of Justice of the European Union does not generally apply to all FX-denominated loan contracts. The decision only affects cases where the financial institution providing a FX consumer loan did not provide adequate information to the customer about the exchange rate risk and, as a result, the court may declare the FX loan contract invalid (null and void).
The judgment of the Court of Justice of the European Union and the current decision of the Curia on legal uniformity do not affect the previous FX loan contracts of OTP Bank or OTP Mortgage Bank, as the manner in which the exchange rate risk was presented in the FX loan contracts of OTP Bank and OTP Mortgage Bank and the content of the statement on understanding the exchange rate risk signed by the clients were appropriate, which has been supported by hundreds of court judgments.
- At its rate-setting meeting on 22 July 2025, the MNB left its benchmark rate at 6.5%. In addition, the MNB reduces banks' required reserve ratio from 10% to 8%, from August 2025. The non-interest-bearing portion of the required reserve continues to make up 2.5% of the reserve fund.

NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	30 June 2025	31 December 2024
Held for trading securities:		
Government bonds	82,979	57,498
Other non-interest bearing securities	460	377
Hungarian government discounted Treasury Bills	3,832	207
Corporate shares and investments	1,696	1,197
Mortgage bonds	123	117
Other securities	<u>10,303</u>	<u>388,597</u>
Subtotal	<u>99,393</u>	<u>447,993</u>
Securities mandatorily measured at fair value through profit or loss		
Shares in investment funds	31,266	30,878
Bonds	280	-
Shares	<u>1,047</u>	<u>1,304</u>
Subtotal	<u>32,593</u>	<u>32,182</u>
Held for trading derivative financial instruments:		
Foreign currency swaps	56,908	63,309
Interest rate swaps	43,963	57,406
CCIRS and mark-to-market CCIRS swaps	19,160	20,730
Other derivative transactions	<u>26,074</u>	<u>29,616</u>
Subtotal	<u>146,105</u>	<u>171,061</u>
Total	<u>278,091</u>	<u>651,236</u>

NOTE 5: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn)

	30 June 2025	31 December 2024
Securities at fair value through other comprehensive income		
Government bonds	342,238	185,171
Mortgage bonds	388,452	326,950
Interest bearing treasury bills	-	86
Other securities	45,450	46,461
<i>Listed securities</i>	<u>9,357</u>	<u>9,525</u>
in foreign currency	9,357	9,525
<i>Non-listed securities</i>	<u>36,093</u>	<u>36,936</u>
in HUF	9,328	10,331
in foreign currency	<u>26,765</u>	<u>26,605</u>
Subtotal	<u>776,140</u>	<u>558,668</u>
Non-trading equity instruments		
Non-listed securities	<u>33,484</u>	<u>33,934</u>
in HUF	528	528
in foreign currency	<u>32,956</u>	<u>33,406</u>
	<u>33,484</u>	<u>33,934</u>
Securities at fair value through other comprehensive income total	<u>809,624</u>	<u>592,602</u>

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

	30 June 2025	31 December 2024
Government bonds	3,212,130	2,904,452
Other bonds	354,381	345,418
Treasury bills	2,719	93,259
Mortgage bonds	30,066	29,927
Subtotal	<u>3,599,296</u>	<u>3,373,056</u>
Loss allowance	(40,355)	(38,911)
Total	<u>3,558,941</u>	<u>3,334,145</u>

An analysis of change in the loss allowance on securities at amortised cost:

	30 June 2025	31 December 2024
Balance as at 1 January	38,911	26,225
Loss allowance	7,806	22,001
Release of loss allowance	(3,406)	(11,433)
FX movement	(2,956)	2,118
Closing balance	<u>40,355</u>	<u>38,911</u>

NOTE 7: LOANS (in HUF mn)

Loans measured at fair value through profit or loss

	30 June 2025	31 December 2024
Within one year	57,311	45,362
Over one year	985,855	953,048
Loans measured at fair value through profit or loss total	<u>1,043,166</u>	<u>998,410</u>

