



OTP BANK PLC.

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

FOR THE YEAR ENDED
31 DECEMBER 2025

OTP BANK PLC.

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OTP BANK PLC.
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025
(in HUF mn)

	Note	31 December 2025	31 December 2024
Cash, amounts due from banks and balances with the National Bank of Hungary	5.	1,359,760	2,075,179
Placements with other banks	6.	3,161,544	2,948,536
Repo receivables	7.	322,368	238,079
Financial assets at fair value through profit or loss	8.	350,781	651,236
Financial assets at fair value through other comprehensive income	9.	1,265,443	592,602
Securities at amortised cost	10.	3,368,087	3,334,145
Loans at amortised cost	11.	5,135,324	4,670,795
Loans mandatorily measured at fair value through profit or loss	11.	1,082,688	998,410
Investments in subsidiaries	12.	2,170,130	2,169,031
Property and equipment	13.	120,331	111,772
Intangible assets	13.	190,825	137,860
Right of use assets	35.	58,916	58,956
Investment properties	14.	4,332	4,227
Deferred tax assets	34.	568	-
Derivative financial assets designated as hedge accounting	15.	27,099	43,130
Other assets	16.	<u>383,177</u>	<u>357,095</u>
TOTAL ASSETS		<u>19,001,373</u>	<u>18,391,053</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks	17.	1,656,367	1,606,969
Repo liabilities	18.	377,532	227,632
Deposits from customers	19.	11,391,727	10,891,924
Fair value changes of the hedged items in portfolio hedge of interest rate risk	19.	471	4,303
Leasing liabilities	35.	62,640	64,380
Liabilities from issued securities	20.	1,341,250	1,750,893
Financial liabilities designated at fair value through profit or loss	21.	15,279	17,024
Derivative financial liabilities designated as held for trading	22.	94,022	144,499
Derivative financial liabilities designated as hedge accounting	23.	6,682	19,438
Deferred tax liabilities	34.	-	1,707
Current tax liabilities	34.	18,589	23,591
Provisions	24.	50,347	25,647
Other liabilities	24.	483,161	449,522
Subordinated bonds and loans	25.	<u>493,587</u>	<u>362,271</u>
TOTAL LIABILITIES		<u>15,991,654</u>	<u>15,589,800</u>
Share capital	26.	28,000	28,000
Retained earnings and reserves	27.	3,309,633	2,896,319
Treasury shares	28.	<u>(327,914)</u>	<u>(123,066)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>3,009,719</u>	<u>2,801,253</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>19,001,373</u>	<u>18,391,053</u>

Budapest, 17 March 2026

Dr. Sándor Csányi
Chairman of the Board of Directors

Péter Csányi
Chief Executive Officer

OTP BANK PLC.
SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
31 DECEMBER 2025 (in HUF mn)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
<i>Interest Income:</i>			
Interest income calculated using the effective interest method	29.	952,686	1,040,534
Income similar to interest income	29.	<u>590,190</u>	<u>585,619</u>
Interest income and similar to interest income total		<u>1,542,876</u>	<u>1,626,153</u>
<i>Interest Expense:</i>			
Interest expenses total	29.	<u>(944,802)</u>	<u>(1,107,551)</u>
NET INTEREST INCOME		<u>598,074</u>	<u>518,602</u>
Loss allowance on loan, placement and repo receivables losses	6., 7., 11., 30.	(10,222)	(19,955)
Release of loss allowance / (Loss allowance) on securities at fair value through other comprehensive income and on securities at amortised cost	9., 10., 30.	4,101	(35,128)
Provision for loan commitments and financial guarantees given	24., 30.	(744)	(2,565)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit or loss	45.4.	<u>1,016</u>	<u>4,193</u>
Risk cost total		<u>(5,849)</u>	<u>(53,455)</u>
NET INTEREST INCOME AFTER RISK COST		<u>592,225</u>	<u>465,147</u>
LOSSES ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		<u>(5,223)</u>	<u>(9,856)</u>
MODIFICATION LOSS	4.	<u>(1,470)</u>	<u>(1,999)</u>
Income from fees and commissions	31.	569,658	468,566
Expenses from fees and commissions	31.	<u>(119,110)</u>	<u>(92,217)</u>
NET PROFIT FROM FEES AND COMMISSIONS		<u>450,548</u>	<u>376,349</u>
Foreign exchange gains and (losses)	32.	52	(6,885)
Gains on securities, net	32.	20,964	120,863
(Losses) / Gains on financial instruments at fair value through profit or loss	32.	(8,123)	27,377
Net results on derivative instruments and hedge relationships	32.	30,159	(6,063)
Dividend income	32.	412,324	413,262
Other operating income	33.	35,523	18,380
Other operating expenses	33.	<u>(91,505)</u>	<u>(37,072)</u>
NET OPERATING INCOME		<u>399,394</u>	<u>529,862</u>
Personnel expenses	33.	(230,611)	(200,268)
Depreciation and amortization	33.	(76,122)	(63,551)
Other administrative expenses	33.	<u>(397,772)</u>	<u>(284,128)</u>
OTHER ADMINISTRATIVE EXPENSES		<u>(704,505)</u>	<u>(547,947)</u>
PROFIT BEFORE INCOME TAX		<u>730,969</u>	<u>811,556</u>
Income tax expense	34.	<u>(67,710)</u>	<u>(66,557)</u>
PROFIT AFTER INCOME TAX		<u>663,259</u>	<u>744,999</u>
Earnings per share (in HUF)			
Basic	43.	<u>2,464</u>	<u>2,692</u>
Diluted	43.	<u>2,464</u>	<u>2,692</u>

OTP BANK PLC.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025 (in HUF mn)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
PROFIT AFTER INCOME TAX		<u>663,259</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		(641)	9,751
Deferred tax related to fair value adjustment of debt instruments at fair value through other comprehensive income	34.	75	(848)
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument		1,551	(359)
Deferred tax related to gains / (losses) on separated currency spread of financial instruments designated as hedging instrument	34.	(140)	32
Gains on derivative financial instruments designated as cash flow hedge		1,291	136
Items that will not be reclassified to profit or loss:			
Fair value adjustment of equity instruments at fair value through other comprehensive income		(741)	11,547
Deferred tax related to equity instruments at fair value through other comprehensive income	34.	<u>84</u>	<u>(1,305)</u>
Total		<u>1,479</u>	<u>18,954</u>
TOTAL COMPREHENSIVE INCOME		<u>664,738</u>	<u>763,953</u>

OTP BANK PLC.
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED
31 DECEMBER 2025
(in HUF mn)

	Note	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		-	-	744,999	-	744,999
Other comprehensive income		-	-	<u>18,954</u>	-	<u>18,954</u>
Total comprehensive income		-	-	<u>763,953</u>	-	<u>763,953</u>
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 treasury shares	28.	-	-	1,196	-	1,196
Dividend for the year 2023		-	-	<u>(150,000)</u>	-	<u>(150,000)</u>
Other transaction with owners		-	-	<u>(144,393)</u>	<u>(116,912)</u>	<u>(261,305)</u>
Balance as at 31 December 2024		<u>28,000</u>	<u>52</u>	<u>2,896,267</u>	<u>(123,066)</u>	<u>2,801,253</u>
Balance as at 1 January 2025		28,000	52	2,896,267	(123,066)	2,801,253
Profit after income tax		-	-	663,259	-	663,259
Other comprehensive income		-	-	<u>1,479</u>	-	<u>1,479</u>
Total comprehensive income		-	-	<u>664,738</u>	-	<u>664,738</u>
Share-based payment	39.	-	-	5,391	-	5,391
Sale of treasury shares	28.	-	-	-	44,896	44,896
Acquisition of treasury shares	28.	-	-	-	(249,744)	(249,744)
Loss on sale of treasury shares	28.	-	-	13,185	-	13,185
Dividend for the year 2024		-	-	<u>(270,000)</u>	-	<u>(270,000)</u>
Other transaction with owners		-	-	<u>(251,424)</u>	<u>(204,848)</u>	<u>(456,272)</u>
Balance as at 31 December 2025		<u>28,000</u>	<u>52</u>	<u>3,309,581</u>	<u>(327,914)</u>	<u>3,009,719</u>

OTP BANK PLC.
SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025
(in HUF mn)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
OPERATING ACTIVITIES			
Profit before income tax		730,969	811,556
Net accrued interest		(45,875)	8,015
Depreciation and amortization	13.	76,283	63,700
Loss allowance on loans and placements	30.	14,050	23,478
Loss allowance on securities at fair value through other comprehensive income	9.	972	24,560
Impairment loss on investments in subsidiaries	12.	44,299	7,428
(Release of loss allowance) / Loss allowance on securities at amortised	10.	(5,073)	10,568
Loss allowance on other assets	16.	12,914	5,514
Provision on off-balance sheet commitments and contingent liabilities	24.	23,728	2,561
Share-based payment	39.	5,391	4,411
Unrealised losses / (gains) on fair value adjustment of financial instruments at fair value through profit or loss	45.	6,872	(31,315)
Unrealised gains on fair value adjustment of derivative financial	45.	(34,354)	(21,014)
Gains on securities	32.	2,031	7,017
Interest expense from leasing liabilities	35.	(2,443)	(2,495)
Foreign exchange gain / (loss)	32.	(86,008)	69,407
Proceeds from sale of tangible and intangible assets	33.	(1,245)	19
<u>Net changes in assets and liabilities in operating activities</u>			
Net increase in placements with other banks and repo receivables before allowance for placement losses	6., 7.	(366,965)	(214,250)
Changes in held for trading securities	8.	290,219	(419,957)
Change in financial instruments mandatorily measured at fair value through profit or loss	8.	(2,228)	3,727
Changes in derivative financial instruments at fair value through profit	8.	(81,242)	108,979
Net (increase) / decrease in loans	11.	(717,596)	87,202
(Increase) / Decrease in other assets, excluding advances for investments and before provisions for losses	16.	(85,866)	(6,918)
Net increase in amounts due to banks and deposits from the National Bank of Hungary and other banks and repo liabilities	17., 18.	368,241	(523,976)
Financial liabilities designated as fair value through profit or loss	21.	(1,398)	(1,446)
Net increase in deposits from customers	19.	702,651	(48,969)
Increase/(decrease) in other liabilities	24.	26,161	133,922
Net decrease / (increase) in the compulsory reserve established by the National Bank of Hungary	5.	161,345	(20,036)
Dividend income	12.	(412,324)	(413,262)
Income tax paid		<u>(63,338)</u>	<u>(37,966)</u>
Net cash provided by operating activities		<u>560,171</u>	<u>(369,540)</u>

OTP BANK PLC.
SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025
(in HUF mn) [continued]

	Note	Year ended 31 December 2025	Year ended 31 December 2024
INVESTING ACTIVITIES			
Purchase securities at fair value through other comprehensive income	9.	(1,085,985)	(375,295)
Proceeds from sale of securities at fair value through other comprehensive income	9.	415,859	347,083
Change in derivative financial instruments designated as hedge accounting		(48,889)	(22,624)
Increase in investments in subsidiaries	12.	(70,088)	(16,479)
Dividend income		428,803	435,295
Increase in securities at amortised cost	10.	(30,356,872)	(90,219,009)
Redemption of securities at amortised cost	10.	30,234,395	89,669,606
Additions to property, equipment and intangible assets	13.	(107,352)	(101,092)
Disposal of property, equipment and intangible assets	13.	1,875	333
Net increase in investment properties	14.	<u>(266)</u>	<u>(173)</u>
Net cash used in investing activities		<u>(588,520)</u>	<u>(282,355)</u>
FINANCING ACTIVITIES			
Leasing payments		(6,827)	(6,594)
Cash received from issuance of securities	20.	220,447	960,124
Cash used for redemption of issued securities	20.	(496,552)	(491,946)
Cash received from issuance of subordinated bonds and loans	25.	362,293	16,314
Cash used for redemption of subordinated bonds and loans	25.	(143,553)	(213,410)
Purchase of Treasury shares	28.	(249,744)	(153,105)
Sale of Treasury shares	28.	58,081	37,389
Dividends paid	27.	<u>(269,870)</u>	<u>(149,966)</u>
Net cash used in financing activities		<u>(525,725)</u>	<u>(1,194)</u>
Net decrease in cash and cash equivalents		<u>(554,074)</u>	<u>(653,089)</u>
Cash and cash equivalents at the beginning of the year		<u>911,836</u>	<u>1,564,925</u>
Cash and cash equivalents at the end of the year		<u>357,762</u>	<u>911,836</u>
<i>Interest received</i>		<i>1,476,496</i>	<i>1,574,048</i>
<i>Interest paid</i>		<i>907,254</i>	<i>1,016,302</i>

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/>

These Separate Financial Statements were approved by the Board of Directors and authorised for issue on 17 March 2026. Signatory of the separate financial statements is the Chairman of the Board of Directors, dr. Sándor Csányi and Chief Executive Officer, Péter Csányi.

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 2025 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 2025	31 December 2024
Domestic and foreign private and institutional investors	94.19%	96.77%
Employees	0.50%	0.51%
Treasury shares	5.15%	2.52%
Other	<u>0.16%</u>	<u>0.20%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

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 301 branches in Hungary.

	31 December 2025	31 December 2024
Number of employees	10,671	10,679
Average number of employees	10,897	10,820

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

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 2025

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 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.

The adoption of this amendment to the existing standard 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

- **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.
- **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.

The Bank anticipates that the adoption of these new standards, amendments to the existing Standards and new interpretations will have no significant impact on the Separate Financial Statements of the Ban in the period of initial application.

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS [continued]

1.2.2. New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective [continued]

- **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 has initiated its IFRS 18 implementation project following the issuance of the new standard, which becomes effective for annual reporting periods beginning on or after 1 January 2027. Work is currently ongoing to assess and align internal reporting structures with the revised presentation and disclosure requirements, including the introduction of management-defined performance measures (MPMs). Based on the assessments performed to date, the Bank does not expect IFRS 18 to have a material impact on its statement of profit or loss, although the structure and presentation of certain line items may be updated to reflect the new categorisation and subtotals required by the standard. In particular, three items are expected to fall outside the operating profit category: profit from associates, profit on investment properties and operating leases and the expense on lease liabilities. In addition, the Bank is in the process of developing a new note to the financial statements that will present and explain its MPMs in accordance with IFRS 18.

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:

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the amendments)** - IFRS 19 (including the amendments) 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. The amendments issued in August 2025 reduce the disclosure requirements of new IFRS accounting standards, which had been included in full when IFRS 19 was first issued.
- **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.

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]

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.
 - The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

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 FIFO¹ 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.

¹ 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 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 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 Group 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 FIFO² 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.

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.

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 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 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 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 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 or 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”.

² 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 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 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 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 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 case of corporate portfolio.

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 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 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 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. 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 Group 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 sovereign 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 removed from books 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, 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 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. 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

2.17. 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]

2.17 Fees and Commissions [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 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 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 fixed 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]

2.17 Fees and Commissions [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.

2.18. 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.

2.19. 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 – introduced a minimum effective tax rate of at least 15%, calculated based on a specific rule set. Pillar Two legislation has been enacted in certain jurisdictions where the Bank operates. The legislation became effective for the Bank's financial year beginning 1 January 2024. The Bank considers this top-up tax as an income tax according to IAS 12.

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]

2.19 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.

2.20. 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]

2.21. 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 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.

2.22. Share-based payment

The Bank has applied the requirements of IFRS 2 Share-based Payment.

In its separate financial statements, OTP Bank treats OTP Bank Employee Stock Ownership Plan Organization (“OTP ESOP”) as a distinct reporting entity and therefore recognises the transfer of assets to OTP ESOP in a manner consistent with the transaction’s legal form.

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.

2.23. 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]

2.24. 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 deposits 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 revaluated.

2.25. 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.

2.26. 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 2024

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

The Trump administration, which took office on 20 January 2025, significantly changed the global economy in 2025, when it began to implement campaign promises, including the introduction of import tariffs. The unfolding tariff war caused huge turbulence in the markets through unpredictability, economic damage and the disruption of trade relations. Year 2025 also brought a major change in the direction of the USA's foreign policy, which, amid increasing geopolitical conflicts around the world, forced its allies, including NATO members, to boost their defence spending, placing a serious burden on their budgets. After the increase in yields owing to Donald Trump's victory in 2024, developed markets' bond yields declined somewhat in 2025, and the dollar has weakened against the euro.

In the first quarter of 2025, the US economy felt the pain of preparing for the tariff war: to avoid tariffs, imports were brought forward, which, through falling net exports, has slowed economic growth to a halt but this was reversed in the second and third quarters. Overall, the US economy sailed through the first year of the second Trump administration with a better performance than the 1.5-2.0% growth expected at the beginning of 2025. Based on the available data, annual growth exceeded 2%, fuelled by consumer spending and AI investments. The outlook for the labour market was clouded by Donald Trump's strict immigration policy, by demographic trends, and by the rapid rise of artificial intelligence, while, despite the US president's plans, the industry failed to create a large number of new jobs. Nevertheless, the situation in the labour market, which deteriorated rapidly in the first half of the year, stabilized by the end of 2025. Despite the inflationary economic policy measures of the new administration, inflation did not accelerate, yet it remained above the Fed's 2% target, which justified caution regarding interest rate cuts, despite deteriorating labour market conditions. The interest rate cut cycle that began at the end of 2024 came to a halt at the beginning of 2025 and the next cut did not come before September. Thus, the base rate was reduced by a total of 75 basis points, to 3.5-3.75%, by the end of the year. There is still significant tension in the bond market, because the debt-to-GDP ratio is at an all-time high, around 125%, and the deficit remained at an elevated level, above 5% of GDP, because despite the significant improvement in the budget balance thanks to tariff revenues, the Trump administration's Big Beautiful Bill extended tax breaks, while the promised spending cuts were not implemented.

Despite the tariff war and increasing geopolitical tensions, the eurozone's recovery from previous shocks (energy crisis, war, inflation, and interest rate shocks) continued throughout 2025. Adding to the euro area economy's problems, the block is forced to reallocate huge amounts of money to defence spending, meanwhile, the car industry, the flagship of the European manufacturing industry, is lagging behind in technological transition. In 2025, the eurozone's GDP expanded by 1.5% including Ireland's extremely volatile figures; without Ireland, the growth rate was 1.0%. The unemployment rate was at a historic low of 6.2% in December. Inflation was still well above the 2% target in the first months of the year, but in the rest of the year both headline and core inflation fell back, drawing closer to the ECB's target. Wage growth, which had previously fuelled inflation, slowed in the second half of 2025, so by the end of the year only the high level of services inflation was a cause for concern. In the first half-year, the ECB cut the effective (deposit) rate from 2.75% to 2.0%, the main refinancing rate from 3.15% to 2.15%, and the marginal lending rate from 3.15% to 2.4%, and they remained at these levels until the end of the year. In Europe, investors also focus on concerns about fiscal sustainability, especially in France, which is struggling with 110% public debt and 6% deficit, as well as political crises.

Hungary's economy has been practically stagnant since 2023 on account of the energy crisis, shrinking export markets, strong exposure to the automotive and battery industries, the freezing of EU funds, the collapse of the previous investment boom, and pressure for strictness in economic policy. Although fiscal austerity ended in 2025 and Europe's growth also improved towards the end of 2025, Hungary's economic growth remained pale throughout last year, when GDP expanded by barely 0.4%, according to preliminary data from the KSH statistical office, as consumption growth was offset by shrinking investment and declining exports. The tightness of the labour market clearly decreased during the year, but the unemployment rate did not increase meaningfully.

By the beginning of 2025, headline and constant tax core inflation (the latter is closely watched by the MNB) both accelerated to almost 6%. The reasons for the walking inflation are manifold: inflation expectations stuck at elevated levels, corporations' rapid repricing, the weak forint at the end of 2024, rising food prices, excessively high wage dynamics, and passed-on special taxes all contributed. The government and the MNB both reacted to the high inflation. The government has been curbing price increases with a number of administrative measures since spring 2025, which have held back price growth by around 1.5 percentage points. In order to achieve the inflation target, the MNB's new leadership broke with the policy of the weak forint and, despite expectations of an interest rate cut, left the key interest rate at 6.5% until the end of 2025. This, together with several other favourable factors, strengthened the forint, helping to bring down the EUR/HUF below 385 by the end of 2025, from around 410 at the year-beginning.

**NOTE 4: MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK
[continued]**

Macro economy and financial situation in Hungary [continued]

According to the Ministry of National Economy, Hungary's budget deficit amounted to 4.9% of GDP in 2025, while public debt could be around 74.6% of GDP, in an increase from 73.5% at the end of 2024. The government announced a string of fiscal stimulus measures in 2025, but most of them will affect the budget from 2026 onwards.

Given that Hungary's current account surplus is around 2% of GDP, the gross external debt ratio is between 60% and 65% of GDP, and as foreign exchange reserves are about EUR 10 billion higher than the reserve adequacy rules require, Hungary's external balance position is much stronger than the level that be considered sustainable.

All international credit rating agencies rated Hungary's sovereign debt as investment grade last year.

In 2025, Hungary's housing market was significantly boosted by the expansion of available subsidies, the Home Start programme, which reduced the effective lending rate to 3%, and by the rapid wage growth. As a result, the growth of household credit volumes accelerated to 14% (from 9% at the end of 2024), and that of housing loans to 20%, up from 13%.

Summary of economic policy measures made and other relevant regulatory changes in the period under review

Windfall tax

- On 19 June 2025, the Parliament decided, through Act No. LIV of 2025, to maintain the windfall tax obligation for financial institutions for the year 2026 as well. In 2026, the tax base is the adjusted profit for the year 2024, and the rate increases to 8% up to a tax base of HUF 20 billion, and to 20% above that (from the previous 18%). The option to halve the payable tax remains available under the conditions specified in the act, similarly to previous years.
- In accordance with Government Decree No. 358/2025 (XI. 13.), the provisions of the windfall tax legislation shall be applied with the following amendments: from 2026, the tax rate will be 10% (instead of 8%) up to HUF 20 billion tax base, and 30% (instead of 20%) above. In 2026, the rules on tax reduction related to the purchase of government securities were tightened: the reduction may not exceed 10% of the increase in the relevant government securities holdings and may not exceed 30% (instead of 50%) of the windfall tax calculated without taking this reduction into account.

Interest rate cap:

- On 26 June 2025, Government Decree No. 170/2025 (VI.26) enacted the extension of the interest rate cap on certain housing loans, until 31 December 2025.
- On 26 November 2025, Government Decree No. 364/2025 (XI.26) enacted the extension of the interest rate cap on certain housing loans, until 30 June 2026.

Freeze on retail banking fees

- On 9 April 2025, the Hungarian Banking Association agreed with the Ministry of National Economy that banks will not apply fee changes resulting from inflation indexation or increase in other operating cost items to their retail customers until 30 June 2026. Those banks that had already announced their inflation indexation for 2025 according to the law, shall reverse such increases either through itemized refunds or by providing a permanent discount, or with a refund of the same amount at customer group's level. Within this framework, on 8 April 2025, OTP Bank announced that it was ready to reduce the fees of its retail customers by a total of almost HUF 2 billion and to extend certain preferential promotions worth several billions of HUF.
- On the other hand, the banking sector, via the representatives of the Hungarian Banking Association, have also concluded an agreement with the Hungarian National Bank. This agreement, in addition to temporarily reducing the monthly fee of so-called basic accounts which represent a narrow range of bank accounts, also makes a wide range of retail bank accounts simpler and more transparent.

