



OTP BANK PLC

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

***FOR THE YEAR ENDED
31 DECEMBER 2025***

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

	Note	31/12/2025	31/12/2024
Cash, amounts due from banks and balances with the National Banks	5.	4,965,635	6,079,012
Placements with other banks	6.	1,991,489	1,891,901
Repo receivables	7.	237,144	331,837
Financial assets at fair value through profit or loss	8.	425,213	743,400
Securities at fair value through other comprehensive income	9.	2,046,414	1,705,553
Securities at amortized cost	10.	7,925,465	7,447,177
Loans at amortized cost	11.	22,299,578	20,290,381
Loans mandatorily at fair value through profit or loss	11.	1,941,222	1,559,781
Finance lease receivables	36.	1,588,550	1,511,477
Associates and other investments	12.	160,418	124,523
Property and equipment	13.	601,071	581,240
Intangible assets and goodwill	13.	385,796	356,564
Right-of-use assets	36.	81,587	79,830
Investment properties	14.	92,977	88,240
Derivative financial assets designated as hedge accounting	15.	29,625	50,381
Deferred tax assets	35.	76,274	56,583
Current income tax receivables	35.	31,296	7,060
Other assets	16.	<u>547,390</u>	<u>514,188</u>
TOTAL ASSETS		<u>45,427,144</u>	<u>43,419,128</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	17.	1,490,921	2,022,191
Repo liabilities	18.	166,809	132,137
Financial liabilities designated at fair value through profit or loss	19.	90,340	72,490
Deposits from customers	20.	33,732,764	31,658,189
Fair value changes of the hedged items in portfolio hedge of interest rate risk	20.	1,503	8,209
Liabilities from issued securities	21.	2,512,635	2,593,124
Derivative financial liabilities held for trading	22.	81,265	114,089
Derivative financial liabilities designated as hedge accounting	23.	11,501	14,605
Leasing liabilities	36.	82,401	82,109
Deferred tax liabilities	35.	28,347	32,637
Current income tax payable	35.	35,641	76,787
Provisions	24.	151,123	131,637
Other liabilities	24.	930,194	991,552
Subordinated bonds and loans	25.	<u>486,084</u>	<u>369,359</u>
TOTAL LIABILITIES		<u>39,801,528</u>	<u>38,299,115</u>
Share capital	26.	28,000	28,000
Retained earnings and reserves	27.	6,040,575	5,327,652
Treasury shares	28.	<u>(458,637)</u>	<u>(245,319)</u>
Total equity attributable to the parent		<u>5,609,938</u>	<u>5,110,333</u>
Total equity attributable to non-controlling interest	29.	<u>15,678</u>	<u>9,680</u>
TOTAL SHAREHOLDERS' EQUITY		<u>5,625,616</u>	<u>5,120,013</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>45,427,144</u>	<u>43,419,128</u>

Budapest, 17 March 2026

Dr. Sándor Csányi
Chairman of the Board of Directors

Péter Csányi
Chief Executive Officer

OTP BANK PLC
CONSOLIDATED 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
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	30.	2,774,226	2,542,138
Income similar to interest income	30.	<u>574,954</u>	<u>539,984</u>
Interest income and income similar to interest income		<u>3,349,180</u>	<u>3,082,122</u>
Interest expense		<u>(1,408,608)</u>	<u>(1,336,782)</u>
NET INTEREST INCOME		<u>1,940,572</u>	<u>1,745,340</u>
Loss allowance on loans, placements, amounts due from banks and on repo receivables	31.	(155,445)	(72,385)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	31.	111	5,504
Release of loss allowance / (Loss allowance) on securities at fair value through other comprehensive income and on securities at amortized cost	31.	7,417	(39,907)
Provision for commitments and guarantees given (Impairment) / Release of impairment of assets subject to operating lease and of investment properties	31.	(6,459)	(2,371)
	31.	<u>(3,699)</u>	<u>17</u>
Risk cost total		<u>(158,075)</u>	<u>(109,142)</u>
NET INTEREST INCOME AFTER RISK COST		<u>1,782,497</u>	<u>1,636,198</u>
Loss from derecognition of financial assets at amortized cost	33.	<u>(699)</u>	<u>(14,409)</u>
Modification loss	4.	<u>(9,383)</u>	<u>(13,193)</u>
Income from fees and commissions	32.	1,275,518	1,045,987
Expense from fees and commissions	32.	<u>(249,271)</u>	<u>(203,332)</u>
Net profit from fees and commissions		<u>1,026,247</u>	<u>842,655</u>
Foreign exchange result, net	33.	4,156	(12,048)
Gain on securities, net	33.	22,009	10,326
Fair value adjustment on financial instruments measured at fair value through profit or loss	33.	8,278	27,374
Net results on derivative instruments and hedge relationships	33.	(1,316)	12,004
Profit from associates	8., 9.	21,443	12,970
Goodwill impairment	13.	(674)	-
Other operating income	34.	144,130	147,895
Other operating expenses	34.	<u>(152,797)</u>	<u>(127,174)</u>
Net operating income		<u>45,229</u>	<u>71,347</u>
Personnel expenses	34.	(630,276)	(550,175)
Depreciation and amortization	13.	(153,126)	(134,293)
Other general expenses	34.	<u>(659,238)</u>	<u>(528,306)</u>
Other administrative expenses		<u>(1,442,640)</u>	<u>(1,212,774)</u>
PROFIT BEFORE INCOME TAX		<u>1,401,251</u>	<u>1,309,824</u>
Income tax expense	35.	<u>(254,926)</u>	<u>(253,440)</u>
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>1,146,325</u>	<u>1,056,384</u>

OTP BANK PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE
YEAR ENDED 31 DECEMBER 2025 [continued]
(in HUF mn)

	Note	Year ended 31 December 2025	Year ended 31 December 2024
PROFIT AFTER INCOME TAX FOR THE PERIOD			
FROM CONTINUING OPERATIONS		<u>1,146,325</u>	<u>1,056,384</u>
DISCONTINUED OPERATIONS			
Net Gain from discontinued operations	49.	-	19,756
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION		<u>1,146,325</u>	<u>1,076,140</u>
From this, attributable to:			
Non-controlling interest	29.	<u>5,627</u>	<u>4,227</u>
Owners of the Company		<u>1,140,698</u>	<u>1,071,913</u>
Earnings per share (in HUF)			
From continuing operations			
Basic	45.	4,435	3,977
Diluted	45.	4,434	3,976
From continuing and discontinued operations			
Basic	45.	4,435	4,052
Diluted	45.	4,434	4,050

OTP BANK PLC
CONSOLIDATED 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 FOR THE YEAR		<u>1,146,325</u>	<u>1,076,140</u>
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustment of securities at fair value through other comprehensive income	27.	7,991	37,528
Deferred tax related to fair value adjustment of securities at fair value through other comprehensive income	27.	(811)	(4,181)
Net investment hedge in foreign operations	27.	24,690	(27,310)
Foreign currency translation difference	27.	(215,803)	195,152
Items that will not be reclassified subsequently to profit or loss:			
Fair value changes of equity instruments at fair value through other comprehensive income	27.	154	16,519
Deferred tax related to equity instruments at fair value through other comprehensive income	27.	(211)	(2,115)
Change of actuarial gain related to employee benefits	27.	(323)	(949)
Deferred tax related to change of actuarial gain related to employee benefits	27.	<u>24</u>	<u>26</u>
Other comprehensive income		<u>(184,289)</u>	<u>214,670</u>
TOTAL COMPREHENSIVE INCOME		<u>962,036</u>	<u>1,290,810</u>
From this, attributable to:			
Non-controlling interest		<u>5,784</u>	<u>4,713</u>
Owners of the Company		<u>956,252</u>	<u>1,286,097</u>

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

	Note	Share capital	Capital reserve	Retained earnings and other reserves ¹	Treasury shares	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance as at 1 January 2024		<u>28,000</u>	<u>52</u>	<u>4,179,270</u>	<u>(120,489)</u>	<u>4,086,833</u>	<u>7,960</u>	<u>4,094,793</u>
Profit after income tax for the period		-	-	1,071,913	-	1,071,913	4,227	1,076,140
Other Comprehensive Income		=	=	214,184	=	214,184	486	214,670
Total comprehensive income		=	=	<u>1,286,097</u>	=	<u>1,286,097</u>	<u>4,713</u>	<u>1,290,810</u>
Purchasing of non-controlling interest		-	-	-	-	-	(350)	(350)
Dividend paid to non-controlling interest		-	-	-	-	-	(2,643)	(2,643)
Share-based payment	40.	-	-	4,411	-	4,411	-	4,411
Paid dividends for years 2023	27.	-	-	(150,000)	-	(150,000)	-	(150,000)
Adjustment related to share-based payment		-	-	6,928	-	6,928	-	6,928
Other transfer		-	-	177	-	177	-	177
Sale of Treasury shares	28.	-	-	-	28,275	28,275	-	28,275
Treasury shares - loss on sale	28.	-	-	717	-	717	-	717
Treasury shares - acquisition	28.	=	=	=	(153,105)	(153,105)	=	(153,105)
Balance as at 31 December 2024		<u>28,000</u>	<u>52</u>	<u>5,327,600</u>	<u>(245,319)</u>	<u>5,110,333</u>	<u>9,680</u>	<u>5,120,013</u>
	Note	Share capital	Capital reserve	Retained earnings and other reserves ¹	Treasury shares	Total equity attributable to shareholders	Non-controlling interest	Total equity
Balance as at 1 January 2025		<u>28,000</u>	<u>52</u>	<u>5,327,600</u>	<u>(245,319)</u>	<u>5,110,333</u>	<u>9,680</u>	<u>5,120,013</u>
Profit after income tax for the period		-	-	1,140,698	-	1,140,698	5,627	1,146,325
Other Comprehensive Income		=	=	(184,446)	=	(184,446)	157	(184,289)
Total comprehensive income		=	=	<u>956,252</u>	=	<u>956,252</u>	<u>5,784</u>	<u>962,036</u>
Purchasing of non-controlling interest		-	-	-	-	-	(72)	(72)
Increase due to business combination		-	-	-	-	-	2,538	2,538
Dividend paid to non-controlling interest	29.	-	-	-	-	-	(2,252)	(2,252)
Share-based payment	40.	-	-	5,391	-	5,391	-	5,391
Paid dividends for year 2024	27.	-	-	(270,000)	-	(270,000)	-	(270,000)
Adjustment related to share-based payment		-	-	13,988	-	13,988	-	13,988
Sale of Treasury shares	28.	-	-	-	36,426	36,426	-	36,426
Treasury shares - loss on sale	28.	-	-	7,292	-	7,292	-	7,292
Treasury shares - acquisition	28.	=	=	=	(249,744)	(249,744)	=	(249,744)
Balance as at 31 December 2025		<u>28,000</u>	<u>52</u>	<u>6,040,523</u>	<u>(458,637)</u>	<u>5,609,938</u>	<u>15,678</u>	<u>5,625,616</u>

¹ See details in Note 27.

OTP BANK PLC
CONSOLIDATED 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 after income tax for the period			
(attributable to the owners of The company)		<u>1,140,698</u>	<u>1,071,913</u>
Net accrued interest		(25,899)	(14,406)
Dividend income	27.	(21,443)	(12,970)
Depreciation and amortization	13.	160,793	140,720
Goodwill impairment	13.	674	-
(Release of loss allowance) / Loss allowance on securities	9.,10.	(7,417)	39,907
Loss allowance on loans and placements, amounts due from banks and on repo receivables	5-7., 11.	163,388	84,816
(Release of loss allowance) / Loss allowance on investments	12.	(386)	957
Loss allowance / (Release of loss allowance) on investment properties	14.	3,726	(23)
Impairment on tangible and intangible assets	13.	5,633	7,335
Loss allowance on other assets	16.	17,458	13,166
Provision on off-balance sheet commitments and contingent liabilities	24.	34,996	7,439
Share-based payment	40.	5,391	4,411
Unrealized loss / (gain) on fair value change of financial instrument at fair value through profit or loss	33.	3,527	(34,047)
Non-realized foreign exchange loss / (gain)	33.	18,434	(59,696)
Loss / (Gain) from sale of tangible and intangible assets	13.	2,801	(2,757)
Unrealized loss / (gain) on fair value change of derivative financial instruments	33.	18,364	(85,178)
Gain on discontinued operations	49.	-	(19,756)
Net changes in assets and liabilities in operating activities			
Net decrease / (increase) in securities at fair value through profit or loss	8.	241,215	(463,443)
Net decrease / (increase) in compulsory reserves at the National Banks	5.	136,620	(140,326)
Increase in placement with other banks, before loss allowance for placements	6.	(44,131)	(446,637)
Net increase in loans at amortized cost before loss allowance for loans and in loans at fair value	11.	(2,745,525)	(2,082,949)
Net increase in other assets before loss allowance	16.	(52,714)	(97,341)
Net (decrease) / increase in amounts due to banks, the National Governments, deposits from the National Banks and other banks and repo liabilities	17., 18.	(429,559)	147,032
Net increase in financial liabilities designated at fair value through profit or loss	19.	18,345	3,100
Net increase in deposits from customers	20.	2,207,908	2,459,297
Cash payments for the interest portion of the lease liability	36.	(4,053)	(3,557)
Net (decrease) / increase in other liabilities	24.	(49,651)	333,844
Income tax paid	35.	<u>(285,853)</u>	<u>(94,574)</u>
Net Cash Provided by Operating Activities		<u>513,340</u>	<u>756,277</u>

OTP BANK PLC
CONSOLIDATED 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 of securities at fair value			
through other comprehensive income	9.	(1,448,736)	(733,477)
Proceeds from sale of securities at fair value			
through other comprehensive income	9.	1,125,313	678,896
Purchase of investments	12.	(30,305)	(29,212)
Proceeds from sale of investments	12.	-	51
Dividends received	27.	16,239	13,016
Purchase of securities at amortized cost	10.	(83,758,298)	(141,884,521)
Redemption of securities at amortized cost	10.	83,212,249	139,854,176
Purchase of property, equipment and intangible assets	13.	(387,187)	(304,156)
Proceeds from disposals of property, equipment and intangible assets	13.	188,482	68,971
Purchase of investment properties	14.	(15,287)	(32,106)
Proceeds from sale of investment properties	14.	5,350	1,097
Net change in cash and cash equivalents from discontinued operation	49.	-	(142,975)
Net Cash Used in Investing Activities		<u>(1,092,180)</u>	<u>(2,510,240)</u>
FINANCING ACTIVITIES			
Cash received from issuance of securities	21.	776,794	1,058,432
Cash used for redemption of issued securities	21.	(690,196)	(456,930)
Cash payments for the principal portion of the lease liability	36.	(13,418)	(12,462)
Cash received from issuance of subordinated bonds and loans	25.	293,051	-
Cash used for redemption of subordinated bonds and loans	25.	(86,261)	(148,502)
Sale of Treasury shares	28.	43,719	28,991
Purchase of Treasury shares	28.	(249,744)	(153,105)
Dividends paid	27.	(255,916)	(143,038)
Net Cash (Used in) / Provided by Financing Activities		<u>(181,971)</u>	<u>173,386</u>
TOTAL NET CASH USED IN		<u>(760,811)</u>	<u>(1,580,577)</u>
Cash and cash equivalents			
at the beginning of the period	5.	3,517,287	4,859,342
Foreign currency translation		(215,946)	194,627
Net change in cash and cash equivalent		(760,811)	(1,580,577)
Adjustment due to discontinued operation		-	43,895
Cash and cash equivalents at the end of the period	5.	<u>2,540,530</u>	<u>3,517,287</u>

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information

OTP Bank Plc (the “Bank” or “OTP Bank” or the “Company”) was established on 31 December 1990, when the previously State-owned company was transformed into a limited liability company. The Bank’s registered office address is 16, Nador Street, Budapest 1051, Hungary.

Due to Hungarian legislation audit services are a statutory requirement for OTP Bank. Disclosure information about the auditor: Ernst & Young Audit Ltd. (001165), 1132 Budapest Váci Street 20. Registered under 01-09-267553 by Budapest-Capital Regional Court, as registry court. Statutory registered auditor: Zsolt Kónya, registration number: 007383.

These Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 17 March 2026. The Bank’s owners have the power to amend the Consolidated Financial Statements after issue if applicable.

In 1995, the shares of the Bank were introduced on the Budapest and the Luxembourg Stock Exchanges and were also traded on the SEAQ board on the London Stock Exchange and on PORTAL in the USA.

The structure of the Share capital by shareholders (%):

	31/12/2025	31/12/2024
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 and its subsidiaries (“Entities of the Group“, together the “Group” or “OTP Group”) provide a full range of commercial banking services through a wide network of 1,196 branches in the following countries Hungary, Bulgaria, Serbia, Croatia, Russia, Ukraine, Albania, Montenegro, Moldova, Slovenia and Uzbekistan, as well as provides other services in the Netherlands and Malta.

The number of the active employees without long-term breaks, and with part-time employees taken into account proportionately, and the average number of active employees on monthly basis at the Group (with employed agents):

	31/12/2025	31/12/2024
The number of employees at the Group	40,845	40,317
The average number of employees at the Group	40,201	40,807

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

1.2. Basis of Accounting

These Consolidated Financial Statements were prepared based on the assumptions of the Management that the Bank will remain in business for the foreseeable future and that the Bank will not be forced to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices.

The Entities of the Group maintain their accounting records and prepare their statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary and in case of foreign subsidiaries in accordance with the commercial, banking and fiscal regulations of the country in which they are domiciled.

The Bank's functional currency is the Hungarian Forint ("HUF"). It is also presentation currency for the Group. The financial statements of the subsidiaries used during the preparation of Consolidated Financial Statements of the Group have the same reporting period – starting from 1 January ending as at 31 December – like the reporting period of the Group.

Due to the fact that the Bank is listed on international and national stock exchanges, the Bank is obliged to present its financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (the "EU").

Certain adjustments have been made to the Entities' statutory accounts in order to present the Consolidated Financial Statements of the Group in accordance with all standards and interpretations issued by the International Accounting Standards Board ("IASB") and endorsed by the EU.

The accompanying Notes to these Consolidated Financial Statements form an integral part of these Consolidated Financial Statements prepared in accordance with International Accounting Standards ("IAS") as adopted by EU.

1.2.1. The effect of adopting new and revised International Financial Reporting 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 1 January 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 did not lead to any material changes in these Consolidated Financial Statements.

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

1.2. Basis of Accounting [continued]

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 1 January 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 1 January 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 1 January 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.
- **IFRS 18 Presentation and Disclosure in Financial Statements** - IFRS 18 is effective for reporting periods beginning on or after 1 January 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 Group 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 Group does not expect IFRS 18 to have a material impact on its consolidated 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.

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

1.2. Basis of Accounting [continued]

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

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 Group is in the process of developing a new note to the consolidated financial statements that will present and explain its MPMs in accordance with IFRS 18.

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

1.2.3. Standards and Interpretations issued by IASB, but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in EU as at the date of publication of these Consolidated Financial Statements:

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the amendments)** - IFRS 19 (including the amendments) is effective for reporting periods beginning on or after 1 January 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 recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- **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 1 January 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 Group anticipates that the adoption of these new standards, amendments to the existing Standards and new interpretations will have no significant impact on the Consolidated Financial Statements of the Group in the period of initial application.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Material accounting policies applied in the preparation of the accompanying Consolidated Financial Statements are summarized below:

2.1. Basis of Presentation

These Consolidated Financial Statements have been prepared under the historical cost convention with the exception of certain financial instruments, which are recorded at fair value. Revenues and expenses are recorded in the period in which they are earned or incurred. The Group does not offset assets and liabilities or income and expenses unless it is required or permitted by an IFRS standard.

During the preparation of Consolidated Financial Statements assets and liabilities, income and expenses are presented separately, except in certain cases, when one of the IFRS standards prescribes net presenting related to certain items (see note 2.5.5. below).

The presentation of Consolidated Financial Statements in conformity with IFRS as adopted by the EU requires the Management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future changes in economic conditions, business strategies, regulatory requirements, accounting rules and other factors could result in a change in estimates that could have a material impact on future financial statements.

2.2. Foreign currency translation

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currencies are translated into functional currencies at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates quoted by the National Bank of Hungary ("NBH"), or if there is no official rate, at exchange rates quoted by OTP Bank as at the date of the Consolidated Financial Statements.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.5.4. below for hedging accounting policies); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in Other Comprehensive Income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated into HUF using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in Other Comprehensive Income and accumulated in equity (attributed to non-controlling interests as appropriate).

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.2. Foreign currency translation [continued]

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in Other Comprehensive Income and accumulated in equity.

2.3. Principles of consolidation

As the ultimate parent, OTP Bank is preparing Consolidated Financial Statements of the Group.

These Consolidated Financial Statements combine the assets, liabilities, equity, income, expenses and cash flows of the Bank and of those subsidiaries of the Bank in which the Bank exercises control.

All intra-group transactions are consolidated fully on a line-by-line basis while under equity method other consolidation rules are applied. Determination of the entities which are involved into the consolidation procedures based on the determination of the Group's Control over another entity. Control exists when the Bank has power over the investee, is able to use this power and is exposed or has right to variable returns. Consolidation of a subsidiary should begin from the date when the Group obtains control and cease when the Group loses control. Therefore, income and expenses of a subsidiary should be included in the Consolidated Financial Statements from the date the Group gains control of the subsidiary until the date when the Group ceases to have control of the subsidiary.

The list of the major fully consolidated subsidiaries, the percentage of issued capital owned by the Bank and the description of their activities is provided in Note 42.

2.4. Accounting for acquisitions

Business combinations are accounted for using the acquisition method. Any goodwill arising on acquisition is recognized in the Consolidated Statement of Financial Position and accounted for as indicated below.

The acquisition date is the date on which the acquirer effectively obtains control over the acquiree. Before this date, it should be presented as Advance for investments within Other assets.

Goodwill, which represents the residual cost of the acquisition after obtaining the control over the acquiree in the fair value of the identifiable assets acquired and liabilities assumed is held as an intangible asset and recorded at cost less any accumulated impairment losses in the Consolidated Financial Statements. The Group tests goodwill for impairment by comparing its recoverable amount with its carrying amount, and recognising any excess of the carrying amount over the recoverable amount an impairment loss. The recoverable amount of goodwill is the higher of its fair value less costs of disposal and its value in use.

If the Group loses control of a subsidiary, derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost and recognizes any difference as a gain or loss on the sale attributable to the parent in the Consolidated Statement of Profit or Loss on Net income from discontinued operations.

Goodwill acquired in a business combination is tested for impairment annually or more frequently if events or changes in circumstances indicate. The goodwill is allocated to the cash-generating units that are expected to benefit from the synergies of the combinations.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.4. Accounting for acquisition [continued]

The Group calculates the fair value of identified assets and liabilities assumed on discounted cash flow model. The 3 year period explicit cash flow model serves as a basis for the impairment test by which the Group defines the impairment need on goodwill based on the strategic factors and financial data of its cash-generating units.

The Group, in its strategic plan, has taken into consideration the effects of the present global economic situation, the present economic growth and outlook, the associated risks and their possible effect on the financial sector as well as the current and expected availability of wholesale funding.

Negative goodwill (gain from bargain purchase), when the interest of the acquirer in the net fair value of the acquired identifiable net assets exceeds the cost of the business combination, is recognized immediately in the Consolidated Statement of Profit or Loss as “Other income”.

The Group measures non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the subsidiaries’ net assets in the event of liquidation at cost and are disclosed among equity. In case of equity investments measured at fair value through profit or loss in line with IFRS 9, non-controlling interests are measured at fair value to avoid any accounting mismatch. These types of non-controlling interests are disclosed as financial liabilities designated at fair value through profit or loss.

2.5. Financial assets

2.5.1. Business model and SPPI test

A business model refers to how the Group manages its financial instruments in order to generate cash flows. It is determined at a level that reflects how groups of financial instruments are managed rather than at an instrument level.

The financial assets held by the Group are classified into three categories depending on the business model within the financial assets are managed.

- Business model whose objective is to hold financial assets in order to collect contractual cash flows. Some sales can be consistent with hold to collect business model and the Group assesses the nature, frequency and significance of any sales occurring. The Group does not consider the sale frequent when at least six months have elapsed between sales. The significant sales are those when the sales exceed 2% of the total hold to collect portfolio. Within this business model the Group manages mainly loans and advances and long-term securities and other financial assets.
- Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Within this business model the Group only manages securities.
- Business model whose objective is to achieve gains in a short-term period. Within this business model the Group manages securities and derivative financial instrument.

If cash flows are realised in a way that is different from the expectations at the date that the Bank/Group assessed the business model, that does not give rise to a prior error in the Group’s financial statements nor does it change the classification of the remaining financial assets held in that business model.

When, and only when the Group changes its business model for managing financial assets it reclassifies all affected assets. Such changes are determined by the Group’s senior management as a result of external or internal changes and must be significant to the Group’s operations and demonstrable to external parties. The Group shall not reclassify any financial liability.

Classification of a financial asset is based on the characteristics of its contractual cash flows if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The Group should determine whether the asset’s contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI test). Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.1. Business model and SPPI test [continued]

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group assesses whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding for the currency in which the financial asset is denominated.