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

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

	30 June 2025	31 December 2024
Within one year	2,411,664	2,415,594
Over one year	2,536,916	2,399,947
Loans at amortised cost gross total	<u>4,948,580</u>	<u>4,815,541</u>
Loss allowance on loan losses	(152,830)	(144,746)
Loans at amortised cost total	<u>4,795,750</u>	<u>4,670,795</u>

An analysis of the loan portfolio by currency (%):

	30 June 2025	31 December 2024
In HUF	63%	64%
In foreign currency	37%	36%
Total	<u>100%</u>	<u>100%</u>

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

An analysis of the change in the loss allowance on loans at amortised cost is as follows:

	30 June 2025	31 December 2024
Balance as at 1 January	144,746	147,415
Loss allowance	107,755	266,410
Release of loss allowance	(86,021)	(238,441)
Use of loss allowance	(10,100)	(25,572)
Partial write-off	(1,616)	(8,065)
FX movement	(1,934)	2,999
Closing balance	<u>152,830</u>	<u>144,746</u>

NOTE 8: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn)

	30 June 2025	31 December 2024
Investments in subsidiaries:		
Controlling interest	2,608,292	2,566,076
Other	<u>18,465</u>	<u>27,646</u>
Subtotal	<u>2,626,757</u>	<u>2,593,722</u>
Impairment loss	<u>(437,616)</u>	<u>(424,691)</u>
Total	<u>2,189,141</u>	<u>2,169,031</u>

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

	30 June 2025	31 December 2024
Balance as at 1 January	424,691	418,115
Impairment loss for the period	14,213	13,517
Reversal of impairment loss	(1,288)	(2,430)
Use of impairment loss	=	<u>(4,511)</u>
Closing balance	<u>437,616</u>	<u>424,691</u>

NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)

	30 June 2025	31 December 2024
Within one year:		
In HUF	8,874,128	8,608,098
In foreign currency	<u>2,563,491</u>	<u>2,264,025</u>
	<u>11,437,619</u>	<u>10,872,123</u>
Over one year:		
In HUF	<u>29,218</u>	<u>24,104</u>
	<u>29,218</u>	<u>24,104</u>
Total	<u>11,466,837</u>	<u>10,896,227</u>

An analysis of deposits from customers by type, not including accrued interest, is as follows:

	30 June 2025		31 December 2024	
Household deposits	5,332,669	47%	5,024,279	46%
Deposits to medium and large corporates	5,336,494	47%	5,032,072	46%
Municipality deposits	<u>797,674</u>	<u>6%</u>	<u>839,876</u>	<u>8%</u>
Total	<u>11,466,837</u>	<u>100%</u>	<u>10,896,227</u>	<u>100%</u>

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

	30 June 2025	31 December 2024
Within one year:		
In HUF	131,503	83,693
In foreign currency	<u>26,462</u>	<u>46,521</u>
	<u>157,965</u>	<u>130,214</u>
Over one year:		
In HUF	740	12,226
In foreign currency	<u>1,258,012</u>	<u>1,608,453</u>
	<u>1,258,752</u>	<u>1,620,679</u>
Total	<u>1,416,717</u>	<u>1,750,893</u>

A significant event related to the bond issue and redemption**Issuance of USD 750 mn notes**

Notes (ISIN: XS2988670878) have been issued on 30 January 2025 as value date in the aggregate nominal amount of USD 750 million. The notes are rated 'Ba2' by Moody's Investor Services Cyprus Ltd., 'BB' by S&P Global Ratings Europe Limited and 'BB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

Recall of EUR 500 mn bond

EUR 500 million Fixed to Floating Rate Perpetual Subordinated Notes (ISIN: XS0274147296) have been redeemed on 7 February 2025 and the principal amount, together with accrued and unpaid interest was paid to the holders of the notes. Following the redemption, the notes have been cancelled pursuant to terms and conditions of the notes.