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]

Cash withdrawals

- On 29 April 2025, Hungary's National Assembly decided that payment service providers shall provide their customers with cash withdrawal services in all settlements. Based on a decree of the Ministry of National Economy from the end of May, banks are obliged to provide cash withdrawal services to their customers in all settlements with more than 1,000 inhabitants by 31 December 2025, and in all settlements with more than 500 inhabitants by 31 December 2026. Based on the MNB's decree of the end of June, in the case of OTP this means the installation of 195 new or relocated ATMs across Hungary in 2025 and further 233 in 2026.
- Pursuant to Act C of 2025, the monthly limit for free cash withdrawals, available twice per month, was increased to HUF 300,000 effective from 1 February 2026, replacing the former limit of HUF 150,000, that was applicable until the end of January 2026.

Family support schemes and economic stimulus measures

- The Workers' Loan Program became available at credit institutions from 2 January 2025. The maximum amount of this interest-free, free-use, state-guaranteed subsidised loan is HUF 4 million, with a term of 10 years. The scheme also features a partial repayment by the State depending on the birth of children.
- From 1 January 2025, housing loans are available for energy-efficient homes up to 90% of the collateral value, and the repayment instalment may reach 60% of the borrower's income, regardless of the income.
- On 1 January 2025, the Rural Home Renovation Subsidy was launched in settlements with less than 5,000 residents with a maximum amount of HUF 3 million, for up to 50% of the labour and material costs. The range of applicants has been modified several times, so now the subsidy is also available to pensioners. For the advance investment costs, borrowers may apply for a subsidized home renovation mortgage loan in a maximum amount of HUF 6 million, with a fixed 3% interest rate.
- On 15 October 2025, the conditions of the energy home renovation programme, targeting the modernisation of family homes built before 2007, were amended. The maximum available amount increased from HUF 6 million to HUF 10 million, of which HUF 5 million is a non-refundable grant and HUF 5 million can be taken as an interest-free loan. The required own contribution was reduced to 5%, mandatory contractor registration was abolished, and the range of eligible renovation activities were widened with for example shading devices, solar collectors, and control systems being included into the list.
- From 6 January 2025, as part of the Demjén 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 and the leasing scheme was reduced to 3%, while the interest rate on the Széchenyi Card Overdraft MAX+ 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).
- On 6 October 2025, the Government announced that the interest rate on business loans available under the Széchenyi Card Program was uniformly reduced to a fixed 3%. The initiative aims to support the liquidity of domestic small and medium-sized enterprises (SMEs) and encourage their investments to stimulate the economy. The liquidity and investment loans available under the programme are freely usable and can be accessed quickly and easily. In 2026, the Government will allocate HUF 60 billion for interest subsidies, while the total state support for the entire Széchenyi Card system will reach HUF 320 billion.
- The subsidized Home Start Loan Program is available from 1 September 2025, regardless of marital status or plans to have children. The terms and conditions of the loan have been modified several times since the announcement, but the essential elements remained unchanged: the maximum amount of the one-time applicable loan is HUF 50 million, with a fixed interest rate of up to 3%, for a maximum term of 25 years and with at least 10% downpayment. The loan is available if, at the time of application and during the preceding 10 years, the applicant has not held more than 50% ownership share in a residential property, and if had at least two years of uninterrupted social security coverage. The loan can be used for residential properties with a maximum value of HUF 100 million in the case of a flat, or HUF 150 million in the case of a house, which price shall not exceed HUF 1.5 million per square metre. The loan may be combined with other (subsidized) home loans. The detailed rules of the loan are set in Government Decree 227/2025 (VII. 31.).

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 [continued]

- The MNB launched the Qualified Corporate Credit (MVH, Minősített Vállalati Hitel) title in order to intensify competition in the banking system. The aim of the initiative, which was launched following an agreement between the central bank and the Hungarian Banking Association, is to bring investment loans with standardized, transparent terms and conditions to the market, and to make them accessible to a wide range of SMEs, with simple and quick administration and favourable pricing. OTP branches were the first in Hungary to offer the facility to customers, on 1 September.

Capital regulation

- Pillar 2 capital requirement: based on the announcement made on 16 December 2025, effective from 1 January 2026 the National Bank of Hungary, including a multilateral procedure involving the European Central Bank, and National Bank of Croatia, 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).

These requirements do not represent any change compared to the additional capital requirements applicable in the preceding period.

Larger one-off/special items

Special taxes on financial institutions:

In 2025 HUF (87.4) billion special taxes on financial institutions weighed on earnings (after tax) which incorporates both the old banking tax in Hungary (HUF (29.9) billion after tax) and the windfall tax on extra profits (HUF (49.6) billion after tax). Outside of Hungary, in Slovenia (HUF (7.9) billion after tax) arose banking tax payment obligation.

Interest rate cap in Hungary:

In 2025 altogether HUF (7.7) 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 2026.

Provision on Russian bonds:

In Hungary and Bulgaria HUF (5.1) billion (after tax) impairment was created on Russian bonds, of which HUF (6.4) billion (after tax) was booked at OTP Bank (Hungary) and HUF 1.3 billion (after tax) release at DSK Bank (Bulgaria). Consequently, the coverage of Russian bonds increased from 73% in 2024 to 74% in 2025.

On 4 December 2025 around EUR 63 million equivalent Russian bonds matured. Of this amount, EUR 21 million was paid out on the maturity date in Russian roubles, while the authorisation process for the payment of the remaining amount was completed in December. In the period since then, the relevant legal proceedings have been initiated, which – if concluded favourably – are expected to result in the principal repayments being credited to the own accounts of OTP Bank and DSK Bank. Management's expectations regarding the ongoing proceedings related to the principal repayments are positive, as no circumstances have arisen to date that would suggest that the amounts will not be credited to the own accounts of OTP Bank and DSK Bank.

Revaluation result of retail subsidized loans:

Based on the IFRS9 accounting standard, some Hungarian subsidized mortgage loans, such as CSOK (Housing Subsidy for Families), CSOK Plus and Home Start, as well as baby loans and worker' loans must be recorded in the statement of financial position at fair value through profit or loss. The negative revaluation result of these loans amounted to HUF (5.8) billion (after tax) in 2025.

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 2025 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 1,139 billion at the end of 2024 (2.5% of total consolidated assets), while net loans comprised HUF 410 billion (1.6% of consolidated net loans) and shareholders' equity amounted to HUF 212 billion (3.8% of the consolidated total equity).

At the end of 2025 the gross intragroup funding towards the Ukrainian operation represented HUF 49 billion, while taking into account the Ukrainian deposits placed with the Headquarters, i.e. the net group funding stood at HUF 25 billion equivalent towards the Ukrainian operation.

In 2025 the Ukrainian operation posted a profit after tax of HUF 55.8 billion, one third more than the HUF 41.2 billion in 2024.

Russia

The total assets of the Group's Russian operation represented HUF 3.321 billion at the end of 2025 (7.3% of consolidated total assets), while net loans comprised HUF 1,497 billion (5.8% of consolidated net loans) and shareholders' equity HUF 440 billion (7.8% of consolidated total equity).

The Russian operation posted HUF 202.0 billion profit after tax in 2025, after the HUF 136.9 billion profit reached in full-year 2024.

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 9 billion equivalent.

Based on individual permits issued by the Central Bank of Russia, a total of RUB 67.7 billion in dividends has been paid since September 2023, of which RUB 25.9 billion was paid in 2025.

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 +13 bps, whereas in the case of Ukraine this effect would be -10 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	21,745	(18,289)
Securities at fair value through other comprehensive income	1	53,009	(44,149)
Other financial assets		21,581	(16,081)
Investments	6	<u>476,254</u>	<u>(329,792)</u>
TOTAL ASSETS		<u>572,589</u>	<u>(408,311)</u>

**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 2025 in connection with the evaluation of Russian and Ukrainian exposures

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 against 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 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).

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

**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 2025 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)

When technical or objective default occurred 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 occurrence of credit loss, even in that case when most likely there is no need to recognise impairment loss.

Exposures in amount of HUF 3.1 billion as classified into Stage 3 had an amount of HUF 1.7 billion of expected credit loss as at 31 December 2025. 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 as a result impairment loss was recognised for the year ended 31 December 2025 as follows:

by Country	Impairment loss for the year ended 31 December 2025
Ukraine	-
Russia	30,453
Moldova	-
Total	30,453

NOTE 4: MACRO-ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE BANK
[continued]

Financial assets modified during the year ended 31 December 2025

Modification due to the prolongation of existing interest rate cap till 31 December 2025

Gross carrying amount before modification	37,409
Modification loss	(772)
Gross carrying amount after modification	<u>36,637</u>
Loss allowance	(452)
Net amortised cost after modification	<u>36,185</u>

Modification due to the prolongation of existing interest rate cap till 30 June 2026

Gross carrying amount before modification	33,703
Modification loss	(698)
Gross carrying amount after modification	<u>33,005</u>
Loss allowance	(360)
Net amortised cost after modification	<u>32,645</u>

Financial assets modified during the year ended 31 December 2024

Modification due to the prolongation of existing interest rate cap till 31 December 2024

Gross carrying amount before modification	44,974
Modification loss	(1,104)
Gross carrying amount after modification	<u>43,870</u>
Loss allowance	(763)
Net amortised cost after modification	<u>43,107</u>

Modification due to the prolongation of existing interest rate cap till 30 June 2025

Gross carrying amount before modification	40,881
Modification loss	(875)
Gross carrying amount after modification	<u>40,006</u>
Loss allowance	(536)
Net amortised cost after modification	<u>39,470</u>

NOTE 5: CASH, AMOUNTS DUE FROM BANKS AND BALANCES WITH THE NATIONAL BANK OF HUNGARY (in HUF mn)

	31 December 2025	31 December 2024
Cash on hand:		
In HUF	88,445	107,982
In foreign currency	<u>13,670</u>	<u>17,784</u>
	<u>102,115</u>	<u>125,766</u>
Amounts due from banks and balances with National Bank of Hungary:		
Within one year:		
In HUF	1,082,109	1,531,556
In foreign currency	<u>177,665</u>	<u>419,970</u>
	<u>1,259,774</u>	<u>1,951,526</u>
Subtotal	<u>1,361,889</u>	<u>2,077,292</u>
Loss allowance	(2,129)	(2,113)
Subtotal	<u>1,359,760</u>	<u>2,075,179</u>
Average amount of compulsory reserve	1,001,998	1,163,343
Total	<u>357,762</u>	<u>911,836</u>
Rate of the compulsory reserve	8%	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 2025	31 December 2024
Balance as at 1 January	2,113	395
Loss allowance	2,850	3,445
Release of loss allowance	(2,969)	(1,702)
FX movement	<u>135</u>	<u>(25)</u>
Closing balance	<u>2,129</u>	<u>2,113</u>

NOTE 6: PLACEMENTS WITH OTHER BANKS (in HUF mn)

	31 December 2025	31 December 2024
Within one year:		
In HUF	339,356	380,772
In foreign currency	<u>342,958</u>	<u>173,037</u>
	<u>682,314</u>	<u>553,809</u>
Over one year		
In HUF	1,688,195	1,564,539
In foreign currency	<u>794,925</u>	<u>835,407</u>
	<u>2,483,120</u>	<u>2,399,946</u>
Total placements	<u>3,165,434</u>	<u>2,953,755</u>
Loss allowance on placement losses	<u>(3,890)</u>	<u>(5,219)</u>
Total	<u>3,161,544</u>	<u>2,948,536</u>

An analysis of the change in the loss allowance on placement losses is as follows:

	31 December 2025	31 December 2024
Balance as at 1 January	5,219	6,875
Loss allowance	2,458	5,074
Release of loss allowance	(3,558)	(7,050)
FX movement	<u>(229)</u>	<u>320</u>
Closing balance	<u>3,890</u>	<u>5,219</u>

Interest conditions of placements with other banks (%):

	31 December 2025	31 December 2024
Placements with other banks in HUF	0%-25%	0%-25%
Placements with other banks in foreign currency	-0.06%-9.02%	0%-9.68%
Average interest of placements with other banks	5.72%	6.65%

NOTE 7: REPO RECEIVABLES (in HUF mn)

	31 December 2025	31 December 2024
Within one year:		
In HUF	309,146	234,659
In foreign currency	<u>13,423</u>	<u>3,774</u>
	<u>322,569</u>	<u>238,433</u>
Total gross amount	<u>322,569</u>	<u>238,433</u>
Loss allowance on repo receivables	<u>(201)</u>	<u>(354)</u>
Total repo receivables	<u>322,368</u>	<u>238,079</u>

An analysis of the change in the loss allowance on repo receivables is as follows:

	31 December 2025	31 December 2024
Balance as at 1 January	354	367
Loss allowance	3,487	2,255
Release of loss allowance	(3,639)	(2,268)
FX movement	(1)	-
Closing balance	<u>201</u>	<u>354</u>

Interest conditions of repo receivables (%):

	31 December 2025	31 December 2024
Repo receivables in HUF	5.5%-7.3%	6%-6.9%
Average interest of repo receivables denominated in HUF	6.55%	7.48%
Average interest of repo receivables denominated in foreign	2.07%	3.87%

Securities as collaterals underlying repo receivable contracts is as follows:

As at 31 December 2025

Type	Notional	Fair value
Hungarian government bonds	241,305	242,907
Hungarian government discounted Treasury Bills	7,000	6,656
Foreign government bonds	7,296	10,402
Mortgage bonds	64,000	63,431
Other	965	<u>1,362</u>
Total	<u>320,566</u>	<u>324,758</u>

As at 31 December 2024

Type	Notional	Fair value
Hungarian government bonds	256,068	244,986
Hungarian government discounted Treasury Bills	1,650	1,612
Foreign government bonds	<u>3,896</u>	<u>3,883</u>
Total	<u>261,614</u>	<u>250,481</u>

NOTE 8: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31 December 2025	31 December 2024
Held for trading securities:		
Government bonds	119,614	57,498
Other non-interest bearing securities	479	377
Hungarian government discounted Treasury Bills	17,389	207
Corporate shares and investments	1,987	1,197
Mortgage bonds	124	117
Other securities	<u>19,601</u>	<u>388,597</u>
Subtotal	<u>159,194</u>	<u>447,993</u>
Securities mandatorily measured at fair value through profit or loss		
Shares in investment funds	32,400	30,878
Shares	<u>524</u>	<u>1,304</u>
Subtotal	<u>32,924</u>	<u>32,182</u>
Held for trading derivative financial instruments:		
Foreign currency swaps	48,748	63,309
Interest rate swaps	36,677	57,406
CCIRS and mark-to-market CCIRS swaps	49,327	20,730
Other derivative transactions	<u>23,911</u>	<u>29,616</u>
Subtotal	<u>158,663</u>	<u>171,061</u>
Total	<u>350,781</u>	<u>651,236</u>
Interest conditions and the remaining maturities of securities held for trading are as follows:		
	31 December 2025	31 December 2024
Within one year:		
variable interest	10,568	107
fixed interest	<u>35,706</u>	<u>386,175</u>
	<u>46,274</u>	<u>386,282</u>
Over one year:		
variable interest	20,321	3,648
fixed interest	<u>90,133</u>	<u>56,489</u>
	<u>110,454</u>	<u>60,137</u>
Non-interest bearing securities	<u>2,466</u>	<u>1,574</u>
Total	<u>159,194</u>	<u>447,993</u>
Securities held for trading denominated in HUF	73%	94%
Securities held for trading denominated in foreign currency	<u>27%</u>	<u>6%</u>
Securities held for trading total	<u>100%</u>	<u>100%</u>
Government bonds denominated in HUF	75%	63%
Government bonds denominated in foreign currency	<u>25%</u>	<u>37%</u>
Government securities total	<u>100%</u>	<u>100%</u>
Interest rates on securities held for trading in HUF	1.9%-8%	1.9%-19.1%
Interest rates on securities held for trading in foreign currency	0.13%-10.8%	0%-8.9%
Average interest on securities held for trading	1.76%	1.34%

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 2025	31 December 2024
Non-interest bearing securities	<u>32,924</u>	<u>32,182</u>
Total	<u>32,924</u>	<u>32,182</u>
Securities mandatorily measured at fair value through profit or loss denominated in HUF	83%	78%
Securities mandatorily measured at fair value through profit or loss denominated in foreign currency	<u>17%</u>	<u>22%</u>
Securities mandatorily measured at fair value through profit or loss total	<u>100%</u>	<u>100%</u>

NOTE 9: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
(in HUF mn)

	31 December 2025	31 December 2024
Securities at fair value through other comprehensive income		
Government bonds	922,110	185,171
Mortgage bonds	254,001	326,950
Interest bearing treasury bills	-	86
Other securities	45,403	46,461
<i>Listed securities</i>	<u>14,249</u>	<u>9,525</u>
<i>in foreign currency</i>	14,249	9,525
<i>Non-listed securities</i>	<u>31,154</u>	<u>36,936</u>
<i>in HUF</i>	6,751	10,331
<i>in foreign currency</i>	24,403	26,605
Subtotal	<u>1,221,514</u>	<u>558,668</u>
Non-trading equity instruments		
<i>Non-listed securities</i>	<u>43,929</u>	<u>33,934</u>
<i>in HUF</i>	528	528
<i>in foreign currency</i>	43,401	33,406
	<u>43,929</u>	<u>33,934</u>
Securities at fair value through other comprehensive income total	<u>1,265,443</u>	<u>592,602</u>

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 2025	31 December 2024
Garantiqa	HUF	392	392
Hage / Közvil / Pénzügykut	HUF	136	136
OBS	EUR	17,057	16,625
U Holdings	USD	9,853	-
VISA A Preferred	USD	10,452	10,312
VISA C Common	USD	<u>6,039</u>	<u>6,469</u>
		<u>43,929</u>	<u>33,934</u>

Interest conditions and the remaining maturities of FVOCI securities can be analysed as follows:

	31 December 2025	31 December 2024
Within one year:		
variable interest	1,101	196
fixed interest	<u>88,795</u>	<u>91,521</u>
	<u>89,896</u>	<u>91,717</u>
Over one year:		
variable interest	314,632	122,473
fixed interest	<u>816,986</u>	<u>344,478</u>
	<u>1,131,618</u>	<u>466,951</u>
Non-interest bearing securities	<u>43,929</u>	<u>33,934</u>
Total	<u>1,265,443</u>	<u>592,602</u>
	31 December 2025	31 December 2024
FVOCI securities denominated in HUF	91%	78%
FVOCI securities denominated in foreign currency	9%	22%
FVOCI securities total	<u>100%</u>	<u>100%</u>
Interest rates on FVOCI securities denominated in HUF	1.25%-9.1%	0.25%-11%
Interest rates on FVOCI securities denominated in foreign currency	1.1%-12.75%	0%-12.75%
Average interest on FVOCI securities	5.65%	5.44%

Certain fixed-rate mortgage bonds and other securities are hedged against interest rate risk. (See Note 45.4.)

	31 December 2025	31 December 2024
Net gain / (loss) reclassified from other comprehensive income to statement of profit or loss	9,585	2,875
Fair value of the hedged securities:		
Government bonds	504,240	144,218
Other bonds	-	<u>4,002</u>
	<u>504,240</u>	<u>148,220</u>

During the year ended 31 December 2024 and 2025 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 2025	31 December 2024
Government bonds	3,019,900	2,904,452
Other bonds	347,967	345,418
Treasury bills	-	93,259
Mortgage bonds	30,109	29,927
Subtotal	<u>3,397,976</u>	<u>3,373,056</u>
Loss allowance	(29,889)	(38,911)
Total	<u>3,368,087</u>	<u>3,334,145</u>

Interest conditions and the remaining maturities of securities at amortised cost can be analysed as follows:

	31 December 2025	31 December 2024
Within one year:		
variable interest	5,041	-
fixed interest	<u>818,082</u>	<u>518,374</u>
	<u>823,123</u>	<u>518,374</u>
Over one year:		
variable interest	49,708	24,824
fixed interest	<u>2,525,145</u>	<u>2,829,858</u>
	<u>2,574,853</u>	<u>2,854,682</u>
Total	<u>3,397,976</u>	<u>3,373,056</u>

The distribution of the securities at amortised cost by currency (%):

	31 December 2025	31 December 2024
Securities at amortised cost denominated in HUF	77%	72%
Securities at amortised cost denominated in foreign currency	<u>23%</u>	<u>28%</u>
Securities at amortised cost total	<u>100%</u>	<u>100%</u>
Interest rates on securities at amortised cost	0.1%-12.75%	0.1%-12.75%
Average interest on securities at amortised cost denominated in HUF	4.18%	4.62%

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

	31 December 2025	31 December 2024
Balance as at 1 January	38,911	26,225
Loss allowance	9,922	22,001
Release of loss allowance	(14,995)	(11,433)
FX movement	<u>(3,949)</u>	<u>2,118</u>
Closing balance	<u>29,889</u>	<u>38,911</u>

NOTE 11: LOANS (in HUF mn)**Loans measured at fair value through profit or loss**

	31 December 2025	31 December 2024
Within one year	62,743	45,362
Over one year	<u>1,019,945</u>	<u>953,048</u>
Loans measured at fair value through profit or loss total	<u>1,082,688</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

	31 December 2025	31 December 2024
Within one year	2,472,992	2,415,594
Over one year	<u>2,796,548</u>	<u>2,399,947</u>
Loans at amortised cost gross total	<u>5,269,540</u>	<u>4,815,541</u>
Loss allowance on loan losses	<u>(134,216)</u>	<u>(144,746)</u>
Loans at amortised cost total	<u>5,135,324</u>	<u>4,670,795</u>

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

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

Interest rates of the loan portfolio mandatorily measured at fair value through profit or loss are as follows (%):

	31 December 2025	31 December 2024
Loans denominated in HUF	2.82%-18.83%	3.1%-18.83%
Average interest on loans denominated in HUF	7.55%	6.30%

Interest rates of the loan portfolio measured at amortised cost are as follows (%):

	31 December 2025	31 December 2024
Loans denominated in HUF	0%-42%	0%-42%
Loans denominated in foreign currency	0%-21.21%	0%-21.21%
Average interest on loans denominated in HUF	11.27%	11.83%
Average interest on loans denominated in foreign currency	4.29%	5.71%

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 2025	31 December 2024
Balance as at 1 January	144,746	147,415
Loss allowance	207,836	266,410
Release of loss allowance	(194,646)	(238,441)
Use of loss allowance	(16,884)	(25,572)
Partial write-off	(3,237)	(8,065)
FX movement	<u>(3,599)</u>	<u>2,999</u>
Closing balance	<u>134,216</u>	<u>144,746</u>

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 2025	31 December 2024
Investments in subsidiaries:		
Controlling interest	2,606,856	2,566,076
Other	<u>32,264</u>	<u>27,646</u>
Subtotal	<u>2,639,120</u>	<u>2,593,722</u>
Impairment loss	<u>(468,990)</u>	<u>(424,691)</u>
Total	<u>2,170,130</u>	<u>2,169,031</u>

Other investments contain certain securities accounted at cost.