The time value of money is the element of interest that provides consideration for only the passage of time. However, in some cases, the time value of money element may be modified. In such cases, the Group assesses the modification to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

When assessing a modified time value of money element, the objective is to determine how different the undiscounted contractual cash flows could be from undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). The benchmark instrument can be an actual or a hypothetical financial asset. If the undiscounted contractual cash flows significantly – above 2% – differ from the undiscounted benchmark cash flows, the financial asset should be subsequently measured at fair value through profit or loss.

2.5.2. Securities at amortized cost

The Group measures at amortized cost those securities which are held for contractual cash collecting purposes, and contractual terms of these securities give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding. The Group initially recognizes these securities at fair value. Securities at amortized cost are subsequently measured using the effective interest (“EIR”) method and are subject to impairment. The amortisation of any discount or premium on the acquisition of a security at amortized cost is part of the amortized cost and is recognized as interest income so that the revenue recognized in each period represents a constant yield on the investment. Securities at amortized cost are accounted for on a trade date basis.

Such securities comprise mainly securities issued by the Hungarian and foreign Governments, corporate bonds, mortgage bonds, interest-bearing and discounted treasury bills.

2.5.3. Financial assets at fair value through profit or loss

2.5.3.1. Securities held for trading

Investments in securities are accounted for on a trade date basis and are initially measured at fair value. Securities held for trading are measured at subsequent reporting dates at fair value, so unrealized gains and losses on held for trading securities are recognized in profit or loss and included in the Consolidated Statement of Profit or Loss for the period. The Group holds held for trading securities within the business model to obtain short-term gains, consequently realized and unrealized gains and losses are recognized in the net operating income, while interest income is recognized in income similar to interest income.

Such securities consist of equity instruments, shares in investment funds, Hungarian and foreign government bonds, corporate bonds, discounted treasury bills, mortgage bonds and other securities.

2.5.3.2. Financial assets designated as fair value through profit or loss

The Group may - at initial recognition - irrevocably designate a financial asset as measured at fair value through profit or loss that would otherwise be measured at fair value through other comprehensive income or at amortized cost.

The Group uses fair value designation if the classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases (“accounting mismatch”).

The use of the fair value designation is based only on direct decision of the management of the Group. The Group currently doesn’t apply this method.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.3. Financial assets at fair value through profit or loss [continued]

2.5.3.3. Derivative financial instruments

In the normal course of business, the Group is a party to contracts for derivative financial instruments, which represent a low initial investment compared to the notional value of the contract and their value depends on value of underlying asset and are settled in the future. The derivative financial instruments used include interest rate forward or swap agreements and currency forward or swap agreements and options. These financial instruments are used by the Group both for trading purposes and to hedge interest rate risk and currency exposures associated with its transactions in the financial markets (it is the so-called economic hedge, accounting hedge is described later).

Derivative financial instruments are accounted for on a trade date basis and are initially measured at fair value and at subsequent reporting dates also at fair value. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. The Group adopts a multi curve valuation approach for calculating the net present value of future cash flows – based on different curves used for determining forward rates and used for discounting purposes. It shows the best estimation of such derivative deals that are collateralised as the Group has almost all of its open derivative transactions collateralised.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in profit or loss and are included in the Consolidated Statement of Profit or Loss for the period. Each derivative deal is determined as asset when fair value is positive and as liability when fair value is negative.

Certain derivative transactions, while providing effective economic hedges under the risk management policy of the Group, do not qualify for hedge accounting under the specific rules of IFRS 9 and are therefore treated as derivatives held for trading with fair value gains and losses charged directly to the Consolidated Statement of Profit or Loss.

Foreign currency contracts

Foreign currency contracts are agreements to exchange specific amounts of currencies at a specified rate of exchange, at a spot date (settlement occurs two days after the trade date) or at a forward date (settlement occurs more than two days after the trade date). The notional amount of these forward contracts does not represent the actual market or credit risk associated with these contracts.

Foreign currency contracts are used by the Group for risk management and trading purposes. The risk management foreign currency contracts of the Group were used to hedge the exchange rate fluctuations of loans and deposits to credit institutions denominated in foreign currency.

Foreign exchange swaps and interest rate swaps

The Group enters into foreign exchange swap and interest rate swap (“IRS”) transactions. The swap transaction is an agreement concerning the swap of certain financial instruments, which usually consists of spot and one or more forward contracts.

IRS transactions oblige two parties to exchange one or more payments calculated with reference to fixed or periodically reset rates of interest applied to a specific notional principal amount (the base of the interest calculation). Notional principal is the amount upon which interest rates are applied to determine the payment streams under IRS transactions. Such notional principal amounts often are used to express the volume of these transactions but are not actually exchanged between the counterparties.

IRS transactions are used by the Group for risk management and trading purposes.

Cross-currency interest rate swaps

The Group enters into cross-currency interest rate swap (CCIRS) transactions which have special attributes, i.e. the parties exchange the notional amount at the beginning and also at the maturity of the transaction. A special type of these deals is the mark-to-market CCIRS agreements. For these kind of transactions the parties – in accordance with the foreign exchange prices – revalue the notional amount during lifetime of the transaction.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.3. Financial assets at fair value through profit or loss [continued]

2.5.3.3. Derivative financial instruments [continued]

Equity and commodity swaps

Equity swaps obligate two parties to exchange more payments calculated with reference to periodically reset rates of interest and performance of indices. A specific notional principal amount is the base of the interest calculation. The payment of index return is calculated on the basis of current market price compared to the previous market price. In case of commodity swaps payments are calculated on the basis of the strike price of a predefined commodity compared to its average market price in a period.

Forward rate agreements (FRA)

A forward rate agreement is an agreement to settle amounts at a specified future date based on the difference between an interest rate index and an agreed upon fixed rate. Market risk arises from changes in the market value of contractual positions caused by movements in interest rates.

The Group limits its exposure to market risk by entering into generally matching or offsetting positions and by establishing and monitoring limits on unmatched positions. Credit risk is managed through approval procedures that establish specific limits for individual counterparties. The Group's forward rate agreements were transacted for management of interest rate exposures and have been accounted for at mark-to-market fair value.

Foreign exchange options

A foreign exchange option is a derivative financial instrument that gives the owner the right to exchange money denominated in one currency into another currency at a pre-agreed exchange rate at a specified future date. The transaction, for a fee, guarantees a worst-case exchange rate for the futures purchase of one currency for another. These options protect against unfavourable currency movements while preserving the ability to participate in favourable movements.

2.5.4. Hedge accounting

The Group implemented hedge accounting rules for micro hedge transactions prescribed by IFRS 9 in 2018. The Group elected – as an accounting policy choice permitted under IFRS 9 – to apply IAS 39 hedge accounting rules for portfolio (macro) hedge transactions. For further details please see Note 47.3.

2.5.4.1. Derivative financial instruments designated as fair value hedge

Micro hedge transactions

The Group elected to apply IFRS 9 for the micro hedge transactions.

Changes in the fair value of derivatives that are designated and qualify as hedging instruments in fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the Consolidated Statement of Profit or Loss along with the corresponding change in fair value of the hedged asset or liability that is attributable to the specific hedged risk. The ineffective element of changes in fair value of hedging instrument is charged directly to the Consolidated Statement of Profit or Loss.

The conditions of hedge accounting applied by the Group are the following: formally designated as hedge relationship, proper hedge documentation is prepared, effectiveness test is performed and based on it the hedge is qualified as effective. In the case of a financial instrument measured at amortised cost the Group recognises the hedging gain or loss on the hedged item as the modification of its carrying amount and it is recognised in profit or loss. These adjustments of the carrying amount are amortised to the profit or loss using the effective interest rate method. The Group starts the amortisation when the hedged item is no longer adjusted by the hedging gains or losses. If the hedged item is derecognised, the Group recognises the unamortised fair value in profit or loss immediately. For fair value hedges inefficiencies and the net revaluation of hedged and hedging item are recognized in the Net results on derivative instruments and hedge relationships.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.4. Hedge accounting [continued]

2.5.4.1. Derivative financial instruments designated as fair value hedge [continued]

Macro (portfolio) hedge transactions

The Group elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39 in the case of macro hedge transactions.

The Group applies macro fair value hedging to its core part sight deposit to mitigate the interest rate risk arising from the interest rate mismatch of assets with floating behaviour and the fixed rate nature of the deposit. The nature of the hedged risk is interest rate risk arising from the fixed nature and the term structure of the interest rate risk characteristics of the hedged core sight deposits.

The hedging instruments are fixed-to-floater interest rate swaps measured at fair value through profit or loss designated in a proportion defined as the declared hedging ratio.

The hedging gain or loss is recognized in accordance with IAS39 89 and 90.

The gain or loss on the hedging instrument is recognized in profit or loss, the fair value adjustment attributable to the hedged risk is presented on a separate line in the consolidated statement of financial position.

The assessment of hedge effectiveness is measured on a monthly basis. The hedging relationship is considered appropriate if the difference of fair value change of the hedging instrument and the hedged item is between the 80% -125% range in case of all or all but one valid stress scenarios.

The aggregated fair value changes on the hedged assets are recognised on the Derivative financial asset / liability designated as hedge accounting in the Consolidated Statement of financial position.

2.5.4.2. Derivative financial instruments designated as cash flow hedge

The Group elected to apply IFRS 9 for the micro hedge transactions.

Changes in the fair value of derivatives that are designated and qualify as hedging instrument in cash flow hedges and that prove to be highly effective in relation to the hedged risk are recognized in their effective portion as reserve in Other Comprehensive Income. The ineffective element of changes in fair value of hedging instrument is charged directly to the Consolidated Statement of Profit or Loss.

The Group terminates the hedge relationship if the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting. In the case of cash flow hedges – in line with the standard - hedge accounting is still applied by the Group as long as the underlying asset is derecognized or terminated. When the Group discontinues hedge accounting to a cash flow hedge the amount in the cash flow hedge reserve is reclassified to the profit or loss if the hedged future cash flows are no longer expected to occur. If the hedged future cash flows are still expected to occur, the amount remains in the cash flow hedge reserve and reclassified to the profit and loss only when the future cash flows occur.

2.5.4.3. Net investment hedge in foreign operations

The Group elected to apply IFRS 9 for the net investment hedge transactions.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, shall be accounted for similarly to cash flow hedges.

On the disposal of a foreign operation, the cumulative value of any gains and losses recognized in Other Comprehensive Income is transferred to the Consolidated Statement of Profit or Loss.

For the purposes of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated into HUF using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in Other Comprehensive Income and accumulated in equity. The Group does not intend to take foreign currency risks from open foreign currency position therefore the Group uses net investment hedge in foreign operations to hedge the foreign currency risk arising from the net assets of subsidiaries with EUR functional currency.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.5. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position when the Group has a legally enforceable right to set off the recognized amounts and the transactions are intended to be reported in the Consolidated Statement of Financial Position on a net basis. In case of the derivative financial instruments the Group applies offsetting and net presentation in the Consolidated Statement of Financial Position when the Group has the right and the ability to settle these assets and liabilities on a net basis.

2.5.6. Embedded derivatives

Sometimes, a derivative may be a component of a combined or hybrid contract that includes a host contract and a derivative (the embedded derivative) affecting cash flows or otherwise modifying the characteristics of the host instrument. An embedded derivative must be separated from the host instrument and accounted for as a separate derivative if, and only if:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- A separate financial instrument with the same terms as the embedded derivative would meet the definition of a derivative as a stand-alone instrument; and
- The host instrument is not measured at fair value or is measured at fair value but changes in fair value are recognized in Other Comprehensive Income.

As long as a hybrid contract contains a host that is a financial asset the general accounting rules for classification, recognition and measurement of financial assets are applicable for the whole contract and no embedded derivative is separated.

Derivatives that are required to be separated are measured at fair value at initial recognition and subsequently. If the Group is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, the Group shall designate the entire hybrid contract as at fair value through profit or loss. The Group shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the Bank first becomes a party to the contract. The separation rules for embedded derivatives are only relevant for financial liabilities.

2.5.7. Securities at fair value through other comprehensive income

Securities at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting of contractual cash flows and selling securities. Furthermore, the contractual terms of these securities give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt instruments

Investments in debt securities are accounted for on a trade date basis and are initially measured at fair value. Securities at fair value through other comprehensive income are measured at subsequent reporting dates at fair value. Unrealized gains and losses on securities at fair value through other comprehensive income are recognized directly in Other Comprehensive Income, except for interest and foreign exchange gains/losses on monetary items, unless such financial asset at fair value through other comprehensive income is part of an effective hedge. Such gains and losses are reported when realized in Consolidated Statement of Profit or Loss for the applicable period.

For debt securities at fair value through other comprehensive income the loss allowance is calculated based on expected credit loss model. The expected credit loss is accounted for against Other Comprehensive Income. Securities at fair value through other comprehensive income are remeasured at fair value based on quoted prices or amounts derived from cash flow models. In circumstances where the quoted market prices are not readily available, the fair value of debt securities is estimated using the present value of future cash flows and the fair value of any unquoted equity instruments are calculated using the EPS ratio.

Such securities consist of Hungarian and foreign government bonds, corporate bonds, mortgage bonds, interest-bearing Treasury bills, securities issued by the NBH and other securities.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.7. Securities at fair value through other comprehensive income [continued]

Fair value through other comprehensive income option for equity instruments

The Group has elected to present in the Statement of Other Comprehensive Income changes of fair value of those equity instruments which are neither held for trading nor recognized as contingent consideration under IFRS 3. In some cases, the Group made an irrevocable election at initial recognition for certain equity instruments to present subsequent changes in fair value of these securities in the consolidated other comprehensive income instead of in profit or loss.

The use of the “fair value through other comprehensive income” option is based only on direct decision of management of the Group.

2.5.8. Loans, placements with other banks, repo receivables and loss allowance for loan and placements and repo receivable losses

The Group measures at amortized cost those Loans and placements with other banks and repo receivables, which are held to collect contractual cash flows, and contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These loans are recognized as Loans at amortized cost in the Consolidated Statement of Financial Position. The Group recognizes those financial assets which are not held for trading and do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding as loans measured at fair value through profit or loss. These loans are recognized as Loans mandatorily at fair value through profit or loss in the Consolidated Statement of Financial Position.

Those Loans and placements with other banks and repo receivables that are accounted at amortized cost, stated at the principal amounts outstanding (including accrued interest), net of allowance for loan or placement losses, respectively.

In case of the above mentioned financial assets measured at amortised cost transaction fees and charges adjust the carrying amount at initial recognition and are included in effective interest calculation. In case of loans at fair value through profit or loss fees and charges are recognised when incurred in the Consolidated Statement of Profit or Loss.

Loans and placements with other banks and repo receivables are derecognized when the contractual rights to the cash flows expire or they are transferred. When a financial asset is derecognized the difference of the carrying amount and the consideration received is recognized in the profit or loss in case of financial assets at amortised cost the gains or losses from derecognition are presented in “Gains/losses from derecognition of financial assets at amortised cost” line while in case of loans at fair value through profit or loss the gains or losses from derecognition are presented in “Net operating income”.

Change in the fair value of loans at fair value through profit or loss is broken down into two components and presented in the Consolidated Statement of Profit or Loss as follows:

- Portion of the change in fair value arising from changes in credit risk are presented within “Risk cost” as “Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss”.
- The remaining component of the change is presented in fair value within “Net operating income” as “Fair value adjustment on financial instruments measured at fair value through profit or loss”.

Initially financial assets shall be recognized at fair value which is usually equal to transaction value in case of loans and placements. However, when the amounts are not equal, the initial fair value difference should be recognized.

If the fair value of financial assets is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the initial fair value difference in the Consolidated Statement of Profit or Loss. When the fair value of financial assets is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognized in profit or loss when the instrument is derecognized or the inputs became observable.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.8. Loans, placements with other banks, repo receivables and loss allowance for loan and placements and repo receivable losses [continued]

Initial fair value of loans lent at interest below market conditions is lower than their transaction price, the subsequent measurement of these loans is under IFRS 9.

The Group recognizes a loss allowance for expected credit losses on a financial asset at each reporting date. The loss allowance for a financial asset equals to 12-month expected credit loss or equals to the lifetime expected credit losses. The maximum period over which expected credit losses shall be measured is the maximum contractual period over which the Group is exposed to credit risk.

If the credit risk on a financial asset has not increased significantly since initial recognition then 12-month expected credit losses, otherwise (in case of significant credit risk increase) lifetime expected credit losses should be calculated. The expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.

When the contractual cash flows of a financial asset are modified and the modification does not result in the derecognition of the financial asset the Group recalculates the gross carrying amount of the financial asset by discounting the expected future cash flows with the original effective interest rate of the asset. The difference between the carrying amount and the present value of the expected cash flows is recognized as a modification gain or loss in the profit or loss. Interest and amortized cost are accounted using effective interest rate method.

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further recovery is considered to be remote. The loan is written off against the related account "Gain / (Loss) from derecognition of financial assets at amortized cost" in the Consolidated Statement of Profit or Loss.

The Group applies partial or full write-off for loans based on the definitions and prescriptions of financial instruments in accordance with IFRS 9. If the Group has no reasonable expectations regarding a financial asset (loan) to be recovered, it will be written off partially or fully at the time of emergence.

The gross amount and loss allowance of the loans shall be written off in the same amount to the estimated maximum recovery amount while the net carrying value remains unchanged. Subsequent recoveries for loans previously written-off partially or fully, which may have been derecognized from the books with no reasonable expectations for the recovery will be booked in the Consolidated Statement of Profit or Loss on "Income from recoveries of written-off, but legally existing loan" line in Risk cost.

2.5.9. Modified assets

If the net present value of the contracted cash flows changes due to the modification of the contractual terms and it is not qualified as derecognition, modification gain or loss should be calculated and accounted for in the Consolidated Statement of Profit or Loss. Modification gain or loss is accounted in cases like restructuring – as defined in guidelines of the Group – prolongation, renewal with unchanged terms, renewal with shorter terms and prescribing capital repayment rate, if it doesn't exist or has not been earlier.

The changes of net present value should be calculated on portfolio level in case of retail exposures. Each retail contract is restructured based on restructuring frameworks. The Group has to evaluate these frameworks (and not individual contracts). The changes of net present value should be calculated individually on contract level in case of corporate portfolio.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.9. Modified assets [continued]

Among the possible contract amendments, the Group considers as a derecognition and a new recognition the followings:

- merging several debts into a single debt, or one single debt splitting into several tranches,
- change of currency,
- change in counterparty,
- failing SPPI test after modification,
- interest rate change (fixed to floating or floating to fixed),

when the discounted present value – discounted at the original effective interest rate – of the cash flows under the new terms is at least 10 per cent different from the discounted present value of the remaining cash flows.

In case of derecognition and new recognition of a financial asset, the unamortized fees of the derecognized asset should be presented as Income similar to interest income. The newly recognized financial asset is initially measured at fair value and is placed in Stage 1 if the derecognized financial asset was in Stage 1 or Stage 2 portfolio. The newly recognized financial asset will be purchased or originated credit impaired financial asset (“POCI”) if the derecognized financial asset was in Stage 3 portfolio or it was POCI.

The modification gain or loss shall be calculated at each contract amendments unless they are handled as a derecognition and new recognition. In case of modification the Group recalculates the gross carrying amount of the financial asset. To do this, the new contractual cash flows should be discounted using the financial asset’s original effective interest rate (or credit-adjusted effective interest rate for POCI financial asset). Any costs or fees incurred adjust the carrying amount of the modified financial asset are amortized over the remaining term of the modified financial asset.

2.5.10. Purchased or originated credit impaired financial assets

Purchased or originated financial assets are credit-impaired on initial recognition. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

A purchased credit-impaired asset is likely to be acquired at a deep discount. In unusual circumstances, it may be possible that an entity originates a credit-impaired asset, for example, following a substantial modification of a distressed financial asset that resulted in the derecognition of the original financial asset.

In the case of POCI financial assets, interest income is always recognized by applying the credit-adjusted effective interest rate.

For POCI financial assets, in subsequent reporting periods an entity is required to recognize:

- the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance,
- the impairment gain or loss which is the amount of any change in lifetime expected credit losses.

An impairment gain is recognized (with the parallel increase of the net amortized cost of receivable) if due to the favourable changes after initial recognition the lifetime expected credit loss estimation is becoming lower than the original estimated credit losses at initial recognition.

The POCI qualification remains from initial recognition to derecognition in the Group’s books.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance

A loss allowance for loans and placements with other banks and repo receivables is recognized by the Group based on the expected credit loss model in accordance with IFRS 9. Based on the three-stage model the recognized loss allowance equals to 12-month expected credit loss from the initial recognition. On financial assets with significantly increased credit risk or credit impaired financial assets (based on objective evidence) the recognized loss allowance is the lifetime expected credit loss.

In the case of purchased or originated credit impaired financial assets, a loss allowance is recognized in the amount of the lifetime expected credit loss since initial recognition. The impairment gain in the Consolidated Statement of Profit or Loss is recognized if lifetime expected credit loss for purchased or originated credit impaired financial assets at measurement date is less than the estimated credit loss at initial recognition.

A loss allowance for loans and placements with other banks and repo receivables represents the Management's assessment for potential losses in relation to these activities.

The default occurs when either or both of the following events have taken place:

- objective criterion meaning that the credit obligation of the client is overdue exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or the obligor has breached the limit of the overdraft with an amount exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or
- probability criterion meaning the probability that the obligor will be unable to pay its credit obligations in full (UTP= Unlikely to Pay). The following conditions indicate the occurrence of the probability criterion: specific credit risk adjustment, sell of credit obligation with significant loss, distressed restructuring, termination of the contract on the initiative of the Bank, Bankruptcy, liquidation, personal bankruptcy, forced deleted status.

Previously described conditions should result in default status mandatorily. Moreover, during the individual expert-based assessment the client's default status shall be established if in the specific case the default can be justified on subjective basis. The default status should be terminated if in the last 3 months no other default criterion exists and the condition (either probability criterion or objective criterion) that resulted in the default status ceased at least 3 months ago.

The expected loss calculation should be forward looking. Available forward-looking information has to be included in the parameter estimation by using different scenarios, including forecasts of future economic conditions. The determination of probability-weighted forward-looking scenarios are based on the OTP Group's macro model. In general, there are two crisis scenarios (4-5), and three non-crisis scenarios (1-3) but the calculation of impairment should be based on at least two scenarios in the OTP Group. The macro conditioning is performed by Vasicek-model, which captures the relationship between point-in-time (PiT) and through-the-cycle (TTC) PD.

The Vasicek PD transformation can also be used to estimate the PIT PDs of the buckets. The required parameters (such as correlation coefficient and macro condition parameter) can be derived from the OTP's macro model.

In the collective provisioning methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. At portfolio segmentation, setting the segments is a key element of the provisioning calculation and requires the extensive knowledge of the portfolio. The segmentation is expected to stay stable from month to month. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The estimation of one-year and lifetime probability of default (PD) of collectively assessed exposures is performed via transition matrices. The assets should be allocated to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfil contractual obligations. The mandatory variables of the group level assessment procedure are payment delay, deal/client rating, the restructured flag, the default status and product type. Further segmentation is advisable in case significant differences are observed in probability of default. Transition matrices should be determined for each portfolio segment separately. The Group model handles healing (from default) rate in the PD parameter, thus the calculated probabilities should be reduced by this rate.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

Two different methods are applied in OTP Group for LGD parameter calculation: Retail mortgage loans and non-retail portfolios (MSE and Wholesale) that are significantly secured by mortgage: modified LGD methodology based on the Asset Quality Review (AQR) – the primary source of the recovery the collateral itself but cash recovery is also taken into account. The calculation is performed for each exposure individually based on the estimated parameters (main parameters: FSR – foreclosure success rate, SR – sales ratio, TTS – time to sale, C – cost, REC – cash recovery) and the actual value of collaterals (e.g. property, guarantee, surety, bail).

For Consumer loans and car finance: recovery based LGD methodology estimated from historical recoveries. The LGD calculation should not be automatically identified with historic actual data. The direction and degree of the shift in the factors impacting the LGD, also considering the macroeconomic effects, in addition to the anticipated developments in those, must always be analysed. The LGD – just like the PD – is not independent of the business cycles either; typically it increases in parallel with the economic downturn.

Loss allowance for loan and placements are determined at a level that provides coverage for individually identified credit losses. For loans for which it is not possible to determine the amount of the individually identified credit loss in the absence of objective evidence, a collective impairment loss is recognized. With this, the Group reduces the carrying amount of financial asset portfolios with similar credit risk characteristics to the amount expected to be recovered based on historical loss experience.

At subsequent measurement the Group recognizes an impairment gain or loss through “Impairment gain on POCI loans” in the Consolidated Statement of Profit or Loss as part of “Risk cost” line as an amount of expected credit losses or reversal which is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with IFRS 9. If the reason for the impairment no longer exist the impairment is released in the Consolidated Statement of Profit or Loss for the current period.

If a financial asset, for which previously there were no indicators of significant increase in credit risk (i.e. classified in Stage 1) is subsequently classified in Stage 2 or Stage 3 then loss allowance is adjusted to lifetime expected credit loss. If a financial asset, which was previously classified in Stage 2 or Stage 3 is subsequently classified in Stage 1 then the loss allowance is adjusted to the level of 12 month expected credit loss.