NOTE 10: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Recall of EUR 650 mn bond**

EUR 650 million 7.350 per cent Senior Preferred Fixed-to-Floating Callable Notes due 2026 (XS2560693181) have been redeemed on 4 March 2025 and the principal amount, together with accrued and unpaid interest was paid to the holders of the notes. Following the redemption, the notes have been cancelled pursuant to terms and conditions of the notes.

Recall of EUR 75 mn bond

Notes have been redeemed on 23 June 2025 and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes. Following the redemption, the Notes have been cancelled pursuant to terms and conditions of the Notes.

Recall of EUR 110 mn bond

Notes have been redeemed on 27 June 2025 and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes. Following the redemption, the Notes have been cancelled pursuant to terms and conditions of the Notes.

Issuance of CNY 900 mn notes

Green Notes (ISIN: XS3102027383) have been issued on 30 June 2025 as value date in the aggregate nominal amount of 900 million Chinese yuan. The notes are rated 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

NOTE 11: 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

	30 June 2025	31 December 2024
Loan commitments	2,440,321	2,536,990
Guarantees arising from banking activities	2,013,826	1,903,718
<i>from this: Payment undertaking liabilities (related to issue of mortgage bonds) of OTP Mortgage Bank</i>	1,080,805	1,004,209
Factoring loan commitments	364,604	382,011
Confirmed letters of credit	<u>11,805</u>	<u>5,181</u>
Contingent liabilities and commitments total in accordance with IFRS 9	<u>4,830,556</u>	<u>4,827,900</u>
Legal disputes (disputed value)	4,905	4,825
Contingent liabilities related to payments from shares in venture capital fund	13,126	18,006
Indemnity related to sale of OTP Bank Romania	52,827	54,255
Other	<u>38</u>	<u>91</u>
Contingent liabilities and commitments total in accordance with IAS 37	<u>70,896</u>	<u>77,177</u>
Total	<u>4,901,452</u>	<u>4,905,077</u>

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

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation. Provision due to legal disputes was HUF 399 million and HUF 283 million as at 30 June 2025 and 31 December 2024, respectively.

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

Fair value of derivative instruments

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

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

	30 June 2025			31 December 2024						
	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	90,860	(77,681)	76,336	14,524	(1,345)	104,130	(88,266)	89,523	14,607	1,257
Cross currency interest rate swaps	5,584	(5,044)	-	5,584	(5,044)	10,472	(10,558)	-	10,472	(10,558)
OTC options	330	(330)	-	330	(330)	462	(462)	-	462	(462)
Forward rate agreement	266	(221)	266	-	45	219	(172)	219	-	47
Total interest rate derivatives (OTC derivatives)	97,040	(83,276)	76,602	20,438	(6,674)	115,283	(99,458)	89,742	25,541	(9,716)
From this: Interest rate derivatives cleared by NBH	763	-	-	763	-	906	-	-	906	-
Foreign exchange derivatives										
Foreign exchange swaps	46,984	(52,980)	-	46,984	(52,980)	53,620	(48,969)	-	53,620	(48,969)
Foreign exchange forward	11,421	(14,742)	-	11,421	(14,742)	15,736	(8,440)	-	15,736	(8,440)
OTC options	1,359	(1,501)	-	1,359	(1,501)	1,433	(825)	-	1,433	(825)
Foreign exchange spot conversion	182	(100)	-	182	(100)	179	(266)	-	179	(266)
Total foreign exchange derivatives (OTC derivatives)	59,946	(69,323)	-	59,946	(69,323)	70,968	(58,500)	-	70,968	(58,500)