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 2025		31 December 2024	
	% Held (direct/ indirect)	Gross book value	% Held (direct/ indirect)	Gross book value
OTP Luxembourg S.à r.l.	100%	522,528	100%	534,873
OTP Bank JSC (Ukraine)	100%	311,390	100%	311,390
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%	205,553	100%	217,898
OTP Mortgage Bank Ltd.	100%	199,294	100%	199,294
Ipoteka Bank (Uzbekistan)	80%	114,218	80%	110,973
Balansz Private Open-end Investment Fund	100%	39,955	100%	86,795
JSC "OTP Bank" (Russia)	98%	87,945	98%	74,337
Crnogorska komercijalna banka a.d. (Montenegro)	100%	72,784	100%	72,784
Mendota Invest, Nepremicninska druzba, d.o.o.	100%	65,472	-	-
OOO AlyansReserv (Russia)	100%	50,074	100%	50,074
Air-Invest Llc.	100%	49,248	100%	49,248
Bank Center No. 1. Ltd.	100%	43,955	100%	43,955
PortfoLion Green Venture Capital Fund	100%	37,500	100%	33,571
Other		<u>263,459</u>		<u>237,403</u>
Total		<u>2,606,856</u>		<u>2,566,076</u>

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

	31 December 2025	31 December 2024
Balance as at 1 January	424,691	418,115
Impairment loss for the period	47,979	13,517
Reversal of impairment loss	(3,680)	(2,430)
Use of impairment loss	=	(4,511)
Closing balance	<u>468,990</u>	<u>424,691</u>

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 2025	31 December 2024
OTP Bank JSC (Ukraine)	280,763	280,763
OTP Mortgage Bank Ltd.	83,557	83,557
LLC Alliance Reserve (Russia)	21,256	15,801
Monicomp Ltd.	13,761	13,173
Air-Invest Ltd.	10,965	10,965
OTP Real Estate Ltd.	9,685	11,034
R.E. Four d.o.o. (Serbia)	3,763	3,763
JSC "OTP Bank" (Russia)	<u>27,773</u>	<u>2,775</u>
Total	<u>451,523</u>	<u>421,831</u>

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 2025	31 December 2024
DSK Bank EAD (Bulgaria)	99,519	112,908
OTP Luxembourg S.à r.l.	95,089	45,686
JSC "OTP Bank" (Russia)	57,956	54,057
OTP banka Srbija akcionarsko drustvo Novi Sad (Serbia)	34,517	26,822
OTP banka dioničko društvo (Croatia)	32,152	29,687
OTP Funds Servicing and Consulting Ltd.	23,019	5,162
OTP Holding Malta Ltd. (Malta)	21,079	20,904
LLC Alliance Reserve (Russia)	11,129	31,664
OTP Bank S.A. (Moldova)	7,959	10,258
Crnogorska komercijalna banka a.d. (Montenegro)	-	23,295
OTP banka d.d. (Slovenia)	-	12,288
OTP Factoring Ltd.	-	6,000
Other	<u>18,413</u>	<u>24,112</u>
Subtotal	<u>400,832</u>	<u>402,843</u>
Dividend from shares held-for-trading	11,078	10,060
Dividend from securities mandatorily at fair value through profit or loss	9	15
Dividend from shares fair value through other comprehensive income	<u>405</u>	<u>344</u>
Total	<u>412,324</u>	<u>413,262</u>

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (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 2025 nor for 2024, only the funds that own them are presented below. PortfoLion funds are subsidiaries in the separate 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 2025 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.	22,197	18,662	7,000	(2,472)	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.	17,200	20,671	20,566	2,439	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	23,413	90,699	72,004	(5,145)	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.	7,507	7,579	8,440	(395)	100.00%	Hungary /Budapest	IT, digital technology, fintech
PortfoLion Green Venture Capital Fund	14	39,310	37,500	83	100.00%	Hungary /Budapest	Investing in companies engaged in agricultural activities, as well as in food processing and agriculture-related areas.
PortfoLion Agricultural Venture Capital Fund II	-	3,982	4,000	(18)	100.00%	Hungary /Budapest	Investing in companies engaged in agricultural activities, as well as in food processing and agriculture-related areas.
Subtotal	<u>70,331</u>						
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	4,650	2,463	709	25.00%	Bulgaria / Sofia	Other financial service activities, except insurance and pension funding
Bankart Procesiranje Placilnih Instrumentov d.o.o.	<u>7,219</u>	10,267	771	<u>1,208</u>	43.06%	Slovenia / Ljubjana	Data processing, web hosting services
Subtotal	<u>7,611</u>						
Total	<u>77,942</u>						

There are no material investments in associates owned by equity funds below 50% voting right and without control.

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (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 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	<u>11</u>	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	<u>68,311</u>						
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.	<u>7,219</u>	11,403	658	1,182	43.06%	Ljubjana / Slovenia	Data processing, web hosting services
Subtotal	<u>8,259</u>						
Total	<u>76,570</u>						

NOTE 12: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn) [continued]

Significant events related to investments

The financial closing of the transaction has been completed on the basis of the sale and purchase agreement signed with Balansz Zártkörű Nyíltvégű Intézményi Ingatlan Alap on 4 September 2025, as a result of which the direct 100% stake of Balansz Private Open-end Investment Fund in Mendota Invest Nephrečninska Družba d.o.o. has become the property of OTP Bank Plc

OTP Bank has signed a sale and purchase agreement with SMP Solutions Plc. on 5 December 2025 regarding its directly held 100% ownership stake in OTP Card Factory Ltd. Parallely, the financial closing of the transaction has been completed and as a result, the ownership of OTP Card Factory Ltd. has been transferred to SMP Solutions Plc.

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn)

For the year ended 31 December 2025

	Intangible assets	Property	Office equipment and vehicles	Vehicles	Construction in progress	Right of use assets	Total
Cost							
Balance as at 1 January	335,424	96,080	132,024	442	10,136	87,120	661,226
Additions	97,601	13,751	17,687	200	32,850	6,274	168,363
Disposals	(31,126)	(5,462)	(10,076)	(39)	(30,140)	2,942	(73,901)
Closing balance	<u>401,899</u>	<u>104,369</u>	<u>139,635</u>	<u>603</u>	<u>12,846</u>	<u>96,336</u>	<u>755,688</u>
Depreciation and Amortization							
Balance as at 1 January	197,520	35,964	90,792	154	-	28,164	352,594
Charge for the year	44,123	5,523	16,425	86	-	9,965	76,122
Disposals	(30,569)	(2,357)	(9,433)	(32)	-	(709)	(43,100)
Closing balance	<u>211,074</u>	<u>39,130</u>	<u>97,784</u>	<u>208</u>	<u>=</u>	<u>37,420</u>	<u>385,616</u>
Impairment							
Balance as at 1 January	44	-	-	-	-	-	44
Charge for the year	-	-	-	-	-	-	-
Disposals	(44)	-	-	-	-	-	(44)
Closing balance	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Net book value							
Balance as at 1 January	137,904	60,116	41,232	288	10,136	58,956	308,632
Closing balance	<u>190,825</u>	<u>65,239</u>	<u>41,851</u>	<u>395</u>	<u>12,846</u>	<u>58,916</u>	<u>370,072</u>

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	<u>335,424</u>	<u>96,080</u>	<u>132,024</u>	<u>442</u>	<u>10,136</u>	<u>87,120</u>	<u>661,226</u>
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	<u>197,520</u>	<u>35,964</u>	<u>90,792</u>	<u>154</u>	<u>=</u>	<u>28,164</u>	<u>352,594</u>
Impairment							
Balance as at 1 January	-	-	-	-	-	-	-
Charge for the year	1,326	-	-	-	-	-	1,326
Disposals	(1,282)	-	-	-	-	-	(1,282)
Closing balance	<u>44</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>44</u>
Net book value							
Balance as at 1 January	98,115	53,940	33,495	242	19,629	66,222	271,643
Closing balance	<u>137,860</u>	<u>60,116</u>	<u>41,232</u>	<u>288</u>	<u>10,136</u>	<u>58,956</u>	<u>308,588</u>

The Bank has no intangible assets with indefinite useful life.

NOTE 14: INVESTMENT PROPERTIES (in HUF mn)

For the year ended 31 December 2025 and for the year ended 31 December 2024

	31 December 2025	31 December 2024
Property		
<u>Cost</u>		
Balance as at 1 January	5,337	5,165
Additions result from subsequent expenditure	<u>266</u>	<u>172</u>
Closing balance	<u>5,603</u>	<u>5,337</u>
<u>Depreciation and Amortization</u>		
Balance as at 1 January	1,110	962
Charge for the period	<u>161</u>	<u>148</u>
Closing balance	<u>1,271</u>	<u>1,110</u>
<u>Net book value</u>		
Balance as at 1 January	<u>4,227</u>	<u>4,203</u>
Closing balance	<u>4,332</u>	<u>4,227</u>

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 2025	31 December 2024
Rental income	7	9
Depreciation	161	149

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 2025	31 December 2024
Interest rate swaps designated as fair value hedge	29,962	37,679
CCIRS designated as fair value hedge	2,575	13,903
Interest rate swaps designated as cash flow hedge	<u>(5,438)</u>	<u>(8,452)</u>
Total	<u>27,099</u>	<u>43,130</u>

NOTE 16: OTHER ASSETS (in HUF mn)

	31 December 2025	31 December 2024
Other financial assets		
Settlement account related to Remuneration Policy	173,730	145,966
Prepayments and accrued income	40,630	28,993
Receivables from investment services	30,522	43,346
Stock exchange deposit	25,216	27,239
Trade receivables	15,982	14,713
Receivables from card operations	17,007	16,586
Receivables from suppliers	5,315	6,057
Other	<u>18,019</u>	<u>10,197</u>
	<u>326,421</u>	<u>293,097</u>
Loss allowance	<u>(21,460)</u>	<u>(11,522)</u>
Other financial assets total	<u>304,961</u>	<u>281,575</u>
Other non-financial assets		
Prepayments and accrued income	56,056	53,030
Receivable related to Hungarian Government subsidies	10,908	12,562
Other	<u>11,773</u>	<u>10,506</u>
	<u>78,737</u>	<u>76,098</u>
Provision for impairment on other assets	<u>(521)</u>	<u>(578)</u>
Other non-financial assets total	<u>78,216</u>	<u>75,520</u>
Total	<u>383,177</u>	<u>357,095</u>

An analysis of the movement in the loss allowance on other financial assets is as follows:

	31 December 2025	31 December 2024
Balance as at 1 January	11,522	7,875
Charge for the period	18,348	10,616
Release of loss allowance	(6,543)	(6,132)
Use of loss allowance	(1,285)	(1,242)
FX movement	(742)	405
Other movement	<u>160</u>	=
Closing balance	<u>21,460</u>	<u>11,522</u>

An analysis of the movement in the loss allowance on other non-financial assets is as follows:

	31 December 2025	31 December 2024
Balance as at 1 January	578	607
Charge for the period	139	269
Release of provision	(151)	(329)
FX movement	<u>(45)</u>	<u>31</u>
Closing balance	<u>521</u>	<u>578</u>

NOTE 17: AMOUNTS DUE TO BANKS AND DEPOSITS FROM THE NATIONAL BANK OF HUNGARY AND OTHER BANKS (in HUF mn)

	31 December 2025	31 December 2024
Within one year:		
In HUF	445,080	495,497
In foreign currency	<u>772,142</u>	<u>521,986</u>
	<u>1,217,222</u>	<u>1,017,483</u>
Over one year:		
In HUF	160,299	381,129
In foreign currency	<u>278,846</u>	<u>208,357</u>
	<u>439,145</u>	<u>589,486</u>
Subtotal	<u>1,656,367</u>	<u>1,606,969</u>
Total	<u>1,656,367</u>	<u>1,606,969</u>

Interest rates on amounts due to banks and deposits from the NBH and other banks are as follows (%):

	31 December 2025	31 December 2024
Within one year:		
In HUF	-1.2%-7.4%	0%-9.23%
In foreign currency	-1.81%-4.35%	-2.02%-7.18%
Over one year:		
In HUF	-1.34%-3.5%	-1.34%-6.49%
In foreign currency	-2%-4.4%	-2%-4.35%
Average interest on amounts due to banks in HUF	4.85%	4.89%
Average interest on amounts due to banks in foreign currency	2.70%	3.73%

NOTE 18: REPO LIABILITIES (in HUF mn)

	31 December 2025	31 December 2024
Within one year:		
In HUF	196,860	61,824
In foreign currency	<u>133,144</u>	<u>129,990</u>
	<u>330,004</u>	<u>191,814</u>
Over one year:		
In foreign currency	<u>47,528</u>	<u>35,818</u>
	<u>47,528</u>	<u>35,818</u>
Subtotal	<u>377,532</u>	<u>227,632</u>
Total	<u>377,532</u>	<u>227,632</u>

Interest rates on repo liabilities are as follows (%):

	31 December 2025	31 December 2024
Within one year:		
In HUF	5.4%-6.5%	-4.5%-6.76%
In foreign currency	0.97%-5.11%	1.46%-5.92%
Over one year:		
In foreign currency	2.07%-4.56%	3.97%-5.11%
Average interest on repo liabilities in HUF	6.45%	8.06%
Average interest on repo liabilities in foreign currency	2.47%	3.60%

NOTE 19: DEPOSITS FROM CUSTOMERS (in HUF mn)

	31 December 2025	31 December 2024
Within one year:		
In HUF	9,003,907	8,608,098
In foreign currency	<u>2,358,812</u>	<u>2,264,025</u>
	<u>11,362,719</u>	<u>10,872,123</u>
Over one year:		
In HUF	29,479	24,104
	<u>29,479</u>	<u>24,104</u>
Total	<u>11,392,198</u>	<u>10,896,227</u>

Interest rates on deposits from customers are as follows (%):

	31 December 2025	31 December 2024
Within one year:		
In HUF	-0.2%-30%	0%-11.25%
In foreign currency	-8.04%-27%	-0.85%-36%
Over one year:		
In HUF	0%-11.25%	0%-6.03%
In foreign currency	0%	0%
Average interest on deposits from customers in HUF	1.99%	1.99%
Average interest on deposits from customers in foreign currency	1.40%	1.40%

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

	31 December 2025		31 December 2024	
Household deposits	5,459,790	48%	5,024,279	46%
Deposits to medium and large corporates	5,278,623	46%	5,032,072	46%
Municipality deposits	<u>653,785</u>	<u>6%</u>	<u>839,876</u>	<u>8%</u>
Total	<u>11,392,198</u>	<u>100%</u>	<u>10,896,227</u>	<u>100%</u>

NOTE 20: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)

	31 December 2025	31 December 2024
Within one year:		
In HUF	147,373	83,693
In foreign currency	<u>26,007</u>	<u>46,521</u>
	<u>173,380</u>	<u>130,214</u>
Over one year:		
In HUF	155	12,226
In foreign currency	<u>1,167,715</u>	<u>1,608,453</u>
	<u>1,167,870</u>	<u>1,620,679</u>
Total	<u>1,341,250</u>	<u>1,750,893</u>

Interest rates on liabilities from issued securities are as follows (%):

	31 December 2025	31 December 2024
Issued securities denominated in HUF	6%-7.4%	5.5%-12%
Issued securities denominated in foreign currency	3.5%-7.5%	4.1%-8.1%
Average interest on issued securities denominated in HUF	5.88%	9.85%
Average interest on issued securities denominated in foreign	5.38%	6.10%

Term Note Program in the value of HUF 800 billion for the year of 2025/2026

On 8 April 2025 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 11 July 2025 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 2024/2025 was closed, which was originally valid till 18 July 2025.

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.

Term Note Program about issued securities denominated in foreign currency are detailed below:

Types of Notes and Issuers	ISIN	Date of issuance	Type of Fx	Nominal value (Fx million)	Stock Exchange	Moody's	Scope Ratings GmbH	S&P
OTP Bank Plc.								
Senior Preferred Notes	XS2754491640	31/01/2024	EUR	600	Luxembourg	Baa3	BBB+	--
Green Senior Preferred Notes	XS2838495542	12/06/2024	EUR	700	Luxembourg	--	BBB+	BBB-
Senior Preferred Notes	XS2871018136	31/07/2024	CNY	300	Luxembourg	--	BBB+	--
Senior Preferred Notes	XS2917468618	16/10/2024	EUR	500	Luxembourg	Baa3	BBB+	--
Green Senior Preferred Notes	XS3102027383	30/06/2025	CNY	900	Luxembourg	--	BBB+	--

NOTE 20: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Redemptions**

Types of Notes and Issuers	ISIN	Date of redemption	Type of Fx	Nominal value (Fx million)	Originally was due in
OTP Bank Plc.					
Senior Preferred Notes	XS2703264635	13/10/2025	RON	170	2026
Senior Preferred Notes	XS2560693181	04/03/2025	EUR	650	2026
Senior Non-Preferred Notes	XS2737630314	22/06/2025	EUR	75	2026
Senior Non-Preferred Notes	XS2642536671	27/06/2025	EUR	110	2026
Green Notes	XS2536446649	29/09/2025	USD	60	2026

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 and HUF/USD foreign exchange rates and the volatility of the quoted interest rates of EUR and USD. The interest rate risk and foreign exchange risk related to these securities are hedged with EUR and USD IRS transactions, where the fixed interests were swapped to payments linked to 6-month BUBOR and EURIBOR and to floating interest rate based on USD overnight SOFR (“secured overnight financing rate”), 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 2025

	Name	Date of issuance	Maturity	Currency	Nominal value in FX million	Nominal value in HUF	Amortised cost in FX million	Amortised cost in HUF million	Interest conditions (in % actual)	Hedged
1	XS2838495542	2024.06.12	2028.06.12	EUR	699	269,317	725	279,384	fixed 4.75	hedged
2	XS2698603326	2023.10.05	2027.10.05	EUR	648	249,612	664	256,054	fixed 6.13	hedged
3	XS2754491640	2024.01.31	2029.01.31	EUR	598	230,534	631	243,169	fixed 5.00	hedged
4	XS2917468618	2024.10.16	2030.10.16	EUR	498	191,929	499	192,481	fixed 4.25	hedged
5	XS2626773381	2023.05.25	2027.05.25	USD	499	163,869	503	165,316	fixed 7.50	hedged
6	XS3102027383	2025.06.30	2028.06.30	CNY	900	42,291	915	42,980	fixed 3.50	
7	XS2871018136	2024.07.31	2027.07.31	CNY	300	14,097	305	14,338	fixed 4.10	
	Subtotal issued securities in foreign currency					<u>1,161,649</u>		<u>1,193,722</u>		

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	Amortised cost in FX million	Amortised cost in HUF million	Interest conditions (in % actual)	Hedged
1	XS2871018136	2024.07.31	2027.07.31	CNY	300	16,176	305	16,443	fixed 4.10	
2	XS2560693181	2022.12.01	2026.03.04	EUR	648	265,938	689	282,387	fixed 7.35	
3	XS2642536671	2023.06.27	2026.06.27	EUR	110	45,110	114	46,871	fixed 7.50	
4	XS2698603326	2023.10.05	2027.10.05	EUR	649	266,321	674	276,203	fixed 6.13	hedged
5	XS2737630314	2023.12.22	2026.06.22	EUR	75	30,757	78	31,845	fixed 6.10	hedged
6	XS2754491640	2024.01.31	2029.01.31	EUR	598	245,420	634	260,169	fixed 5.00	hedged
7	XS2838495542	2024.06.12	2028.06.12	EUR	698	286,058	729	298,861	fixed 4.75	hedged
8	XS2917468618	2024.10.16	2030.10.16	EUR	499	204,680	504	206,807	fixed 4.25	hedged
9	XS2703264635	2023.10.13	2026.10.13	RON	170	14,011	173	14,279	variable 8.10	hedged
10	XS2536446649	2022.09.29	2026.09.29	USD	60	23,616	61	24,063	fixed 7.25	
11	XS2626773381	2023.05.25	2027.05.25	USD	500	196,689	501	197,046	fixed 7.50	hedged
	Subtotal issued securities in foreign currency					<u>1,594,776</u>		<u>1,654,974</u>		

NOTE 20: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]

Issued securities denominated in HUF as at 31 December 2025

	Name	Date of issuance	Maturity	Nominal value in HUF million	Amortised cost in HUF million	Interest conditions	Hedged
1	OTP_HUF_2026/7	2025.04.11	2026.04.11	17,132	17,893	fix	6.00
2	OTP_HUF_2026/8	2025.05.09	2026.05.09	13,579	14,119	fix	6.00
3	OTP_HUF_2026/9	2025.06.06	2026.06.06	12,530	12,971	fix	6.00
4	OTP_HUF_2026/6	2025.03.14	2026.03.14	12,015	12,603	fix	6.00
5	OTP_HUF_2026/14	2025.10.10	2026.10.10	11,703	11,872	fix	6.00
6	OTP_HUF_2026/11	2025.07.16	2026.07.16	11,302	11,626	fix	6.00
7	OTP_HUF_2026/3	2025.01.17	2026.01.17	10,728	11,352	fix	6.00
8	OTP_HUF_2026/12	2025.08.15	2026.08.15	10,399	10,645	fix	6.00
9	OTP_HUF_2026/10	2025.06.27	2026.06.27	7,638	7,880	fix	6.00
10	OTP_HUF_2026/16	2025.11.21	2026.11.21	7,469	7,526	fix	6.00
11	OTP_HUF_2026/13	2025.09.12	2026.09.12	6,786	6,915	fix	6.00
12	OTP_HUF26/17	2025.12.12	2026.12.12	6,754	6,782	fix	6.00
13	OTP_HUF_2026/15	2025.10.31	2026.10.31	5,164	5,221	fix	6.00
14	OTP_HUF_2026/5	2025.02.14	2026.02.14	4,713	4,965	fix	6.00
15	OTP_HUF_2026/4	2025.01.31	2026.01.31	4,023	4,248	fix	6.00
16	OTP_HUF_2026/2	2023.12.15	2026.12.15	551	553	fix	7.40
17	OTP_TBSZ_HUF_2028/1	2023.10.13	2028.12.15	155	156	fix	6.96
22	Other			<u>201</u>	<u>201</u>		
	Subtotal issued securities in HUF			<u>142,842</u>	<u>147,528</u>		
	Total			<u>1,304,491</u>	<u>1,341,250</u>		