Classification into risk classes

According to the requirements of the IFRS9 the Group classifies the financial assets measured at amortized cost, at fair value through other comprehensive income and loan commitments and financial guarantees into the following stages:

- Stage 1 – performing financial instruments without significant increase in credit risk since initial recognition
- Stage 2 – performing financial instruments with significant increase in credit risk since initial recognition but not credit-impaired
- Stage 3 – non-performing, credit-impaired financial instruments
- POCI – purchased or originated credit impaired

In the case of trade receivables the Group applies the simplified approach and calculates only lifetime expected credit loss. The simplified approach is the following:

- for the past 3 years the average annual balance of receivables under simplified approach is calculated,
- the written-off receivables under simplified approach are determined in the past 3 years,
- historical losses are adjusted to reflect information about current conditions and reasonable forecasts of future economic conditions,
- the loss allowance ratio is the sum of the written-off amounts divided by the sum of the average balances,
- the loss allowance is multiplied by the end-of-year balance, it is the actual loss allowance on these receivables,
- loss allowance should be recalculated annually.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

Classification into risk classes [continued]

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. This might occur if the financial asset has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers sovereign exposures as having low credit risk.

Stage 1: financial instruments for which the events and conditions specified in respect of Stage 2 and Stage 3 do not exist on the reporting date.

A client or loan must be qualified as default if one or both the following two conditions occur:

- The client delays more than 90 days. This is considered a hard trigger.
- There is reasonable probability that the client will not pay all of its obligation. This condition is examined on the basis of probability criteria of default.

The subject of default qualification is that exposure (on-balance and off-balance) which originates credit risk (so originated from loan commitments, risk-taking contracts).

A financial instrument shows significant increase in credit risk, and is allocated to Stage 2, if in respect of which any of the following triggers exist on the reporting date, without fulfilling any of the conditions for the allocation to the non-performing stage (Stage 3):

- the payment delay exceeds 30 days,
- it is classified as performing forborne,
- based on individual decision, its currency suffered a significant "shock" since the disbursement of the loan,
- the transaction/client rating exceeds a predefined value or falls into a determined range, or compared to the historic value it deteriorates to a predefined degree,
- in the case retail mortgage loans, the loan-to-value ratio exceeds a predefined rate,
- default on another loan of the retail client, if no cross-default exists,
- monitoring classification of corporate and municipal clients above different thresholds defined on group
 - financial difficulties at the debtor (capital adequacy, liquidity, deterioration of the instrument quality),
 - significant decrease of the liquidity or the activity on the active market of the financial instrument can be observed,
 - the rating of the client reflects high risk, but it is better than the default one,
 - significantly decrease in the value of the recovery from which the debtor would disburse the loan,
 - clients under liquidation.

A financial instrument is non-performing and it is allocated to Stage 3 when any of the following events or conditions exists on the reporting date:

- default (based on the group level default definition),
- classified as non-performing forborne (based on the group level forborne definition),
- the monitoring classification of corporate and municipal clients above different thresholds defined on group level (including but not limited to):
 - breaching of contracts,
 - significant financial difficulties of the debtor (like capital adequacy, liquidity, deterioration of the instrument quality),
 - bankruptcy, liquidation, debt settlement processes against debtor,
 - forced strike-off started against debtor,
 - termination of loan contract by the Bank,
 - occurrence of fraud event,
 - termination of the active market of the financial instrument.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

Classification into risk classes [continued]

If the exposure is no longer considered as credit impaired, the Group allocates this exposure to Stage 2.

When loss allowance is calculated at exposures categorized into stages the following process is needed by stages:

- Stage 1 (performing): loss allowance at an amount equal to 12-month expected credit loss should be recognized,
- Stage 2 (significant increase in credit risk): loss allowance at an amount equal to lifetime expected credit loss should be recognized,
- Stage 3 (non-performing): loss allowance at an amount equal to lifetime expected credit loss should be recognized.

For lifetime expected credit losses, an entity shall estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring.

An entity shall measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- the time value of money and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2.7. Sale and repurchase agreements, security lending

Where debt or equity securities are sold under a commitment to repurchase them at a pre-determined price, they remain on the Consolidated Statement of Financial Position and the consideration received is recorded on Repo liabilities. Conversely, debt or equity securities purchased under a commitment to resell are not recognized in the Consolidated Statement of Financial Position and the consideration paid is recorded either in Placements with other banks or Deposits from customers. Interest is accrued based on the effective interest method evenly over the life of the repurchase agreement.

In the case of security lending transactions, the Group does not recognize or derecognize the securities because believes that the transferor retains substantially all the risks and rewards of the ownership of the securities. Only a financial liability or financial receivable is recognized for the consideration amount.

2.8. Associates and other investments

The control is established when the Group has the right and exposure over the variable positive yield of the investee but the same time put up with the consequences of the negative returns and the Group by its decisions is able to influence the extent of the yields.

The Group primarily considering the following factors in the process of determining the existing of the control:

- investigation of the decision-making mechanism of the entity,
- authority of the Board of Directors, Supervisory Board and General meeting based on the deed of association,
- existence of investments with preferential voting rights.

If the control can't be obviously determined, then it should be supposed that the control does not exist.

Significant influence is presumed by the Group to exist – unless the contrary case is proven – when the Group holds 20% or more of the voting power of an investee but does not have a control.

The Group considers a subsidiary significant when it is a financial institution or when the subsidiary contributes to the Groups' total balance sheet with higher amount. The Bank considers the subsidiaries as cash generating units.

Companies where the Bank has the ability to exercise significant influence are accounted for using the equity method. Subsidiaries and associated companies that were not accounted for using the equity method and other investments where the Bank does not hold a significant interest are recorded according to IFRS 9. When an investment in an associate is held indirectly through an entity that is a venture capital fund, the Group elects to measure these investments in the associate at fair value through profit or loss in accordance with IFRS 9.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.8. Associates and other investments [continued]

Under the equity method, the investment is initially recognized at cost, and the carrying amount is adjusted subsequently for:

- the Group's share of the post-acquisition profits or losses of the investee, which are recognized in the Group's Consolidated Statement of Profit or Loss; and
- the distributions received from the investee, which reduce the carrying amount of the investment.

The Group's share of the profits or losses of the investee, or other changes in the investee's equity, is determined on the basis of its proportionate ownership interest. The Group recognizes its share of the investee's income and losses based on the percentage of the equity interest owned by the Group.

Gains and losses on the sale of investments are determined based on the specific identification of the cost of each investment.

2.9. Property and equipment, Intangible assets

Property and equipment and Intangible assets are measured at cost, less accumulated depreciation and amortization and impairment, if any.

Internally generated intangibles, excluding capitalized development costs, are not capitalized – the related expenditures are accounted as cost in the period in which they are incurred. Development costs are capitalized only when the technical and commercial feasibility of the asset has been clearly demonstrated, the Group has the intent and ability to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits. Amortization of these type of assets begins when development is completed, and the asset is available for use. During the period of development, the asset is tested for impairment annually.

The Group lists mainly self-developed software among internally generated intangible assets.

The depreciable amount (book value less residual value) of the non-current assets must be allocated over the useful lives.

Depreciation and amortization are computed usually by using the straight-line method over the estimated useful lives of the assets based on the following annual percentages:

	Annual percentages	Useful life period (years)
Intangible assets		
Software	5.9% - 100.0%	1 – 17
Property right	6.3% - 100.0%	1 – 16
Property	1.0% - 20.0%	5– 100
Machinery and office equipment	2.0% - 100.0%	1 – 50
Vehicle	2.9% - 50.0%	2 – 34

Depreciation and amortization on Property and equipment and Intangible assets commence on the day such assets are ready to use.

At each balance sheet date, the Group reviews the carrying value of its Property and equipment and Intangible assets to determine if there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent (if any) of the impairment loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the carrying value of Property and equipment and Intangible assets is greater than the estimated recoverable amount, it is impaired immediately to the estimated recoverable amount.

The Group may conclude contracts for purchasing property, equipment and intangible assets, where the purchase price is settled in foreign currency. By entering into such agreements, firm commitment in foreign currency due on a specified future date arises at the Group.

Reducing the foreign currency risk caused by firm commitment, forward foreign currency contracts may be concluded to ensure the amount payable in foreign currency on a specified future date on one hand and to eliminate the foreign currency risk arising until settlement date of the contract on the other hand.

In the case of an effective hedge the realized profit or loss of the hedging instrument is stated as the part of the cost of the hedged asset as it has arisen until recognizing the asset.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.10. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The Group uses generally FIFO formulas to the measurement of inventories.

Inventories are derecognized when they are sold, unusable or destroyed. When inventories are sold, the carrying amount of those inventories are recognized as an expense in the period in which the related revenue is recognized. Repossessed assets are classified as inventories. The Group's policy is to sell repossessed assets and not to use them for its internal operations.

2.11. Government grants and government assistance

The Group recognises government grants only when there is a reasonable assurance that the grant will be received, and all attached conditions will be complied with.

The Group presents grants relating to assets as deferred income in the Consolidated Statement of Financial Position, which is recognized in profit or loss on a systematic basis over the useful life of the asset.

Grants related to an expense item are recorded as another operating income in those periods when the related costs were recognized.

2.12. Financial liabilities

The financial liabilities are presented within these lines in the Consolidated Financial Statements:

- Amount due to banks, the National Governments, deposits from the National Banks and other banks
- Repo liabilities
- Financial liabilities designated at fair value through profit or loss
- Deposits from customers
- Liabilities from issued securities
- Derivative financial liabilities held for trading
- Derivative financial liabilities designated as hedge accounting
- Other financial liabilities

At initial recognition, the Group measures financial liabilities at fair value plus or minus – in the case of a financial liability not at fair value through profit or loss – transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Usually, the initial fair value of financial liabilities equals to transaction value. However, when the amounts are not equal, the initial fair value difference should be recognized.

If the fair value of financial liabilities is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the initial fair value difference in the Consolidated Statement of Profit or Loss. When the fair value of financial liabilities is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognized in profit or loss when the instrument is derecognized or the inputs became observable.

Financial liabilities at fair value through profit or loss are either financial liabilities held for trading or they are designated upon initial recognition as at fair value through profit or loss.

In connection to the derivative financial liabilities measured at fair value through profit or loss, the Group presents the amount of change in their fair value originated from the changes of market conditions and business environment.

The Group designated some financial liabilities upon initial recognition to measure at fair value through profit or loss. This classification eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases (“accounting mismatch”). The changes in fair value of these liabilities are recognized in profit or loss, except the fair value changes attributable to credit risk which are recognized among other comprehensive income.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.12. Financial liabilities [continued]

In the case of financial liabilities measured at amortized cost fees and commissions related to the origination of the financial liability are recognized through profit or loss during the maturity of the instrument using effective interest method. In certain cases, the Group repurchases a part of financial liabilities (mainly issued securities or subordinated bonds) and the difference between the carrying amount of the financial liability and the amount paid for it is recognized in the net profit or loss for the period and included in other operating income.

2.13. Leases

The Group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Lease classification is made at the inception date and is reassessed only if there is a lease modification.

Finance leases

At the commencement date, a lessor derecognizes the assets held under a finance lease in the Consolidated Statement of Financial Position and present them as a receivable at an amount equal to the net investment in the lease. The lessor shall use the interest rate implicit in the lease to measure the net investment in the lease. Direct costs such as commissions are included in the initial measurement of the finance lease receivables.

The Group as a lessor recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (for more details, see Note 2.6.).

Operating leases

The Group as a lessor recognizes lease payments from operating leases as income on either a straight-line basis or another systematic basis. Costs, including depreciation, incurred in earning the lease income are recognized as an expense.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as an expense over the lease term on the same basis as the lease income.

The depreciation policy for depreciable underlying assets subject to operating leases is consistent with the Group's normal depreciation policy for similar assets. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

The Group as a lessee

The Group recognizes a right-of-use asset and a lease liability at the commencement of the lease term except for short-term leases and leases, where the underlying asset is of low value (less than USD 5,000). For these leases, the Group recognizes the lease payments as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Deferred tax implication if the Group is lessee: At the inception of the lease, there is no net lease asset or liability, no tax base and, therefore, no temporary difference. Subsequently, as depreciation on the right-of-use asset initially exceeds the rate at which the debt reduces, a net liability arises resulting in a deductible temporary difference on which a deferred tax asset should be recognized if recoverable. Assuming that the lease liability is not repaid in advance, the total discounted cash outflows should equal the total rental payments deductible for income tax purposes.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.13. Leases [continued]

Right-of-use asset

The right-of-use assets are presented separately in the Consolidated Statement of Financial Position and initially measured at cost, subsequently the Group applies the cost model and these assets are depreciated on a straight line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset.

Lease liability

At the commencement date, the lease liability is measured at the present value of the lease payments that are not paid at that date discounted by using the rate implicit in the lease, or if this cannot be determined, by using the incremental borrowing rate of the Group. Variable lease payments that do not depend on an index or a rate but e.g. on revenues or usage are recognized as an expense. The Group always separates the non-lease components of the lease contracts and accounts them as an expense. Lease payments must be included in the measurement of the lease liability without value added taxes. Non-deductible VAT is recognized as other expense.

The lease liability is remeasured in the event of a reassessment of the lease liability or lease modification

2.14. Investment properties

Investment properties of the Group are land, buildings, part of buildings which held (as the owner or as the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of services or for administrative purposes or sale in the ordinary course of business. The Group measures the investment properties at cost less accumulated depreciation and impairment, if any.

The depreciable amount (book value less residual value) of the investment properties must be allocated over their useful lives. The depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets.

The Group discloses the fair value of the investment properties in Note 14 established mainly by external experts.

2.15. Share capital

Share capital is the capital determined in the Articles of Association and registered by the Budapest-Capital Regional Court. Share capital is the capital the Bank raised by issuing common stocks at the date the shares were issued. The amount of share capital has not changed over the current period.

2.16. Treasury shares

Treasury shares are shares which are purchased on the stock exchange and the over-the-counter market by the Bank and its subsidiaries and are presented in the Consolidated Statement of Financial Position at cost as a deduction from Consolidated Shareholders' Equity.

Gains and losses on the sale of treasury shares are credited or charged directly to shareholder's equity.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.17. Non-current assets held-for-sale and discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held-for-sale. Hereinafter non-current assets classified as held-for-sale, disposal group and discontinued operations are referred to as assets in accordance with IFRS 5.

The Group classifies assets under IFRS 5 if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group does not account for an asset under IFRS 5 that has been temporarily taken out of use as if it had been abandoned.

The Group measures an asset under IFRS 5 at the lower of its carrying amount and fair value less costs to sell. When the sale is expected to occur beyond one year, the Group measures the costs to sell at their present value.

Any increase in the present value of the costs to sell that arises from the passage of time shall be presented in profit or loss. Immediately before the initial classification of the asset under IFRS 5, the carrying amounts of the asset (or all the assets and liabilities in the group) are measured in accordance with applicable IFRS.

The Group does not depreciate (or amortize) an asset under IFRS 5 while it is classified as asset in accordance with IFRS 5. Interest and other expenses attributable to the liabilities of the asset under IFRS 5 shall continue to be recognized.

If the Group has classified an asset under IFRS 5, but the criteria for that are no longer met, the Group ceases to classify the asset under IFRS 5. The Group measures these assets which cease to be classified as asset under IFRS 5 at the lower of:

- its carrying amount before the asset was classified as asset under IFRS 5, adjusted for any depreciation, amortisation or revaluations that would have been recognized had the asset not been classified as asset under IFRS 5, and
- its recoverable amount at the date of the subsequent decision not to sell.

The Group presents an asset classified as asset under IFRS 5 separately from other assets in the Consolidated Statement of Financial Position. The liabilities of the asset under IFRS 5 are presented separately from other liabilities in the Consolidated Statement of Financial Position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale or discontinued operations are separately disclosed in the Notes.

The Group presents separately any cumulative income or expense recognized in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale. Results from discontinued operations are reported separately in the Consolidated Statement of Profit or Loss as result from discontinued operations.

2.18. Interest income and income similar to interest income and interest expense

Interest income and expense are recognized in profit or loss in the period to which they relate, using the effective interest rate method.

For exposures categorized into Stage 1 and Stage 2 the interest income is recognized on a gross basis. For exposures categorized into Stage 3 (using effective interest rate) and for POCI (using credit-adjusted effective interest rate) the interest income is recognized on a net basis.

The time-proportional income similar to interest income of derivative financial instruments is calculated without using the effective interest method and the positive fair value adjustment of interest rate swaps are included in income similar to interest income.

Interest income of loans at fair value through profit or loss is calculated based on interest fixed in the contract and presented in "Income similar to interest income" line.

Interest from loans and deposits are accrued on a daily basis. Interest income and expense include certain transaction costs and the amortisation of any discount or premium between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

All interest income and expense recognized are arising from loans, placements with other banks, repo receivables, securities at fair value through other comprehensive income, securities at amortized cost and amounts due to banks, repo liabilities, deposits from customers, liabilities from issued securities, subordinated bonds and loans are presented under these lines of Consolidated Financial Statements.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.19. Revenue recognition

The Group recognizes revenue from the following major sources:

- fee and commission income from financial services
- other revenue from customers.

2.19.1. Fees and commissions

Fees and commissions that are not involved in the amortized cost model are recognized in the Consolidated Statement of Profit or Loss on an accrual basis according to IFRS 15 Revenue from contracts with customers. These fees are related to deposits, cash withdrawals, security trading, bank card etc.

The Group earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. When the Group provides a service to its customers, consideration is invoiced and generally due immediately because it typically controls the services before transferring them to the customer.

The Group provides foreign exchange trading services to its customers, the profit margin achieved on these transactions is presented as Net profit from fees and commissions in the Consolidated Statement of Profit or Loss.

Performance obligations satisfied over time include asset management, deposit and account maintenance services, where the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

The Group's fee and commission income from services where performance obligations are satisfied over time is as follows:

Deposit and account maintenance fees and commissions and fees related to cash withdrawal

The Group provides a number of account management services for both retail and corporate customers in which they charge a fee. Fees related to these services can be typically account transaction fees (money transfer fees, direct debit fees, money standing order fees, etc.), internet banking fees (e.g. OTP Direct fee), account control fees (e.g. sms fee), or other fees for occasional services (account statement fees, other administration fees, etc.). Fees for ongoing account management services are charged to the customer's account on a monthly basis. The fees are commonly fixed amounts that can vary per account package and customer category. In the case of the transaction-based fees where the services include money transfer the fee is charged when the transaction takes place. The rate of the fee is typically determined in a certain % of the transaction amount. In the case of other transaction-based fees (e.g. SMS fee), the fee is settled monthly. In the case of occasional services, the Group basically charges the fees when the services are used by the customer. The fees can be fixed fees or they can be set in %. The rates are reviewed by the Group regularly.

These fees for ongoing account management services are charged on a monthly basis during the period when they are provided. Transaction-based fees are charged when the transaction takes place or charged monthly at the end of the month.

Fees and commission related to the issued bank cards

The Group provides a variety of bank cards to its customers, for which different fees are charged. The fees are basically charged in connection with the issuance of cards and the related card transactions. The annual fees of the cards are charged in advance in a fixed amount. The amount of the annual card fee depends on the type of card. In case of transaction-based fees (e.g. cash withdrawal/payment fee, merchant fee, interchange fee, etc.), the settlement of the fees will take place immediately after the transaction or on a monthly basis. The fee is typically determined in % of the transaction with a fixed minimum amount. For all other cases where the Group provides a continuous service to the customers (e.g. card closing fee), the fees are charged monthly. The fee is calculated in a fixed amount. The rates are reviewed by the Group regularly.

These fees for ongoing services are charged on a monthly basis during the period when they are provided. Transaction-based fees are charged when the transaction takes place or charged monthly at the end of the month.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.19. Revenue recognition [continued]

2.19.1. Fees and commissions [continued]

Fees and commissions related to security account management services

The Group provides its clients security account management services. Fees will be charged for account management and transactions on accounts. Account management fees are typically charged quarterly or annually. The amount is determined in %, based on the stocks of securities managed by the clients on the account in a given period. Fees for transactions on the securities account are charged immediately after the transaction. They are determined in %, based on the transaction amount. Fees for complex services provided to clients (e.g. portfolio management or custody) are typically charged monthly or annually. The fees are fixed monthly amounts and in some cases a bonus fee are charged.

These fees for ongoing services are charged quarterly or annually during the period when they are provided. The fees are accrued monthly. Transaction-based fees are charged when the transaction takes place.

Fees and commissions related to fund management

Fees from fund management services provided to investment funds and from portfolio management provided to insurance companies, funds. The fee income are calculated on the basis of net asset value of the portfolio and by the fee rates determined in the contracts about portfolio management.

These fees for ongoing services are charged usually on monthly (mutual funds) or semi-annually (venture capital funds) during the period when they are provided but accrued monthly.

Net insurance fee income

Due to the fact that the Group rarely provides insurance services to its clients, only acts as an agent, the fee income charged to the customers and fees payable to the insurance company are presented net in the fee income. In addition, agency fee charged for the sale of insurance contracts is also recorded in this line. The fee is charged on a monthly basis and determined in %.

Fees for ongoing services are charged on a monthly basis during the period when they are provided.

Other fees

Fees that are not significant in the Group total income are included in Other fees category. Such fees are safe lease, special procedure fee, account rent fee, fee of a copy of document, etc. Other fees may include charges for continuous services or for ad hoc administration services. Continuous fees are charged monthly (e.g., safe lease fees) at the beginning of the period, typically at a fixed rate. Fees for ad hoc services are charged immediately after the service obligation were met, usually in a fixed amount.

These fees for ongoing services are charged on a monthly basis during the period when they are provided. Fees for ad hoc services are charged when the transaction takes place.

2.19.2. Other revenue from customers

Other revenue from customers contains revenues from:

- sale of agricultural produce,
- tourism activity,
- gain on transactions related to property activities,
- rental income,
- income from computer programming.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with customers and excludes amount collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to customers. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods and services before transferring them to the customer.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.19. Revenue recognition [continued]

2.19.2. Other revenue from customers [continued]

Typically, the Group's other revenue from customers is recognized at the point in time when control of the goods or services is transferred to the customer. Exceptions are revenues services provided to customers – for example rental income – where the customer simultaneously receives and consumes the benefits as the Group performs.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, existence of a significant financing component, and a consideration payable to the customer, if any.

2.20. Profit from associates

Profit from associates refers to any distribution of an entity earnings to shareholders from stocks or mutual funds that is owned by the Group. The Group recognizes profit from associates in the Consolidated Financial Statements when its right to receive payment is established.

2.21. Income tax

The Group considers corporate income tax as current tax according to IAS 12. The Group also considers local business tax and the innovation contribution as income tax in Hungary.

The annual taxation charge is based on the tax payable under fiscal regulations prevailing in the country where the company is incorporated, adjusted for deferred taxation. Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences between the tax bases of assets and liabilities and their carrying value for financial reporting purposes, measured at the tax rates that apply to the future period when the asset is expected to be realized or the liability is settled.

Current tax asset or current tax liability is presented related to income tax and innovation contribution separately in the Consolidated Statement of Financial Position.

Pillar Two – Global Anti-base Erosion Model Rules (“Globe”), global minimum tax – 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 Group operates. The legislation became effective for the Group's financial year beginning 1 January 2024. The Group considers this top-up tax as an income tax according to IAS 12.

Deferred tax assets are recognized by the Group for the amounts of income taxes that are recoverable in future periods in respect of deductible temporary differences as well as the carryforward of unused tax losses and the carryforward of unused tax credits.

The Group recognizes a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

The Group considers the availability of qualifying taxable temporary differences and the probability of other future taxable profits to determine whether future taxable profits will be available according to IAS 12.

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- the Bank is able to control the timing of the reversal of the temporary difference, and
- it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.21. Income tax [continued]

The Group only offsets its deferred tax liabilities against deferred tax assets when:

- there is a legally enforceable right to set-off current tax liabilities against current tax assets, and
- the taxes are levied by the same taxation authorities on either
 - the same taxable entity or
 - different taxable entities which intend to settle current tax liabilities and assets on a net basis.

2.22. Banking tax

The Bank and some of its subsidiaries are obliged to pay banking tax based on Act LIX of 2006 in Hungary. As the calculation is not based on the taxable profit but on the adjusted total assets as reported in the Separate Financial Statements of the Bank and its entities for the second period preceding the current tax year, therefore, the banking tax is considered as another administrative expense, not as income tax. Pursuant to Government Decree No. 197/2022 published on 4 June 2022, the Hungarian Government decided to impose a windfall tax on credit institutions and financial enterprises temporarily, that is for 2022 and 2023. These taxes are classified as levies according to IFRS rules. During 2024, the Government amended the Decree on the windfall tax and the obligation was extended to 2025.

2.23. Off-balance sheet commitments and contingent liabilities

In the ordinary course of its business, the Group enters into off-balance sheet commitments such as guarantees, letters of credit, commitments to extend credit and transactions with financial instruments. The provision for off-balance sheet commitments and contingent liabilities is maintained at a level adequate to absorb future cash outflows which are probable and relate to present obligations.

In the case of commitments and contingent liabilities, the Management determines the adequacy of the loss allowance based upon reviews of individual items, recent loss experience, current economic conditions, the risk characteristics of the various categories of transactions and other pertinent factors.

The Group recognizes provision for off-balance sheet commitment and contingent liabilities in accordance with IAS 37 when it has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation. For financial guarantees and loan commitments given which are under IFRS 9 the expected credit loss model is applied when the provision is calculated (see more details in Note 2.6.). After initial recognition the Group subsequently measures those contracts at a higher of the amount of the loss allowance or of the amount initially recognised less the cumulative amount of income recognized in accordance with IFRS 15.