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

Fair value of derivative instruments

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

	30 June 2025			31 December 2024				31 December 2024		
	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities			Before netting Assets	Liabilities	Netting
Equity stock and index derivatives										
Commodity Swaps	5,005	(2,326)	-	5,005	(2,326)			10,475	(10,616)	-
Equity swaps	7,501	-	-	7,501	-			-	(1,194)	-
OTC derivatives	12,506	(2,326)	-	12,506	(2,326)			10,475	(11,810)	-
Exchange traded futures and options	184	(2,446)	-	184	(2,446)			1,331	(728)	-
Total equity stock and index derivatives	12,690	(4,772)	-	12,690	(4,772)			11,806	(12,538)	-
Derivatives held for risk management not designated in hedges										
Interest rate swaps	53,877	(52,703)	24,438	29,439	(28,265)			71,779	(82,909)	28,980
Foreign exchange swaps	9,924	(24,188)	-	9,924	(24,188)			9,689	(8,675)	-
Forward	92	-	-	92	-			-	(72)	-
Cross currency interest rate swaps	13,576	(6,399)	-	13,576	(6,399)			10,258	(1,069)	-
Total derivatives held for risk management not designated in hedges	77,469	(83,290)	24,438	53,031	(58,852)			91,726	(92,725)	28,980
From this: Total derivatives cleared by NBH held for risk management	22,157	-	-	22,157	-			28,788	-	-
Total Held for trading derivative financial instruments	247,145	(240,661)	101,040	146,105	(139,621)			289,783	(263,221)	118,722
Derivative financial instruments designated as hedge accounting relationships										
Derivatives designated in cash flow hedges										
Interest rate swaps	-	(6,241)	6,241	(6,241)	-			1	(8,453)	8,453
Total derivatives designated in cash flow hedges	-	(6,241)	6,241	(6,241)	-			1	(8,453)	8,453
Derivatives designated in fair value hedges										
Interest rate swaps	49,884	(11,568)	11,552	38,332	(16)			53,401	(19,975)	19,957
Cross currency interest rate swaps	7,264	(42,784)	-	7,264	(42,784)			13,903	(19,420)	-
Total derivatives designated in fair value microhedges	57,148	(54,352)	11,552	45,596	(42,800)			67,304	(39,395)	19,957
Interest rate swaps	9,867	(11)	11	9,856	-			4,235	-	-
Total derivatives designated in fair value macrohedges	9,867	(11)	11	9,856	-			4,235	-	-
From this: Total derivatives cleared by NBH held for hedging	-	(1,390)	-	-	(1,390)			-	(1,764)	-
Total derivatives held for risk management (OTC derivatives)	67,015	(60,604)	17,804	49,211	(42,800)			71,540	(47,848)	28,410

NOTE 13: INTEREST INCOME AND EXPENSES (in HUF mn)

	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
Interest income accounted for using the effective interest rate method from / on			
Loans at amortised cost	203,405	223,381	437,745
FVOCI securities	16,412	15,544	30,311
Securities at amortised cost	87,176	121,900	216,762
Placements with other banks	84,596	89,063	179,241
Financial liabilities	75	122	214
Amounts due from banks and balances with National Bank of Hungary	72,660	87,954	161,598
Repo receivables	11,317	8,760	14,663
Subtotal	<u>475,641</u>	<u>546,724</u>	<u>1,040,534</u>
Income similar to interest income			
Loans mandatorily measured at fair value through profit or loss	37,023	29,600	62,663
Swap and forward deals related to Placements with other banks	217,662	218,970	478,199
Swap and forward deals related to Loans at amortised cost	20,807	31,656	35,034
Swap and forward deals related to FVOCI securities	3,590	5,726	9,714
Investment properties	4	5	9
Subtotal	<u>279,086</u>	<u>285,957</u>	<u>585,619</u>
Interest income total	<u>754,727</u>	<u>832,681</u>	<u>1,626,153</u>
Interest expense due to / from / on			
Amounts due to banks and deposits from the National Bank of Hungary and other banks	252,949	282,505	583,183
Deposits from customers	123,046	181,741	314,695
Leasing liabilities	1,515	1,697	3,147
Liabilities from issued securities	43,046	50,550	103,579
Subordinated bonds and loans	19,876	16,562	30,163
Investment properties (depreciation)	78	73	149
Financial assets	-	1,322	2,139
Repo liabilities	27,309	45,061	70,496
Interest expense total	<u>467,819</u>	<u>579,511</u>	<u>1,107,551</u>