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	2022.12.22	2026.01.05	10,228	12,674	fix 12.00	hedged
2	OTP_TBSZ_HUF_2028/1	2023.10.13	2028.12.15	155	156	fix 6.88	
3	OTP_HUF_2026/2	2023.12.15	2026.12.15	620	622	fix 7.40	
4	OTP_HUF_2025/3	2024.01.12	2025.01.12	1,919	2,060	fix 7.50	
5	OTP_HUF_2025/4	2024.02.02	2025.02.02	2,155	2,289	fix 6.75	
6	OTP_HUF_2025/5	2024.03.01	2025.03.01	5,957	6,284	fix 6.50	
7	OTP_HUF_2025/6	2024.03.28	2025.03.28	5,559	5,837	fix 6.50	
8	OTP_HUF_2025/7	2024.04.26	2025.04.26	8,190	8,528	fix 6.00	
9	OTP_HUF_2025/8	2024.05.24	2025.05.24	5,860	6,075	fix 6.00	
10	OTP_HUF_2025/9	2024.06.07	2025.06.07	5,756	5,955	fix 6.00	
11	OTP_HUF_2025/10	2024.07.05	2025.07.05	11,675	12,024	fix 6.00	
12	OTP_HUF_2025/11	2024.08.02	2025.08.02	6,698	6,868	fix 6.00	
13	OTP_HUF_2025/12	2024.08.30	2025.08.30	4,532	4,618	fix 5.50	
14	OTP_HUF_2025/13	2024.09.27	2025.09.27	5,162	5,239	fix 5.50	
15	OTP_HUF_2025/14	2024.10.31	2025.10.31	5,826	5,883	fix 5.50	
16	OTP_HUF_2025/15	2024.11.29	2025.11.29	3,243	3,260	fix 5.50	
17	OTP_HUF_2025/16	2024.12.18	2025.12.18	7,324	7,343	fix 6.00	
	Other			<u>204</u>	<u>204</u>		
	Subtotal issued securities in HUF			<u>91,063</u>	<u>95,919</u>		
	Total			<u>1,685,839</u>	<u>1,750,893</u>		

NOTE 21: FINANCIAL LIABILITIES DESIGNATED AS FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31 December 2025	31 December 2024
Within one year:		
In HUF	<u>1,574</u>	<u>1,709</u>
	1,574	1,709
Over one year:		
In HUF	<u>13,705</u>	<u>15,315</u>
	13,705	15,315
Total	<u>15,279</u>	<u>17,024</u>
<i>Contractual amount outstanding</i>	15,482	17,000

Interest rates on financial liabilities designated as fair value through profit or loss are as follows (%):

	31 December 2025	31 December 2024
Within one year:		
In HUF	0.01%-4.59%	4.33%-8.24%
Over one year:		
In HUF	4.32%-5.27%	3.14%
 Average interest on amounts due to banks in HUF	 5.10%	 7.30%

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 2025	31 December 2024
Interest rate swaps	31,492	52,672
Foreign currency swaps	38,707	57,644
CCIRS and mark-to-market CCIRS	5,221	11,627
Other derivative contracts	<u>18,602</u>	<u>22,556</u>
Total	<u>94,022</u>	<u>144,499</u>

NOTE 23: FAIR VALUE OF DERIVATIVE FINANCIAL LIABILITIES DESIGNATED AS HEDGE ACCOUNTING (in HUF mn)

Fair value of derivative financial liabilities designated as hedge accounting is detailed as follows:

	31 December 2025	31 December 2024
IRS designated as fair value hedge	2,797	18
CCIRS designated as fair value hedge	3,885	19,420
Total	<u>6,682</u>	<u>19,438</u>

NOTE 24: OTHER LIABILITIES³ AND PROVISIONS (in HUF mn)

	31 December 2025	31 December 2024
Other financial liabilities		
Liabilities from investment services	72,897	149,317
Accrued expenses	33,019	26,341
Accounts payable	42,383	52,854
Liabilities due to short positions	85,566	47,157
Liabilities from customer's credit card payments	30,061	27,372
Other	<u>157,478</u>	<u>34,575</u>
Other financial liabilities total	<u>421,404</u>	<u>337,616</u>
Other non-financial liabilities		
Technical accounts	18,286	74,168
Current income tax payable	23,294	21,843
Social contribution	12,363	10,522
Accrued expenses	4,900	3,337
Other	<u>2,914</u>	<u>2,036</u>
Other non-financial liabilities total	<u>61,757</u>	<u>111,906</u>
Other liabilities total	<u>483,161</u>	<u>449,522</u>

The provision on other liabilities, off-balance sheet commitments and contingent liabilities are detailed as follows:

	31 December 2025	31 December 2024
Provision for losses on other off-balance sheet commitments and	19,415	19,054
Provisions in accordance with IFRS 9	<u>19,415</u>	<u>19,054</u>
Provision for litigation	276	283
Provision for retirement pension and severance pay	4,000	2,000
Provision on other liabilities	<u>26,656</u>	<u>4,310</u>
Provisions in accordance with IAS 37	<u>30,932</u>	<u>6,593</u>
Total	<u>50,347</u>	<u>25,647</u>

Movements in the provision for losses on commitments and contingent liabilities in accordance with IFRS 9 can be summarized as follows:

	31 December 2025	31 December 2024
Opening balance	19,054	16,092
Provision for the period	46,568	51,461
Release of provision for the period	(27,061)	(16,438)
Use of provision	(18,763)	(32,458)
FX revaluation	(383)	397
Closing balance	<u>19,415</u>	<u>19,054</u>

³ Other liabilities are expected to be recovered or settled no more than twelve months after the reporting period.

NOTE 24: OTHER LIABILITIES⁴ AND PROVISIONS (in HUF mn) [continued]

Movements in the provision for losses on commitments and contingent liabilities in accordance with IAS 37 can be summarized as follows:

	31 December 2025	31 December 2024
Opening balance	6,593	6,405
Provision for the period	28,314	4,958
Release of provision	(5,330)	(2,405)
Use of provision	-	(2,557)
FX revaluation	(218)	192
Other movement	<u>1,573</u>	-
Closing balance	<u>30,932</u>	<u>6,593</u>

NOTE 25: SUBORDINATED BONDS AND LOANS (in HUF mn)

	31 December 2025	31 December 2024
Within one year		
In HUF	1,852	1,898
In foreign currency	10,286	3,856
	<u>12,138</u>	<u>5,754</u>
Over one year:		
In HUF	15,966	13,256
In foreign currency	465,483	343,261
	<u>481,449</u>	<u>356,517</u>
Total	<u>493,587</u>	<u>362,271</u>

Interest rates on subordinated bonds and loans are as follows (%):

	31 December 2025	31 December 2024
Subordinated bonds and loans denominated in foreign currency	7.3%-8.8%	6.0%-8.8%
Average interest on subordinated bonds and loans denominated in	5.72%	4.99%
Average interest on subordinated bonds and loans denominated in	7.76%	6.76%

⁴ 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) [continued]

Subordinated loans and bonds are detailed as follows as at 31 December 2025:

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	XS2988670878	30/01/2025	30/07/2035	100.00%	USD	746	245,147	790	259,488	Fixed 7.3% (payable annual)	7.300%
Subordinated bond	XS2586007036	15/02/2023	15/05/2033	99.42%	USD	647	212,358	659	216,279	Fixed 8.75% (payable annual)	8.750%
Discount bond	HU0000362553	01/06/2023	31/05/2028	66.68%	HUF	1,959	1,959	1,611	1,611	N.a.	
Discount bond	HU0000365374	30/05/2025	31/05/2030	72.95%	HUF	2,053	2,053	1,555	1,555	N.a.	
Discount bond	HU0000363908	31/05/2024	31/05/2029	72.11%	HUF	1,901	1,901	1,521	1,521	N.a.	
Discount bond	HU0000361605	31/03/2022	31/05/2027	72.13%	HUF	1,092	1,092	998	998	N.a.	
Discount bond	HU0000360532	31/05/2021	31/05/2027	87.27%	HUF	795	795	769	769	N.a.	
Discount bond	HU0000361597	31/03/2022	31/05/2026	76.86%	HUF	783	783	762	762	N.a.	
Discount bond	HU0000360524	31/05/2021	31/05/2026	90.02%	HUF	707	707	701	701	N.a.	
Discount bond	HU0000360540	31/05/2021	31/05/2028	84.31%	HUF	669	669	631	631	N.a.	
Discount bond	HU0000362561	01/06/2023	31/05/2029	63.21%	HUF	684	684	526	526	N.a.	
Discount bond	HU0000362579	01/06/2023	31/05/2030	60.08%	HUF	719	719	522	522	N.a.	
Discount bond	HU0000362587	01/06/2023	31/05/2031	56.64%	HUF	762	762	519	519	N.a.	
Discount bond	HU0000362595	01/06/2023	31/05/2032	52.82%	HUF	817	817	518	518	N.a.	
Discount bond	HU0000365382	30/05/2025	31/05/2031	67.51%	HUF	733	733	514	514	N.a.	
Discount bond	HU0000365408	30/05/2025	31/05/2033	58.08%	HUF	843	843	509	509	N.a.	
Discount bond	HU0000365390	30/05/2025	31/05/2032	62.54%	HUF	782	782	509	509	N.a.	
Discount bond	HU0000365416	30/05/2025	31/05/2034	53.83%	HUF	907	907	509	509	N.a.	
Discount bond	HU0000363916	31/05/2024	31/05/2030	67.44%	HUF	672	672	503	503	N.a.	
Discount bond	HU0000363924	31/05/2024	31/05/2031	63.20%	HUF	717	717	503	503	N.a.	
Discount bond	HU0000363957	31/05/2024	31/05/2033	55.27%	HUF	818	818	502	502	N.a.	
Discount bond	HU0000363932	31/05/2024	31/05/2032	59.16%	HUF	765	765	502	502	N.a.	
Discount bond	HU0000361613	31/03/2022	31/05/2028	67.89%	HUF	554	554	476	476	N.a.	
Discount bond	HU0000361621	31/03/2022	31/05/2029	64.03%	HUF	554	554	448	448	N.a.	
Discount bond	HU0000361639	31/03/2022	31/05/2030	60.38%	HUF	554	554	422	422	N.a.	
Discount bond	HU0000359740	29/05/2020	31/05/2026	91.10%	HUF	392	392	390	390	N.a.	
Discount bond	HU0000360557	31/05/2021	31/05/2029	81.23%	HUF	403	403	368	368	N.a.	
Discount bond	HU0000361647	31/03/2022	31/05/2031	56.88%	HUF	384	384	275	275	N.a.	
Discount bond	HU0000365424	30/05/2025	31/05/2035	49.88%	HUF	333	333	173	173	N.a.	
Discount bond	HU0000362603	01/06/2023	31/05/2033	49.02%	HUF	282	282	166	166	N.a.	
Discount bond	HU0000363940	31/05/2024	31/05/2034	51.58%	HUF	283	283	162	162	N.a.	
Discount bond	HU0000359757	29/05/2020	31/05/2027	89.05%	HUF	95	95	93	93	N.a.	
Discount bond	HU0000360565	31/05/2021	31/05/2030	78.09%	HUF	104	104	92	92	N.a.	
Discount bond	HU0000361654	31/03/2022	31/05/2032	53.52%	HUF	<u>105</u>	<u>105</u>	<u>71</u>	<u>71</u>	N.a.	
Total							<u>480,726</u>		<u>493,587</u>		

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	<u>105</u>	<u>105</u>	<u>66</u>	<u>66</u>	N.a.	
Total							<u>366,969</u>		<u>362,271</u>		

NOTE 26: SHARE CAPITAL (in HUF mn)**31 December 2025 31 December 2024**

Authorized, issued and fully paid:

Ordinary shares	<u>28,000</u>	<u>28,000</u>
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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 2025 dividend of HUF 270,000 million was paid out from the profit of the year 2024, which meant HUF 964.28 dividend per share payable to the shareholders. In 2026 dividend of HUF 300,000 million are expected to be proposed by the Management from the profit of the year 2025, which means HUF 1071.43 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 2025:

31 December 2025 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	28,000	52	62,204	3,302,845	(55,468)	(327,914)	-	-	-	3,009,719
Other comprehensive income	-	-	-	(11,285)	-	-	11,285	-	-	-
Option reserve	-	(55,468)	-	-	55,468	-	-	-	-	-
Treasury shares	-	(327,914)	-	-	-	327,914	-	-	-	-
Share based payments	-	62,204	(62,204)	-	-	-	-	-	-	-
Profit after income tax	-	-	-	(663,259)	-	-	-	-	663,259	-
General reserve and tied-up reserve	=	=	=	<u>(333,762)</u>	=	=	=	<u>333,762</u>	=	-
Components of Shareholder's equity in accordance with	<u>28,000</u>	<u>(321,126)</u>	=	<u>2,294,539</u>	=	=	<u>11,285</u>	<u>333,762</u>	<u>663,259</u>	<u>3,009,719</u>

The equity correlation table of the Bank based on paragraph 114/B of Act on Accounting as at 1 January 2025:

1 January 2025 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	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)	-	-	-	-	-	-	-
Profit after income tax	-	-	-	(744,999)	-	-	-	-	744,999	-
General reserve	=	=	=	<u>(267,436)</u>	=	=	=	<u>267,436</u>	=	-
Components of Shareholder's equity in accordance with	<u>28,000</u>	<u>(121,669)</u>	=	<u>1,872,681</u>	=	=	<u>9,806</u>	<u>267,436</u>	<u>744,999</u>	<u>2,801,253</u>

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 2025	31 December 2024
Retained earnings	2,294,539	1,872,681
Profit after income tax	<u>663,259</u>	<u>744,999</u>
Untied retained earnings	<u>2,957,798</u>	<u>2,617,680</u>

Items of retained earnings and other reserves

	31 December 2025	31 December 2024
Retained earnings	2,294,539	1,872,681
Capital reserve	52	52
Option reserve	(55,468)	(55,468)
Other reserves	333,762	267,436
Fair value of financial instruments measured at fair value through other comprehensive income	13,367	13,180
Share-based payment reserve	62,204	56,813
Fair value of derivative financial instruments designated as cash-flow hedge	(2,082)	(3,374)
Net profit for the period	<u>663,259</u>	<u>744,999</u>
Retained earnings and other reserves	<u>3,309,633</u>	<u>2,896,319</u>

Fair value adjustment of securities at fair value through other comprehensive income

	31 December 2025	31 December 2024
Balance as at 1 January	(54,931)	(40,262)
Change of fair value correction	6,273	(18,559)
Deferred tax related to change of fair value correction	<u>(547)</u>	<u>3,890</u>
Closing balance	<u>(49,205)</u>	<u>(54,931)</u>

Expected credit loss on securities at fair value through other comprehensive income

	31 December 2025	31 December 2024
Balance as at 1 January	47,589	24,345
Increase of loss allowance	10,659	29,399
Release of loss allowance	(9,687)	(4,839)
Deferred tax related to expected credit loss	483	(4,707)
Fx movement	<u>(6,336)</u>	<u>3,391</u>
Closing balance	<u>42,708</u>	<u>47,589</u>

Fair value changes of equity instruments as at fair value through other comprehensive income

	31 December 2025	31 December 2024
Balance as at 1 January	20,522	10,278
Change of fair value correction	(741)	11,549
Deferred tax related to change of fair value correction	84	(1,305)
Closing balance	<u>19,865</u>	<u>20,522</u>

NOTE 28: TREASURY SHARES (in HUF mn)

	31 December 2025	31 December 2024
Nominal value (ordinary shares)	1,441	705
Carrying value at acquisition cost	327,914	123,066

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 2025	31 December 2024
Number of shares as at 1 January	7,045,523	571,246
Additions	9,746,088	8,775,919
Disposals	<u>(2,379,233)</u>	<u>(2,301,642)</u>
Number of shares at the end of the period	<u>14,412,378</u>	<u>7,045,523</u>

Change in carrying value:

	31 December 2025	31 December 2024
Balance as at 1 January	123,066	6,154
Additions	249,744	153,105
Disposals	<u>(44,896)</u>	<u>(36,193)</u>
Closing Balance	<u>327,914</u>	<u>123,066</u>

	31 December 2025	31 December 2024
Face value of treasury shares held by OTP Group members	1,171	1,197

NOTE 29: INTEREST INCOME AND EXPENSES (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income accounted for using the effective interest rate method from / on		
Loans at amortised cost	408,116	437,745
FVOCI securities	41,310	30,311
Securities at amortised cost	177,115	216,762
Placements with other banks	166,937	179,241
Financial liabilities	146	214
Amounts due from banks and balances with National Bank of Hungary	139,361	161,598
Repo receivables	<u>19,701</u>	<u>14,663</u>
Subtotal	<u>952,686</u>	<u>1,040,534</u>
Income similar to interest income		
Loans mandatorily measured at fair value through profit or loss	79,558	62,663
Swap and forward deals related to Placements with other banks	460,943	478,199
Swap and forward deals related to Loans at amortised cost	42,262	35,034
Swap and forward deals related to FVOCI securities	7,420	9,714
Investment properties	<u>7</u>	<u>9</u>
Subtotal	<u>590,190</u>	<u>585,619</u>
Interest income total	<u>1,542,876</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	524,768	583,183
Deposits from customers	243,884	314,695
Leasing liabilities	3,029	3,147
Liabilities from issued securities	77,835	103,579
Subordinated bonds and loans	39,349	30,163
Investment properties (depreciation)	161	149
Financial assets	1	2,139
Repo liabilities	55,775	70,496
Interest expense total	<u>944,802</u>	<u>1,107,551</u>

NOTE 30: RISK COST (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Loss allowance of loans at amortised cost		
Loss allowance	207,836	260,589
Release of loss allowance	(196,243)	(240,388)
	<u>11,593</u>	<u>20,201</u>
Loss allowance of sight deposits and placements with other banks		
Loss allowance	5,308	8,519
Release of loss allowance	(6,527)	(8,752)
	<u>(1,219)</u>	<u>(233)</u>
Loss allowance of placements with other banks		
Loss allowance	3,487	2,256
Release of loss allowance	(3,639)	(2,269)
	<u>(152)</u>	<u>(13)</u>
Loss allowance of FVOCI debt instruments		
Loss allowance	10,659	29,399
Release of loss allowance	(9,687)	(4,839)
	<u>972</u>	<u>24,560</u>
Loss allowance of securities at amortised cost		
Loss allowance	9,922	22,001
Release of loss allowance	(14,995)	(11,433)
	<u>(5,073)</u>	<u>10,568</u>
Provision on loan commitments and financial guarantees		
Provision for the period	46,568	51,461
Release of provision	(45,824)	(48,896)
	<u>744</u>	<u>2,565</u>
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	<u>(1,016)</u>	<u>(4,193)</u>
Risk cost total	<u>5,849</u>	<u>53,455</u>

NOTE 31: NET PROFIT FROM FEES AND COMMISSIONS (in HUF mn)**Income from fees and commissions:**

	Year ended 31 December 2025	Year ended 31 December 2024
Fees and commissions related to lending	13,608	13,782
Deposit and account maintenance fees and commissions	233,110	194,155
Fees and commission related to the issued bank cards	179,839	147,749
Fees and commissions related to security trading	68,065	48,143
Fx margin	27,301	22,928
Fees and commissions paid by OTP Mortgage Bank Ltd.	16,290	12,564
Net insurance fee income	16,736	15,701
Other	<u>14,709</u>	<u>13,544</u>
Fees and commissions from contracts with customers	<u>556,050</u>	<u>454,784</u>
Total Income from fees and commissions:	<u>569,658</u>	<u>468,566</u>

Contract balances

	Year ended 31 December 2025	Year ended 31 December 2024
Receivables, which are included in 'other assets'	36,703	26,960
Loss allowance	(571)	(542)

Fee and commission expense

	Year ended 31 December 2025	Year ended 31 December 2024
Other fees and commissions related to issued bank cards	84,845	76,040
Insurance fees	1,373	901
Fees and commissions related to lending	6,274	5,856
Fees and commissions related to security trading	1,834	2,153
Fees and commissions relating to deposits	4,170	3,387
Trust activities related to securities	2,947	2,763
Postal fees	248	241
Money market transaction fees and commissions	1,434	211
Non-repayable assets contributed to Hungarian Tourism	8,023	-
Expenses related to business SMS messaging	7,392	-
Other	<u>570</u>	<u>665</u>
Total	<u>119,110</u>	<u>92,217</u>
Net profit from fees and commissions	<u>450,548</u>	<u>376,349</u>

NOTE 32: GAINS AND LOSSES BY TRANSACTIONS (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Losses arising from derecognition of financial assets measured at amortised cost		
Gain from loans	25	785
Loss from loans	(2,383)	(2,309)
Gain from securities	29	-
Loss from securities	(2,344)	(7,871)
Other	(550)	(461)
Total	<u>(5,223)</u>	<u>(9,856)</u>
Additional information to Gains or losses from operating income:		
	Year ended 31 December 2025	Year ended 31 December 2024
Foreign exchange gains and (losses)		
Gains from foreign exchange	2,047	-
Loss from foreign exchange	-	(5,500)
Margin gains	5,194	4,332
Margin losses	(7,189)	(5,717)
Total	<u>52</u>	<u>(6,885)</u>
	Year ended 31 December 2025	Year ended 31 December 2024
Net results on derivative instruments and hedge relationships		
Gains on FX spot, swap and option deals	62,020	50,660
Losses from FX spot, swap and option deals	(45,348)	(46,055)
Fees received related to option deals	7,154	5,593
Fees paid related to option deals	(5,884)	(5,372)
Gains on commodity deals	43,039	72,543
Losses from commodity deals	(42,513)	(71,944)
Gains on futures transactions	2,041	439
Losses from futures transactions	(2,433)	(695)
Losses from credit valuation adjustment related to FX spot, swap and option deals held for trading	12,080	(11,234)
Losses from credit valuation adjustment related to commodity deals	<u>3</u>	<u>2</u>
Total	<u>30,159</u>	<u>(6,063)</u>
	Year ended 31 December 2025	Year ended 31 December 2024
(Losses) / Gains on financial instruments at fair value through profit or loss		
Gains on securities mandatorily measured at fair value through profit or loss	1,344	(314)
Gains on loans mandatorily measured at fair value through profit or loss	29,531	55,604
Losses on loans mandatorily measured at fair value through profit or loss	(39,226)	(29,153)
Gains on financial liabilities designated at fair value through profit or loss	1,172	2,236
Losses on financial liabilities designated at fair value through profit or loss	(944)	(996)
Total	<u>(8,123)</u>	<u>27,377</u>

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 2025	Year ended 31 December 2024
Gains on securities, net		
Interest income from held for trading securities	5,350	3,183
Gains on held for trading securities	10,426	7,948
Losses on held for trading securities	(4,628)	(4,051)
Gains on FVOCI securities	284	855
Gains on derecognition of investments in subsidiaries	3,626	112,076
Losses on derecognition of investments in subsidiaries	(2,414)	(836)
Gains/losses from other securities	<u>8,320</u>	<u>1,688</u>
Total	<u>20,964</u>	<u>120,863</u>
Dividend income		
Distribution from investments in subsidiaries	400,832	402,843
Distribution from held for trading securities	11,087	10,075
Distribution from FVOCI equity instruments	<u>405</u>	<u>344</u>
Total	<u>412,324</u>	<u>413,262</u>
Total gains and losses from operating income (without other operating income)	<u>455,376</u>	<u>548,554</u>

For the year ended 31 December 2025 gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and also ineffectiveness in case of fair value hedge on amortised cost line items as follows

	Hedged items	Hedging instrument	Hedge ineffectiveness
Fair value hedge	1,681	(727)	954

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 case of fair value hedge on amortised cost line items as follows

	Hedge items	Hedging instrument	Hedge ineffectiveness
Fair value hedge	(28,937)	38,549	9,612

NOTE 33: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Other operating income		
Other operating income from OTP ESOP	25,070	9,676
Intermediary and other services	2,798	2,937
Gains on IT services provided to subsidiaries	2,480	1,996
Income from lease of tangible assets	1,246	1,292
Gains on sale of tangible assets	1,245	(19)
Derecognition of financial liabilities at amortised cost	1,115	1,957
Non-repayable assets received	483	1,009
Gains related to ATM maintenance activities	294	430
Income from written off receivables	460	318
(Losses) / Gains on issued securities	(1,299)	(3,063)
Other	<u>1,631</u>	<u>1,847</u>
Total	<u>35,523</u>	<u>18,380</u>
Other operating expenses		
Loss allowance on investments in subsidiaries	(44,299)	(7,427)
Release of provision for off-balance sheet commitments and contingent liabilities	(22,985)	4
Release of loss allowance / (Loss allowance) on other assets	(12,914)	(5,514)
Tax paid on interest recognised in foreign country	(3,804)	(4,159)
Financial support for sport association and organization of public utility	(3,207)	(14,490)
Non-repayable assets contributed	(918)	(1,826)
Other	<u>(3,378)</u>	<u>(3,660)</u>
Total	<u>(91,505)</u>	<u>(37,072)</u>
Other administrative expenses:		
Personnel expenses:		
Wages	169,201	146,771
Taxes related to personnel expenses	24,446	21,333
Other personnel expenses	<u>36,964</u>	<u>32,164</u>
Subtotal	<u>230,611</u>	<u>200,268</u>
Depreciation and amortization	<u>76,122</u>	<u>63,551</u>
Other administrative expenses:		
Taxes, other than income tax	241,001	136,276
Services	94,042	92,583
Fees payable to authorities and other fees	17,330	16,269
Administration expenses, including rental fees	9,174	8,485
Professional fees	20,345	16,347
Advertising	<u>15,880</u>	<u>14,168</u>
Subtotal	<u>397,772</u>	<u>284,128</u>
Total	<u>704,505</u>	<u>547,947</u>

Special tax of financial institutions was paid by the Bank in the amount of HUF 26,711 million for the year ended 31 December 2025 and HUF 13,581 million for the year ended 31 December 2024, recognized as an expense thus decreased the corporate tax base. For the year ended 31 December 2025 financial transaction duty was paid by the Bank in the amount of HUF 162,333 million while for the year ended 31 December 2024 the same duty was HUF 122,434 million.