2.24. Share-based payment

The Group applies the requirements of IFRS 2 Share-based Payment.

The Group issues equity-settled share-based payment to certain employees. Equity-settled share-based payment is measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the year, based on the Group's estimate of shares that will eventually vest. Share-based payment is recorded in Consolidated Statement of Profit or Loss as Personnel expenses.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on the Management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.25. Employee benefits

The Group has applied the requirement of IAS 19 Employee Benefits. These benefits are recognised as an expense and liability undiscounted in the Consolidated Financial Statements. Liabilities are regularly remeasured. Gains or losses due to the remeasurement are recognised in the Consolidated Other Comprehensive Income.

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. These can be wages, salaries and bonuses, premium, paid annual leave and paid sick leave and other free services (health care, reward holiday). Long-term employee benefits are mostly the jubilee reward.

Post-employment benefits are employee benefits (other than termination and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.

Defined benefit plan is post-employment benefit plans other than defined contribution plan. The Group's net obligation is calculated by estimating the amount of employee's future benefit based on their services for the current and prior periods. The future value of benefit is being discounted to present value.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. Other long-term employee benefits are all employee benefits other than short-term employee benefits, postemployment benefits and termination benefits.

2.26. Biological assets and agricultural produce

The Group recognises a biological asset or agricultural produce according to IAS 41 only when it controls the asset as a result of past events, it is probable that future economic benefits will flow and the fair value or the cost can be measured reliably.

Biological assets are measured on initial recognition and at subsequent periods at fair value less estimated costs to sell unless fair value cannot be reliably measured.

Agricultural produce is measured at fair value less estimated costs to sell at the point of harvest.

The gain on initial recognition of biological assets at fair value less costs to sell, and changes in fair value less costs to sell of biological assets during a period are included in profit or loss for the period in which it arises as other operating income.

2.27. Consolidated Statement of Cash Flows

Cash flows arising from the operating, investing or financing activities are reported in the Statement of Cash Flows of the Group primarily on a gross basis. Net basis reporting are applied by the Group in the following cases:

- when the cash flows reflect the activities of the customer rather than those of the Group, and
- for items in which the turnover is quick, the amounts are large, and the maturities are short.

For the purposes of reporting Consolidated Statement of Cash Flows, cash and cash equivalents include cash, due from banks and balances with the National Banks, excluding the compulsory reserve established by the National Banks. This line item shows balances of HUF and foreign currency cash amounts, and sight deposit from NBH and from other banks, furthermore, balances of current accounts.

Consolidated cash flows from hedging activities are classified in the same category as the item being hedged. The unrealized gains and losses from the translation of monetary items to the closing foreign exchange rates and unrealized gains and losses from derivative financial instruments are presented net as operating activity separately in the Consolidated Statement of Cash Flows for the monetary items which have been revalued.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.28. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Based on the above, the segments identified by the Group are the business and geographical segments.

The Group's operating segments under IFRS 8 are therefore as follows: OTP Core Hungary, Merkantil Group, Asset Management subsidiaries, Other subsidiaries, Bulgaria, Croatia, Slovenia, Romania, Serbia, Ukraine, Russia, Montenegro, Albania, Moldova, Uzbekistan. Romanian segment is classified as discontinued operation from 2023 but in line with management report it is still presented in Segment reporting as separate segment. In tables for 2024 the data for Romanian segment contains incomes and expenses until it was disposed in July 2024.

2.29. Comparative balances

These Consolidated Financial Statements are prepared in accordance with the same accounting policies in all respects as the Consolidated Financial Statements prepared in accordance with IFRS as adopted by the European Union for the year ended 31 December 2024.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The presentation of financial statements in conformity with IFRS as adopted by EU requires the Management of the Group to make judgement about estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on the expected loss and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period. Actual results could differ from those estimates. Significant areas of subjective judgement include:

3.1. Loss allowances on financial instruments exposed to credit risk

The Group regularly assesses its financial instruments portfolio for loss allowance. Management determines the adequacy of the loss allowances based upon reviews of individual loans and placements, recent loss experience, current economic conditions, the risk characteristics of the various categories of loans and other pertinent factors. The use of the three-stage model was implemented for IFRS 9 purposes. The impairment methodology is used to classify financial instruments in order to determine whether credit risk has significantly increased since initial recognition and to identify the credit-impaired assets. For instruments with credit-impairment or significant increase of credit risk lifetime expected losses are recognized (see more details in Note 37.1.)

3.2. Valuation of instruments without direct quotations

Financial instruments without direct quotations in an active market are valued using the valuation model technique. The models are regularly reviewed and each model is calibrated for the most recent available market data. While the models are built only on available data, their use is subject to certain assumptions and estimates (e.g. correlations, volatilities, etc.). Changes in the model assumptions may affect the reported fair value of the relevant financial instruments.

IFRS 13 Fair Value Measurement seeks to increase the consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the beginning of the reporting period. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

3.3. Provisions

Provision is recognized and measured for commitments to extend credit and for warranties arising from banking activities based on IFRS 9 Financial Instruments. Provision for these instruments is recognized based on the credit conversion factor, which shows the proportion of the undrawn credit line that will probably be drawn.

Other provisions are recognized and measured based on IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group is involved in a number of ongoing legal disputes. Based upon historical experience and expert reports, the Group assesses the developments in these cases, and the likelihood and the amount of potential financial losses which are appropriately provided for. (See Note 24.)

Other provision includes provision for litigation, provision for retirement and expected liabilities and provision for confirmed letter of credit.

A provision is recognized by the Group when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.4. Impairment on goodwill

Goodwill acquired in a business combination is tested for impairment annually or more frequently when there is an indication that the unit might be impaired, in accordance with IAS 36 "Impairment of assets".

The Group calculates the fair value based on discounted cash flow model. The 3-year period explicit cash flow model serves as a basis for the impairment test by which the Group defines the impairment need on goodwill based on the strategic factors and financial data of its cash-generating units. In the calculation of the goodwill impairment, also the expectations about possible variations in the amount or timing of those future cash flows, the time value of money, represented by the current market risk-free rate of interest and other factors are reflected.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS IN THE APPLICATION OF ACCOUNTING POLICIES [continued]

3.5. Contingent consideration

Contingent consideration generally arises where the acquirer agrees to transfer additional consideration to the former owners of the acquired business after the acquisition date if certain specified events occur or conditions are met in the future.

These future payments may be in cash or other assets and may be contingent upon the achievement of specified events, and/or may be linked to future financial performance over a specified period of time.

Some changes in the fair value of contingent consideration may be the result of additional information that the acquirer obtained after the acquisition date about fact and circumstances that existed at that date. Such changes are measurement period adjustments and have impact of goodwill/negative goodwill. Changes resulting from events after the acquisition date are not measurement period adjustments. Contingent considerations should be recorded on the date of acquisition in consolidated financial statement at fair value.

The Group so far settled the contingent considerations in cash. The fair value estimation is made by the “Merger & Acquisition” team based on the sale and purchase agreement (“SPA”) and other available information.

Regarding the contingent consideration related to the acquisition of Ipoteka Bank, OTP concluded the contract including two instalments: first for 73.71% of the shares in 2023 (in December 2023 it increased to 79.58% after capital increase), then second for 24.57% (in December 2023 it decreased to 19.16% after capital increase) of the shares 3 years later. The price of 19.16% of the shares is variable, but within a predefined range and can be adjusted only with factors that have not direct connection with the profit of Ipoteka Bank. The purchase of the second stock cannot be avoided by the parties since the execution of the SPA. Considering the elements of the shares retained by Ministry of Finance of the Republic of Uzbekistan for the given period are treated as financial liability.

The recognized liability includes the estimate of the adjustments to the second purchase price and does not include the items that are considered as indemnity. Indemnification related expected cash-inflow is recognized as indemnification asset (measured consistently with the measurement of underlying assets).

NOTE 4: MACRO ENVIRONMENT, IMPACT OF ECONOMIC SITUATION ON THE GROUP

Macro economy and financial situation in Hungary

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 strict immigration policy of US Government, 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 GROUP
[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 GROUP
[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 GROUP
[continued]**

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

Family support schemes and economic stimulus measures [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. In 2024 HUF 45.5 billion special taxes on financial institutions weighed on earnings (after tax) which incorporates both the old banking tax in Hungary (HUF 28.7 billion after tax) and the windfall tax on extra profits (HUF 6.2 billion after tax). Outside of Hungary, in Slovenia (HUF 9.2 billion after tax) and Romania (HUF 1.3 billion) arose banking tax payment obligations.

Interest rate cap in Hungary and in previous year also in Serbia:

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.

In 2024 altogether HUF 9.4 billion (after tax) amount was recognized in relation to the expected negative impact of the rate cap scheme in Hungary. According to the effective regulation, in Hungary the interest rate cap on the affected Hungarian mortgage loans was extended until 30 June 2025. In the case of MSE loans the rate cap was terminated by 1 April 2024. On 21 November, the National Bank of Serbia approved the extension of the mortgage interest rate cap introduced in October 2023, a measure that would have expired at the end of 2024. The interest rate cap on variable-rate loans increased from 4.1% in 2024 to 5% between 1 January and 31 December 2025. In the fourth quarter of 2024 HUF 2.1 billion modification loss was booked as a result of the extension of the interest rate cap.

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

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

Larger one-off items [continued]

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.

In Hungary and Bulgaria HUF 45 billion impairment was created on Russian bonds, of which HUF 37.6 billion was booked at OTP Bank (Hungary) and HUF 7.5 billion at DSK Bank (Bulgaria). Consequently, the coverage of Russian bonds increased from 36% in 2023 to 73% in 2024.

Revaluation result of 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. The positive revaluation result of these loans (except worker' loans) amounted to HUF 23.5 billion (after tax) in 2024.

The principles used in the preparation of the Consolidated Statement of Financial Position as at 31 December 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 2025 (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.

The country-consolidated Ukrainian total assets represented HUF 1,187 billion at the end of 2024 (2.7% of total consolidated assets), while net loans comprised HUF 389 billion (1.7% of consolidated net loans) and shareholders' equity amounted to HUF 206 billion (4.0% of the consolidated total equity).

At the end of 2024 the gross intragroup funding towards the Ukrainian operation represented HUF 55 billion, while taking into account the Ukrainian deposits placed with the Headquarters, i.e. the net group funding stood at HUF 14 billion equivalent towards the Ukrainian operation.

In 2024 the Ukrainian operation posted a profit after tax of HUF 41.2 billion, slightly less than the HUF 44.9 billion in 2023.

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

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

The principles used in the preparation of the Consolidated Statement of Financial Position as at 31 December 2025 in connection with the evaluation of Russian and Ukrainian exposures [continued]

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 the fourth quarter of 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 (HUF 278.9 billion) in dividends has been paid since September 2023, of which RUB 25.9 billion (HUF 106.7 billion) was paid in 2025.

The total assets of the Group's Russian operation represented HUF 2,371 billion at the end of 2024 (5.5% of consolidated total assets), while net loans comprised HUF 998 billion (4.3% of consolidated net loans) and shareholders' equity HUF 299 billion (5.8% of consolidated total equity).

The Russian operation posted HUF 136.9 billion profit after tax in 2024, after the HUF 95.7 billion profit reached in full-year 2023.

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 as at 31 December 2025.

If the Russian entity was deconsolidated and the outstanding gross intragroup exposures were written off as well, the effect for the consolidated CET1 ratio would be +30 bps, whereas in the Ukraine the effect would be +8 bps as at 31 December 2024.

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements

During the preparation of these Consolidated Financial Statements, the Group identified the following estimates, which were significantly affected by the Russian-Ukrainian conflict:

- 1) Evaluation of Russian sovereign exposures (government securities) and related reserves for expected credit losses
 - a) exposures of the Russian subsidiary bank
 - b) exposures of other members of the group (parent company and subsidiaries)
- 2) Evaluation of Ukrainian sovereign exposures (government securities) and related reserves for expected credit losses
 - a) exposures of the Ukrainian subsidiary bank
 - b) exposures of other members of the group (parent company and subsidiaries)
- 3) evaluation of derivative transactions denominated in Russian rubles
- 4) evaluation of derivative transactions denominated in the Ukrainian hryvnia
- 5) claims against Russian and Ukrainian central banks, provisions for expected credit losses related to Russian and Ukrainian interbank claims and customer loans
 - a) the impact of the deterioration of the Russian and Ukrainian macro-environment
 - b) following direct exposure to the Russian and Ukrainian markets, non-Russian and Ukrainian bank exposures
 - c) exposures of Russian and Ukrainian subsidiary banks
- 6) evaluation of goodwill
- 7) deferred tax assets

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

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

Consolidated Russian and Ukrainian exposures as at 31 December 2025

	Russia			Ukraine			Other countries		
	Reference	Gross value	Impairment / Depreciation	Reference	Gross value	Impairment / Depreciation	Reference	Gross value	Impairment / Depreciation
Cash, amounts due from banks and balances with the National Banks		169,574	-		63,316	6		720	-
Placements with other banks	5	1,242,147	197	5	58,580	79		-	-
Repo receivables		-	-		12,552	790		-	-
Financial assets at fair value through profit or loss - derivatives	3	-	-	4	286	-		-	-
Securities at fair value through other comprehensive income	1a	18,246	-	2a	134,852	-		53,009	44,149
Securities at amortized cost		-	-	2a	398,323	211		21,745	18,289
Loans at amortized cost	5	1,740,830	235,528	5	343,216	31,667	5	8,058	3,463
Finance lease receivables		-	-		102,779	4,099		11	-
Property and equipment		39,332	22,810		27,222	9,860		-	-
Intangible assets and goodwill		45,969	20,166		14,855	9,090	6	-	-
Right-of-use assets		20,312	9,450		5,213	3,014		-	-
Investment properties		-	-		10	-		-	-
Deferred tax assets	7	41,403	-	7	2,266	-		-	-
Current income tax receivables		1,467	-		566	-		-	-
Other assets		<u>29,378</u>	<u>7,560</u>		<u>10,769</u>	<u>958</u>		33,996	23,783
TOTAL ASSETS		<u>3,348,658</u>	<u>295,711</u>		<u>1,174,805</u>	<u>59,774</u>		<u>117,539</u>	<u>89,684</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks		46,315	-		22,684	-		-	-
Deposits from customers		<u>2,686,023</u>	-		<u>828,899</u>	-		<u>68,006</u>	-
TOTAL LIABILITIES		<u>2,732,338</u>	=		<u>851,583</u>	=		<u>68,006</u>	=

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

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

Consolidated Russian and Ukrainian exposures as at 31 December 2024

	Reference	Russia Gross value	Impairment / Depreciation	Reference	Ukraine Gross value	Impairment / Depreciation	Reference	Other countries Gross value	Impairment / Depreciation
Cash, amounts due from banks and balances									
with the National Banks		87,222	-		72,907	6		765	-
Placements with other banks	5	1,086,808	-	5	59,855	58		-	-
Repo receivables		-	-		7,639	301		-	-
Financial assets at fair value through profit or loss - derivatives	3	685	-	4	88	-		-	-
Securities at fair value through other comprehensive income	1a	20,072	-	2a	155,135	-		77,352	55,057
Securities at amortized cost				2a	428,804	118		36,442	26,299
Loans at amortized cost	5	1,111,220	113,633	5	318,264	34,352	5	13,626	7,034
Finance lease receivables					122,633	17,931		-	-
Property and equipment		29,554	18,747		24,518	9,109		-	-
Intangible assets and goodwill		34,887	15,199		14,731	8,697	6	-	-
Right-of-use assets		12,161	7,664		5,969	3,482		-	-
Investment properties		-	-		231	-		-	-
Deferred tax assets	7	22,563	-	7	-	-		-	-
Current income tax receivables		21	-		364	--		-	-
Other assets		<u>18,390</u>	<u>6,711</u>		<u>9,704</u>	<u>1,344</u>		<u>14,375</u>	<u>12,493</u>
TOTAL ASSETS		<u>2,423,583</u>	<u>161,954</u>		<u>1,220,842</u>	<u>75,398</u>		<u>142,560</u>	<u>100,883</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks		44,256	-		42,786	-		-	-
Deposits from customers		<u>1,876,526</u>	-		<u>842,437</u>	-		<u>59,289</u>	-
TOTAL LIABILITIES		<u>1,920,782</u>	≡		<u>885,223</u>	≡		<u>59,289</u>	≡

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

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

During the evaluation of these assets, the Group applied the evaluation principles detailed below, which evaluation contains significant estimates on the part of the Management. The results of the estimates may vary significantly depending on the development of the situation in the Russian-Ukrainian conflict.

References

1a. Evaluation of Russian sovereign exposures and related reserves for expected credit losses - exposures of the Russian subsidiary bank

Within Russia, Russian government securities are marketable, and their repayment is expected to take place in accordance with the original conditions. The fair value calculation of securities is based on market prices available and observable on local trading platforms.

1b. Evaluation of Russian sovereign exposures and related reserves for expected credit losses - other exposures of the group

Outside of Russia, the marketability of Russian government securities is significantly limited due to sanctions and capital market participants turning away from Russian securities. The credit rating of the Russian state was withdrawn in 2022, the Group classifies the Russian state as non-performing, and in accordance with this, it assigned the affected exposures to the Stage 3 category. The Russian state not only recognizes its obligation and has the necessary financial reserves, but would also be willing to pay, so the increased loss potential is caused by non-traditional credit risks. In the case of a portfolio valued at fair value through other comprehensive income, the book value is determined based on the level 3 prices of IFRS13. Cash flow estimation, current market benchmarks (provided by Bloomberg), liquidity and non-credit risk considerations were taken into account in fair value calculation.

During 2025, the Bank conservatively increased provisions on its Russian sovereign exposures for the non-matured bonds. The Bank uses a time band approach to these, the provision level is higher for the securities with longer maturity.

In the case of overdue receivables, the Group determines the impairment based on its expectations regarding the probability of recovery. Basically, a higher probability of return can be assigned to those items for which, as a result of the legal steps taken by the Group, the claim has been paid in RUB by the competent Russian clearing house (NSD) and access to the relevant amounts is subject to Hungarian authority approvals or modification of the legal background. It is taken into consideration in the provision levels, that the latter can mean a long lasting process, but based on previous experience, it has a favorable outcome, and in several cases a decision has been made to release the blocking. Therefore, a smaller reduction in the impairment of these items was made during 2025.

On the other hand, a lower probability of return and a longer time period were determined for those items where the payment is expected in EUR or USD with the help of European clearing houses (Euroclear, Clearstream) requiring a complex legal process. Here the previously high-level of impairment remains unchanged in 2025.

The claims from the overdue Russian government bonds are classified to Other financial asset line and in the above table presented within Other countries in the amount of HUF 34 billion with the impairment of HUF 23.8 billion.

2a. Valuation of Ukrainian sovereign exposures and related reserves for expected credit losses - exposures of the Ukrainian subsidiary bank

The marketability of local government securities and the liquidity of the market are limited in Ukraine.

Ukrainian government securities can only be found in the books of the Ukrainian subsidiary as these exposures were acquired after start of the war they are classified as Stage 1. In the case of a portfolio valued at fair value through other comprehensive results, the book value is determined based on the level 3 prices of IFRS13. During the actual evaluation, the expected cash flow is discounted using yield curves observed based on current market benchmarks (published by the National Bank of Ukraine).

In order to reflect the increased uncertainty about external support of Ukraine, decision was made on additional provision for the sovereign portfolio of the Ukrainian group-member on a conservative basis at Group level only reflecting a prudential overlay in early 2025, which we continue to maintain.

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

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

References [continued]

2b. Valuation of Ukrainian sovereign exposures and related reserves for expected credit losses - other exposures of the group

Ukrainian government securities are exclusively in the books of the Ukrainian subsidiary.

3. Valuation of Russian derivative transactions

In the case of futures contracts concluded with local partners on the Russian market, the evaluation is carried out using yield curves available and observable on the local market. In cases where one of the partners is not Russian, the evaluation is done using yield curves available and observable on the local market.

4. Valuation of Ukrainian derivatives

The Treasury turnover of the Ukrainian bank is low, and a significant part of the derivative transactions are related to the bank's risk management and concluded with the parent company. During the actual evaluation, the expected cash flow is discounted using yield curves observed based on current market benchmarks (published by the National Bank of Ukraine).

5. Claims against Russian and Ukrainian central banks, provisions for expected credit losses related to Russian and Ukrainian interbank claims and customer loans

As part of the continuous monitoring activity, OTP Group has explored and analyzed the secondary and tertiary negative effects of the war in the corporate segment for Group members outside of Russia and Ukraine, including the effects of the current sanctions policy. In the case of the affected customers, if the increased risk was substantiated, they were classified in the Stage 2 category, while in the case of non-performance, the Group classified the given exposures in the Stage 3 rating category.

In the case of Russian Group members, the impact of the current and forward-looking economic environment was taken into account when determining the expected loss, considering expected low economic growth potential in Russia.

In the case of Ukrainian Group members, the portfolio quality remained stable or even improved in some segments in 2025 and the Bank neither expects significant deterioration in 2026. The impact of the current and forward-looking economic environment was taken into account when determining the expected loss, however, the Bank does not expect any further substantial deterioration of the economic environment. The identification of the increased risk – given the special situation – extends to regionally different war activity. In addition, the territorial distribution of exposures was also taken into account when evaluating the expected loss, in the areas directly and indirectly affected by the war, the Bank does not expect a significant return for non-performing customers, regardless of economic trends.

6. Evaluation of goodwill

In connection with the involvement in the Russian-Ukrainian conflict, as a result of the company value review, the Group considered it necessary to fully write off the existing goodwill in the case of the Russian subsidiary bank in the first quarter of 2022, the value of which as at 31 December 2021 was HUF 40.9 billion. The effect of goodwill write-off on the result was HUF 67.7 billion, and a HUF 26.8 billion loss was accounted for against equity. In the case of Ukraine, there was no goodwill write-off.

Based on current experience, the Group takes into account the macroeconomic effects of the current geopolitical situation in the mid- to long-term when determining the impairment of investments in the case of countries affected by the conflict. In the case of Russian and Ukrainian operations, we currently do not consider it likely that the estimated investment value before the conflict (2021) will be reached in the upcoming years as long as the uncertainty due to the geopolitical conflict lasts.

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

Significant estimates affected by the Russian-Ukrainian conflict during the preparation of these Consolidated Financial Statements [continued]

References [continued]

7. Deferred tax

The Group recognized HUF 2.26 billion deferred tax assets in Ukraine in 2025 after year 2024 when no deferred tax was accounted, while in Russia, the Group recognized HUF 41.39 billion and HUF 22.56 billion deferred tax assets in year 2025 and 2024, respectively.

In general there is no limit to unused tax credits. In addition, if the banks' taxable loss were to increase (if the impairment calculated according to local rules approached the higher level of impairment according to IFRS), the difference between the settlement and the tax loss would decrease, thus reducing the deferred tax asset. As a result, in Russia the bank was able to utilize the temporary deferred tax asset both in the expected profitable operation and in a possible loss scenario. In Ukraine the Law of Ukraine No. IX 4698 of December 3, 2025, amended the Tax Code of Ukraine and determined the peculiarities of banks' taxation for 2026 which introduced restrictions which will be in effect throughout year 2026.

Financial assets modified in the Group for the year ended 31 December 2025 (in HUF million)

Modification losses from changes other than Hungarian interest rate cap resulted in HUF 581 million and HUF 325 million loss as at 31 December 2025 and 2024, respectively. In the following tables the modification gains and losses resulting from the prolongation of interest rate caps is presented. The newly granted loans have fixed interest throughout the lifetime and the voluntary interest rate cap does not affect the previously disbursed loans.

Financial assets modified during the period related to moratorium in the Group for the year ended 31 December 2025 (in HUF mn)

Please see details in this note above under "Larger one-off items" where Interest rate cap is described.

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

	Group
Gross carrying amount before modification	208,318
Loss allowance before modification	(1,809)
Net amortized cost before modification	<u>206,509</u>
Modification loss	(4,238)
Net amortized cost after modification	<u>202,271</u>

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

	Group
Gross carrying amount before modification	218,865
Loss allowance before modification	(2,275)
Net amortized cost before modification	<u>216,590</u>
Modification loss	(4,564)
Net amortized cost after modification	<u>212,026</u>

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

Financial assets modified during the period related to moratorium in the Group for the year ended 31 December 2024 (in HUF mn)

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

	Group
Gross carrying amount before modification	225,161
Loss allowance before modification	(1,540)
Net amortized cost before modification	<u>223,621</u>
Modification loss	(2,164)
Net amortized cost after modification	<u>221,457</u>

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

	Group
Gross carrying amount before modification	240,610
Loss allowance before modification	(3,716)
Net amortized cost before modification	<u>236,894</u>
Modification loss	(5,500)
Net amortized cost after modification	<u>231,394</u>

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

	Group
Gross carrying amount before modification	236,341
Loss allowance before modification	(2,970)
Net amortized cost before modification	<u>233,371</u>
Modification loss	(5,204)
Net amortized cost after modification	<u>228,167</u>

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

	31/12/2025	31/12/2024
Cash on hand		
In HUF	88,701	108,186
In foreign currency	<u>540,695</u>	<u>558,501</u>
	<u>629,396</u>	<u>666,687</u>
Amounts due from banks and balances with the National Banks		
	31/12/2025	31/12/2024
Within one year		
In HUF	1,085,498	1,532,990
In foreign currency	<u>3,252,488</u>	<u>3,880,608</u>
	<u>4,337,986</u>	<u>5,413,598</u>
Over one year		
In HUF	82	-
In foreign currency	=	=
	<u>82</u>	<u>=</u>
Loss allowance on amounts due from bank and balances with the National Banks	<u>(1,829)</u>	<u>(1,273)</u>
Total	<u>4,965,635</u>	<u>6,079,012</u>
Compulsory reserve set by the National Banks	<u>(2,425,105)</u>	<u>(2,561,725)</u>
Cash and cash equivalents	<u>2,540,530</u>	<u>3,517,287</u>

Foreign subsidiary banks within the Group have to comply with country specific regulation of local National Banks. Each country within the Group has its own regulation for compulsory reserve calculation and maintenance. Based on those banks are obliged to place compulsory reserve at their National Bank in a specified percentage of their liabilities considered in compulsory reserve calculation.