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 2025	31 December 2024
Current tax expense	69,966	66,563
Deferred tax (benefit)/expense	<u>(2,256)</u>	<u>(6)</u>
Total	<u>67,710</u>	<u>66,557</u>

A reconciliation of the deferred tax liability is as follows:

	31 December 2025	31 December 2024
Balance as at 1 January	(1,707)	408
Deferred tax (expense)/ benefit	2,256	6
Tax effect of fair value adjustment of FVOCI securities	19	<u>(2,121)</u>
Closing balance	<u>568</u>	<u>(1,707)</u>

A breakdown of the deferred tax liability is as follows:

	31 December 2025	31 December 2024
Provision for untaken leave	450	450
Provision for termination benefits and jubilee	1,760	1,428
Amounts relate to negative tax base	2,159	-
Deferred tax asset	<u>4,369</u>	<u>1,878</u>
Fair value adjustment of held for trading and securities at fair value through other comprehensive income	(2,186)	(2,171)
Difference in depreciation and amortization	(1,615)	(1,414)
Deferred tax liabilities	<u>(3,801)</u>	<u>(3,585)</u>
Net deferred tax assets/(liabilities)	<u>568</u>	<u>(1,707)</u>

NOTE 34: INCOME TAX (in HUF mn) [continued]

A reconciliation of the income tax (income) / expense is as follows:

	31 December 2025	31 December 2024
Profit before income tax	730,969	811,556
Income tax at statutory tax rate (9%)	65,787	73,040
Income tax adjustments due to permanent differences are as		
Share-based payment	485	397
Deferred use of tax allowance	34	(4)
Dividend income	(37,109)	(46,393)
Use of tax allowance in the current year	-	(375)
Amounts unenforceable by tax law	(1,960)	153
Change due to accounting policy (Visa)	(174)	(111)
Correction due to local taxes classified as income taxes	12,933	16,051
Local taxes	29,093	24,443
Other	<u>(1,379)</u>	<u>(644)</u>
Income tax	<u>67,710</u>	<u>66,557</u>
Effective tax rate	9.3%	8.2%
	31 December 2025	31 December 2024
Current tax liabilities	<u>(18,589)</u>	<u>(23,591)</u>
Net tax liabilities	<u>(18,589)</u>	<u>(23,591)</u>

NOTE 34: INCOME TAX (in HUF mn) [continued]

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 2025.

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 nil.

NOTE 35: LEASE (in HUF mn)**The Bank as a lessee:**

Amounts recognised in profit and loss	31 December 2025	31 December 2024
Interest expense on lease liabilities	3,029	3,147
Expense relating to short-term leases	2,149	2,097
Expense relating to leases of low value assets	9	9
Expense relating to variable lease payments not included in the measurement of lease liabilities	2,241	1,865

Leasing liabilities by maturities:

	31 December 2025	31 December 2024
Within one year	8,936	9,046
Over one year	<u>53,704</u>	<u>55,334</u>
Total	<u>62,640</u>	<u>64,380</u>

An analysis of movement in the carrying amount of right-of-use assets by category is as follows:

	Right-of-use of real estate	Right-of-use of machinery and equipment	Total
Gross carrying amount			
Balance as at 1 January 2024	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	<u>1,823</u>	<u>284</u>	<u>2,107</u>
Balance as at 31 December 2024	<u>80,306</u>	<u>6,814</u>	<u>87,120</u>
Additions due to new contracts	6,275	-	6,275
Derecognition due to matured contracts	(1,078)	-	(1,078)
Change due to revaluation and modification	<u>3,725</u>	<u>294</u>	<u>4,019</u>
Balance as at 31 December 2025	<u>89,228</u>	<u>7,108</u>	<u>96,336</u>
Depreciation			
Balance as at 1 January 2024	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	<u>25,635</u>	<u>2,529</u>	<u>28,164</u>
Depreciation charge	8,402	1,566	9,968
Derecognition due to matured contracts	(709)	-	(709)
Balance as at 31 December 2025	<u>33,328</u>	<u>4,095</u>	<u>37,423</u>
Net carrying amount			
Balance as at 31 December 2024	<u>54,671</u>	<u>4,285</u>	<u>58,956</u>
Balance as at 31 December 2025	<u>55,900</u>	<u>3,013</u>	<u>58,913</u>

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 2025:

	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	1,359,760	1,353,993	7,896	-	-	1,361,889	2,053	76	-	-	2,129	-
Placements with other banks	3,161,544	3,154,623	9,826	985	-	3,165,434	1,706	1,199	985	-	3,890	-
Repo receivables	322,368	322,569	-	-	-	322,569	201	-	-	-	201	-
<i>Retail consumer loans</i>	760,810	657,533	134,289	19,675	-	811,497	9,262	29,547	11,878	-	50,687	-
<i>Mortgage loans</i>	37,000	30,088	3,661	2,284	1,460	37,493	14	62	356	61	493	-
<i>Municipal loans</i>	75,695	69,585	8,089	-	-	77,674	1,541	438	-	-	1,979	-
<i>Corporate loans</i>	4,261,819	3,647,184	613,720	81,943	29	4,342,876	20,385	35,391	25,275	6	81,057	30,292
Loans at amortised cost	5,135,324	4,404,390	759,759	103,902	1,489	5,269,540	31,202	65,438	37,509	67	134,216	30,292
FVOCI debt instruments	1,221,514	1,211,301	-	10,213	-	1,221,514	2,783	-	44,149	-	46,932	-
Securities at amortised cost	3,368,087	3,355,990	19,192	22,794	-	3,397,976	9,063	1,487	19,339	-	29,889	-
Other financial assets	88,927	82,962	878	22,437	7	106,284	216	313	16,823	5	17,357	-
Total as at 31 December 2025	14,657,524	13,885,828	797,551	160,331	1,496	14,845,206	47,224	68,513	118,805	72	234,614	30,292
Loan commitments	2,983,685	2,882,014	110,499	5,291	-	2,997,804	9,218	4,293	608	-	14,119	-
Financial guarantees	2,099,791	2,054,705	45,384	4,292	-	2,104,381	3,352	467	771	-	4,590	-
Factoring loan commitments	340,223	319,449	18,193	3,098	-	340,740	346	53	118	-	517	-
Bill of credit	17,404	17,593	=	=	=	17,593	189	=	=	=	189	=
Loan commitments and financial guarantees total	5,441,103	5,273,761	174,076	12,681	=	5,460,518	13,105	4,813	1,497	=	19,415	=

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	-
<i>Retail consumer loans</i>	659,121	522,785	168,325	18,904	-	710,014	7,808	31,027	12,058	-	50,893	-
<i>Mortgage loans</i>	45,849	36,171	4,950	3,796	1,684	46,601	20	91	534	107	752	-
<i>Municipal loans</i>	102,852	103,765	852	-	-	104,617	1,547	218	-	-	1,765	-
<i>Corporate loans</i>	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]****36.1.2. Financial instruments under simplified approach by day-past-due categories****As at 31 December 2025**

	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate	0.57%	1.28%	1.22%	18.53%	35.52%	1.87%
Gross value	206,980	3,365	1,633	232	7,934	220,144
Loss allowance	<u>(1,186)</u>	<u>(43)</u>	<u>(20)</u>	<u>(43)</u>	<u>(2,818)</u>	<u>(4,110)</u>
Net carrying value	<u>205,794</u>	<u>3,322</u>	<u>1,613</u>	<u>189</u>	<u>5,116</u>	<u>216,034</u>

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	<u>(1,215)</u>	<u>(68)</u>	<u>(40)</u>	<u>(1,044)</u>	<u>(2,376)</u>	<u>(4,743)</u>
Net carrying value	<u>194,388</u>	<u>3,065</u>	<u>238</u>	<u>4,151</u>	<u>10,605</u>	<u>212,447</u>

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 2024	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	<u>3,824,220</u>	<u>873,825</u>	<u>107,346</u>	<u>10,150</u>	<u>4,815,541</u>
Transfer to Stage 1	246,948	(246,265)	(683)	-	-
Transfer to Stage 2	(268,298)	272,975	(4,677)	-	-
Transfer to Stage 3	(16,909)	(25,365)	42,274	-	-
New financial assets originated or purchased	2,569,524	154,924	25,235	430	2,750,113
Financial assets derecognised (other than write-offs)	(1,949,825)	(269,698)	(58,788)	(9,081)	(2,287,392)
Write-offs	(66)	(464)	(6,712)	(10)	(7,252)
Modification loss	(1,204)	(173)	(93)	-	(1,470)
Gross amount as at 31 December 2025	<u>4,404,390</u>	<u>759,759</u>	<u>103,902</u>	<u>1,489</u>	<u>5,269,540</u>

Movement of loss allowance of loans at amortised cost

	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January 2024	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	<u>25,579</u>	<u>73,263</u>	<u>45,405</u>	<u>499</u>	<u>144,746</u>
Transfer to Stage 1	17,209	(16,968)	(241)	-	-
Transfer to Stage 2	(2,644)	4,487	(1,843)	-	-
Transfer to Stage 3	(413)	(3,644)	4,057	-	-
Net remeasurement of loss allowance	(17,857)	17,980	(2,204)	(30)	(2,111)
New financial assets originated or purchased	16,700	7,105	4,932	-	28,737
Financial assets derecognised (other than write-offs)	(7,306)	(16,321)	(9,127)	(402)	(33,156)
Unwind of discount	-	-	3,242	10	3,252
Write-offs	(66)	(464)	(6,712)	(10)	(7,252)
Loss allowance as at 31 December	<u>31,202</u>	<u>65,438</u>	<u>37,509</u>	<u>67</u>	<u>134,216</u>

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 2024	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)	<u>(991,890)</u>	<u>(74,045)</u>	<u>(8,544)</u>	<u>(1,074,479)</u>
Gross amount as at 31 December 2024	<u>4,564,412</u>	<u>244,671</u>	<u>18,817</u>	<u>4,827,900</u>
Transfer to Stage 1	89,377	(89,231)	(146)	-
Transfer to Stage 2	(106,140)	106,453	(313)	-
Transfer to Stage 3	(2,543)	(1,677)	4,220	-
New financial assets originated or purchased	1,867,337	23,320	2,445	1,893,102
Financial assets derecognised (other than write-offs)	<u>(1,138,682)</u>	<u>(109,460)</u>	<u>(12,342)</u>	<u>(1,260,484)</u>
Gross amount as at 31 December 2025	<u>5,273,761</u>	<u>174,076</u>	<u>12,681</u>	<u>5,460,518</u>

Movement of loss allowance of loan commitments and financial guarantees

	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2024	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	<u>(1,960)</u>	<u>(399)</u>	<u>(647)</u>	<u>(3,006)</u>
Loss allowance as at 31 December 2024	<u>10,546</u>	<u>5,698</u>	<u>2,810</u>	<u>19,054</u>
Transfer to Stage 1	2,400	(2,373)	(26)	1
Transfer to Stage 2	(343)	371	(28)	-
Transfer to Stage 3	(12)	(31)	43	-
Net remeasurement of loss allowance	(3,378)	1,732	(74)	(1,720)
New financial assets originated or purchased	5,353	309	196	5,858
Decrease	<u>(1,461)</u>	<u>(893)</u>	<u>(1,424)</u>	<u>(3,778)</u>
Loss allowance as at 31 December 2025	<u>13,105</u>	<u>4,813</u>	<u>1,497</u>	<u>19,415</u>

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 2024	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)	<u>(2,648,879)</u>	<u>(484)</u>	<u>(2,649,363)</u>
Gross amount as at 31 December 2024	<u>2,044,628</u>	<u>32,664</u>	<u>2,077,292</u>
New financial assets originated or purchased	1,501,442	803	1,502,245
Financial assets derecognised (other than write-offs)	<u>(2,192,077)</u>	<u>(25,571)</u>	<u>(2,217,648)</u>
Gross amount as at 31 December 2025	<u>1,353,993</u>	<u>7,896</u>	<u>1,361,889</u>

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 2024	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)	<u>(27)</u>	<u>-</u>	<u>(27)</u>
Loss allowance as at 31 December 2024	<u>1,851</u>	<u>262</u>	<u>2,113</u>
Net remeasurement of loss allowance	212	(186)	26
New financial assets originated or purchased	1	-	1
Financial assets derecognised (other than write-offs)	<u>(11)</u>	<u>-</u>	<u>(11)</u>
Loss allowance as at 31 December 2025	<u>2,053</u>	<u>76</u>	<u>2,129</u>

Movement of gross carrying amount of placements with other banks

	Stage 1	Stage 2	Stage 3	Total
Gross amount as at 1 January 2024	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)	<u>(921,989)</u>	<u>(645)</u>	<u>(293)</u>	<u>(922,927)</u>
Gross amount as at 31 December 2024	<u>2,940,967</u>	<u>11,653</u>	<u>1,135</u>	<u>2,953,755</u>
New financial assets originated or purchased	1,190,773	538	-	1,191,311
Financial assets derecognised (other than write-offs)	<u>(977,117)</u>	<u>(2,365)</u>	<u>(150)</u>	<u>(979,632)</u>
Gross amount as at 31 December 2025	<u>3,154,623</u>	<u>9,826</u>	<u>985</u>	<u>3,165,434</u>

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 2024	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	<u>2,751</u>	<u>1,333</u>	<u>1,135</u>	<u>5,219</u>
Net remeasurement of loss allowance	(912)	(134)	(150)	(1,196)
New financial assets originated or purchased	594	-	-	594
Financial assets derecognised (other than write-offs)	(727)	-	-	(727)
Loss allowance as at 31 December 2025	<u>1,706</u>	<u>1,199</u>	<u>985</u>	<u>3,890</u>

Movement of gross carrying amount of repo receivables

	Stage 1	Total
Gross amount as at 1 January 2024	202,025	202,025
New financial assets originated or purchased	1,065,205	1,065,205
Financial assets derecognised (other than write-offs)	(1,028,797)	(1,028,797)
Gross amount as at 31 December 2024	<u>238,433</u>	<u>238,433</u>
New financial assets originated or purchased	2,498,953	2,498,953
Financial assets derecognised (other than write-offs)	(2,414,817)	(2,414,817)
Gross amount as at 31 December 2025	<u>322,569</u>	<u>322,569</u>

Movement of loss allowance of repo receivables

	Stage 1	Total
Loss allowance as at 1 January 2024	367	367
New financial assets originated or purchased	2,255	2,255
Financial assets derecognised (other than write-offs)	(2,268)	(2,268)
Loss allowance as at 31 December 2024	<u>354</u>	<u>354</u>
New financial assets originated or purchased	3,487	3,487
Financial assets derecognised (other than write-offs)	(3,640)	(3,640)
Loss allowance as at 31 December 2025	<u>201</u>	<u>201</u>

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 securities at amortised cost**

	Stage 1	Stage 2	Stage 3	Total
Gross amount as at 1 January 2024	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)	<u>(291,655)</u>	<u>(445)</u>	<u>(1,120)</u>	<u>(293,220)</u>
Gross amount as at 31 December 2024	<u>3,330,049</u>	<u>5,516</u>	<u>37,491</u>	<u>3,373,056</u>
Transfer to Stage 2	(14,355)	14,355	-	-
New financial assets originated or purchased	835,265	237	-	835,502
Financial assets derecognised (other than write-offs)	<u>(794,969)</u>	<u>(916)</u>	<u>(14,697)</u>	<u>(810,582)</u>
Gross amount as at 31 December 2025	<u>3,355,990</u>	<u>19,192</u>	<u>22,794</u>	<u>3,397,976</u>

Movement of loss allowance of securities at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2024	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)	<u>(406)</u>	<u>-</u>	<u>(1,095)</u>	<u>(1,501)</u>
Loss allowance as at 31 December 2024	<u>11,057</u>	<u>505</u>	<u>27,349</u>	<u>38,911</u>
Transfer to Stage 2	(68)	68	-	-
Net remeasurement of loss allowance	(594)	914	(2,153)	(1,833)
New financial assets originated or purchased	594	-	-	594
Financial assets derecognised (other than write-offs)	<u>(1,926)</u>	<u>-</u>	<u>(5,857)</u>	<u>(7,783)</u>
Loss allowance as at 31 December 2025	<u>9,063</u>	<u>1,487</u>	<u>19,339</u>	<u>29,889</u>

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 FVOCI debt instruments

	Stage 1	Stage 3	Total
Gross amount as at 1 January 2024	507,477	30,873	538,350
New financial assets originated or purchased	151,534	27	151,561
Financial assets derecognised (other than write-offs)	<u>(121,866)</u>	<u>(9,377)</u>	<u>(131,243)</u>
Gross amount as at 31 December 2024	<u>537,145</u>	<u>21,523</u>	<u>558,668</u>
New financial assets originated or purchased	821,536	-	821,536
Financial assets derecognised (other than write-offs)	<u>(147,380)</u>	<u>(11,310)</u>	<u>(158,690)</u>
Gross amount as at 31 December 2025	<u>1,211,301</u>	<u>10,213</u>	<u>1,221,514</u>

Movement of loss allowance of FVOCI debt instruments

	Stage 1	Stage 3	Total
Loss allowance as at 1 January 2024	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)	<u>(116)</u>	<u>-</u>	<u>(116)</u>
Loss allowance as at 31 December 2024	<u>1,003</u>	<u>51,293</u>	<u>52,296</u>
Net remeasurement of loss allowance	23	(3,051)	(3,028)
New financial assets originated or purchased	1,875	-	1,875
Financial assets derecognised (other than write-offs)	<u>(118)</u>	<u>(4,093)</u>	<u>(4,211)</u>
Loss allowance as at 31 December 2025	<u>2,783</u>	<u>44,149</u>	<u>46,932</u>

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**36.1. Credit risk [continued]****36.1.4. Loan portfolio by internal ratings**

Internal rating grade	Gross carrying amount				Total
	Stage1	Stage2	Stage3	POCI	
High grade (1-4)	2,414,137	206,864	-	303	2,621,304
Medium grade (5-7)	1,931,700	373,625	-	364	2,305,689
Low grade (8-9)	58,553	179,270	-	164	237,987
Non performing	=	=	<u>103,902</u>	<u>658</u>	<u>104,560</u>
Total	<u>4,404,390</u>	<u>759,759</u>	<u>103,902</u>	<u>1,489</u>	<u>5,269,540</u>

Internal rating grade	Accumulated loss allowance				Total
	Stage1	Stage2	Stage3	POCI	
High grade (1-4)	9,601	12,622	-	-	22,223
Medium grade (5-7)	19,199	28,065	-	1	47,265
Low grade (8-9)	2,402	24,751	-	1	27,154
Non performing	=	=	<u>37,509</u>	<u>65</u>	<u>37,574</u>
Total	<u>31,202</u>	<u>65,438</u>	<u>37,509</u>	<u>67</u>	<u>134,216</u>

Internal rating grade	Gross carrying amount				Total
	Stage1	Stage2	Stage3	POCI	
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	=	=	<u>107,346</u>	<u>681</u>	<u>108,027</u>
Total	<u>3,824,220</u>	<u>873,825</u>	<u>107,346</u>	<u>10,150</u>	<u>4,815,541</u>

Internal rating grade	Accumulated loss allowance				Total
	Stage1	Stage2	Stage3	POCI	
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	=	=	<u>45,405</u>	<u>113</u>	<u>45,518</u>
Total	<u>25,579</u>	<u>73,263</u>	<u>45,405</u>	<u>499</u>	<u>144,746</u>

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 2025		31 December 2024	
	Gross loan and placements with other banks portfolio	Loss allowance	Gross loan and placements with other banks portfolio	Loss allowance
Hungary	6,360,896	(121,999)	5,918,775	(123,772)
Bulgaria	456,712	(4,198)	470,979	(5,192)
Malta	452,947	(509)	488,110	(260)
Serbia	332,150	(1,342)	295,129	(8,132)
Croatia	274,083	(310)	257,233	(432)
France	156,776	(93)	66,514	(59)
Germany	122,156	(714)	53,597	(220)
Montenegro	102,727	(157)	29,711	(72)
Romania	99,065	(1,689)	86,305	(1,572)
Netherlands	62,212	(844)	17,655	(185)
Other	<u>337,819</u>	<u>(6,452)</u>	<u>323,721</u>	<u>(10,423)</u>
Loans, placements with other banks and repo receivables at amortised cost total	<u>8,757,543</u>	<u>(138,307)</u>	<u>8,007,729</u>	<u>(150,319)</u>
Hungary	1,082,668	-	998,388	-
Other	<u>20</u>	<u>=</u>	<u>22</u>	<u>=</u>
Loans at fair value total	<u>1,082,688</u>	<u>=</u>	<u>998,410</u>	<u>=</u>
Loans, placements with other banks and repo receivables	<u>9,840,231</u>	<u>(138,307)</u>	<u>9,006,139</u>	<u>(150,319)</u>

36.1.6. Loan portfolio classification by economic activities

Loans at amortised cost by economic activities	31 December 2025		31 December 2024	
	Gross amount	Loss allowance	Gross amount	Loss allowance
Retail	844,972	50,981	751,980	50,950
Agriculture, forestry and fishing	222,683	5,014	227,377	5,330
Manufacturing, mining and quarrying and other industry	689,822	14,886	543,565	20,407
Construction	179,808	7,267	238,030	10,016
Wholesale and retail trade, transportation and storage accommodation and food	931,022	21,286	737,154	17,837
Information and communication	7,295	237	49,521	1,127
Financial and insurance activities	59,911	968	938,462	4,703
Real estate activities	957,338	6,461	522,669	16,852
Professional, scientific, technical, Public administration, defence, education, human health and	1,008,513	19,851	264,107	5,020
Other services	<u>157,675</u>	<u>3,754</u>	<u>124,419</u>	<u>2,112</u>
	<u>210,501</u>	<u>3,511</u>	<u>418,257</u>	<u>10,392</u>
Total	<u>5,269,540</u>	<u>134,216</u>	<u>4,815,541</u>	<u>144,746</u>

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.

Held collaterals at book value by type of collateral

Types of collateral	31 December 2025	31 December 2024
Mortgages	2,294,575	2,186,450
Guarantees and warranties	2,257,495	2,078,055
Deposit	207,247	281,685
<i>from this: Cash</i>	85,393	96,455
<i>Securities</i>	121,854	185,230
Other	65	91
Total	<u>4,759,382</u>	<u>4,546,281</u>

Held collaterals at fair value by type of collateral

Types of collateral	31 December 2025	31 December 2024
Mortgages	3,852,672	3,599,440
Guarantees and warranties	2,138,387	2,011,616
Deposit	677,157	624,618
<i>from this: Cash</i>	125,918	156,366
<i>Securities</i>	551,239	468,252
Other	65	91
Total	<u>6,668,281</u>	<u>6,235,765</u>

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 2025	31 December 2024
Mortgage	1,649,513	1,587,521
Guarantees and warranties	1,951,604	1,847,223
Deposit	498,847	134,425
<i>from this: Cash</i>	123,300	80,359
<i>Securities</i>	375,547	54,066
Other	65	91
Total	<u>4,100,029</u>	<u>3,569,260</u>

The coverage level of loan portfolio to the extent of the exposures increased from 45,94% to 48,61% as at 31 December 2025, while the coverage to the total collateral value decreased from 58,52% to 56,42%.

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 2025	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
Retail consumer loans	19,675	(11,878)	7,797	4,584
Mortgage loans	3,744	(417)	3,327	17,717
Corporate loans	<u>81,972</u>	<u>(25,281)</u>	<u>56,691</u>	<u>135,818</u>
Total	<u>105,391</u>	<u>(37,576)</u>	<u>67,815</u>	<u>158,119</u>
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	<u>93,112</u>	<u>(33,205)</u>	<u>59,907</u>	<u>122,681</u>
Total	<u>117,496</u>	<u>(45,904)</u>	<u>71,592</u>	<u>152,004</u>

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 2025

	Maximum exposure to credit risk	Cash	Securities	Guarantees	Fair value of collateral			Surplus	Collateral total	Net exposure	Coverage	ECL
					Property	Other	Offsetting arrangements					
Cash, amounts due from banks and balances												
with the National Bank of Hungary	1,359,760	-	-	-	-	-	-	-	-	1,359,760	-	2,129
Placements with other banks	3,161,544	-	-	99,350	-	-	-	-1,474	97,876	3,063,668	3%	3,890
Repo receivables	322,368	-	324,758	-	-	-	-	-3,616	321,142	1,226	100%	201
<i>Retail consumer loans</i>	760,810	49	1,190	1,033	13,724	-	-	-10,944	5,052	755,758	1%	50,687
<i>Mortgage loans</i>	37,000	-	-	1,932	308,645	-	-	-273,661	36,916	84	100%	493
<i>Municipal loans</i>	75,695	3	-	6,809	9,130	-	-	-6,020	9,922	65,773	13%	1,979
<i>Corporate loans</i>	7,585,727	46,337	223,598	981,991	3,288,850	1,052	-	-2,143,819	2,398,009	5,187,718	32%	95,693
Loans at amortised cost	8,459,232	46,389	224,788	991,765	3,620,349	1,052	-	-2,434,444	2,449,899	6,009,333	29%	148,852
Securities at amortised cost	3,368,087	-	-	-	-	-	-	-	-	3,368,087	-	29,889
Financial assets at amortised cost total	16,670,991	46,389	549,546	1,091,115	3,620,349	1,052	-	-2,439,534	2,868,917	13,802,074	17%	184,961
Derivative financial assets	185,762	43,413	-	-	-	-	32,501	-	75,914	109,848	41%	-
Held-for-trading financial assets	157,207	-	-	-	-	-	-	-	-	157,207	0%	-
mFVTPL loans	1,082,688	-	-	986,377	26,138	-	-	-28,711	983,804	98,884	91%	-
Financial assets at fair value through profit or loss total	1,425,657	43,413	-	986,377	26,138	-	32,501	-28,711	1,059,718	365,939	74%	-
FVOCI debt instruments	1,221,514	-	-	-	-	-	-	-	-	1,221,514	0%	46,932
FVOCI debt instruments total	1,221,514	-	-	-	-	-	-	-	-	1,221,514	0%	46,932
Financial assets total	19,318,162	89,802	549,546	2,077,492	3,646,487	1,052	32,501	-2,468,245	3,928,635	15,389,527	20%	231,893
Financial guarantees	2,099,791	34,598	1,693	60,895	203,714	-	-	-100,007	200,893	1,898,898	10%	4,590
Accreditive	17,404	1,518	-	-	1,419	-	-	-	2,937	14,467	17%	189
Off-balance sheet items total	2,117,195	36,116	1,693	60,895	205,133	-	-	-100,007	203,830	1,913,365	10%	4,779
Total	21,435,357	125,918	551,239	2,138,387	3,851,620	1,052	32,501	-2,568,252	4,132,465	17,302,892	19%	236,672

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	Cash	Securities	Guarantees	Fair value of collateral			Surplus	Collateral total	Net exposure	Coverage	ECL
					Property	Other	Offsetting arrangements					
Cash, amounts due from banks and balances												
with the National Bank of Hungary	2,075,179	-	-	-	-	-	-	-	-	2,075,179	-	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
<i>Retail consumer loans</i>	659,121	2	459	969	11,848	-	-	(8,677)	4,601	654,520	1%	50,893
<i>Mortgage loans</i>	45,849	-	-	2,179	357,694	-	-	(314,082)	45,791	58	100%	752
<i>Municipal loans</i>	102,852	3	-	8,170	10,295	-	-	(6,412)	12,056	90,796	12%	1,765
<i>Corporate loans</i>	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	-	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	446,796	-	-	-	-	-	-	-	-	446,796	-	-
mFVTPL loans	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	-	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

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 2025	31 December 2024
Real estate	458	128
Guarantee	24,740	33,402
Bail	99	31
Other	<u>111</u>	<u>140</u>
Proceeds from enforcement of collaterals	<u>25,408</u>	<u>33,701</u>

36.1.8. Restructured loans

	31 December 2025		31 December 2024	
	Gross portfolio	Loss allowance	Gross portfolio	Loss allowance
Consumer loans	20,893	(10,274)	17,632	(8,727)
Mortgage loans	1,033	(19)	1,528	(25)
Corporate loans	33,989	(3,137)	64,551	(4,857)
SME loans	5,842	(526)	13,605	(892)
Municipal loans	=	=	<u>81</u>	<u>(2)</u>
Total	<u>61,757</u>	<u>(13,957)</u>	<u>97,397</u>	<u>(14,503)</u>

Restructured portfolio definition

The forbore 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 forbore. An exposure is considered performing forbore 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 forbore.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.1. Credit risk [continued]

36.1.9. Financial instruments by rating categories¹

Held-for-trading securities as at 31 December 2025

	A1	A2	A3	Aa1	Aa2	Aa3	Aaa	Ba1	Ba2	Ba3	Baa1	Baa2	Baa3	Not Rated	Total
Government bonds	39	1,647	804	61	-	9,135	20	-	731	4,522	199	94,110	8,346	-	119,614
Other bonds	-	-	-	-	-	-	-	249	-	-	433	6,002	872	12,045	19,601
Investment fund units	-	-	-	-	-	-	-	-	-	-	-	-	-	479	479
Hungarian government discounted Treasury Bills	-	-	-	-	-	-	-	-	-	-	-	17,389	-	-	17,389
Shares	18	21	26	-	20	15	-	-	193	11	81	17	8	1,577	1,987
Mortgage bonds	98	-	-	-	-	-	-	-	-	-	-	-	17	9	124
Total	<u>155</u>	<u>1,668</u>	<u>830</u>	<u>61</u>	<u>20</u>	<u>9,150</u>	<u>20</u>	<u>249</u>	<u>924</u>	<u>4,533</u>	<u>713</u>	<u>117,518</u>	<u>9,243</u>	<u>14,110</u>	<u>159,194</u>

Held-for-trading securities as at 31 December 2024

	A1	A2	A3	Aa2	Aa3	Aaa	Ba1	Ba2	Ba3	Baa1	Baa2	Baa3	Not Rated	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	<u>110</u>	<u>2,541</u>	<u>1,175</u>	<u>12</u>	<u>3,036</u>	<u>2,327</u>	<u>1,328</u>	<u>1,648</u>	<u>1,712</u>	<u>22</u>	<u>46,393</u>	<u>4,040</u>	<u>383,649</u>	<u>447,993</u>

Securities mandatorily measured at fair value through profit or loss as at 31 December 2025

	Not Rated
Investment fund	32,400
Mortgage bonds	524
Total	<u>32,924</u>

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 categories¹****Securities mandatorily measured at fair value through profit or loss as at 31 December 2024**

	Not Rated
Investment fund	30,878
Shares	1,304
Total	<u>32,182</u>

FVOCI securities as at 31 December 2025

	A1	A3	Ba2	Baa1	Baa2	Baa3	Not Rated	WR	Total
Government bonds	-	17,783	6,523	665	884,200	2,726	-	10,213	922,110
Mortgage bonds	12,456	-	-	-	-	232,153	9,392	-	254,001
Other bonds	-	-	24,403	-	-	-	21,000	-	45,403
Non-trading equity instruments	-	-	-	-	-	-	43,929	-	43,929
Total	<u>12,456</u>	<u>17,783</u>	<u>30,926</u>	<u>665</u>	<u>884,200</u>	<u>234,879</u>	<u>74,321</u>	<u>10,213</u>	<u>1,265,443</u>

FVOCI securities as at 31 December 2024

	A1	A3	Ba1	Ba2	Baa1	Baa2	Baa3	Not Rated	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-trading equity instruments	-	-	-	-	-	-	-	33,934	-	33,934
Total	<u>11,751</u>	<u>14,385</u>	<u>4,170</u>	<u>33,625</u>	<u>5,156</u>	<u>134,285</u>	<u>309,164</u>	<u>58,543</u>	<u>21,523</u>	<u>592,602</u>

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 categories¹****Securities at amortised cost as at 31 December 2025**

	A1	A2	A3	Aa1	Aa3	Ba2	Baa1	Baa2	Baa3	Not Rated	WR	Total
Treasury bills	-	-	-	-	-	-	-	-	-	-	-	-
Government bonds	-	33,323	86,368	246,803	-	19,368	8,816	2,518,671	77,325	-	3,456	2,994,130
Corporate bonds	7,994	390	11,573	-	1,896	-	-	9,107	-	312,899	-	343,859
Mortgage bonds	18,083	-	-	-	-	-	-	-	-	12,015	-	30,098
Total	<u>26,077</u>	<u>33,713</u>	<u>97,941</u>	<u>246,803</u>	<u>1,896</u>	<u>19,368</u>	<u>8,816</u>	<u>2,527,778</u>	<u>77,325</u>	<u>324,914</u>	<u>3,456</u>	<u>3,368,087</u>

Securities at amortised cost as at 31 December 2024

	A1	A2	A3	Aaa	Ba2	Baa1	Baa2	Baa3	Not Rated	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	<u>20,055</u>	<u>45,517</u>	<u>55,445</u>	<u>295,652</u>	<u>21,021</u>	<u>67,159</u>	<u>2,371,311</u>	<u>139,746</u>	<u>308,096</u>	<u>10,143</u>	<u>3,334,145</u>

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 2025		31 December 2024	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Hungary	2,845,947	(11,116)	2,447,818	(11,107)
United States of America	265,399	(49)	419,981	(491)
Romania	77,594	(269)	95,062	(293)
Spain	52,296	(27)	57,143	(53)
Poland	39,232	(37)	8,624	(4)
Portugal	36,648	(10)	17,497	(10)
Russia	21,745	(18,289)	27,199	(19,367)
Luxembourg	-	-	281,855	(7,572)
Other	<u>59,115</u>	<u>(92)</u>	<u>17,877</u>	<u>(14)</u>
Securities at amortised cost total	<u>3,397,976</u>	<u>(29,889)</u>	<u>3,373,056</u>	<u>(38,911)</u>
Hungary	1,169,356	-	460,282	-
Luxembourg	-	-	56,504	-
Other	<u>52,158</u>	-	<u>41,882</u>	-
FVOCI debt instruments total	<u>1,221,514</u>	-	<u>558,668</u>	-
United States of America	16,491	-	16,781	-
Austria	17,057	-	16,625	-
Luxembourg	9,853	-	-	-
Other	<u>528</u>	-	<u>528</u>	-
Non-trading equity instruments designated to measure at fair value through other comprehensive income	<u>43,929</u>	-	<u>33,934</u>	-
Hungary	128,602	-	420,179	-
Romania	9,696	-	17	-
France	7,527	-	975	-
Montenegro	2,444	-	-	-
Luxembourg	188	-	17,159	-
United States of America	98	-	3,305	-
Other	<u>10,639</u>	-	<u>6,358</u>	-
Held for trading securities total	<u>159,194</u>	-	<u>447,993</u>	-
Hungary	27,226	-	24,961	-
Luxembourg	3,949	-	4,629	-
Portugal	1,225	-	1,288	-
United States of America	<u>524</u>	-	<u>1,304</u>	-
Securities mandatorily measured at fair value through profit or loss	<u>32,924</u>	-	<u>32,182</u>	-
Securities total	<u>4,855,537</u>	<u>(29,889)</u>	<u>4,445,833</u>	<u>(38,911)</u>

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 2025.

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 2025	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	1,361,889	-	-	-	-	1,361,889
Placements with other banks	306,012	376,321	1,582,994	900,231	-	3,165,558
Repo receivables	322,485	84	-	-	-	322,569
Financial assets at fair value through profit or loss	18,670	30,498	70,751	40,347	21,642	181,908
Securities at fair value through other comprehensive income	20,078	95,545	721,409	504,050	138,792	1,479,874
Securities at amortised cost	97,266	769,387	1,301,283	1,404,510	-	3,572,446
Loans at amortised cost	1,232,253	1,273,241	1,825,066	1,051,376	-	5,381,936
Loans mandatorily measured at fair value through profit or loss	29,964	32,779	179,346	777,031	-	1,019,120
Investment properties	-	-	-	-	4,332	4,332
Investments in subsidiaries, associates and other investments	-	-	-	-	2,639,120	2,639,120
Other financial assets	<u>318,643</u>	<u>7,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,421</u>
TOTAL ASSETS	<u>3,707,260</u>	<u>2,585,633</u>	<u>5,680,849</u>	<u>4,677,545</u>	<u>2,803,886</u>	<u>19,455,173</u>
Amounts due to banks and deposits from the National Bank of Hungary and other	1,141,609	75,633	380,396	82,760	-	1,680,398
Deposits from customers	11,248,052	114,196	29,479	-	-	11,391,727
Repo liabilities	313,044	16,960	47,528	-	-	377,532
Liabilities from issued securities	62,373	111,007	1,161,804	-	-	1,335,184
Subordinated bonds and loans	10,286	1,882	12,807	466,035	-	491,010
Financial liabilities at fair value through profit or loss	526	1,047	4,877	9,032	-	15,482
Leasing liabilities	2,242	6,694	25,734	27,970	-	62,640
Other financial liabilities	<u>372,068</u>	<u>21,886</u>	<u>7,786</u>	<u>-</u>	<u>-</u>	<u>401,740</u>
TOTAL LIABILITIES	<u>13,150,200</u>	<u>349,305</u>	<u>1,670,411</u>	<u>585,797</u>	<u>-</u>	<u>15,755,713</u>
NET POSITION	<u>(9,442,940)</u>	<u>2,236,328</u>	<u>4,010,438</u>	<u>4,091,748</u>	<u>2,803,886</u>	<u>3,699,460</u>
Receivables from derivative financial instruments classified as held for trading	7,521,214	1,640,544	1,612,694	531,350	-	11,305,802
Liabilities from derivative financial instruments classified as held for trading	<u>(7,504,678)</u>	<u>(1,627,336)</u>	<u>(1,539,479)</u>	<u>(528,322)</u>	<u>-</u>	<u>(11,199,815)</u>
Net position of derivative financial instruments classified as held for	<u>16,536</u>	<u>13,208</u>	<u>73,215</u>	<u>3,028</u>	<u>-</u>	<u>105,987</u>
Receivables from derivative financial instruments designated as hedge	50,827	194,393	1,271,627	54,476	-	1,571,323
Liabilities from derivative financial instruments designated as hedge	<u>(49,457)</u>	<u>(196,021)</u>	<u>(1,280,965)</u>	<u>(49,933)</u>	<u>-</u>	<u>(1,576,376)</u>
Net position of derivative financial instruments designated as hedging	<u>1,370</u>	<u>(1,628)</u>	<u>(9,338)</u>	<u>4,543</u>	<u>-</u>	<u>(5,053)</u>
Net position of derivative financial instruments total	<u>17,906</u>	<u>11,580</u>	<u>63,877</u>	<u>7,571</u>	<u>-</u>	<u>100,934</u>
Commitments to extend credit	2,997,804	-	-	-	-	2,997,804
Confirmed letters of credit	17,593	-	-	-	-	17,593
Factoring loan commitment	340,740	-	-	-	-	340,740
Bank guarantees	180,595	257,031	283,310	1,383,445	-	2,104,381
Off-balance sheet commitments	<u>3,536,732</u>	<u>257,031</u>	<u>283,310</u>	<u>1,383,445</u>	<u>-</u>	<u>5,460,518</u>

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 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	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	29,262	(5,712)	16,641	1,101	=	41,292
Receivables from derivative financial instruments designated as hedge	38,609	236,429	855,933	15,508	-	1,146,479
Liabilities from derivative financial instruments designated as hedge	(30,267)	(240,753)	(813,727)	(9,922)	-	(1,094,669)
Net position of derivative financial instruments designated as hedging	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]**36.3. Net foreign currency position and foreign currency risk****31 December 2025**

	USD	EUR	CHF	Others	Total
Assets	548,032	3,925,701	6,276	136,602	4,616,611
Liabilities	(1,155,531)	(4,041,378)	(60,229)	(136,028)	(5,393,166)
Derivative financial instruments	<u>607,753</u>	<u>(283,700)</u>	<u>53,974</u>	<u>4,884</u>	<u>382,911</u>
Net position	<u>254</u>	<u>(399,377)</u>	<u>21</u>	<u>5,458</u>	<u>(393,644)</u>

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	<u>299,572</u>	<u>(144,966)</u>	<u>45,953</u>	<u>(20,521)</u>	<u>180,038</u>
Net position	<u>(11,588)</u>	<u>(442,463)</u>	<u>(929)</u>	<u>25,827</u>	<u>(429,153)</u>

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]

As at 31 December 2025	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
	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
ASSETS															
Cash, amounts due from banks and balances with the National Bank of Hungary	5,873	175,524	-	-	-	-	-	-	-	-	1,164,311	14,052	1,170,184	189,576	1,359,760
fixed interest	243	175,524	-	-	-	-	-	-	-	-	-	-	243	175,524	175,767
variable interest	5,630	-	-	-	-	-	-	-	-	-	-	-	5,630	-	5,630
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	1,164,311	14,052	1,164,311	14,052	1,178,363
Placements with other banks	54,618	97,171	234,674	658,992	184,261	254,508	440,917	8,094	1,051,423	114,100	60,497	2,289	2,026,390	1,135,154	3,161,544
fixed interest	6,517	821	-	83,204	170,149	88,723	440,917	8,094	1,051,423	114,100	-	-	1,669,006	294,942	1,963,948
variable interest	48,101	96,350	234,674	575,788	14,112	165,785	-	-	-	-	-	-	296,887	837,923	1,134,810
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	60,497	2,289	60,497	2,289	62,786
Repo receivables	150,543	13,330	158,411	-	-	84	-	-	-	-	-	-	308,954	13,414	322,368
fixed interest	150,543	13,330	158,411	-	-	84	-	-	-	-	-	-	308,954	13,414	322,368
Securities held for trading	7,231	6,679	14,260	884	32,551	4,989	894	8,606	60,986	19,648	560	1,906	116,482	42,712	159,194
fixed interest	4,103	6,679	143	884	18,907	4,989	894	8,606	60,986	19,648	-	-	85,033	40,806	125,839
variable interest	3,128	-	14,117	-	13,644	-	-	-	-	-	-	-	30,889	-	30,889
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	560	1,906	560	1,906	2,466
Securities mandatorily measured at fair value through profit or loss															
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	27,225	5,699	27,225	5,699	32,924
Securities at fair value through other comprehensive income	313,401	-	2,169	4,110	82,381	2,467	31,482	35,728	715,355	34,421	528	43,401	1,145,316	120,127	1,265,443
fixed interest	-	-	-	3,946	82,381	2,467	31,482	35,728	715,355	34,421	-	-	829,218	76,562	905,780
variable interest	313,401	-	2,169	164	-	-	-	-	-	-	-	-	315,570	164	315,734
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	528	43,401	528	43,401	43,929

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

As at 31 December 2025	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
	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
ASSETS [continued]															
Loans measured at amortised cost	1,021,883	848,418	407,245	1,036,666	96,241	214,253	113,316	11,152	1,052,571	137,308	147,658	48,612	2,838,914	2,296,409	5,135,323
fixed interest	23,013	1,846	12,385	1,508	76,646	36,376	112,790	11,152	1,048,743	137,308	-	-	1,273,577	188,190	1,461,767
variable interest	998,870	846,572	394,860	1,035,158	19,595	177,877	526	-	3,828	-	-	-	1,417,679	2,059,607	3,477,286
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	147,658	48,612	147,658	48,612	196,270
Loans mandatorily measured at fair value through profit or loss	43,491	-	58,845	-	285,820	-	158,750	-	535,782	-	-	-	1,082,688	-	1,082,688
variable interest	43,491	-	58,845	-	285,820	-	158,750	-	535,782	-	-	-	1,082,688	-	1,082,688
Securities at amortised cost	10,074	47,843	40,276	6,867	678,084	98,228	183,274	54,176	1,709,174	540,091	-	-	2,620,882	747,205	3,368,087
fixed interest	-	47,843	-	3,394	678,084	98,228	183,274	54,176	1,709,174	540,091	-	-	2,570,532	743,732	3,314,264
variable interest	10,074	-	40,276	3,473	-	-	-	-	-	-	-	-	50,350	3,473	53,823
Other financial assets	-	-	-	-	-	-	-	-	-	-	245,419	59,542	245,419	59,542	304,961
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	245,419	59,542	245,419	59,542	304,961
Derivative financial instruments	1,760,030	273,949	897,520	1,874,104	638,936	790,966	26,139	117,822	728,749	377,601	298,573	844,841	4,349,947	4,279,283	8,629,230
fixed interest	1,698,841	187,359	367,301	878,640	297,814	487,317	26,139	114,589	728,749	377,601	-	-	3,118,844	2,045,506	5,164,350
variable interest	61,189	86,590	530,219	995,464	341,122	303,649	-	3,233	-	-	-	-	932,530	1,388,936	2,321,466
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	298,573	844,841	298,573	844,841	1,143,414