An analysis of the change in the loss allowance on amounts from banks and balances with the National Banks is as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	1,273	508
Loss allowance for the period	4,021	5,072
Release of loss allowance for the period	(3,561)	(4,332)
Use of loss allowance for the period	(1)	(2)
Foreign currency translation difference	<u>97</u>	<u>27</u>
Closing balance	<u>1,829</u>	<u>1,273</u>

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

	31/12/2025	31/12/2024
Within one year		
In HUF	88,563	101,743
In foreign currency	<u>1,601,453</u>	<u>1,522,070</u>
	<u>1,690,016</u>	<u>1,623,813</u>
Over one year		
In HUF	241,608	192,276
In foreign currency	<u>62,815</u>	<u>77,279</u>
	<u>304,423</u>	<u>269,555</u>
Loss allowance on placements	<u>(2,950)</u>	<u>(1,467)</u>
Total	<u>1,991,489</u>	<u>1,891,901</u>

An analysis of the change in the loss allowance on placements with other banks is as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	1,467	2,247
Loss allowance for the period	4,910	7,207
Release of loss allowance for the period	(4,770)	(5,904)
Use of loss allowance for the period	(4)	(754)
Assets held for sale	-	-
Foreign currency translation difference	<u>1,347</u>	<u>(1,329)</u>
Closing balance	<u>2,950</u>	<u>1,467</u>

Interest conditions of placements with other banks:

	31/12/2025	31/12/2024
Interest rates on placements with other banks denominated in HUF	0.00% - 25.00%	0.00% - 25.00%
Interest rates on placements with other banks denominated in foreign currency	(0.43)% - 17.50%	(0.20)% - 21.00%
	31/12/2025	31/12/2024
Average interest rates on placements with other banks denominated in HUF (%)	5.64%	6.67%
Average interest rates on placements with other banks denominated in foreign currency (%)	14.02%	16.91%

NOTE 7: REPO RECEIVABLES (in HUF mn)

	31/12/2025	31/12/2024
Within one year		
In HUF	212,092	139,632
In foreign currency	<u>25,975</u>	<u>192,717</u>
	<u>238,067</u>	<u>332,349</u>
Over one year		
In HUF	-	-
In foreign currency	<u>26</u>	-
	<u>26</u>	-
Loss allowance on repo receivables	<u>(949)</u>	<u>(512)</u>
Total	<u>237,144</u>	<u>331,837</u>

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

	31/12/2025	31/12/2024
Balance as at 1 January	512	593
Loss allowance for the period	3,942	1,839
Release of loss allowance for the period	(3,453)	(1,914)
Foreign currency translation difference	<u>(52)</u>	<u>(6)</u>
Closing balance	<u>949</u>	<u>512</u>

Interest conditions of repo receivables (%):

	31/12/2025	31/12/2024
Interest rates on repo receivables denominated in HUF	5.50% - 7.30%	6.00% - 6.90%
Interest rates on repo receivables denominated in foreign currency	1.40% - 16.50%	3.30% - 14.50%
	31/12/2025	31/12/2024
Average interest rates on repo receivables denominated in HUF (%)	6.62%	8.01%
Average interest rates on repo receivables denominated in foreign currency (%)	5.05%	5.57%

Securities as collaterals underlying repo receivable contracts:

Types of securities	31/12/2025	31/12/2024
Government bonds	156,894	155,864
Mortgage bonds	64,000	-
Treasury bills	7,000	182,892
Other bonds	<u>3</u>	-
Total	<u>227,897</u>	<u>338,756</u>

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

	31/12/2025	31/12/2024
Trading securities at fair value through profit or loss		
Government bonds	153,499	86,050
Equity instruments and fund units	1,987	1,197
Corporate bonds	1,122	753
Discounted Treasury bills	17,432	3,918
Mortgage bonds	107	102
National Bank of Hungary bonds	37,435	412,402
Other interest-bearing securities	14,400	8,953
Other non-interest-bearing securities	778	982
	<u>226,760</u>	<u>514,357</u>
Non-trading instruments mandatorily at fair value through profit or loss		
Open-ended fund units	76,810	73,913
Shares	1,052	2,617
	<u>77,862</u>	<u>76,530</u>
Total	<u>304,622</u>	<u>590,887</u>

Positive fair value of derivative financial assets held for trading

	31/12/2025	31/12/2024
Foreign exchange swaps held for trading	47,572	47,685
Interest rate swaps held for trading	40,746	56,637
Commodity swaps	3,297	10,472
CCIRS and mark-to-market CCIRS held-for-trading ¹	5,825	16,443
Foreign exchange forward contracts held for trading	11,228	17,051
Held-for-trading option contracts	3,339	2,711
Held-for-trading forward security agreement	5	21
Other derivative transactions held for trading ²	8,579	1,493
Total	<u>120,591</u>	<u>152,513</u>
Total	<u>425,213</u>	<u>743,400</u>

¹ CCIRS: Cross Currency Interest Rate Swaps (See Note 2.5.3.3.)

² Other category includes: FX spot, equity swaps, option and index futures.

An analysis of securities held for trading portfolio by currency (%):

	31/12/2025	31/12/2024
Denominated in HUF	72.12%	89.65%
Denominated in foreign currency	27.88%	10.35%
Total	<u>100.00%</u>	<u>100.00%</u>

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

An analysis of government bond portfolio by currency (%):

	31/12/2025	31/12/2024
Denominated in HUF	67.22%	47.56%
Denominated in foreign currency	<u>32.78%</u>	<u>52.44%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

Interest conditions of held for trading securities (%):

	31/12/2025	31/12/2024
Interest rates on securities held for trading denominated in HUF	0.00% - 9.50%	1.90% - 19.10%
Interest rates on securities held for trading denominated in foreign currency	0.00% - 18.00%	0.00% - 18.00%

Interest conditions and the remaining maturities of **securities held for trading** can be analysed as follows:

	31/12/2025	31/12/2024
Within one year		
With variable interest	10,607	161
With fixed interest	<u>84,847</u>	<u>443,168</u>
	<u>95,454</u>	<u>443,329</u>
Over one year		
With variable interest	21,840	3,648
With fixed interest	<u>106,701</u>	<u>65,201</u>
	<u>128,541</u>	<u>68,849</u>
Non-interest-bearing securities	<u>2,765</u>	<u>2,179</u>
Total	<u>226,760</u>	<u>514,357</u>

Non-trading securities mandatorily at fair value through profit or loss are as follows:

	31/12/2025	31/12/2024
Debt instruments	1,052	2,617
Equity instruments	<u>76,810</u>	<u>73,913</u>
Total	<u>77,862</u>	<u>76,530</u>

	31/12/2025	31/12/2024
Profit from associates from shares measured at fair value through profit or loss	11,202	10,246

An analysis of **non-trading securities** mandatorily at fair value through profit or loss portfolio by currency (%):

	31/12/2025	31/12/2024
Denominated in HUF	67.22%	64.74%
Denominated in foreign currency	<u>32.78%</u>	<u>35.26%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

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

	31/12/2025	31/12/2024
Securities at fair value through other comprehensive income		
Government bonds	1,858,736	1,312,063
Corporate bonds	26,478	27,043
Listed securities:		
<i>In HUF</i>	-	-
<i>In foreign currency</i>	<u>11,987</u>	<u>12,774</u>
	<u>11,987</u>	<u>12,774</u>
Non-listed securities:		
<i>In HUF</i>	6,751	10,140
<i>In foreign currency</i>	<u>7,740</u>	<u>4,129</u>
	<u>14,491</u>	<u>14,269</u>
Mortgage bonds	30,167	34,233
Discounted Treasury bills	2,939	-
Interest bearing treasury bills	-	86
Securities issued by the National Bank of Hungary	-	205,050
Other securities	<u>36,193</u>	<u>44,349</u>
Total	<u>1,954,513</u>	<u>1,622,824</u>

	31/12/2025	31/12/2024
Non-interest-bearing instruments at fair value through other comprehensive income		
Listed securities:		
<i>In HUF</i>	-	-
<i>In foreign currency</i>	<u>13,160</u>	<u>11,931</u>
	<u>13,160</u>	<u>11,931</u>
Non-listed securities:		
<i>In HUF</i>	403	403
<i>In foreign currency</i>	<u>78,338</u>	<u>70,395</u>
	<u>78,741</u>	<u>70,798</u>
	<u>91,901</u>	<u>82,729</u>
Total	<u>2,046,414</u>	<u>1,705,553</u>

Movement table of loss allowance of securities at fair value through other comprehensive income is presented in Note 27.

An analysis of securities at fair value through other comprehensive income by currency (%):

	31/12/2025	31/12/2024
Denominated in HUF	51.69%	35.30%
Denominated in foreign currency	48.31%	64.70%
Total	<u>100.00%</u>	<u>100.00%</u>

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

Detailed information of the non-interest-bearing instruments at fair value through other comprehensive income:

	31/12/2025	31/12/2024
Strategic investments closely related to banking activity		
Fair value	89,761	81,031
Dividend income from instruments held at the reporting date	1,001	1,036
Other strategic investments		
Fair value	2,140	1,698
Dividend income from instruments held at the reporting date	41	46
Total		
Total fair values	<u>91,901</u>	<u>82,729</u>
Dividend income from instruments held at the reporting date	<u>1,042</u>	<u>1,082</u>

During the year ended 31 December 2025 and 2024 no derecognition happened from securities at fair value through other comprehensive income.

An analysis of government bonds by currency (%):

	31/12/2025	31/12/2024
Denominated in HUF	55.19%	27.85%
Denominated in foreign currency	44.81%	72.15%
Total	<u>100.00%</u>	<u>100.00%</u>

Interest conditions of the security portfolio at fair value through other comprehensive income are as follows (%):

	31/12/2025	31/12/2024
Interest rates on securities at fair value through other comprehensive income denominated in HUF	2.00% - 9.50%	2.00% - 9.75%
Interest rates on securities at fair value through other comprehensive income denominated in foreign currency	0.00% - 19.75%	0.01% - 19.75%
	31/12/2025	31/12/2024
Average interest rates on securities at fair value through other comprehensive income denominated in HUF (%)	3.87%	3.40%
Average interest rates on securities at fair value through other comprehensive income denominated in foreign currency (%)	4.83%	4.49%

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

Interest conditions and the remaining maturities of securities at fair value through other comprehensive income can be analysed as follows:

	31/12/2025	31/12/2024
Within one year		
With variable interest	1,101	6,062
With fixed interest	<u>304,350</u>	<u>577,372</u>
	<u>305,451</u>	<u>583,434</u>
Over one year		
With variable interest	224,351	10,457
With fixed interest	<u>1,424,711</u>	<u>1,028,933</u>
	<u>1,649,062</u>	<u>1,039,390</u>
Non-interest-bearing securities	<u>91,901</u>	<u>82,729</u>
Total	<u>2,046,414</u>	<u>1,705,553</u>

Certain securities are hedged against interest rate risk. See Note 37.4.

NOTE 10: SECURITIES AT AMORTIZED COST (in HUF mn)

	31/12/2025	31/12/2024
Government bonds	6,878,782	6,428,625
Corporate bonds	404,632	346,770
Bonds of Hungarian National Bank	154,842	-
Discounted Treasury bills	53,447	137,317
Mortgage bonds	32,029	32,006
Interest bearing Treasury bills	-	1,663
Other securities	<u>436,376</u>	<u>545,301</u>
	<u>7,960,108</u>	<u>7,491,682</u>
Loss allowance on securities at amortized cost	<u>(34,643)</u>	<u>(44,505)</u>
Total	<u>7,925,465</u>	<u>7,447,177</u>

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

	31/12/2025	31/12/2024
Within one year		
With variable interest	5,041	-
With fixed interest	<u>2,172,075</u>	<u>1,708,475</u>
	<u>2,177,116</u>	<u>1,708,475</u>
Over one year		
With variable interest	50,209	25,325
With fixed interest	<u>5,732,783</u>	<u>5,757,882</u>
	<u>5,782,992</u>	<u>5,783,207</u>
Total	<u>7,960,108</u>	<u>7,491,682</u>

An analysis of securities at amortized cost by currency (%):

	31/12/2025	31/12/2024
Denominated in HUF	39.82%	39.47%
Denominated in foreign currency	<u>60.18%</u>	<u>60.53%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

Interest conditions of securities at amortized cost (%):

	31/12/2025	31/12/2024
Interest rates of securities at amortized cost with variable interest	1.20% - 9.00%	2.16% - 9.00%
Interest rates of securities at amortized cost with fixed interest	0.00% - 19.00%	0.00% - 17.14%
	31/12/2025	31/12/2024
Average interest rates on securities at amortized cost denominated in HUF (%)	4.86%	5.43%
Average interest rates on securities at amortized cost denominated in foreign currency (%)	4.03%	4.01%

NOTE 10: SECURITIES AT AMORTIZED COST (in HUF mn) [continued]

An analysis of the change in the loss allowance on securities at amortized cost is as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	44,505	32,648
Loss allowance for the period	12,694	25,766
Release of loss allowance	(18,252)	(15,707)
Use of loss allowance	-	(634)
Foreign currency translation difference	<u>(4,304)</u>	<u>2,432</u>
Closing balance	<u>34,643</u>	<u>44,505</u>

NOTE 11: LOANS AT AMORTIZED COST AND AT FAIR VALUE (in HUF mn)**Loans at amortized cost**

	31/12/2025	31/12/2024
Within one year		
In HUF	1,755,387	1,657,482
In foreign currency	<u>4,428,041</u>	<u>4,172,610</u>
	<u>6,183,428</u>	<u>5,830,092</u>
Over one year		
In HUF	2,771,043	2,501,910
In foreign currency	<u>14,340,202</u>	<u>12,876,113</u>
	<u>17,111,245</u>	<u>15,378,023</u>
	<u>23,294,673</u>	<u>21,208,115</u>
Loss allowance on loans at amortized cost	<u>(995,095)</u>	<u>(917,734)</u>
Total	<u>22,299,578</u>	<u>20,290,381</u>

An analysis of the gross loan portfolio at amortized cost by currency (%):

	31/12/2025	31/12/2024
In HUF	19.43%	19.61%
In foreign currency	<u>80.57%</u>	<u>80.39%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

Interest rates of the loan portfolio at amortized cost are as follows:

	31/12/2025	31/12/2024
Loans at amortized cost denominated in HUF ¹	0.00% - 56.58%	0.00% - 56.58%
Loans at amortized cost denominated in foreign currency ²	0.00% - 135.90%	0.00% - 90.00%

¹ The highest interest rate relates to HUF loan is car loan.

² The highest interest rate relates to loan in foreign currency is cash on card loans and personal loans in Russia.

	31/12/2025	31/12/2024
Average interest rates on loans at amortized cost denominated in HUF (%)	9.73%	10.26%
Average interest rates on loans at amortized cost denominated in foreign currency (%)	7.47%	7.34%

The amount of those loans which were written-off in the current year but they are still subject to enforcement activity to be collected is still going on were HUF 75,055 million and HUF 51,657 million as at 31 December 2025 and 2024, respectively.

NOTE 11: LOANS AT AMORTIZED COST AND AT FAIR VALUE (in HUF mn) [continued]

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

	31/12/2025	31/12/2024
Balance as at 1 January	917,734	894,031
<i>Loss allowance for the period</i>	740,013	723,674
<i>Release of loss allowance</i>	<u>(538,569)</u>	<u>(580,673)</u>
Loss allowance in the current period	<u>201,444</u>	<u>143,001</u>
<i>from this: effect of change in parameters</i>		
<i>used for loss allowance calculation</i>	3,671	(37,558)
Use of loss allowance	(50,134)	(119,999)
Partial write-off ¹	(33,941)	(25,455)
Unwinding	(2,405)	56
Foreign currency translation difference	<u>(37,603)</u>	<u>26,100</u>
Closing balance	<u>995,095</u>	<u>917,734</u>

¹ See details in Note 2.5.8.

Movement in loss allowance on loans and placements is summarized as below:

	31/12/2025	31/12/2024
Release of loss allowance on placements and loss from derecognition of placements	140	1,303
Loss allowance on loans and gain from derecognition of loans	<u>152,787</u>	<u>76,173</u>
Total²	<u>152,927</u>	<u>77,476</u>

² See details in Note 31.

Loans mandatorily at fair value through profit or loss

	31/12/2025	31/12/2024
Within one year		
In HUF	106,368	79,661
In foreign currency	-	<u>1,134</u>
	<u>106,368</u>	<u>80,795</u>
Over one year		
In HUF	1,833,179	1,477,561
In foreign currency	<u>1,675</u>	<u>1,425</u>
	<u>1,834,854</u>	<u>1,478,986</u>
Total	<u>1,941,222</u>	<u>1,559,781</u>

NOTE 11: LOANS AT AMORTIZED COST AND AT FAIR VALUE (in HUF mn) [continued]

An analysis of the loan portfolio mandatorily at fair value through profit or loss by currency (%):

	31/12/2025	31/12/2024
In HUF	99.91%	99.84%
In foreign currency	<u>0.09%</u>	<u>0.16%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

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

	31/12/2025	31/12/2024
Interest rates on loans denominated in HUF	2.49% - 30.66%	1.31% - 28.32%
Interest rates on loans denominated in foreign currency	5.00% - 8.00%	2.10% - 8.00%

	31/12/2025	31/12/2024
Average interest rates on loan portfolio at fair value through profit or loss denominated in HUF (%)	7.52%	6.71%
Average interest rates on loan portfolio at fair value through profit or loss denominated in foreign currency (%)	7.20%	16.78%

NOTE 12: ASSOCIATES AND OTHER INVESTMENTS (in HUF mn)

	31/12/2025	31/12/2024
Investments		
Investments in associates (non-listed)	78,628	77,258
Other investments (non-listed)	<u>85,544</u>	<u>57,470</u>
	<u>164,172</u>	<u>134,728</u>
Impairment on investments	<u>(3,754)</u>	<u>(10,205)</u>
Total	<u>160,418</u>	<u>124,523</u>

An analysis of the change in the impairment on investments is as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	10,205	9,714
Impairment for the period	131	1,175
Release of impairment for the period	(517)	(218)
Modification due to merge	(5,983)	673
Foreign currency translation difference	<u>(82)</u>	<u>(1,139)</u>
Closing balance	<u>3,754</u>	<u>10,205</u>

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

There are different kinds of tangible and intangible assets held by the Group. The next section covers the explanation for the changes from opening values to closing ones in the gross values, the accumulated depreciation and amortization and in the impairment of the tangible and intangible assets in the Group. Relevant information about the fair values of the tangible assets and gross amounts of those assets which were fully depreciated but which are still in use is specified below.

The carrying amount of the temporarily idle properties was HUF 2,871 million and HUF 3,103 million as at 31 December 2025 and 2024, respectively.

There was HUF 72 million restriction on title and properties, plants or equipment pledged as security for liabilities as at 31 December 2025, while in previous period there was no restriction as at 31 December 2024.

As at 31 December 2025 and 31 December 2024 the amount of contractual commitments for the acquisition of tangible and intangible assets was HUF 34,218 million and HUF 21,748 million, respectively. For research and development purposes HUF 2,047 million and HUF 1,672 million expenses was accounted as at 31 December 2025 and 2024, respectively.

Impairment for the properties in the current period was necessary as a result of the valuation performed by using the comparative value method (market analogy method) with direct comparison to the market price of other similar properties. Actual market transactions were used based on the 6-month period prior to the valuation date where the market price of the analogous property is adjusted by an expert coefficient for market adaptation (“ECMA”). Usually this range is from -25% to +25% and reflects the availability of sufficient market information for similar items. In case of these properties ECMA exceeded this range where the circumstances were exceptional although by decision of the appraiser it was used only for unique properties with characteristics similar to the appraised ones, for which no sufficient market analogues are available. The price was adjusted by coefficients reflecting the area, location, size and structure of the property, as well as a weighing factor reflecting the weight of the selected market analogies in the determined fair value.

The Bank decided that the recoverable amount of goodwill is determined based on fair value less cost of disposal. When the Bank prepares goodwill impairment tests of the subsidiaries, the two methods which are used based on discounted cash flow calculation that shows the same result; however, they represent different economical logics. Based on the internal regulation of the Bank as at 31 December 2025 impairment test was prepared where a three-year cash flow model was applied with an explicit period between 2026-2028. The basis for the estimation was the actual data of November 2025 and based on the prepared medium-term (2026-2028) forecasts. When the Bank prepared the calculations for the period 2026-2028, it considered the actual worldwide economic situations, the expected economic growth for the following years, their possible effects on the financial sector, the resulting growth trajectories and the expected changes of the mentioned factors.

Present value calculation with the Free Cash Flow method

The Bank calculated the expected cash flow for the given period based on the expected after-tax profit of the companies. The calculation is highly sensitive to the level of discount rate and growth rate used. As discount factor the Bank uses a zero coupon yield curve derived by the Headquarter Asset-Liability Management department. This zero coupon curve is estimated for each related country, based on the countries’ issued bonds and segmented by the issuances’ currencies.

The Bank calculated risk premiums on the basis of information from the country risk premiums that are published by Aswath Damodaran – New York STERN University, according to the Bank’s assumption the risk-free interest rate includes the country-dependent risks in an implicit way.

When the subsidiary owns subordinated debt, the discount rate is calculated as a weighted average of the expected return on equity presented previously and the subordinated debt’s interest rate. At the end of the calculation, the value of subordinated debt is subtracted from the valuations’ result.

The growth rate in the explicit period is the growth rate of the profit after tax adjusted by the interest rate of the cash and subordinated loans. The assumed growth rates for the periods of residual values reflect the long-term economic expectations in case of every country.

The values of the subsidiaries in the FCF method were then calculated as the sum of the discounted cash flows of the explicit period, the present value of the terminal values and the initial free capital assuming an effective capital structure.

Summary of the impairment test for the year ended 31 December 2025 and 2024

Based on the valuations of the subsidiaries for the year ended 31 December 2024 no goodwill impairment was necessary to be recorded by the Group. For the year ended 31 December 2025 due to the sale of Georg d.o.o. HUF 196 million goodwill was written off and HUF 478 million goodwill impairment was booked for Home Solutions Llc.