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

As at 31 December 2025	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
	HUF	foreign currency	HUF	foreign currency	HUF	foreign currenc y	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
LIABILITIES															
Amounts due to banks and deposits with the National Bank of Hungary and other banks	140,296	572,091	215,270	303,168	56,793	228	25,735	90,619	145,220	81,889	22,065	2,993	605,379	1,050,988	1,656,367
fixed interest	87,911	322,472	215,270	187,241	56,793	228	25,735	90,619	145,220	81,889	-	-	530,929	682,449	1,213,378
variable interest	52,385	249,619	-	115,927	-	-	-	-	-	-	-	-	52,385	365,546	417,931
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	22,065	2,993	22,065	2,993	25,058
Financial liabilities designated to measure at fair value through profit or loss	15,271	-	-	-	8	-	-	-	-	-	-	-	15,279	-	15,279
fixed interest	-	-	-	-	8	-	-	-	-	-	-	-	-	8	8
variable interest	15,271	-	-	-	-	-	-	-	-	-	-	-	15,271	-	15,271
Repo liabilities	165,748	134,540	31,112	-	-	16,802	-	2,947	-	26,383	-	-	196,860	180,672	377,532
fixed interest	165,748	116,185	31,112	-	-	16,802	-	2,947	-	26,383	-	-	196,860	162,317	359,177
variable interest	-	18,355	-	-	-	-	-	-	-	-	-	-	-	18,355	18,355
Deposits from customers	8,410,014	2,260,890	522,543	32,209	65,860	28,554	292	-	11,390	-	23,287	37,159	9,033,386	2,358,812	11,392,198
fixed interest	1,224,402	377,012	129,730	32,209	65,860	28,554	292	-	11,390	-	-	-	1,431,674	437,775	1,869,449
variable interest	7,185,612	1,883,878	392,813	-	-	-	-	-	-	-	-	-	7,578,425	1,883,878	9,462,303
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	23,287	37,159	23,287	37,159	60,446
Liabilities from issued securities	15,801	-	17,569	-	114,003	-	-	435,707	156	758,014	-	-	147,529	1,193,721	1,341,250
fixed interest	15,801	-	17,569	-	114,003	-	-	435,707	156	758,014	-	-	147,529	1,193,721	1,341,250
Subordinated bonds and loans	-	-	-	-	1,852	-	1,860	-	14,106	475,768	-	-	17,818	475,768	493,586
fixed interest	-	-	-	-	1,852	-	1,860	-	14,106	475,768	-	-	17,818	475,768	493,586
Leasing liabilities	-	-	103	4	129	439	1,599	4,717	22,916	32,735	-	-	24,747	37,894	62,641
fixed interest	-	-	-	-	53	8	26	272	22,330	3,297	-	-	22,409	3,576	25,985
variable interest	-	-	103	4	76	431	1,573	4,445	586	29,438	-	-	2,338	34,318	36,656
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	231,954	189,450	231,954	189,450	421,404
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	231,954	189,450	231,954	189,450	421,404
Derivative financial instruments	1,828,815	195,439	1,362,550	1,350,669	472,317	929,219	34,257	47,007	534,141	651,182	416,585	721,991	4,648,665	3,895,507	8,544,172
fixed interest	1,794,940	83,090	664,548	580,804	301,034	470,648	34,257	46,428	533,201	651,182	-	-	3,327,980	1,832,152	5,160,132
variable interest	33,875	112,349	698,002	769,865	171,283	458,571	-	579	940	-	-	-	904,100	1,341,364	2,245,464
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	416,585	721,991	416,585	721,991	1,138,576
NET POSITION	(7,208,801)	(1,700,046)	(335,747)	1,895,573	1,287,312	390,253	891,029	(345,419)	5,126,111	(802,802)	1,250,880	68,749	1,010,784	(493,691)	517,093

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

36.4. Interest rate risk management [continued]

As at 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
	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
ASSETS															
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
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	234,308	3,771	-	-	-	-	-	-	-	-	-	-	234,308	3,771	238,079
fixed interest	234,308	3,771	-	-	-	-	-	-	-	-	-	-	234,308	3,771	238,079
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]

As at 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
	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	
ASSETS [continued]															
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
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
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]

As at 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	
	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency	HUF	foreign currency		
LIABILITIES																
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	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	10,896,22	
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	328	462	655	926	2,624	4,051	4,921	5,219	17,597	27,597	-	-	26,125	38,255	64,380	
fixed interest	198	71	395	144	1,732	695	3,783	1,721	11,361	5,355	-	-	17,469	7,986	25,455	
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	(5,099,957)	(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)	1,330,218	(923,479)	406,739	

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	
	2025	2024
Foreign exchange	1,722	7,650
Interest rate	150	298
Equity instruments	20	11
Diversification	=	=
Total VaR exposure	<u>1,892</u>	<u>7,960</u>

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	
	2025	2024
	In HUF million	In HUF million
1%	(532)	(3,981)
5%	(374)	(2,442)
25%	(97)	(977)
50%	18	(93)
25%	145	850
5%	315	2,211
1%	418	2,920

Notes:

- (1) (1) Historical VaR simulation is based on the empirical distribution of the historical exchange rate movements between 31 December 2024 and 31 December 2025.

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.

NOTE 36: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**36.5. Market risk [continued]****36.5.3. Interest rate sensitivity analysis [continued]**

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 +1,321 million (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	2025		2024	
	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	(1,142)	1	(327)	7
HUF 0.1% parallel shift	1,141	(1)	323	(7)
EUR (0.1%) parallel shift	106	-	928	-
EUR 0.1% parallel shift	(483)	-	(1,347)	-
USD (0.1%) parallel shift	230	-	446	-
USD 0.1% parallel shift	(211)	-	(453)	-
Total	<u>(359)</u>	=	<u>(430)</u>	=

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	2025	2024
VaR (99%, one day, million HUF)	11	9
Stress test (million HUF)	(23)	(53)

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 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 adequacy¹

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 2025 as well as in 2024.

The Bank's capital adequacy calculation is in line with IFRS and based on Basel III as at 31 December 2025 and 31 December 2024. The Bank uses the standard method for determining the regulatory capital requirements of the credit risk and market risk while in case of the operational risk the Advanced Measurement Approach (AMA).

¹ 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 [continued]****Capital adequacy¹ [continued]**

The calculation of the Capital Adequacy ratio as at 31 December 2025 and 31 December 2024 is as

	31 December 2025	31 December 2024
	Basel III	Basel III
Core capital (Tier 1)	2,631,086	2,519,969
<i>Primary core capital (CET1)</i>	<i>2,631,086</i>	<i>2,519,969</i>
<i>Supplementary core capital (AT1)</i>	<i>-</i>	<i>-</i>
Supplementary capital (Tier 2)	461,223	345,063
Regulatory capital	<u>3,092,309</u>	<u>2,865,032</u>
Credit risk capital requirement	837,975	724,495
Market risk capital requirement	21,162	28,374
Operational risk capital requirement	126,234	29,872
Total eligible regulatory capital	<u>985,371</u>	<u>782,741</u>
Surplus capital	<u>2,106,938</u>	<u>2,082,291</u>
CET 1 ratio	21.36%	25.76%
Capital adequacy ratio	<u>25.11%</u>	<u>29.28%</u>

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.

¹ The dividend amount planned to pay out / paid out is deducted from reserves.

NOTE 37: TRANSFER OF FINANCIAL INSTRUMENTS (in HUF mn)**Financial assets transferred but not derecognised**

	31 December 2025		31 December 2024	
	Transferred assets	Associated liabilities	Transferred assets	Associated liabilities
	Carrying amount			
Financial assets at fair value through other comprehensive income				
Debt securities	<u>16,400</u>	<u>15,418</u>	<u>7,020</u>	<u>5,754</u>
Total	<u>16,400</u>	<u>15,418</u>	<u>7,020</u>	<u>5,754</u>
Financial assets at amortised cost				
Debt securities	<u>373,187</u>	<u>360,348</u>	<u>241,037</u>	<u>221,877</u>
Total	<u>373,187</u>	<u>360,348</u>	<u>241,037</u>	<u>221,877</u>
Total	<u>389,587</u>	<u>375,766</u>	<u>248,057</u>	<u>227,631</u>

As at 31 December 2025 and 31 December 2024, the Bank had obligation from repurchase agreements about HUF 376 billion and HUF 228 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 'Amounts due to banks and deposits from the National Bank of Hungary and other banks'. 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 2025	31 December 2024
Loan commitments	2,997,804	2,536,990
Guarantees arising from banking activities	2,104,381	1,903,718
<i>from this: Payment undertaking liabilities (related to issue of mortgage bonds) of OTP Mortgage Bank</i>	<i>1,140,691</i>	<i>1,004,209</i>
Factoring loan commitments	340,740	382,011
Confirmed letters of credit	<u>17,593</u>	<u>5,181</u>
Contingent liabilities and commitments total in accordance with IFRS 9	<u>5,460,518</u>	<u>4,827,900</u>
Legal disputes (disputed value)	3,887	4,825
Contingent liabilities related to payments from shares in venture capital fund	70,937	18,006
Indemnity related to sale of OTP Bank Romania	50,988	54,255
Guarantees given to other subsidiaries	33,380	-
Other	<u>89</u>	<u>91</u>
Contingent liabilities and commitments total in accordance with IAS 37	<u>159,281</u>	<u>77,177</u>
Total	<u>5,619,799</u>	<u>4,905,077</u>

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 276 million and HUF 283 million as at 31 December 2025 and 31 December 2024, 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 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 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 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 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 2019-2024 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	
	for the year 2019			for the year 2020			for the year 2021		
2020	9,553	4,000	11,553	-	-	-	-	-	-
2021	9,553	4,000	11,553	12,644	9,000	16,644	-	-	-
2022	9,553	4,000	11,553	12,644	8,000	16,644	5,912	6,000	8,912
2023	9,553	4,000	11,553	13,644	8,000	16,644	6,912	7,000	8,912
2024	9,553	4,000	11,553	13,644	8,000	16,644	6,912	8,000	8,912
2025	9,553	4,000	11,553	13,644	8,000	16,644	6,912	9,000	8,912
2026	9,553	4,000	11,553	13,644	8,000	16,644	6,912	10,000	8,912
2027	-	-	-	13,644	8,000	16,644	6,912	10,000	8,912
2028	-	-	-	-	-	-	6,912	10,000	8,912

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	
	for the year 2022			for the year 2023			for the year 2024		
2023	7,773	6,000	10,773	-	-	-	-	-	-
2024	8,773	7,000	10,773	14,486	12,000	17,486	-	-	-
2025	8,773	8,000	10,773	15,486	12,000	17,486	24,051	12,000	27,051
2026	8,773	9,000	10,773	16,486	12,000	17,486	25,051	12,000	27,051
2027	8,773	10,000	10,773	16,486	12,000	17,486	26,051	12,000	27,051
2028	8,773	10,000	10,773	16,486	12,000	17,486	26,051	12,000	27,051
2029	8,773	10,000	10,773	16,486	12,000	17,486	26,051	12,000	27,051
2030	-	-	-	16,486	12,000	17,486	26,051	12,000	27,051
2031	-	-	-	-	-	-	26,051	12,000	27,051

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%	
2025	27,051	23.6%	6.0%	5.4%	5.4%	5.5%	5.6%	5.7%	5.8%	

Év	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
2025	1,179	1,296	1,426	1,568	1,725	1,897	2,087	Binomial

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board, relating to the year 2019 effective pieces are follows as at 31 December 2025:

	Approved pieces of shares	Exercised until 31 December 2025	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2025
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	1,000	27,928	-	-
Remuneration exchanged to share applying in 2026	-	-	-	-	500

Based on parameters accepted by Supervisory Board, relating to the year 2020 effective pieces are follows as at 31 December 2025:

	Approved pieces of shares	Exercised until 31 December 2025	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2025
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	49,974	20,867	-	-
Remuneration exchanged to share applying in 2024	11,837	11,837	17,613	-	-
Share-purchasing period starting in 2025	12,371	12,371	18,823	-	-
Remuneration exchanged to share applying in 2025	3,691	3,691	27,652	-	-
Remuneration exchanged to share applying in 2026	-	-	-	-	680
Remuneration exchanged to share applying in 2027	-	-	-	-	680

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board, relating to the year 2021 effective pieces are follows as at 31 December 2025:

	Approved pieces of shares	Exercised until 31 December 2025	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2025
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	50,083	17,838	319	-
Remuneration exchanged to share applying in 2024	4,807	4,807	17,399	-	-
Share-purchasing period starting in 2025	53,930	52,899	17,825	-	1,031
Remuneration exchanged to share applying in 2025	4,942	4,807	27,499	135	-
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

Based on parameters accepted by Supervisory Board, relating to the year 2022 effective pieces are follows as at 31 December 2025:

	Approved pieces of shares	Exercised until 31 December 2025	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2025
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	42,463	41,650	18,164	-	813
Remuneration exchanged to share applying in 2025	3,769	3,769	26,914	-	-
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
Remuneration exchanged to share applying in 2028	-	-	-	-	-

NOTE 39: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board, relating to the year 2023 effective pieces are follows as at 31 December 2025:

	Approved pieces of shares	Exercised until 31 December 2025	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2025
Share-purchasing period starting in 2024	97,690	96,566	20,731	1,124	-
Remuneration exchanged to share applying in 2024	6,745	6,745	17,402	-	-
Share-purchasing period starting in 2025	188,376	162,349	19,525	-	26,027
Remuneration exchanged to share applying in 2025	6,527	6,527	27,194	-	-
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

Based on parameters accepted by Supervisory Board, relating to the year 2024 effective pieces are follows as at 31 December 2025:

	Approved pieces of shares	Exercised until 31 December 2025	Weighted average share price at the date of exercise (in HUF)	Expired pieces	Exercisable at 31 December 2025
Share-purchasing period starting in 2025	73,713	73,713	26,808	-	-
Remuneration exchanged to share applying in 2025	5,967	5,967	26,898	-	-
Share-purchasing period starting in 2026	-	-	-	-	111,392
Remuneration exchanged to share applying in 2026	-	-	-	-	8,322
Share-purchasing period starting in 2027	-	-	-	-	52,041
Remuneration exchanged to share applying in 2027	-	-	-	-	3,421
Share-purchasing period starting in 2028	-	-	-	-	55,440
Remuneration exchanged to share applying in 2028	-	-	-	-	3,421
Share-purchasing period starting in 2029	-	-	-	-	59,682
Remuneration exchanged to share applying in 2029	-	-	-	-	3,421
Share-purchasing period starting in 2030	-	-	-	-	18,067
Remuneration exchanged to share applying in 2030	-	-	-	-	1,749

Effective pieces relating to the periods starting in 2026-2030 settled during valuation of performance of year 2021-2024, 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 2025 based on performance assessment accounted as equity-settled share based transactions HUF 5,391 million was recognized as expense for the year ended 31 December 2025.

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 2025		31 December 2024	
	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	19,690	-	38,696	-
Placements with other banks	2,878,108	-	2,696,016	-
Repo receivables	98,601	-	98,652	-
Held for trading securities	89	-	33	-
Held for trading derivative financial instruments:	51,904	-	39,210	-
Financial assets at fair value through other comprehensive income	232,288	-	306,412	-
Securities at amortised cost	-	621	-	614
Loans at amortised cost	694,243	75,323	779,287	52,607
Loans mandatorily measured at fair value through profit or loss	-	31	-	36
Right of use assets	23,882	-	23,159	-
Derivative financial assets designated as hedge accounting relationships	-	-	1,695	-
Other assets	<u>208,832</u>	<u>67</u>	<u>167,927</u>	<u>155</u>
Total Assets	<u>4,207,637</u>	<u>76,042</u>	<u>4,151,087</u>	<u>53,412</u>
Amounts due to banks and deposits from the National Bank of Hungary and	(1,143,353)	-	(892,432)	-
Repo liabilities	(211,420)	-	(95,509)	-
Deposits from customers	(233,294)	(32,133)	(296,116)	(24,271)
Leasing liabilities	(25,589)	-	(24,590)	-
Liabilities from issued securities	(17,818)	-	(15,154)	-
Derivative financial liabilities designated as held for trading	(13,714)	-	(26,420)	-
Derivative financial liabilities designated as hedge accounting relationships	-	-	(15,141)	-
Other liabilities	<u>(16,106)</u>	<u>(27)</u>	<u>(13,154)</u>	<u>(27)</u>
Total Liabilities	<u>(1,661,294)</u>	<u>(32,160)</u>	<u>(1,378,516)</u>	<u>(24,298)</u>
Off balance sheet items				
Guarantees	(1,312,440)	(12,844)	(1,168,778)	(6,965)
Loan commitments	(43,791)	(104,873)	(53,202)	(47,627)
Factoring loan commitments	(1,050)	(5,314)	(960)	(6,045)
Letter of credit	=	=	(86)	=
Total	<u>(1,357,281)</u>	<u>(123,031)</u>	<u>(1,223,026)</u>	<u>(60,637)</u>

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 2025	Year ended 31 December 2024
Interest Income	302,478	351,675
Interest Expense	(151,716)	(225,063)
Risk cost	2,003	2,665
(Losses)/Gains arising from derecognition of financial assets measured at amortised cost	(379)	45
Income from fees and commissions	67,689	53,296
Expenses from fees and commissions	(1,705)	(1,954)
Other administrative expenses	(13,432)	(12,461)

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 2025	31 December 2024
Short-term employee benefits	4,506	4,123
Share-based payment	4,297	3,351
Long-term employee benefits (on the basis of IAS 19)	401	355
Total	<u>9,204</u>	<u>7,829</u>

	31 December 2025	31 December 2024
Loans provided to companies owned by the Management (in the normal course of business)	75,323	52,607
Commitments to extend credit and bank guarantees	123,031	60,637

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 2025	31 December 2024
Members of Board of Directors	3,023	2,107
Members of Supervisory Board	270	253
Total	<u>3,293</u>	<u>2,360</u>

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 2025	31 December 2024
Loans managed by the Bank as a trustee	26,809	25,691

NOTE 42: CONCENTRATION OF ASSETS AND LIABILITIES**31 December 2025 31 December 2024****In the percentage of the total assets**

Receivables from, or securities issued by the Hungarian Government or the NBH	27.39%	25.61%
Securities issued by the OTP Mortgage Bank Ltd.	1.22%	1.67%
Loans at amortised cost	7.07%	6.55%

There were no other significant concentrations of the assets or liabilities of the Bank as at 31 December 2025 or 31 December 2024.

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 1,344 billion and HUF 1,205 billion as at 31 December 2025 and 31 December 2024 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 2025	31 December 2024
Profit after income tax attributable to ordinary shareholders (in HUF mn)	663,259	744,999
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	269,217,992	276,764,525
Basic Earnings per share (in HUF)	<u>2,464</u>	<u>2,692</u>
Separate profit after income tax attributable to ordinary shareholders (in HUF mn)	663,259	744,999
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	269,223,428	276,769,730
Diluted Earnings per share (in HUF)	<u>2,464</u>	<u>2,692</u>

	31 December 2025	31 December 2024
Weighted average number of ordinary shares	280,000,010	280,000,010
Average number of Treasury shares	(10,782,018)	(3,235,485)
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS	<u>269,217,992</u>	<u>276,764,525</u>
Dilutive effect of options issued in accordance with the Remuneration Policy / Management Option Program and	5,436	5,205
The modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS	<u>269,223,428</u>	<u>276,769,730</u>

NOTE 44: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS (in HUF mn)

Year ended 31 December 2025	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	139,361	-	-	-
Placements with other banks	166,936	-	(1,219)	-
Repo receivables	19,701	-	(152)	-
Loans	408,116	18,723	11,593	-
Securities at amortised cost	<u>177,115</u>	<u>(2,315)</u>	<u>(5,073)</u>	-
Financial assets measured at amortised cost total	<u>911,229</u>	<u>16,408</u>	<u>5,149</u>	-
Financial assets measured at fair value				
Securities held for trading	5,350	7,142	-	-
Securities at fair value through other comprehensive income	41,310	284	972	(641)
Equity instruments at fair value through other comprehensive income	-	405	-	(741)
Loans mandatorily measured at fair value through profit or loss	<u>79,558</u>	<u>(7,152)</u>	<u>(1,016)</u>	-
Financial assets measured at fair value total	<u>126,218</u>	<u>679</u>	<u>(44)</u>	<u>(1,382)</u>
Financial liabilities measured at amortised cost				
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(69,649)	-	-	-
Repo liabilities	(55,774)	-	-	-
Deposits from customers	(174,207)	323,934	-	-
Leasing liabilities	(3,029)	-	-	-
Liabilities from issued securities	(79,699)	-	-	-
Subordinated bonds and loans	<u>(39,349)</u>	-	-	-
Financial liabilities measured at amortised cost total	<u>(421,707)</u>	<u>323,934</u>	-	-
Financial liabilities designated to measure at fair value through profit or loss				
	(823)	228	-	-
Derivative financial instruments	<u>(11,339)</u>	<u>30,159</u>	-	-
Total	<u>603,578</u>	<u>371,408</u>	<u>5,105</u>	<u>(1,382)</u>

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 2025

	Held-for-trading	Hedge accounting
Balance as at 1 January	26,562	23,692
Change in current period		
on interest income/interest expense	(7,372)	752
on net results on derivative instruments and hedge relationships	87,732	45,568
on revaluation difference	(56,773)	(50,380)
Realized result on closed deals /matured deals	14,492	785
Closing balance	<u>64,641</u>	<u>20,417</u>

NOTE 44: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS
(in HUF mn) [continued]

Year ended 31 December 2024	Net interest income and expense	Net non-interest gain and loss	Loss allowance	Other comprehen- sive 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	<u>216,762</u>	<u>(7,871)</u>	<u>10,568</u>	-
Financial assets measured at amortised cost total	<u>1,007,870</u>	<u>8,859</u>	<u>30,523</u>	-
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	<u>62,663</u>	<u>28,685</u>	<u>(4,193)</u>	-
Financial assets measured at fair value total	<u>96,157</u>	<u>33,469</u>	<u>20,367</u>	<u>21,298</u>
Financial liabilities measured at amortised cost				
Amounts due to banks and deposits from the National Bank of Hungary and	(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	<u>(30,163)</u>	-	-	-
Financial liabilities measured at amortised cost total	<u>(504,415)</u>	<u>262,477</u>	-	-
Financial liabilities designated to measure at fair value through	(1,344)	1,240	-	-
Derivative financial instruments	<u>(76,343)</u>	<u>(6,063)</u>	-	-
Total	<u>521,925</u>	<u>299,982</u>	<u>50,890</u>	<u>21,298</u>

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	<u>26,562</u>	<u>23,692</u>

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 45.4. 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 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 2025 and 2024 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 2025 and 2024 modified yield curve was used for calculating fair value in 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 2025					31 December 2024				
	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	1,359,760	1,359,760	1,359,760	-	-	2,075,179	2,075,179	2,075,179	-	-
Placements with other banks	3,161,544	3,349,433	1,357,762	1,991,671	-	2,948,536	3,134,255	1,288,299	1,845,956	-
Repo receivables	322,368	322,468	-	322,468	-	238,079	238,425	-	238,425	-
Securities at amortised cost	3,368,087	3,252,093	2,958,467	290,616	3,010	3,334,145	3,150,646	2,886,069	254,595	9,982
Loans at amortised cost	5,135,324	5,294,746	-	-	5,294,746	4,670,795	4,790,988	-	-	4,790,988
Other financial assets	304,961	304,961	-	-	304,961	281,575	281,575	-	-	281,575
Total assets measured at amortised cost	<u>13,652,044</u>	<u>13,883,461</u>	<u>5,675,989</u>	<u>2,604,755</u>	<u>5,602,717</u>	<u>13,548,309</u>	<u>13,671,068</u>	<u>6,249,547</u>	<u>2,338,976</u>	<u>5,082,545</u>
		-	-	-	-		-	-	-	-
Amounts due to banks, deposits from the National Bank of Hungary and other banks	1,656,367	1,591,416	1,207,602	383,814	-	1,606,969	1,569,047	599,597	969,450	-
Repo liabilities	377,532	382,213	-	382,213	-	227,632	233,891	-	233,891	-
Deposits from customers	11,392,198	11,398,683	-	11,398,683	-	10,896,227	10,897,287	-	10,897,287	-
Leasing liabilities	62,640	62,676	-	-	62,676	64,380	66,790	-	-	66,790
Liabilities from issued securities	1,341,250	1,381,141	1,381,141	-	-	1,750,893	1,788,620	1,788,620	-	-
Subordinated bonds and loans	493,587	494,122	494,122	-	-	362,271	365,170	365,170	-	-
Other financial liabilities	421,404	421,404	-	-	421,404	337,616	337,616	-	-	337,616
Total liabilities measured at amortised cost	<u>15,744,978</u>	<u>15,731,655</u>	<u>3,082,865</u>	<u>12,164,709</u>	<u>484,080</u>	<u>15,245,988</u>	<u>15,258,421</u>	<u>2,753,387</u>	<u>12,100,628</u>	<u>404,406</u>

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 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).