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

For the year ended 31 December 2025

Cost	Intangible assets	Goodwill	Property	Machinery and office equipment	Vehicle	Construction in progress	Tangible assets subject to operating lease	Total
Balance as at 1 January	663,314	71,308	458,328	330,713	44,898	51,442	41,520	1,661,523
Additions	259,488	-	56,227	54,689	5,902	73,767	25,361	475,434
Foreign currency translation differences	(12,281)	(2,464)	(13,011)	(8,468)	(477)	(1,489)	(3,855)	(42,045)
Disposals	<u>(201,640)</u>	<u>(196)</u>	<u>(11,399)</u>	<u>(25,714)</u>	<u>(2,673)</u>	<u>(88,247)</u>	<u>(17,020)</u>	<u>(346,889)</u>
Closing balance	<u>708,881</u>	<u>68,648</u>	<u>490,145</u>	<u>351,220</u>	<u>47,650</u>	<u>35,473</u>	<u>46,006</u>	<u>1,748,023</u>

Depreciation and amortization	Intangible assets	Property	Machinery and office equipment	Vehicle	Tangible assets subject to operating lease	Total
Balance as at 1 January	369,751	105,021	215,658	10,369	9,697	710,496
Charge for the period	76,995	14,822	39,670	2,854	6,045	140,386
Foreign currency translation differences	(7,997)	(3,019)	(5,592)	(184)	(1,094)	(17,886)
Disposals	<u>(50,198)</u>	<u>(3,635)</u>	<u>(21,425)</u>	<u>(1,694)</u>	<u>(3,136)</u>	<u>(80,088)</u>
Closing balance	<u>388,551</u>	<u>113,189</u>	<u>228,311</u>	<u>11,345</u>	<u>11,512</u>	<u>752,908</u>

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

For the year ended 31 December 2025 [continued]

Impairment	Intangible assets	Goodwill	Property	Machinery and office equipment	Tangible assets subject to operating lease	Total
Balance as at 1 January	8,307	-	4,817	47	52	13,223
Impairment for the period	4,134	674	1,662	329	99	6,898
Release of impairment for the period	-	-	(465)	-	(126)	(591)
Foreign currency translation differences	(67)	-	(201)	(5)	(2)	(275)
Use of impairment	<u>(9,670)</u>	<u>(196)</u>	<u>(801)</u>	<u>(339)</u>	<u>(1)</u>	<u>(11,007)</u>
Closing balance	<u>2,704</u>	<u>478</u>	<u>5,012</u>	<u>32</u>	<u>22</u>	<u>8,248</u>

	Intangible assets	Goodwill	Property	Machinery and office equipment	Vehicle	Construction in progress	Tangible assets subject to operating lease	Total
Carrying value								
Balance as at 1 January	<u>285,256</u>	<u>71,308</u>	<u>348,490</u>	<u>115,008</u>	<u>34,529</u>	<u>51,442</u>	<u>31,771</u>	<u>937,804</u>
Closing balance	<u>317,626</u>	<u>68,170</u>	<u>371,944</u>	<u>122,877</u>	<u>36,305</u>	<u>35,473</u>	<u>34,472</u>	<u>986,867</u>
Fair values	=	=	<u>419,345</u>	<u>122,158</u>	<u>36,295</u>	=	<u>31,772</u>	<u>609,570</u>
Gross amount of the fully depreciated assets that are still in use	<u>80,361</u>	=	<u>11,541</u>	<u>130,781</u>	<u>1,191</u>	=	<u>1</u>	<u>223,875</u>

An analysis of the intangible assets for the year ended 31 December 2025 is as follows:

Intangible assets	Self-developed	Purchased	Total
Gross values	29,141	679,740	708,881
Accumulated amortization	(9,580)	(378,971)	(388,551)
Impairment	=	(2,704)	(2,704)
Carrying value	<u>19,561</u>	<u>298,065</u>	<u>317,626</u>

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]**For the year ended 31 December 2025 [continued]**

Carrying value of the investment and goodwill allocated to the appropriate cash generating units

Subsidiaries	Carrying amounts of the subsidiary in HUF million	Goodwill values in HUF million	Goodwill values in million functional currency	Type of functional currency	Consolidated ownership interest	With ownership adjusted company value in HUF million	Applied long term grow rate	Applied long term discount rate
DSK Bank EAD (Bulgaria)	280,722	43,787	28,541 77	HUF BGN	99.92%	1,340,261	3.00%	11.40%
OTP banka d.d. (Croatia)	205,349	22,373	58	EUR	100.00%	563,814	3.00%	9.30%
POK-DSK Rodina a.d. (Bulgaria)	1,680	11	11	HUF	99.85%	24,739	3.00%	11.40%
OTP Invest Drustvo AD (Serbia)	1,087	329	100	RSD	100.00%	1,087	3.00%	12.80%
Hello Pay Ltd. (Hungary)	1,690	508	508	HUF	100.00%	5,225	3.00%	14.70%
Aranykalász Group (Hungary)	15,012	342	342	HUF	100.00%	15,012	2.00%	12.50%
Szekszárd Group (Hungary)	<u>11,762</u>	<u>820</u>	820	HUF	100.00%	11,762	2.00%	12.50%
	<u>517,302</u>	<u>68,170</u>						

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

For the year ended 31 December 2024

Cost	Intangible assets	Goodwill	Property	Machinery and office equipment	Vehicle	Construction in progress	Tangible assets subject to operating lease	Total
Balance as at 1 January	542,735	66,932	421,607	276,542	41,931	45,897	36,624	1,432,268
Additions	177,293	1,671	35,487	62,257	4,507	70,260	19,618	371,093
Foreign currency translation differences	12,813	2,705	14,279	7,357	250	2,222	2,056	41,682
Disposals	(69,527)	-	(13,045)	(15,443)	(1,790)	(66,937)	(16,778)	(183,520)
Closing balance	<u>663,314</u>	<u>71,308</u>	<u>458,328</u>	<u>330,713</u>	<u>44,898</u>	<u>51,442</u>	<u>41,520</u>	<u>1,661,523</u>

Depreciation and amortization	Intangible assets	Property	Machinery and office equipment	Vehicle	Tangible assets subject to operating lease	Total
Balance as at 1 January	312,085	91,690	187,224	8,147	7,851	606,997
Charge for the period	64,283	13,349	35,899	2,574	5,380	121,485
Foreign currency translation differences	7,340	3,208	5,357	137	668	16,710
Disposals	(13,957)	(3,226)	(12,822)	(489)	(4,202)	(34,696)
Closing balance	<u>369,751</u>	<u>105,021</u>	<u>215,658</u>	<u>10,369</u>	<u>9,697</u>	<u>710,496</u>

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

For the year ended 31 December 2024 [continued]

Impairment	Intangible assets	Property	Machinery and office equipment	Tangible assets subject to operating lease	Total
Balance as at 1 January	6,224	4,476	46	43	10,789
Impairment for the period	4,930	509	250	105	5,794
Release of impairment for the period	-	(193)	-	(99)	(292)
Foreign currency translation differences	278	298	2	3	581
Use of impairment	<u>(3,125)</u>	<u>(273)</u>	<u>(251)</u>	-	<u>(3,649)</u>
Closing balance	<u>8,307</u>	<u>4,817</u>	<u>47</u>	<u>52</u>	<u>13,223</u>

	Intangible assets	Goodwill	Property	Machinery and office equipment	Vehicle	Construction in progress	Tangible assets subject to operating lease	Total
Carrying value								
Balance as at 1 January	<u>224,426</u>	<u>66,932</u>	<u>325,441</u>	<u>89,272</u>	<u>33,784</u>	<u>45,897</u>	<u>28,730</u>	<u>814,482</u>
Closing balance	<u>285,256</u>	<u>71,308</u>	<u>348,490</u>	<u>115,008</u>	<u>34,529</u>	<u>51,442</u>	<u>31,771</u>	<u>937,804</u>
Fair values	=	=	<u>383,507</u>	<u>112,665</u>	<u>34,569</u>	=	<u>31,754</u>	<u>562,495</u>
Gross amount of the fully depreciated assets that are still in use	<u>66,341</u>	=	<u>6,717</u>	<u>96,990</u>	<u>1,310</u>	=	=	<u>171,358</u>

An analysis of the intangible assets for the year ended 31 December 2024 is as follows:

Intangible assets	Self-developed	Purchased	Total
Gross values	22,771	640,543	663,314
Accumulated amortization	(9,225)	(360,526)	(369,751)
Impairment	=	<u>(8,307)</u>	<u>(8,307)</u>
Carrying value	<u>13,546</u>	<u>271,710</u>	<u>285,256</u>

NOTE 13: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS (in HUF mn) [continued]**For the year ended 31 December 2024 [continued]**

Carrying value of the investment and goodwill allocated to the appropriate cash generating units

Subsidiaries	Carrying amounts of the subsidiary in HUF million	Goodwill values in HUF million	Goodwill values in million functional currency	Type of functional currency	Consolidated ownership interest	With ownership adjusted company value in HUF million	Applied long term grow rate	Applied long term discount rate
DSK Bank EAD (Bulgaria)	280,722	44,764	28,541 77	HUF BGN	99.92%	1,313,300	3.00%	11.70%
OTP banka d.d. (Croatia)	205,349	23,806	58	EUR	100.00%	584,207	3.00%	9.90%
POK-DSK Rodina a.d. (Bulgaria)	1,680	11	11	HUF	99.85%	23,645	3.00%	11.70%
George Consult (Croatia)	225	227	1	EUR	76.00%	171	3.00%	9.90%
OTP Home Solutions Llc. (Hungary)	4,810	478	478	HUF	100.00%	8,377	3.00%	14.42%
OTP Invest Društvo AD (Serbia)	1,087	352	100	RSD	100.00%	1,087	3.00%	12.60%
Hello Pay Ltd. (Hungary)	1,640	508	508	HUF	100.00%	1,738	3.00%	14.60%
Aranykalász Group (Hungary)	15,012	342	342	HUF	75.00%	15,012	2.00%	12.50%
Szekszárd Group (Hungary)	<u>12,259</u>	<u>820</u>	820	HUF	100.00%	12,259	2.00%	12.50%
	<u>522,784</u>	<u>71,308</u>						

NOTE 14: INVESTMENT PROPERTIES (in HUF mn)

An analysis of the change in gross values of investment properties is as follows:

Gross values	31/12/2025	31/12/2024
Balance as at 1 January	99,563	63,552
Increase due to transfer from inventories or owner-occupied properties	148	3,788
Increase from purchase	15,287	32,106
Increase due to transfer from held-for-sale properties	3	-
Transfer to held-for-sale properties	(231)	(231)
Transfer to inventories or owner-occupied properties	(65)	(983)
Disposal due to sale	(959)	(2,217)
Foreign currency translation difference	<u>(4,964)</u>	<u>3,548</u>
Closing balance	<u>108,782</u>	<u>99,563</u>

The applied depreciation and amortization rates were as follows:

	31/12/2025	31/12/2024
Depreciation and amortization rates	1.50% - 33.33%	1.49% - 50.00%

An analysis of the movement in the depreciation and amortization on investment properties is as follows:

Depreciation and amortization	31/12/2025	31/12/2024
Balance as at 1 January	11,284	9,008
Additions due to transfer from inventories or owner-occupied properties	85	1,491
Charge for the period	1,625	1,047
Transfer to inventories or owner-occupied properties	-	(158)
Disposal due to sale	(307)	(699)
Transfer to held-for-sale properties	(28)	(13)
Foreign currency translation difference	<u>(613)</u>	<u>608</u>
Closing balance	<u>12,046</u>	<u>11,284</u>

An analysis of the movement in the impairment on investment properties is as follows:

Impairment	31/12/2025	31/12/2024
Balance as at 1 January	39	1,163
Impairment for the period	3,733	7
Release of impairment for the period	(7)	(30)
Disposal due to sale	-	(1,179)
Transfer to held-for-sale properties	(4)	-
Decrease due to transfer to inventories or owner-occupied properties	-	(3)
Foreign currency translation difference	<u>(2)</u>	<u>81</u>
Closing balance	<u>3,759</u>	<u>39</u>

NOTE 14: INVESTMENT PROPERTIES (in HUF mn) [continued]

Carrying values	31/12/2025	31/12/2024
Balance as at 1 January	<u>88,240</u>	<u>53,381</u>
Closing balance	<u>92,977</u>	<u>88,240</u>
Fair values	<u>105,252</u>	<u>101,888</u>

There wasn't restriction on the realisability of investment property as at 31 December 2025 while it was HUF 839 million as at 31 December 2024.

The Group chose the cost model for measuring investment properties but estimates and reviews the fair value of the investment properties by external experts, these investment properties would have been presented on level 3 in the fair value hierarchy if the Group didn't apply cost method for this recognition.

Income and expenses	31/12/2025	31/12/2024
Rental income	5,568	4,027
Direct operating expenses of investment properties		
– income generating	996	486
Direct operating expenses of investment properties		
– non income generating	129	241

NOTE 15: DERIVATIVE FINANCIAL ASSETS DESIGNATED AS HEDGE ACCOUNTING (in HUF mn)

Positive fair value of derivative financial assets designated as fair value hedge

	31/12/2025	31/12/2024
CCIRS and mark-to-market CCIRS designated as fair value hedge	3,929	18,190
Interest rate swaps designated as fair value hedge	21,163	21,902
Interest rate swap designated as macro fair value hedge	<u>4,533</u>	<u>10,289</u>
Total	<u>29,625</u>	<u>50,381</u>

NOTE 16: OTHER ASSETS (in HUF mn)

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

	31/12/2025	31/12/2024
Other financial assets		
Receivables from card operations	51,807	39,740
Prepayments and accrued income on other financial assets	40,997	31,042
Trade receivables	52,805	49,978
Receivables from investment services	43,283	51,401
Other advances	63,816	56,729
Stock exchange deals	25,492	27,524
Giro clearing accounts	24,847	48,354
Receivables due from pension funds and investment funds	8,181	7,064
Receivables from leasing activities	1,469	1,651
Advances for securities and investments	869	556
Other financial assets	29,720	24,458
Loss allowance on other financial assets	<u>(54,906)</u>	<u>(46,177)</u>
Total	<u>288,380</u>	<u>292,320</u>
Other financial assets contain claims from overdue Russian government bonds, for further information please see details in Note 4. 1b.		
Other non-financial assets	31/12/2025	31/12/2024
Prepayments and accrued income on other non-financial assets	85,169	73,159
Receivables, subsidies from the State, Government	16,414	16,319
Settlement and suspense accounts	41,456	27,894
Biological assets and agricultural produce	12,745	11,297
Other non-financial assets	39,337	42,621
Impairment on other non-financial assets	<u>(5,328)</u>	<u>(5,176)</u>
Total	<u>189,793</u>	<u>166,114</u>
Other assets (under IAS 2)	31/12/2025	31/12/2024
Inventories	60,006	42,232
Repossessed real estate	13,797	17,763
Repossessed other non-financial assets	3,067	2,887
Write-down of the assets measured under IAS 2	<u>(7,653)</u>	<u>(7,128)</u>
Total	<u>69,217</u>	<u>55,754</u>
Total other assets	<u>547,390</u>	<u>514,188</u>

NOTE 16: OTHER ASSETS (in HUF mn) [continued]

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

	31/12/2025	31/12/2024
Balance as at 1 January	46,177	34,602
Loss allowance for the period	25,601	19,253
Release of allowance for the period	(9,670)	(8,847)
Use of loss allowance	(4,804)	(2,020)
Foreign currency translation difference	<u>(2,398)</u>	<u>3,189</u>
Closing balance	<u>54,906</u>	<u>46,177</u>

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

	31/12/2025	31/12/2024
Balance as at 1 January	5,176	4,437
Impairment for the period	654	1,316
Release of impairment for the period	(295)	(546)
Use of impairment	(433)	(41)
Foreign currency translation difference	<u>226</u>	<u>10</u>
Closing balance	<u>5,328</u>	<u>5,176</u>

NOTE 17: AMOUNTS DUE TO BANKS, THE NATIONAL GOVERNMENTS, DEPOSITS FROM THE NATIONAL BANKS AND OTHER BANKS (in HUF mn)

	31/12/2025	31/12/2024
Within one year		
In HUF	171,968	520,301
In foreign currency	<u>290,520</u>	<u>377,892</u>
	<u>462,488</u>	<u>898,193</u>
Over one year		
In HUF	243,230	312,107
In foreign currency	<u>785,203</u>	<u>811,891</u>
	<u>1,028,433</u>	<u>1,123,998</u>
Total	<u>1,490,921</u>	<u>2,022,191</u>

Interest rates on amounts due to banks, the National Governments, deposits from the National Banks and other banks are as follows:

	31/12/2025	31/12/2024
Within one year		
In HUF	(1.41)% - 6.10%	(1.51)% - 9.23%
In foreign currency	(2.02)% - 15.90%	(2.12)% - 18.00%
Over one year		
In HUF	(1.34)% - 6.50%	(1.41)% - 3.50%
In foreign currency	(2.00)% - 14.00%	(2.02)% - 13.50%

	31/12/2025	31/12/2024
Average interest rates on amounts due to banks, the National Governments, deposits from the National Banks and other banks denominated in HUF	3.59%	3.10%
Average interest rates on amounts due to banks, the National Governments, deposits from the National Banks and other banks denominated in foreign currency	8.48%	7.82%

NOTE 18: REPO LIABILITIES (in HUF mn)

	31/12/2025	31/12/2024
Within one year		
In HUF	50,093	23,736
In foreign currency	<u>116,665</u>	<u>108,401</u>
	<u>166,758</u>	<u>132,137</u>
Over one year		
In HUF	-	-
In foreign currency	<u>51</u>	=
	<u>51</u>	=
Total	<u>166,809</u>	<u>132,137</u>

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

	31/12/2025	31/12/2024
Interest rates on repo liabilities denominated in HUF	5.40% - 6.10%	(4.50)% - 6.30%
Interest rates on repo liabilities denominated in foreign currency	0.50% - 3.35%	1.46% - 2.70%
	31/12/2025	31/12/2024
Average interest rates on repo liabilities denominated in HUF	7.24%	7.70%
Average interest rates on repo liabilities denominated in foreign currency	0.80%	2.04%

NOTE 19: FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)

	31/12/2025	31/12/2024
Within one year		
In HUF	1,574	1,709
In foreign currency	=	=
	<u>1,574</u>	<u>1,709</u>
Over one year		
In HUF	88,766	70,781
In foreign currency	=	=
	<u>88,766</u>	<u>70,781</u>
Total	<u>90,340</u>	<u>72,490</u>
Contractual amount outstanding	<u>15,482</u>	<u>17,000</u>
Result from associated entity's measured at fair value attributable to the Group	<u>75,061</u>	<u>55,466</u>

Interest conditions of financial liabilities designated at fair value through profit or loss can be analysed as follows:

	31/12/2025	31/12/2024
Interest rates on financial liabilities designated at fair value denominated in HUF within one year	0.01% - 4.59%	4.33% - 8.24%
Interest rates on financial liabilities designated at fair value denominated in HUF over one year	4.32%-5.27%	3.14%

Certain MFB (“Hungarian Development Bank”) refinanced loan receivables are categorised as fair value through profit or loss based on SPPI test. Related refinancing loans at the liability side are categorised as fair value through profit or loss based on fair value option due to accounting mismatch as provided by the IFRS 9 standard.

The Group controls capital funds where it does not hold the 100% of the owner rights. The related non-controlling interest is treated as financial liability designated at fair value through profit or loss as it is not considered equity under IAS 32.

NOTE 20: DEPOSITS FROM CUSTOMERS (in HUF mn)

	31/12/2025	31/12/2024
Within one year		
In HUF	8,934,369	8,452,289
In foreign currency	<u>24,219,565</u>	<u>22,752,752</u>
	<u>33,153,934</u>	<u>31,205,041</u>
Over one year		
In HUF	184,210	224,878
In foreign currency	<u>394,620</u>	<u>228,270</u>
	<u>578,830</u>	<u>453,148</u>
Deposits from customers total	<u>33,732,764</u>	<u>31,658,189</u>
Fair value changes of the hedged items in portfolio hedge of interest rate risk	<u>1,503</u>	<u>8,209</u>
Total	<u>33,734,267</u>	<u>31,666,398</u>

Interest rates on deposits from customers are as follows:

	31/12/2025	31/12/2024
Within one year		
In HUF	(0.20)% - 30.00%	0.00% - 17.50%
In foreign currency	(8.04)% - 13.50%	(0.85)% - 5.00%
Over one year		
In HUF	0.00% - 6.72%	0.00% - 6.03%
In foreign currency	0.00% - 23.00%	0.00% - 23.00%

	31/12/2025	31/12/2024
Average interest rates on deposits from customers denominated in HUF	1.72%	1.94%
Average interest rates on deposits from customers denominated in foreign currency	1.88%	1.43%

An analysis of deposits from customers by type is as follows:

	31/12/2025		31/12/2024	
Retail deposits	19,559,527	57.98%	17,967,496	56.75%
Corporate deposits	13,320,082	39.49%	12,538,696	39.61%
Municipality deposits	<u>853,155</u>	<u>2.53%</u>	<u>1,151,997</u>	<u>3.64%</u>
Total	<u>33,732,764</u>	<u>100.00%</u>	<u>31,658,189</u>	<u>100.00%</u>

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)

	31/12/2025	31/12/2024
With original maturity		
Within one year		
In HUF	148,378	103,595
In foreign currency	<u>30,309</u>	<u>163,970</u>
	<u>178,687</u>	<u>267,565</u>
Over one year		
In HUF	331,953	302,741
In foreign currency	<u>2,001,995</u>	<u>2,022,818</u>
	<u>2,333,948</u>	<u>2,325,559</u>
Total	<u>2,512,635</u>	<u>2,593,124</u>

Interest rates on liabilities from issued securities are as follows:

	31/12/2025	31/12/2024
Issued securities denominated in HUF	1.25% - 7.40%	1.25% - 12.00%
Issued securities denominated in foreign currency	1.63% - 20.50%	1.63% - 20.50%
	31/12/2025	31/12/2024
Average interest rates on issued securities denominated in HUF	6.60%	6.05%
Average interest rates on issued securities denominated in foreign currency	5.74%	6.89%

Issued securities denominated in HUF as at 31 December 2025 (in HUF mn)

	Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)	
1	OTP_HUF_2026/2	15/12/2023	15/12/2026	551	553	fix	7.40
2	OTP_HUF_2026/3	17/01/2025	17/01/2026	10,728	11,352	fix	6.00
3	OTP_HUF_2026/4	31/01/2025	31/01/2026	4,023	4,248	fix	6.00
4	OTP_HUF_2026/5	14/02/2025	14/02/2026	4,713	4,965	fix	6.00
5	OTP_HUF_2026/6	14/03/2025	14/03/2026	12,015	12,603	fix	6.00
6	OTP_HUF_2026/7	11/04/2025	11/04/2026	17,132	17,893	fix	6.00
7	OTP_HUF_2026/8	09/05/2025	09/05/2026	13,579	14,119	fix	6.00
8	OTP_HUF_2026/9	06/06/2025	06/06/2026	12,530	12,971	fix	6.00
9	OTP_HUF_2026/10	27/06/2025	27/06/2026	7,638	7,880	fix	6.00
10	OTP_HUF_2026/11	16/07/2025	16/07/2026	11,302	11,626	fix	6.00
11	OTP_HUF_2026/12	15/08/2025	15/08/2026	<u>10,399</u>	<u>10,645</u>	fix	6.00
	Subtotal			<u>104,610</u>	<u>108,855</u>		

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Issued securities denominated in HUF as at 31 December 2025 (in HUF mn) [continued]**

Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)	
12	OTP_HUF_2026/13	12/09/2025	12/09/2026	6,786	6,915	fix 6.00
13	OTP_HUF_2026/14	10/10/2025	10/10/2026	11,703	11,872	fix 6.00
14	OTP_HUF_2026/15	31/10/2025	31/10/2026	5,164	5,221	fix 6.00
15	OTP_HUF_2026/16	21/11/2025	21/11/2026	7,469	7,526	fix 6.00
16	OTP_HUF26/17	12/12/2025	12/12/2026	6,754	6,782	fix 6.00
17	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	155	156	fix 6.96
18	OJB2027_1 ¹	23/07/2020	27/10/2027	76,850	72,751	fix 1.25
19	OJB2031_1 ¹	18/08/2021	22/10/2031	82,000	68,082	fix 2.50
20	OJB2029_A	25/07/2022	24/05/2029	87,496	87,613	floating 6.75
21	OJB2029_B	10/04/2024	20/06/2029	59,167	59,312	floating 6.75
22	OJB2032_A	20/09/2023	24/11/2032	25,000	25,017	floating 6.75
23	OJB2032_B	22/09/2025	20/12/2032	20,000	20,029	floating 6.75
24	Other			<u>200</u>	<u>200</u>	
Total issued securities in HUF			<u>493,354</u>	<u>480,331</u>		

Issued securities denominated in foreign currency as at 31 December 2025

	Name	Date of issue	Maturity	Type of FX	Nominal value		Amortized cost		Interest conditions (actual interest rate in % p.a.)	
					(FX mn)	(HUF mn)	(FX mn)	(HUF mn)		
1	XS2838495542 ¹	12/06/2024	12/06/2028	EUR	699	269,317	725	279,384	fix 4.75	
2	XS2698603326 ¹	05/10/2023	05/10/2027	EUR	648	249,612	664	256,054	fix 6.13	
3	XS2754491640 ¹	31/01/2024	31/01/2029	EUR	598	230,534	631	243,169	fix 5.00	
4	XS2917468618 ¹	16/10/2024	16/10/2030	EUR	498	191,929	499	192,481	fix 4.25	
5	XS2626773381 ¹	25/05/2023	25/05/2027	USD	499	163,869	503	165,316	fix 7.50	
6	XS3102027383	30/06/2025	30/06/2028	CNY	900	42,291	915	42,980	fix 3.50	
7	XS2871018136	31/07/2024	31/07/2027	CNY	300	14,097	305	14,338	fix 4.10	
8	XS3094548123 ¹	20/06/2025	20/06/2030	EUR	430	165,722	436	166,506	fix 3.00	
9	XS3187013779 ¹	01/10/2025	31/03/2031	EUR	500	192,700	499	190,805	fix 3.14	
10	AL0022100187	26/12/2023	26/12/2030	EUR	7	2,875	7	2,884	fix 4.50	
11	AL0022100302	20/11/2024	20/11/2031	EUR	3	1,303	3	1,312	fix 4.50	
12	SI0022104176 ¹	25/05/2021	25/05/2027	EUR	176	67,715	175	67,518	fix 1.63	
13	XS2793675534 ¹	03/04/2024	03/04/2028	EUR	300	115,620	312	120,358	fix 4.75	
14	XS3050686321 ¹	20/05/2025	20/05/2028	EUR	300	115,620	305	117,450	fix 3.50	
15	XS2808393370	22/04/2024	27/04/2027	UZS	1,370,220	37,407	1,407,726	38,431	fix 20.50	
16	XS3200122102	09/10/2025	09/10/2028	UZS	1,200,000	32,760	1,241,431	33,891	fix 17.50	
17	XS3200121716	09/10/2025	09/10/2030	USD	300	<u>98,526</u>	303	<u>99,427</u>	fix 6.45	
Total issued securities in FX					<u>1,991,897</u>		<u>2,032,304</u>			
Total issued securities							<u>2,512,635</u>			

¹: means hedged

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Issued securities denominated in HUF as at 31 December 2024 (in HUF mn)**

Name	Date of issue	Maturity	Nominal value (in HUF mn)	Amortized cost (in HUF mn)	Interest conditions (actual interest rate in % p.a.)	
1	OTP_HUF_2025/3	12/01/2024	12/01/2025	1,919	2,060	fix 7.50
2	OTP_HUF_2025/4	18/11/2022	18/11/2025	2,155	2,289	fix 6.75
3	OTP_HUF_2025/5	30/06/2023	30/06/2025	5,957	6,284	fix 6.50
4	OTP_HUF_2025/6	28/03/2024	28/03/2025	5,559	5,837	fix 6.50
5	OTP_HUF_2025/7	26/04/2024	26/04/2025	8,190	8,528	fix 6.00
6	OTP_HUF_2025/8	24/05/2024	24/05/2025	5,860	6,075	fix 6.00
7	OTP_HUF_2025/9	07/06/2024	07/06/2025	5,756	5,955	fix 6.00
8	OTP_HUF_2025/10	05/07/2024	05/07/2025	11,675	12,024	fix 6.00
9	OTP_HUF_2025/11	02/08/2024	02/08/2025	6,698	6,868	fix 6.00
10	OTP_HUF_2025/12	30/08/2024	30/08/2025	4,532	4,618	fix 5.50
11	OTP_HUF_2025/13	27/09/2024	27/09/2025	5,162	5,239	fix 5.50
12	OTP_HUF_2025/14	31/10/2024	31/10/2025	5,826	5,883	fix 5.50
13	OTP_HUF_2025/15	29/11/2024	29/11/2025	3,243	3,260	fix 5.50
14	OTP_HUF_2025/16	18/12/2024	18/12/2025	7,324	7,343	fix 6.00
15	OTP_HUF_2026/1 ¹	22/12/2022	05/01/2026	10,228	12,674	fix 12.00
16	OTP_HUF_2026/2	15/12/2023	15/12/2026	620	622	fix 7.40
17	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	155	156	fix 6.88
18	OJB2025/II ²	03/02/2020	26/11/2025	22,550	21,315	fix 1.50
19	OJB2027/I	23/07/2020	27/10/2027	76,850	67,875	fix 1.25
20	OJB2029/A	25/07/2022	24/05/2029	72,303	72,349	floating 6.75
21	OJB2029_B	10/04/2024	20/06/2029	60,037	60,170	floating 6.75
22	OJB2031/I	18/08/2021	22/10/2031	82,000	63,713	fix 2.50
23	OJB2032/A	20/09/2023	24/11/2032	25,000	24,995	floating 6.75
24	Other			<u>204</u>	<u>204</u>	
	Total issued securities in HUF			<u>429,803</u>	<u>406,336</u>	

¹: means hedged²: means partly hedged

NOTE 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**Issued securities denominated in foreign currency as at 31 December 2024**

	Name	Date of issue	Maturity	Type of FX	Nominal value		Amortized cost		Interest conditions	
					(FX mn)	(HUF mn)	(FX mn)	(HUF mn)	(actual interest rate in % p.a.)	
1	XS2871018136	31/07/2024	31/07/2027	CNY	300	16,176	300	16,443	fix	4.10
2	XS2560693181	01/12/2022	04/03/2026	EUR	648	265,938	649	282,387	fix	7.35
3	XS2642536671	27/06/2023	27/06/2026	EUR	110	45,110	110	46,871	fix	7.50
4	XS2698603326 ¹	05/10/2023	05/10/2027	EUR	649	266,321	664	276,203	fix	6.13
5	XS2737630314 ¹	22/12/2023	22/06/2026	EUR	75	30,757	75	31,845	fix	6.10
6	XS2754491640 ¹	31/01/2024	31/01/2029	EUR	598	245,420	607	260,169	fix	5.00
7	XS2838495542 ¹	12/06/2024	12/06/2028	EUR	698	286,058	710	298,861	fix	4.75
8	XS2917468618 ¹	16/10/2024	16/10/2030	EUR	499	204,680	500	206,807	fix	4.25
9	XS2703264635 ¹	13/10/2023	13/10/2026	RON	170	14,011	170	14,279	floating	8.10
10	XS2536446649	29/09/2022	29/09/2026	USD	60	23,616	60	24,063	fix	7.25
11	XS2626773381 ¹	25/05/2023	25/05/2027	USD	500	196,689	497	197,046	fix	7.50
12	AL0022100187	26/12/2023	26/12/2030	EUR	7	3,059	7	3,067	fix	4.50
13	AL0022100302	20/11/2024	20/11/2031	EUR	3	1,386	3	1,385	fix	4.50
14	SI0022104176 ¹	25/05/2021	25/05/2027	EUR	176	72,053	170	69,557	fix	1.63
15	XS2639027346 ¹	29/06/2023	29/06/2026	EUR	400	164,036	416	170,702	fix	7.38
16	XS2793675534 ¹	03/04/2024	03/04/2028	EUR	300	123,027	314	128,570	fix	4.75
17	XS2260457754	19/11/2020	19/11/2025	USD	300	118,080	294	115,787	fix	5.50
18	XS2808393370	22/04/2024	27/04/2027	UZS	1,370,220	<u>41,792</u>	1,401,497	<u>42,746</u>	fix	20.50
Total issued securities in FX						<u>2,118,209</u>		<u>2,186,788</u>		
Total issued securities								<u>2,593,124</u>		

¹: means hedged**Hedge accounting of issued bonds**

Certain issued structured securities are hedged by the Group 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 Group 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 Group actually hedges and the quantity of the hedging instrument that the Group 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 21: LIABILITIES FROM ISSUED SECURITIES (in HUF mn) [continued]**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+	--
OTP Mortgage Bank Ltd.								
Mortgage bonds	XS3094548123	20/06/2025	EUR	430	Luxembourg	A1	--	--
Mortgage bonds	XS3187013779	01/10/2025	EUR	500	Luxembourg	A1	--	--
OTP Albania SHA								
Senior Non-Preferred Notes	AL0022100302	20/11/2024	EUR	3.38	Not listed	Not rated	Not rated	Not rated
OTP banka d.d. (Slovenia)								
Senior Preferred Notes	XS2793675534	03/04/2024	EUR	300	Luxembourg	Baa2	--	--
Senior Preferred Notes	XS3050686321	20/05/2025	EUR	300	Luxembourg	Baa2	--	--
JSCMB 'Ipoteka Bank'								
Senior Non-Preferred Notes	XS2808393370	22/04/2024	UZS	1,370,220	Vienna	--	--	BB-
Senior Unsecured	XS3200122102	09/10/2025	UZS	1,200,000	Vienna	--	--	BB-
Senior Unsecured	XS3200121716	09/10/2025	USD	300	Vienna	--	--	BB-
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			

NOTE 22: DERIVATIVE FINANCIAL LIABILITIES HELD-FOR-TRADING (in HUF mn)

Negative fair value of derivative financial liabilities held for trading by type of contracts

	31/12/2025	31/12/2024
Foreign exchange swaps held for trading	37,391	54,715
Commodity swaps	2,604	10,477
Interest rate swaps held for trading	19,032	24,406
Foreign exchange forward contracts held-for-trading	14,841	8,595
CCIRS and mark-to-market CCIRS held for trading	3,735	11,627
Held for trading option contracts	2,961	2,106
Other derivative transactions held for trading ¹	<u>701</u>	<u>2,163</u>
Total	<u>81,265</u>	<u>114,089</u>

¹ Other category includes: FX spot, equity swaps, forward rate and forward security agreement, options and index futures.

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

Negative fair value of derivative financial liabilities designated as hedge accounting by type of contracts

	31/12/2025	31/12/2024
CCIRS and mark-to-market CCIRS designated as fair value hedge	5,371	4,280
Interest rate swaps designated as fair value hedge	5,947	10,325
Interest rate swap designated as macro fair value hedge	<u>183</u>	-
Total	<u>11,501</u>	<u>14,605</u>

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

Other liabilities are expected to be recovered or settled no more than twelve months after the reporting period. Besides the total other liabilities mentioned above, which are expected to be recovered or settled more than twelve months after the reporting period are the following: accrued contractual liabilities, compulsory pension reserve, loans from government and liabilities from preferential dividend shares.

	31/12/2025	31/12/2024
Other financial liabilities		
Liabilities connected to Cafeteria benefits	111,588	103,883
Liabilities from investment services	74,283	149,317
Accrued expenses on other financial liabilities	77,809	63,792
Liabilities from card transactions	59,713	56,949
Accounts payable	82,090	99,594
Liabilities due to short positions	85,566	47,157
Giro clearing accounts	42,890	70,773
Advances received from customers	12,454	11,809
Liabilities from wages and other salary related payments	56,429	48,270
Loans from government	4,051	5,511
Dividend payable	2,227	1,518
Other financial liabilities	<u>108,393</u>	<u>109,356</u>
Subtotal	<u>717,493</u>	<u>767,929</u>
Other non-financial liabilities		
Clearing, settlement and pending accounts	58,184	84,731
Liabilities from social security contributions	20,477	17,240
Accrued expenses on other non-financial liabilities	36,722	33,173
Clearing account for advances on housing subsidies	11,674	12,333
Other non-financial liabilities	<u>85,644</u>	<u>76,146</u>
Subtotal	<u>212,701</u>	<u>223,623</u>
Total	<u>930,194</u>	<u>991,552</u>

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

The provisions are detailed as follows:

	31/12/2025	31/12/2024
Commitments and guarantees given	<u>54,892</u>	<u>50,477</u>
Total provision according to IFRS 9	<u>54,892</u>	<u>50,477</u>
Pending legal issues and tax litigation	36,774	39,867
Pensions and other retirement benefit obligations	12,731	10,659
Other long-term employee benefits	2,750	3,126
Restructuring	6,689	10,371
Other provision	<u>37,287</u>	<u>17,137</u>
Total provision according to IAS 37	<u>96,231</u>	<u>81,160</u>
Total	<u>151,123</u>	<u>131,637</u>

The movements of provisions according to IFRS 9 can be summarized as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	50,477	46,137
Provision for the period	107,736	106,372
Release of provision for the period	(101,277)	(104,001)
Use of provision	(26)	(30)
Foreign currency translation differences	<u>(2,018)</u>	<u>1,999</u>
Closing balance	<u>54,892</u>	<u>50,477</u>

The movements of provisions according to IAS 37 can be summarized as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	81,160	74,982
Provision for the period	45,847	21,871
Release of provision for the period	(17,310)	(16,803)
Use of provision	(9,084)	(6,001)
Change due to actuarial gains or losses related to employee benefits	326	1,012
Change due to acquisition	-	1,209
Unwinding of the discounted amount	20	24
Foreign currency translation differences	<u>(4,728)</u>	<u>4,866</u>
Closing balance	<u>96,231</u>	<u>81,160</u>

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

	31/12/2025	31/12/2024
Within one year		
In HUF	-	-
In foreign currency	<u>10,306</u>	<u>13,360</u>
	<u>10,306</u>	<u>13,360</u>
Over one year		
In HUF	-	-
In foreign currency	<u>475,778</u>	<u>355,999</u>
	<u>475,778</u>	<u>355,999</u>
Total	<u>486,084</u>	<u>369,359</u>

Types of subordinated bonds and loans are as follows:

	31/12/2025	31/12/2024
Debt securities issued	10,316	22,243
Loan received	<u>475,768</u>	<u>347,116</u>
Total	<u>486,084</u>	<u>369,359</u>

Interest rates on subordinated bonds and loans are as follows:

	31/12/2025	31/12/2024
Denominated in HUF	-	-
Denominated in foreign currency	0.00% - 8.75%	0.00% - 8.75%
	31/12/2025	31/12/2024
Average interest rates on subordinated bonds and loans denominated in foreign currency	8.36%	7.28%

Subordinated bonds and loans can be detailed as follows:

Type	Nominal value	Date of issuance	Date of maturity	Issue price	Interest conditions	Interest rate as at 31 December 2025
Subordinated bond	USD 647 million	2/15/2023	5/15/2033	99.417%	Fix 8.75%, annually	8.75%
Subordinated bond	USD 746 million	1/30/2025	7/30/2035	100.00%	Fix 7.30%, annually	7.30%
Subordinated loan	UZS 13,978.3 million	4/30/2019	11/10/2028	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	UZS 97,668.1 million	4/30/2019	11/10/2029	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	UZS 95,616.6 million	4/30/2019	11/10/2030	100.00%	Fix 3.00%, quarterly	3.00%
Subordinated loan	USD 25 million	3/30/2023	3/31/2030	100.00%	Fix 0.00%, quarterly	0.00%

NOTE 26: SHARE CAPITAL (in HUF mn)

	31/12/2025	31/12/2024
Authorized, issued and fully paid:		
Ordinary shares	28,000	28,000

Share capital is the portion of the Bank's equity that has been obtained by the issue of shares in the corporation to a shareholder, usually for cash.

The nominal value of the shares is HUF 100 per shares. All of the shares are ordinary shares representing the same rights to the shareholders. Furthermore, there are no restrictions on the distribution of dividends and the repayment of capital.

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn)

In 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 1,071.43 dividend per share payable to the shareholders.

The retained earnings and reserves according to IFRS contains the retained earnings (HUF 553,117 million and HUF 639,228 million) and reserves (HUF 5,487,458 million and HUF 4,688,424 million) as at 31 December 2025 and 2024, respectively. The reserves include mainly the option reserve, other reserves, the fair value adjustment of financial instruments at fair value through other comprehensive income, share-based payment reserve, fair value of hedge transactions, changes in equity accumulated in the previous years at the subsidiaries and due to consolidation as well as translation of foreign exchange differences.

In the Consolidated Financial Statements, the Group recognizes the non-monetary items at historical cost. The difference between the historical cost of the non-monetary items in HUF amount and the translated foreign currencies into the presentation currency using the exchange rate at the balance sheet date, is presented in the shareholders' equity as a translation difference. The accumulated amounts of exchange differences were HUF 16,280 million and HUF 232,227 million as at 31 December 2025 and 2024, respectively.

Retained earnings

Profit of previous years generated by the Group that are not distributed to shareholders as dividends.

Other reserves

The other reserves contain separated reserves due to statutory provisions.

Option reserve

OTP Bank Plc and MOL Plc entered into a share swap agreement in 16 April 2009, whereby OTP has changed 24,000,000 OTP ordinary shares for 5,010,501 „A series” MOL shares. The amended final maturity of the share swap agreement is 11 July 2027, until which any party can initiate cash or physical settlement of the transaction. Option reserve represents the written put option over OTP ordinary shares that are deducted from equity at the date of OTP-MOL share swap transaction.

Share-based payment reserve

Share-based payment reserve represents the increase in the equity due to the goods or services were received by the Bank in an equity-settled share-based payment transaction, valued at the fair value of the goods or services received (see details in Note 40).

Other comprehensive income

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other IFRSs.

Net investment hedge in foreign operations

Reserve presented as net investment hedge in foreign operations in the shareholders' equity is related to OTP Luxembourg S.à r.l., OTP banka d.d. (Croatia) and Crnogorska komercijalna banka a.d.

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn) [continued]**Changes in equity accumulated in the previous year at the subsidiaries and due to consolidation**

The accumulated changes at the subsidiaries contain the accumulated gains and losses of the subsidiaries from the first day when they were included in the consolidation process. The changes due to consolidation contain the effect on the result of the eliminations in the consolidation process of the previous years.

	31/12/2025	31/12/2024
Retained earnings	553,117	639,228
Capital reserve	52	52
Option reserve	(55,468)	(55,468)
Other reserves	336,203	273,280
Actuarial loss related to employee defined benefits	(1,078)	(779)
Fair value of financial instruments measured at fair value through other comprehensive income	21,675	14,559
Share-based payment reserve	62,204	56,813
Net investment hedge in foreign operations	(32,733)	(57,423)
Profit after income tax	1,140,698	1,071,913
Changes in equity accumulated in the previous year at the subsidiaries and due to consolidation	3,999,625	3,153,250
Foreign currency translation differences	<u>16,280</u>	<u>232,227</u>
Retained earnings and other reserves¹	<u>6,040,575</u>	<u>5,327,652</u>

¹See more details in the Consolidated Statement of Comprehensive Income and in the Consolidated Statement of Changes in Equity.

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

	31/12/2025	31/12/2024
Balance as at 1 January	(79,330)	(86,397)
Change of fair value	16,684	5,237
Deferred tax related to change of fair value	(1,699)	2,921
Transfer to profit or loss due to derecognition	410	342
Deferred tax related to transfer to profit or loss	(6)	58
Disposal due to asset held-for-sale	-	817
Foreign currency translation difference	<u>540</u>	<u>(2,308)</u>
Closing balance	<u>(63,401)</u>	<u>(79,330)</u>

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

	31/12/2025	31/12/2024
Balance as at 1 January	60,890	34,573
Increase of loss allowance	9,115	31,706
Release of loss allowance	(10,974)	(1,858)
Deferred tax effect	894	(7,160)
Disposal due to asset held-for-sale	-	(139)
Foreign currency translation difference	<u>(7,791)</u>	<u>3,768</u>
Closing balance	<u>52,134</u>	<u>60,890</u>

NOTE 27: RETAINED EARNINGS AND RESERVES (in HUF mn) [continued]**Fair value changes of equity instruments
at fair value through other comprehensive income**

	31/12/2025	31/12/2024
Balance as at 1 January	32,999	18,595
Change of fair value	890	16,736
Deferred tax related to change of fair value	(211)	(2,115)
Disposal due to asset held-for-sale	-	(740)
Foreign currency translation difference	<u>(736)</u>	<u>523</u>
Closing balance	<u>32,942</u>	<u>32,999</u>

Net investment hedge in foreign operations

	31/12/2025	31/12/2024
Balance as at 1 January	(57,423)	(30,113)
Change of fair value on hedging item	<u>24,690</u>	<u>(27,310)</u>
Closing balance	<u>(32,733)</u>	<u>(57,423)</u>

Actuarial loss related to defined employee benefits

	31/12/2025	31/12/2024
Balance as at 1 January	(779)	144
Change of actuarial loss related to employee benefits	(326)	(1,012)
Deferred tax related to change of actuarial loss related to employee benefits	24	26
Foreign currency translation difference	<u>3</u>	<u>63</u>
Closing balance	<u>(1,078)</u>	<u>(779)</u>

Foreign currency translation difference

	31/12/2025	31/12/2024
Balance as at 1 January	232,227	37,600
Change of foreign currency translation	<u>(215,947)</u>	<u>194,627</u>
Closing balance	<u>16,280</u>	<u>232,227</u>

NOTE 28: TREASURY SHARES (in HUF mn)

	31/12/2025	31/12/2024
Nominal value (Ordinary shares)	2,613	1,901
Carrying value at acquisition cost	458,637	245,319

The changes in the carrying value of treasury shares are due to repurchase and sale transactions on market authorised by the General Assembly.

Change in number of shares:

	31/12/2025	31/12/2024
Number of shares as at 1 January	19,011,319	12,666,770
Additions	9,746,124	8,775,919
Disposals	(2,630,484)	(2,431,370)
Closing number of shares	<u>26,126,959</u>	<u>19,011,319</u>

Change in carrying value:

	31/12/2025	31/12/2024
Balance as at 1 January	245,319	120,489
Additions	249,744	153,105
Disposals	(36,426)	(28,275)
Closing balance	<u>458,637</u>	<u>245,319</u>

NOTE 29: NON-CONTROLLING INTEREST (in HUF mn)

	31/12/2025	31/12/2024
Balance as at 1 January	9,680	7,960
Increase due to business combination	2,538	-
Non-controlling interest included in net profit for the period	5,627	4,227
Dividend paid to non-controlling interest	(2,252)	(2,643)
Purchase of non-controlling interest	(72)	(350)
Foreign currency translation difference	<u>157</u>	<u>486</u>
Closing balance	<u>15,678</u>	<u>9,680</u>

The non-controlling interest is not significant in respect of the whole OTP Group.

NOTE 30: INTEREST INCOME, INCOME SIMILAR TO INTEREST INCOME AND INTEREST EXPENSE (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income calculated using the effective interest method from / on		
loans	1,773,634	1,584,771
securities at amortized cost	355,461	352,733
finance lease receivables	113,822	110,830
securities at fair value through other comprehensive income	70,962	60,806
banks and balances with the National Banks	236,159	171,238
placements with other banks	199,527	240,932
financial liabilities (negative interest expense)	251	492
repo receivables	<u>24,410</u>	<u>20,336</u>
Subtotal	<u>2,774,226</u>	<u>2,542,138</u>
Income similar to interest income from		
swap deals related to credit institutions	382,246	385,122
loans mandatorily at fair value through profit or loss	126,858	99,559
swap deals related to clients	49,719	40,359
rental income	16,116	13,479
non-trading instruments mandatorily at fair value through profit or loss	<u>15</u>	<u>1,465</u>
Subtotal	<u>574,954</u>	<u>539,984</u>
Total interest income and incomes similar to interest income	<u>3,349,180</u>	<u>3,082,122</u>
	Year ended 31 December 2025	Year ended 31 December 2024
Interest expense due to / from / on		
swaps related to banks, National Governments and to deposits from the National Banks	402,506	412,274
deposits from customers	605,361	460,991
swaps related to deposits from customers banks, National Governments and on deposits from the National Banks	73,780	120,223
issued securities	120,937	123,373
subordinated and supplementary bonds and loans	136,190	157,008
financial assets (negative interest income)	40,924	35,471
depreciation of assets subject to operating lease and investment properties	194	4,719
leases	7,667	6,427
repo liabilities	4,053	3,557
other	15,527	11,049
	<u>1,469</u>	<u>1,690</u>
Total interest expense	<u>1,408,608</u>	<u>1,336,782</u>

NOTE 31: LOSS ALLOWANCES / IMPAIRMENT / PROVISIONS (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Loss allowance on loans		
Loss allowance for the period	740,013	723,674
Release of loss allowance	(544,254)	(589,629)
from this: impairment gain	(5,685)	(8,956)
Income from loan recoveries	(41,532)	(57,110)
<i>Income from recoveries exceeding the gross loans</i>	(6,244)	(8,956)
<i>Impairment gain</i>	(20,960)	(33,939)
<i>Income from loss allowance on loans before OTP acquisition</i>	(381)	(978)
<i>Income from recoveries of written-off, but legally existing loans</i>	(13,947)	(13,237)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	(111)	(5,504)
Loss allowance on finance lease	21,126	30,347
Release of loss allowance on finance lease	<u>(20,997)</u>	<u>(36,865)</u>
	<u>154,245</u>	<u>64,913</u>
Loss allowance / (Release of loss allowance) on due from banks, balances with National Banks		
Loss allowance for the period	4,021	5,072
Release of loss allowance	<u>(3,561)</u>	<u>(4,332)</u>
	<u>460</u>	<u>740</u>
placements		
Loss allowance for the period	4,910	7,207
Release of loss allowance	<u>(4,770)</u>	<u>(5,904)</u>
	<u>140</u>	<u>1,303</u>
repo receivables		
Loss allowance for the period	3,942	1,839
Release of loss allowance	<u>(3,453)</u>	<u>(1,914)</u>
	<u>489</u>	<u>(75)</u>
Subtotal	<u>1,089</u>	<u>1,968</u>
Total	<u>155,334</u>	<u>66,881</u>

NOTE 31: LOSS ALLOWANCES / IMPAIRMENT / PROVISIONS (in HUF mn) [continued]

	Year ended 31 December 2025	Year ended 31 December 2024
Loss allowance / (Release of loss allowance) on securities at fair value through other comprehensive income		
Loss allowance for the period	9,115	31,706
Release of loss allowance	<u>(10,974)</u>	<u>(1,858)</u>
	<u>(1,859)</u>	<u>29,848</u>
securities at amortized cost		
Loss allowance for the period	12,694	25,766
Release of loss allowance	<u>(18,252)</u>	<u>(15,707)</u>
	<u>(5,558)</u>	<u>10,059</u>
Subtotal	<u>(7,417)</u>	<u>39,907</u>
Impairment / (Release of impairment) on intangible, tangible assets subject to operating lease		
Impairment for the period	99	105
Release of impairment	<u>(126)</u>	<u>(99)</u>
	<u>(27)</u>	<u>6</u>
investment properties		
Impairment for the period	3,733	7
Release of impairment	<u>(7)</u>	<u>(30)</u>
	<u>3,726</u>	<u>(23)</u>
Subtotal	<u>3,699</u>	<u>(17)</u>
Provision on commitments and guarantees given		
Provision for the period	107,736	106,372
Release of provision	<u>(101,277)</u>	<u>(104,001)</u>
Subtotal	<u>6,459</u>	<u>2,371</u>
Total loss allowances, impairment and provisions	<u>158,075</u>	<u>109,142</u>

NOTE 32: NET PROFIT FROM FEES AND COMMISSIONS (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Income from fees and commissions		
Fees and commissions related to lending¹	<u>62,533</u>	<u>54,057</u>
Deposit and account maintenance fees and commissions	431,652	354,823
Fees and commissions related to the issued bank cards	244,596	198,040
Currency exchange gains and losses	258,409	177,228
Fees related to cash withdrawal	75,883	72,890
Fees and commissions related to security trading	66,798	46,227
Fees and commissions related to fund management	67,223	59,251
Insurance fee income	29,782	25,701
Other	<u>38,642</u>	<u>57,770</u>
Fees and commissions from contracts with customers	<u>1,212,985</u>	<u>991,930</u>
Total	<u>1,275,518</u>	<u>1,045,987</u>

¹ Fees and commissions related to lending aren't included in the effective interest rate calculation due to their nature.