Fair value of derivative financial instruments¹

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

	31 December 2025			31 December 2024							
	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities	Netting	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities
Held for trading derivative financial instruments											
Interest rate derivatives											
Interest rate swaps	82,264	(70,596)	69,442	12,822	(1,154)	104,130	(88,266)	89,523	14,607	1,257	
Cross currency interest rate swaps	3,773	(3,200)	-	3,773	(3,200)	10,472	(10,558)	-	10,472	(10,558)	
OTC options	334	(334)	-	334	(334)	462	(462)	-	462	(462)	
Forward rate agreement	496	(31)	496	-	465	219	(172)	219	-	47	
Total interest rate derivatives (OTC derivatives)	86,867	(74,161)	69,938	16,929	(4,223)	115,283	(99,458)	89,742	25,541	(9,716)	
<i>From this: Interest rate derivatives cleared by NBH</i>	587	-	-	587	-	906	-	-	906	-	
Foreign exchange derivatives											
Foreign exchange swaps	44,752	(34,285)	-	44,752	(34,285)	53,620	(48,969)	-	53,620	(48,969)	
Foreign exchange forward	9,329	(12,910)	-	9,329	(12,910)	15,736	(8,440)	-	15,736	(8,440)	
OTC options	2,445	(2,069)	-	2,445	(2,069)	1,433	(825)	-	1,433	(825)	
Foreign exchange spot conversion	195	(213)	-	195	(213)	179	(266)	-	179	(266)	
Total foreign exchange derivatives (OTC derivatives)	56,721	(49,477)	-	56,721	(49,477)	70,968	(58,500)	-	70,968	(58,500)	

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 2025			31 December 2024							
	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities	Netting	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities
Equity stock and index derivatives											
Commodity Swaps	3,221	(2,620)	-	3,221	(2,620)	-	10,475	(10,616)	-	10,475	(10,616)
Equity swaps	8,219	(273)	-	8,219	(273)	-	-	(1,194)	-	-	(1,194)
OTC derivatives	11,440	(2,893)	-	11,440	(2,893)	-	10,475	(11,810)	-	10,475	(11,810)
Exchange traded futures and options	168	(648)	-	168	(648)	-	1,331	(728)	-	1,331	(728)
Total equity stock and index derivatives	11,608	(3,541)	-	11,608	(3,541)	-	11,806	(12,538)	-	11,806	(12,538)
Derivatives held for risk management not designated in hedges											
Interest rate swaps	46,388	(52,871)	22,533	23,855	(30,338)	71,779	(82,909)	28,980	42,799	(53,929)	
Foreign exchange swaps	3,996	(4,422)	-	3,996	(4,422)	9,689	(8,675)	-	9,689	(8,675)	
Forward	-	-	-	-	-	-	(72)	-	-	(72)	
Cross currency interest rate swaps	45,554	(2,021)	-	45,554	(2,021)	10,258	(1,069)	-	10,258	(1,069)	
Total derivatives held for risk management not designated in hedges	95,938	(59,314)	22,533	73,405	(36,781)	91,726	(92,725)	28,980	62,746	(63,745)	
<i>From this: Total derivatives cleared by NBH held for risk management</i>	18,805	-	-	18,805	-	28,788	-	-	28,788	-	
Total Held for trading derivative financial instruments	251,134	(186,493)	92,471	158,663	(94,022)	289,783	(263,221)	118,722	171,061	(144,499)	
Derivative financial instruments designated as hedge accounting relationships											
Derivatives designated in cash flow hedges											
Interest rate swaps	-	(5,438)	5,438	(5,438)	-	1	(8,453)	8,453	(8,452)	-	
Total derivatives designated in cash flow hedges	-	(5,438)	5,438	(5,438)	-	1	(8,453)	8,453	(8,452)	-	
Derivatives designated in fair value hedges											
Interest rate swaps	41,748	(15,281)	12,484	29,264	(2,797)	53,401	(19,975)	19,957	33,444	(18)	
Cross currency interest rate swaps	2,575	(3,885)	-	2,575	(3,885)	13,903	(19,420)	-	13,903	(19,420)	
Total derivatives designated in fair value microhedges	44,323	(19,166)	12,484	31,839	(6,682)	67,304	(39,395)	19,957	47,347	(19,438)	
Interest rate swaps	1,144	(446)	446	698	-	4,235	-	-	4,235	-	
Total derivatives designated in fair value macrohedges	1,144	(446)	446	698	-	4,235	-	-	4,235	-	
<i>From this: Total derivatives cleared by NBH held for hedging</i>	469	(3,140)	-	469	(3,140)	-	(1,764)	-	-	(1,764)	
Total derivatives held for risk management (OTC derivatives)	45,467	(25,050)	18,368	27,099	(6,682)	71,540	(47,848)	28,410	43,130	(19,438)	

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 2025

12/31/2025	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	248,696	(111,285)	137,411	(32,501)	(43,413)	61,497	48,351	185,762	109,848

Financial liabilities subject to offsetting, netting arrangement as at 31 December 2025

12/31/2025	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	195,032	(111,285)	83,747	(32,501)	(19,826)	31,420	16,957	100,704	48,377

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**

12/31/2024	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

12/31/2024	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]**45.3. 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.

Amount, timing and uncertainty of future cash flows - hedging instruments as at 31 December 2025 (amounts in million currency)**31 December 2025**

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	(1,996)	(3,312)	315,765	638,895	272,452	1,221,804
		Average Interest Rate (%)	1.79%	1.93%	4.59%	5.95%	6.31%	
		EUR						
		Notional	-	10	(650)	(1,750)	51	(2,339)
		Average Interest Rate (%)	-	-	3.57%	2.84%	2.32%	
		USD						
		Notional	-	-	(471)	(1,385)	20	(1,836)
Average Interest Rate (%)	-	-	3.70%	3.87%	1.65%			
Fair Value Hedge	FX & IR risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	-	2	4	8	14
		Average Interest Rate (%)	-	-	(1.74%)	(1.81%)	(1.82%)	
		Average FX Rate	-	-	309.84	307.91	307.71	

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 2025 (amounts in million currency) [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
Fair Value Hedge	FX risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	3	176	1,414	-	1,593
		Average FX Rate	-	417.77	390.79	394.07	-	
		RON/HUF						
		Notional	-	175	100	150	-	425
Cash flow Hedge	Interest rate risk	Interest rate swap						
		HUF						
		Notional	-	-	-	28,027	-	28,027
		Average Interest Rate	-	-	-	2.46	-	
Portfolio Fair Value	Interest rate risk	Interest rate swap						
		EUR						
		Notional	-	-	(170)	(680)	(35)	(885)
		Average Interest Rate	-	-	2.68	2.53	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 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%	
Fair Value Hedge	FX & IR risk	JPY						
		Notional	-	-	4,500	-	-	4,500
		Average Interest Rate (%)	-	-	0.22%	-	-	
		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	

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	FX risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	-	191	1,474	-	1,665
		Average FX Rate	-	-	379.97	383.10	-	
		RON/HUF						
		Notional	-	175	450	425	-	1,050
Average FX Rate	-	79.76	80.30	75.17	-			
Cash flow Hedge	Interest rate risk	JPY/HUF						
		Notional	-	-	4,500	-	-	4,500
		Average FX Rate	-	-	2.43	-	-	
		Interest rate swap						
Portfolio Fair Value Hedge	Interest rate risk	HUF						
		Notional	-	-	-	28,027	-	28,027
		Average Interest Rate	-	-	-	2.46	-	
Portfolio Fair Value Hedge	Interest rate risk	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]

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 2025			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 2025	
				Before netting Assets	Liabilities	Netting			After netting Assets
Fair value hedge - micro									
	Interest rate swap	Interest rate risk	2,872,107	41,748	(15,281)	12,484	29,264	(2,797)	Derivative assets (liabilities) held for risk management (845)
	Cross-currency swap	FX & IR risk	4,291	-	(1,054)	-	-	(1,054)	Derivative assets (liabilities) held for risk management 3
	Cross-currency swap	FX risk	1,043,771	2,575	(2,831)	-	2,575	(2,831)	Derivative assets (liabilities) held for risk management (1,243)
Cash flow hedge									
	Interest rate swap	Interest rate risk	66,899	-	(5,438)	5,438	(5,438)	-	Derivative assets (liabilities) held for risk management (27)
Fair value hedge - macro									
	Interest rate swap	Interest rate risk	341,079	1,144	(446)	446	698	-	Derivative assets (liabilities) held for risk management (446)

31 December 2025	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 hedges - micro						
- Loans	<i>Interest rate risk</i>	19,260	-	(1,260)	-	- Loans
- Loans	<i>Interest rate risk</i>	-	14,062	-	-	(167) Amounts due to banks and deposits from the National Bank of Hungary and other banks
- Government bonds	<i>Interest rate risk</i>	795,192	-	(135)	-	- Securities at amortised cost
- Government bonds	<i>Interest rate risk</i>	480,240	-	(8,134)	-	- Securities at fair value through other comprehensive income
- Other securities	<i>Interest rate risk</i>	-	1,108,440	-	-	7,838 Liabilities from issued securities
- Other securities	<i>Interest rate risk</i>	-	454,862	-	-	8,350 Subordinated debts
- Loans	<i>FX & IR risk</i>	2,273	-	(23)	-	- Loans
- Loans	<i>FX risk</i>	1,059,952	-	-	-	- Loans
- Government bonds	<i>FX risk</i>	32,134	-	-	-	- Securities at amortised cost
Fair value hedges total		2,389,051	1,577,364	(9,552)	16,021	
Fair value hedges - macro						
- Customer deposits	<i>Interest rate risk</i>	-	342,594	-	-	471 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 As at 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 Assets	Liabilities	Netting	After netting Assets	Liabilities		
Fair value hedge										
	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 hedges						
- Loans	<i>Interest rate risk</i>	29,439	-	(3,049)	-	- Loans
- Loans	<i>Interest rate risk</i>	-	144,441	-	(3,618)	Loans
- Government bonds	<i>Interest rate risk</i>	354,572	-	(1,428)	-	Securities at amortised cost
- Government bonds	<i>Interest rate risk</i>	150,531	-	(17,620)	-	Securities at fair value through other comprehensive income
- Government bonds	<i>Interest rate risk</i>	-	-	-	-	Financial assets at fair value through profit or loss
- Other securities	<i>Interest rate risk</i>	4,101	-	(99)	-	Securities at fair value through other comprehensive income
- Other securities	<i>Interest rate risk</i>	-	1,242,277	-	-	Liabilities from issued securities
- Other securities	<i>Interest rate risk</i>	-	249,936	-	(3,474)	Subordinated debts
- Loans	<i>FX & IR risk</i>	3,499	-	36	-	Loans
- Loans	<i>FX risk</i>	678,845	-	-	-	Loans
- Government bonds	<i>FX risk</i>	11,307	-	-	-	Securities at fair value through other comprehensive income
- Government bonds	<i>FX risk</i>	86,541	-	-	-	Securities at amortised cost
- Other securities	<i>FX risk</i>	-	14,053	-	-	Liabilities from issued securities
Fair value hedges total		<u>1,318,835</u>	<u>1,650,707</u>	<u>(22,160)</u>	<u>10,838</u>	
Fair value hedges - macro						
- Customer deposits	<i>Interest rate risk</i>	-	414,492	-	4,303	Customer deposits

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**45.3. Hedge accounting [continued]**

For the year ended 31 December 2025 OCI related to cash flow hedges as follows:

Type of risk	Carrying amount of the hedged item		Cash flow hedge reserve for year ended 31 December 2025	Line item in the statement of financial position in which the hedged item is included
	Assets	Liabilities		
Interest rate risk	28,027	-	2,082	Loans at amortised cost

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 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 2025 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	Change in the items recognized in other comprehensive income for the year ended 31 December 2025	Line item in the statement of financial position in which the hedged item is included
	Assets	Liabilities			
FX risk	1,059,952	-	(1,228)	(1,239)	Loans at amortised cost
FX risk	-	-	-	51	FVOCI debt securities
FX risk	32,134	-	203	(347)	Securities at amortised cost
FX risk	=	=	=	(16)	Liabilities from issued securities
	<u>1,092,086</u>	<u>=</u>	<u>(1,025)</u>	<u>(1,551)</u>	

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	Change in the items recognized in other comprehensive income Year ended 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	=	<u>14,053</u>	<u>16</u>	<u>16</u>	Liabilities from issued securities
	<u>776,695</u>	<u>14,053</u>	<u>525</u>	<u>358</u>	

Change in the fair value of the hedging instrument related to cash flow hedge

31 December 2025

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	(1,291)	(27)	Interest Income from Placements with other banks, net of allowance for placement losses

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

For the year ended 31 December 2024 and 2025 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 2025	Total	Level 1	Level 2	Level 3
Loans mandatorily at fair value through profit or loss	1,082,688	-	-	1,082,688
Financial assets at fair value through profit or loss	350,781	146,276	190,862	13,643
<i>from this: securities held for trading</i>	<i>159,194</i>	<i>118,883</i>	<i>40,311</i>	<i>-</i>
<i>from this: positive FVA of derivative financial instruments designated as held for trading</i>	<i>158,663</i>	<i>168</i>	<i>150,551</i>	<i>7,944</i>
<i>from this: securities mandatorily measured at fair value through profit or loss</i>	<i>32,924</i>	<i>27,225</i>	<i>-</i>	<i>5,699</i>
Equity instruments at fair value through other comprehensive income	43,929	43,929	-	-
Securities at fair value through other comprehensive income	1,221,514	685,402	525,899	10,213
Positive fair value of derivative financial instruments designated as hedge accounting	<u>27,099</u>	<u>=</u>	<u>27,099</u>	<u>=</u>
Financial assets measured at fair value total	<u>2,726,011</u>	<u>875,607</u>	<u>743,860</u>	<u>1,106,544</u>
Financial liabilities at fair value through profit or loss	15,279	-	-	15,279
Negative fair value of derivative financial instruments classified as held for trading	94,022	648	93,374	-
Short position	85,566	85,566	-	-
Negative fair value of derivative financial instruments designated as hedge accounting	<u>6,682</u>	<u>=</u>	<u>6,682</u>	<u>=</u>
Financial liabilities measured at fair value total	<u>201,549</u>	<u>86,214</u>	<u>100,056</u>	<u>15,279</u>

NOTE 45: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**45.4. Fair value classes [continued]**

As at 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
<i>from this: securities held for trading</i>	<i>447,993</i>	<i>60,934</i>	<i>387,059</i>	<i>-</i>
<i>from this: positive FVA of derivative financial instruments designated as held for trading</i>	<i>171,061</i>	<i>1,331</i>	<i>169,730</i>	<i>-</i>
<i>from this: securities mandatorily measured at fair value through profit or loss</i>	<i>32,182</i>	<i>24,961</i>	<i>-</i>	<i>7,221</i>
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	<u>43,130</u>	<u>-</u>	<u>43,130</u>	<u>-</u>
Financial assets measured at fair value total	<u>2,285,378</u>	<u>320,483</u>	<u>937,741</u>	<u>1,027,154</u>
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	<u>19,438</u>	<u>-</u>	<u>19,438</u>	<u>-</u>
Financial liabilities measured at fair value total	<u>228,118</u>	<u>47,885</u>	<u>162,015</u>	<u>18,218</u>

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.

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 data 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 2025	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	524	587	462	63	(63)
MFB refinancing loans	Loans mandatorily at fair value through profit or loss	Probability of default	15,300	15,626	14,974	326	(326)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	1,065,200	1,065,780	1,064,613	580	(587)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	1,065,200	1,071,294	1,058,826	6,094	(6,374)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	1,065,200	1,065,427	1,065,016	227	(184)
Russian government bonds	Securities at fair value through other comprehensive income	Probability of default	10,213	17,607	2,819	7,394	(7,394)

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)

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 2025 and 31 December 2024 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.

The applied cash flow model for subsidised personal loans uses more scenarios. These scenarios are based on relevant events, which have a relevant effect on the fair value and may occur during the term of the contract. These events can be for instance child births within the deadline (grace period, prepayment as part of government support), or loss of government support (divorce or unemployment as breach of conditions). The model uses public statistical information to estimate the outcome of these possible future events. In case of breach of the contractual terms subsidised loans are converted to loans provided based on market conditions. 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 2025 and 31 December 2024 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 year ended 31 December 2025

	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	998,410	1,016	(9,695)	162,705	(69,748)	1,082,688
Securities mandatorily measured at fair value through profit or loss	7,221	-	(1,539)	17	-	5,699
Derivative financial instruments designated as held for trading	(1,194)	-	9,138	-	-	7,944
Securities at fair value through other comprehensive income	21,523	(5,744)	4,522	-	(10,088)	10,213
Financial liabilities at fair value through profit or loss	<u>(17,024)</u>	=	<u>228</u>	=	<u>1,517</u>	<u>(15,279)</u>
Total	<u>1,008,936</u>	<u>(4,728)</u>	<u>2,654</u>	<u>162,722</u>	<u>(78,319)</u>	<u>1,091,265</u>

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	<u>(19,786)</u>	=	<u>1,240</u>	=	<u>1,522</u>	<u>(17,024)</u>
Total	<u>951,250</u>	<u>6,761</u>	<u>16,483</u>	<u>100,081</u>	<u>(65,639)</u>	<u>1,008,936</u>

NOTE 46: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2025

1) Term Note Program

See details about the event in Note 20.

2) Sell of OTP Card Factory Ltd.

See details about the event in Note 12.

3) Purchase of Mendota Invest Nепremičninska Družba d.o.o.

See details about the event in Note 12.

4) Significant regulatory changes in Hungary

About the prolongation of deadline of interest rate cap, amending the previously laid down methodology of windfall tax calculation, the changes in savings and government bond markets, family support schemes, capital regulation and mandatory minimum reserve requirements please see details in Note 4.

5) Contribution to the renovation of the Royal Castle of Gödöllő with a donation

On 13 October 2025 OTP Bank Plc. has signed a tripartite agreement with the Government of Hungary and with the Foundation for the Hungarian University of Agriculture and Life Sciences. Based on the tripartite agreement, OTP Bank Plc provides a lump-sum, target-specific, nonrefundable, public interest grant as a donation to the Foundation for the Hungarian University of Agriculture and Life Sciences in the amount of HUF 20 billion for the complete renovation of the Royal Castle of Gödöllő and some of its associated properties (Park and Chapel).

The Royal Castle of Gödöllő and some of its properties will be renovated with the joint and same amount of support of the Government of Hungary and OTP Bank Plc, in total of HUF 40 billion undertaken by the sponsors. The renovation of the Royal Castle of Gödöllő and some of its properties falls within the scope of OTP Bank Plc's corporate social responsibility activities.

6) 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 armed conflict and the international sanctions as well as their impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the OTP Group.

The 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 – interalia – 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 armed conflict and the international sanctions, due to the lack of reliable historical reference points and data.

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

NOTE 47: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Summary of economic policy measures made and other relevant regulatory changes as post-balance sheet events

On 28 February 2026, the United States and Israel carried out coordinated military strikes against Iran, in response to which Iran launched retaliatory missile and drone attacks against Israel and U.S. military facilities along the Persian Gulf. As a result, among other effects, global energy prices and foreign exchange rates became more volatile.

Hungary

- The Monetary Council, in its decision of 13 January 2026, reduced the reserve requirement from 8% to 6%. The new requirement is to be applied by credit institutions starting from the reserve maintenance period commencing in March 2026.
- OTP Bank Plc. issued notes on 3 February 2026 as value date in the aggregate nominal amount of EUR 500 million. The coupon rate is 3.625% per annum, with a maturity structure of 6NC5. The notes are rated 'BBB' by az S&P Global Ratings Europe Limited and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.
- OTP Mortgage Bank on 12 February 2026 it has issued mortgage notes in aggregate nominal amount of EUR 500 million. The notes are rated 'A1' by Moody's Investor Service rating agency, the securities are listed on the Luxembourg Stock Exchange.
- According to the preliminary data published by the Central Statistical Office on 30 January 2026, the performance of the Hungarian economy grew by 0.2% q-o-q in the fourth quarter. Annual growth in 2025 reached 0.4%, 0.3% based on seasonally and calendar adjusted and balanced data. Average annual inflation in 2025 amounted to 4.4%.
- At its interest rate decision meeting on 24 February 2026, the National Bank of Hungary reduced the policy rate by 25 bps to 6.25%.
- As of 24 February 2026, the United States abolished the legally contested "reciprocal" tariffs targeting the European Union and replaced them with a uniform, country neutral 10% temporary ad valorem import surcharge for a period of 150 days, while sector specific tariffs (e.g. automotive and steel) remained unchanged. The amendment did not materially affect the tariff rates applied to goods imported from Hungary or the European Union into the United States.