	Year ended 31 December 2025	Year ended 31 December 2024
Expense from fees and commissions		
Fees and commissions related to issued bank cards	101,022	84,357
Interchange fees	49,457	44,349
Fees and commissions paid on loans	15,336	12,477
Business related SMS fee expense	13,811	-
Fees and commissions related to deposits	12,524	11,644
Cash withdrawal transaction fees	8,066	8,607
Fees and commissions related to security trading	7,978	7,344
Insurance fees	2,741	2,117
Fees and commissions related to collection of loans	1,063	665
Postal fees	4,333	4,706
Money market transaction fees and commissions	2,230	1,128
Other agent fee	2,481	2,014
Other	<u>28,229</u>	<u>23,924</u>
Total	<u>249,271</u>	<u>203,332</u>
Net profit from fees and commissions	<u>1,026,247</u>	<u>842,655</u>

NOTE 33: GAINS AND LOSSES BY TRANSACTIONS (in HUF mn)

	Year ended 31 December 2025	Year ended 31 December 2024
Gains and losses by transactions		
Gain by transactions	8,276	6,473
Loss by transactions	<u>(6,947)</u>	<u>(11,215)</u>
Gain / (Loss) from derecognition of loans, placements, finance lease	<u>1,329</u>	<u>(4,742)</u>
Gain by transactions	1,087	826
Loss by transactions	<u>(3,115)</u>	<u>(10,493)</u>
Loss from derecognition of securities and other receivables at amortized cost	<u>(2,028)</u>	<u>(9,667)</u>
Loss from derecognition of financial assets at amortized cost	<u>(699)</u>	<u>(14,409)</u>

Derecognition of financial assets is mainly related to sale transactions both in case of securities and loans due to better investment options related to short-term opportunities on the market.

Foreign exchange result consists of revaluation difference from converting assets and liabilities in foreign currencies into the presentation currency of the consolidation financial statements.

	Year ended 31 December 2025	Year ended 31 December 2024
Gains and losses by transactions		
Gain by transactions	28,195	17,879
Loss by transactions	<u>(5,474)</u>	<u>(5,761)</u>
FX gain on securities at fair value through profit or loss	<u>22,721</u>	<u>12,118</u>
Gain by transactions	30	10
Loss by transactions	<u>(303)</u>	<u>(325)</u>
FX loss on derecognition of investment in subsidiaries, associates	<u>(273)</u>	<u>(315)</u>
Gain by transactions	1,871	97
Loss by transactions	<u>(2,310)</u>	<u>(1,574)</u>
FX loss on securities at fair value through other comprehensive income	<u>(439)</u>	<u>(1,477)</u>
Gain on securities, net	<u>22,009</u>	<u>10,326</u>

	Year ended 31 December 2025	Year ended 31 December 2024
Gains and losses by transactions		
Gain by transactions	26,977	8,607
Loss by transactions	<u>(5,024)</u>	<u>(2,564)</u>
Gain on non-trading securities mandatorily at fair value through profit or loss	<u>21,953</u>	<u>6,043</u>
Gain by transactions	67,656	75,057
Loss by transactions	<u>(73,848)</u>	<u>(51,726)</u>
(Loss) / Gain on loans mandatorily at fair value through profit or loss (adjustment resulting from change in market factors)	<u>(6,192)</u>	<u>23,331</u>
Gain by transactions	1,172	2,236
Loss by transactions	<u>(8,655)</u>	<u>(4,236)</u>
Loss on financial assets and liabilities designated at fair value through profit or loss	<u>(7,483)</u>	<u>(2,000)</u>
Fair value adjustment on financial instruments measured at fair value through profit or loss	<u>8,278</u>	<u>27,374</u>

NOTE 33: GAINS AND LOSSES BY TRANSACTIONS (in HUF mn) [continued]

	Year ended 31 December 2025	Year ended 31 December 2024
Gains and losses by transactions		
Gain by transactions	64,119	90,509
Loss by transactions	<u>(67,691)</u>	<u>(79,333)</u>
(Loss) / Gain from FX swap, swap and option deals	<u>(3,572)</u>	<u>11,176</u>
Gain by transactions	7,154	5,593
Loss by transactions	<u>(5,884)</u>	<u>(5,373)</u>
Gain from option deals	<u>1,270</u>	<u>220</u>
Gain by transactions	413,139	382,306
Loss by transactions	<u>(412,514)</u>	<u>(381,537)</u>
Gain from commodities deals	<u>625</u>	<u>769</u>
Gain by transactions	2,810	473
Loss by transactions	<u>(2,449)</u>	<u>(634)</u>
Gain / (Loss) from futures deals	<u>361</u>	<u>(161)</u>
Net results on derivative instruments and hedge relationships	<u>(1,316)</u>	<u>12,004</u>

Gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and ineffectiveness in case of fair value hedge on amortised cost line items are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Fair value hedge		
Hedged items	1,681	(28,937)
Hedging instrument	(727)	38,549
Hedge ineffectiveness	954	9,612

NOTE 34: 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		
Income from agricultural activity	94,037	86,486
Income from tourism activity	4,355	4,042
Gains on transactions related to property activities	7,473	15,918
Rental income	2,100	2,607
Income from computer programming	1,615	1,962
Fair value adjustment of biological assets and agricultural produce	(2,564)	(2,343)
Income from written-of receivable	5,504	4,996
Income from air passenger transport	2,123	2,151
Gains on transactions related to insurance activity	3,376	2,696
Non-repayable assets received	3,302	1,039
Other income from non-financial activities	<u>22,809</u>	<u>28,341</u>
Total	<u>144,130</u>	<u>147,895</u>

	Year ended 31 December 2025	Year ended 31 December 2024
Other operating expenses		
Expense related to agricultural activity	71,263	65,461
Provision for off-balance sheet commitments and contingent liabilities	28,537	5,068
Financial support for sport association and organization of public utility	3,206	14,492
Loss allowance and loan losses on other financial assets	15,939	9,948
(Release of impairment) / Impairment on investments ¹	(386)	957
Non-repayable assets contributed	1,664	2,204
Impairment of right-of-use assets	-	1,833
Impairment on tangible and intangible assets	5,660	5,496
Impairment and loan losses on other non-financial assets and assets measured under IAS 2	1,519	3,218
Operating expenses of assets subject to operating lease and investment property	1,578	1,114
Other	23,817	17,383
<i>Other expenses from non-financial activities</i>	<i>12,261</i>	<i>7,177</i>
<i>Other costs</i>	<i><u>11,556</u></i>	<i><u>10,206</u></i>
Total	<u>152,797</u>	<u>127,174</u>

¹ See details in Note 12.

NOTE 34: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF mn) [continued]

	Year ended 31 December 2025	Year ended 31 December 2024
Other administrative expenses		
Personnel expenses		
Wages	490,763	426,083
Taxes related to personnel expenses	77,847	69,612
Other personnel expenses	<u>61,666</u>	<u>54,480</u>
Subtotal	<u>630,276</u>	<u>550,175</u>
Depreciation, amortization of tangible, intangible assets, right-of-use assets²	<u>153,126</u>	<u>134,293</u>
Other administrative expenses		
Taxes, other than income tax ³	272,714	171,961
Services	213,738	202,510
Professional fees	39,268	34,131
Fees payable to authorities and other fees	62,564	57,542
Advertising	48,198	38,835
Administration expenses	15,613	16,792
Rental fees	<u>7,143</u>	<u>6,535</u>
Subtotal	<u>659,238</u>	<u>528,306</u>
Total	<u>1,442,640</u>	<u>1,212,774</u>

² See details in Note 13 and Note 36.

³ Special tax of financial institutions was paid by the Group in the amount of HUF 97,504 million for the year ended 31 December 2025 and HUF 39,711 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.

	Year ended 31 December 2025	Year ended 31 December 2024
	In thousand EUR	
Ernst & Young Audit Ltd.		
OTP Bank Plc. – annual audit – separate financial statements	658	600
OTP Bank Plc. – annual audit – consolidated financial statements	1,626	967
Other audit services based on statutory provisions to OTP Group members	1,381	1,477
Other services providing assurance	4,339	3,231
Other non-audit services	<u>832</u>	<u>662</u>
Total	<u>8,836</u>	<u>6,937</u>

	Year ended 31 December 2025	Year ended 31 December 2024
	In thousand EUR	
Ernst & Young Network		
Audit based on statutory provisions	3,127	3,214
Other services providing assurance	744	-
Tax consulting services	294	205
Other non-audit services	<u>412</u>	<u>196</u>
Total	<u>4,577</u>	<u>3,615</u>

NOTE 35: INCOME TAXES (in HUF mn)

The Group is presently liable for income tax at rates between 9% and 35% of taxable income.

Deferred tax is calculated at the income tax rate of 9% in Hungary and Montenegro, 10% in Bulgaria, 12% in Moldova and Cyprus, 15% in Serbia and Albania, 18% in Croatia, 19% in the Netherlands, 20% in Uzbekistan, 22% in Slovenia, 25% in Ukraine and Russia and 35% in Malta.

The breakdown of the income tax expense is:

	31/12/2025	31/12/2024
Current tax expense	278,045	259,188
Deferred tax income	<u>(23,119)</u>	<u>(5,748)</u>
Total	<u>254,926</u>	<u>253,440</u>

A reconciliation of the net deferred tax asset is as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	23,946	27,028
Deferred tax income in profit or loss	23,119	5,748
Deferred tax liability related to items recognized directly in equity and in Comprehensive Income	(1,378)	(8,673)
Due to acquisition of subsidiary	-	(80)
Foreign currency translation difference	<u>2,240</u>	<u>(77)</u>
Closing balance	<u>47,927</u>	<u>23,946</u>

A breakdown of the deferred tax assets are as follows:

	31/12/2025	31/12/2024
Loss allowance on granted loans	34,311	27,657
Provision for off-balance sheet commitments and contingent liabilities, derivative financial instruments	7,002	6,226
Securities at amortized cost	603	949
Difference in depreciation of tangible assets, tangible assets subject to operating lease	3,845	1,679
Fair value adjustment of non-trading instruments mandatorily at fair value through profit or loss	1,115	1,064
Fair value adjustment of derivative financial instruments	1,290	9,036
Provision on other financial, non-financial liabilities	1,694	1,195
Fair value adjustment of securities at fair value through other comprehensive income	2,134	2,856
Unused tax allowance	2	-
Loss allowance / impairment on other financial, non-financial assets	17,378	9,558
Tax accrual caused by negative taxable income	29,232	30,189
Difference in depreciation of right-of-use assets	349	244
Loss allowance on investment	24	113
Repurchase agreement and security lending	1	1
Cash, amounts due from banks, balances with the National Banks interbank placements and receivables	235	192
Difference in accounting for investment properties	139	155
Issued securities	80	1,140
Other	<u>10,598</u>	<u>7,421</u>
Deferred tax asset	<u>110,032</u>	<u>99,675</u>

NOTE 35: INCOME TAXES (in HUF mn) [continued]

A breakdown of the deferred tax liabilities are as follows:

	31/12/2025	31/12/2024
Difference in depreciation of tangible assets, tangible assets subject to operating lease	(14,825)	(16,042)
Fair value adjustment of securities at fair value through other comprehensive income	(6,862)	(15,089)
Fair value adjustment of securities at fair value through profit or loss	(2,200)	(2,376)
Loss allowance on investment	(1,582)	(1,751)
Fair value adjustment of non-trading instruments mandatorily at fair value though profit or loss	(1,394)	(1,374)
Securities at amortized cost	(2,591)	(3,742)
Provision for off-balance sheet commitments and contingent liabilities, derivative financial instruments	(713)	(531)
Loss allowance on granted loans	(3,401)	(2,462)
Cash, amounts due from banks, balances with the National Banks interbank placements and receivables	(2,295)	(1,478)
Fair value adjustment of derivative financial instruments	(119)	-
Loss allowance / impairment on other financial, non-financial assets	(100)	(1,883)
Repurchase agreement and security lending	(18)	(13)
Provision on other financial, non-financial liabilities	(298)	(2,225)
Difference in accounting for investment properties	(2,552)	(2,442)
Difference in depreciation of right-of-use assets	(963)	(374)
Other	<u>(22,192)</u>	<u>(23,947)</u>
Deferred tax liabilities	<u>(62,105)</u>	<u>(75,729)</u>
	31/12/2025	31/12/2024
Net deferred tax asset	<u>47,927</u>	<u>23,946</u>
(amount presented in the consolidated statement of financial position)		
Deferred tax assets	<u>76,274</u>	<u>56,583</u>
Deferred tax liabilities	<u>(28,347)</u>	<u>(32,637)</u>

Among deferred tax assets the tax accruals are included the following accruals by entities:

Tax accrual caused by negative taxable income	31/12/2025	31/12/2024	Date until it can be used
Merkantil Rental Ltd.	18	25	31 December 2026
Merkantil Rental Ltd.	78	78	31 December 2027
Merkantil Rental Ltd.	94	94	31 December 2028
OTP Real Estate Leasing Ltd.	-	14	31 December 2025
OTP Real Estate Leasing Ltd.	14	14	31 December 2026
OTP Real Estate Leasing Ltd.	14	15	31 December 2027
OTP Real Estate Leasing Ltd.	15	15	31 December 2028
OTP Real Estate Leasing Ltd.	15	15	31 December 2029
OTP Real Estate Leasing Ltd.	15	15	31 December 2030
OTP Real Estate Leasing Ltd.	15	15	31 December 2031
OTP Real Estate Leasing Ltd.	15	15	31 December 2032
OTP Real Estate Leasing Ltd.	15	-	31 December 2033
Nagisz Ltd.	-	9	31 December 2030
OTP banka d.d. (Slovenia)	<u>28,924</u>	<u>29,865</u>	31 December 2029
	<u>29,232</u>	<u>30,189</u>	

NOTE 35: INCOME TAXES (in HUF mn) [continued]

Residual tax loss for which the OTP banka d.d. Slovenia has not recorded deferred tax assets amounts to HUF 272,505 million and HUF 334,621 million, so the unrecognized deferred tax assets amount to HUF 59,951 million and HUF 73,617 million as at 31 December 2025 and 2024, respectively. Tax losses could be carried forward indefinitely until 2024 and can be carried forward for five years from 2024 in accordance with the Slovenian Corporate Income Tax Act.

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

	31/12/2025	31/12/2024
Profit before income tax	1,401,251	1,309,824
Income tax expense at statutory tax rates	233,156	218,249
Income tax adjustments due to permanent differences are as follows:		
Deferred use of tax allowance	226	(26)
Share-based payment and its tax effect of transaction costs recognized directly in shareholders' equity	508	408
Goodwill / negative goodwill correction by local law	-	307
Reversal of statutory general provision	(10)	(7)
Transferred statutory general provision to retained earnings	230	-
Tax effect on discontinued operation	-	1,778
Business tax and innovation contribution	35,603	30,944
Foreign withholding tax	16,672	21,040
Global minimum tax	-	11,076
Utilization of tax loss	(14,040)	(14,357)
Amounts unenforceable by tax law	(1,960)	173
Use of tax allowance in the current year	(40)	(1,276)
Other	<u>(15,419)</u>	<u>(14,869)</u>
Total income tax expense	<u>254,926</u>	<u>253,440</u>
Effective tax rate	<u>18.19%</u>	<u>19.35%</u>
	31/12/2025	31/12/2024
Net current tax liability	<u>(4,345)</u>	<u>(69,727)</u>
(amount presented in the consolidated statement of financial position)		
Current income tax receivables	<u>31,296</u>	<u>7,060</u>
Current income tax payable	<u>(35,641)</u>	<u>(76,787)</u>

Global minimum tax

The Group is in scope of the global minimum tax legislation. The global minimum tax legislation has been enacted in certain jurisdictions OTP Group operates in, mainly in the EU Member States. The legislation has been in effect for the Group's financial year beginning 1 January 2024 and introduced a minimum rate of effective taxation of 15%.

From an accounting perspective, it is unclear if the global minimum tax rules create additional temporary differences, whether to remeasure deferred taxes for the global minimum tax rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, IAS 12 Income taxes standard has been amended to introduce a mandatory temporary exception to the requirements of IAS 12. Under the mandatory temporary exception, a company does not recognize or disclose information about deferred tax assets and liabilities related to the global minimum tax rules. The Group applied the temporary exception for the year ended 31 December 2025.

The global minimum tax legislation had been subject to several significant changes since its first publication and changes are still expected. Based on the most recent information available regarding the financial performance of the group entities and the prevailing interpretation of the global minimum tax legislation, the calculated amount of taxes imposed under the global minimum tax legislation is HUF 10,953 million in 2025 relating to profits earned in Bulgaria. The amount of taxes under the global minimum tax legislation is included in the income tax expense recognized in the Consolidated Statement of Profit or Loss in 2025.

NOTE 36: LEASES (in HUF mn)**The Group as a lessee:**

Right-of-use assets by class of underlying assets is as follows:

31/12/2025	Property	Office equipment and vehicles	Total
Depreciation expense of right-of-use assets	16,873	1,909	18,782
Additions to right-of-use assets	13,416	434	13,850
Carrying amount of right-of-use assets at the end of the reporting period	78,640	2,947	81,587

31/12/2024	Property	Office equipment and vehicles	Total
Depreciation expense of right-of-use assets	16,432	1,756	18,188
Additions to right-of-use assets	15,992	558	16,550
Carrying amount of right-of-use assets at the end of the reporting period	75,744	4,086	79,830

The total cash outflow for leases was HUF 23,208 million as at 31 December 2025 and HUF 21,512 million as at 31 December 2024.

The Group mainly leases real estates, a significant part of its right-of-use assets are related to branch offices, a smaller part to office buildings and office space.

Leasing liabilities by maturities:

	31/12/2025	31/12/2024
Within one year	14,224	15,171
Over one year	<u>68,177</u>	<u>66,938</u>
Total	<u>82,401</u>	<u>82,109</u>

Lease liabilities by payments:

	31/12/2025	31/12/2024
Arising from fixed lease payments	33,707	36,587
Arising from variable lease payments	<u>48,694</u>	<u>45,522</u>
Total	<u>82,401</u>	<u>82,109</u>

On 31 December 2025 and 2024 HUF 121 million and HUF 1,025 million is the lease payment respectively to be paid in the future due to leases not yet commenced to which the Group is committed. The future lease payment not taken into account would be HUF 12,910 million as at 31 December 2025 and would have been HUF 4,862 million as at 31 December 2024 arising from extension options if they had been taken into account.

The most typical indexes/rates on which the variable lease payments depend are: Consumer Price Index, Inflation Rate, EURIBOR.

NOTE 36: LEASES (in HUF mn) [continued]**The Group as a lessee [continued]:**

Amounts recognized in profit and loss	31/12/2025	31/12/2024
Interest expense on lease liabilities	4,053	3,557
Expense relating to short-term leases	3,855	3,539
Expense relating to leases of low value assets	1,876	1,949
Expense relating to variable lease payments not included in the measurement of lease liabilities	6	5
Income from subleasing right-of-use assets	-	3
Gains or losses arising from sale and leaseback transactions	-	-

The Group as a lessor:

The Group's leasing activities are most significant in Hungary, Bulgaria, Croatia and Slovenia. The main activity of the leasing companies is finance leasing. More than half of the underlying assets are passenger cars, besides this the Group leases mainly agricultural machinery, commercial vehicles, vessels and construction machinery.

The Group manages the risk associated with the rights held in the underlying assets by, inter alia, buy-back agreements, determining the residual values on level lower than future market values and registering pledge on the underlying asset.

The Group as a lessor, finance lease:

Amounts receivable under finance leases	31/12/2025	31/12/2024
In less than 1 year	606,827	601,731
Between 1 and 2 years	455,680	435,784
Between 2 and 3 years	343,061	324,401
Between 3 and 4 years	230,779	216,742
Between 4 and 5 years	125,369	122,533
More than 5 years	<u>75,220</u>	<u>75,526</u>
Total receivables from undiscounted lease payments	<u>1,836,936</u>	<u>1,776,717</u>
Unguaranteed residual values	=	=
Gross investment in the lease	<u>1,836,936</u>	<u>1,776,717</u>
Less: unearned finance income	<u>(223,366)</u>	<u>(225,383)</u>
Present value of minimum lease payments receivable	<u>1,613,570</u>	<u>1,551,334</u>
Loss allowance	<u>(25,020)</u>	<u>(39,857)</u>
Net investment in the lease	<u>1,588,550</u>	<u>1,511,477</u>

An analysis of the change in the gross values on finance receivables is as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	1,551,334	1,334,732
Additions due to new contracts	830,558	839,584
Additions due to interest income and amortized fees	113,354	110,054
Decrease due to write-off	(533)	(505)
Decrease due to repossession of the asset	(8,464)	(3,040)
Decrease due to sale	(8,490)	(5,455)
Decrease due to early repayment	(108,785)	(94,348)
Decrease due to regular lease payment	(674,360)	(691,799)
Foreign currency translation difference	<u>(81,044)</u>	<u>62,111</u>
Closing balance	<u>1,613,570</u>	<u>1,551,334</u>

NOTE 36: LEASES (in HUF mn) [continued]**The Group as a lessor [continued]:****The Group as a lessor, finance lease [continued]:**

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

	31/12/2025	31/12/2024
Balance as at 1 January	39,857	45,020
Loss allowance for the period	21,126	30,347
Release of loss allowance	(20,997)	(36,865)
Use of loss allowance	(1,476)	(1,279)
Partial write-off	(1,373)	(128)
Decrease due to sale	(8,371)	(5)
Foreign currency translation difference	<u>(3,746)</u>	<u>2,767</u>
Closing balance	<u>25,020</u>	<u>39,857</u>

	31/12/2025	31/12/2024
Result from finance leases		
Selling profit or loss	-	-
Finance income on the net investment in the lease	113,822	110,830
Income relating to variable lease payments not included in the measurement of the net investment in the lease	-	-

The Group as a lessor, operating lease:

	31/12/2025	31/12/2024
Amounts receivable under operating leases		
In less than 1 year	15,096	16,361
Between 1 and 2 years	10,525	11,607
Between 2 and 3 years	8,609	9,126
Between 3 and 4 years	5,681	6,059
Between 4 and 5 years	3,233	2,732
More than 5 years	<u>2,266</u>	<u>2,428</u>
Total receivables from undiscounted lease payments	<u>45,410</u>	<u>48,313</u>

	31/12/2025	31/12/2024
Result from operating leases		
Lease income	18,216	16,086
Therein lease income relating to variable lease payments that do not depend on an index or a rate	-	-

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments may result in certain risks to the Group. The most significant risks the Group faces include:

37.1. Credit risk

The Group takes on exposure to credit risk which is the risk that a counter-party will be unable to pay amounts in full when due. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical areas and loan types. Such risks are monitored on a periodical basis and are subject to an annual or more frequent review. The exposure to any borrower including banks and brokers is further restricted by sub-limits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is managed by obtaining collateral, corporate and personal guarantees.

Defining the expected credit loss on individual and collective basis

On individual basis:

Individually assessed are the non-retail or non- micro- and small enterprise exposure of significant amount on a stand-alone basis:

- exposure in Stage 3,
- exposure in workout management,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

The calculation of impairment must be prepared and approved by the risk management functional areas. The calculation, all relevant factors (amortized cost, original and current EIR, contracted and expected cash flows (from business and/or collateral) for the individual periods of the entire lifecycle, other essential information enforced during the valuation) and the criteria thereof (including the factors underlying the classification as Stage 3) must be documented individually.

The expected credit loss of the exposure equals the difference of the items' AC (gross book value) on the valuation date and the present value of the receivable's expected cash flows discounted to the valuation date by the exposure's original effective interest rate (EIR) (calculated at the initial recognition, or in the case of variable rate, recalculated due to the last interest rate change). The estimation of the expected future cash flows should be forward looking, it must also contain the effects of the possible change of macroeconomic outlook.

At least two scenarios must be used for the estimation of the expected cash flow. It should be at least one scenario in which the entity anticipates that realized cash flows will be significantly different from the contractual cash flows. Probability weights must be allocated to the individual scenarios. The estimation must reflect the probability of the occurrence and non-occurrence of the credit loss, even if the most probable result is the non-occurrence of the loss.

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

37.1. Credit risk [continued]

Defining the expected credit loss on individual and collective basis [continued]

On collective basis [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 Headquarter Group Reserve Committee stipulates the guidelines related to the collective impairment methodology at group level. In addition, it has right of agreement in respect of the risk parameters (PD -probability of default, LGD - loss given default, EAD – exposure at default) and segmentation criteria proposed by the group members.

The review of the parameters must be performed at least annually, and the results should be approved by the Group Reserve Committee. Local Risk Managements are responsible for parameter estimations / updates, macroeconomic scenarios are calculated by OTP Bank Headquarter for each subsidiary and each parameter. Based on the consensus proposal of Local Risk Management and OTP Bank Headquarter, the Group Reserve Committee decides on the modification of parameters (all parameters for impairment calculation).

At least on a yearly basis the impairment parameters should be back tested as well.

The expected loss calculation should be forward looking, including forecasts of future economic conditions. This may be achieved by applying 3-5 different macroeconomic scenarios, which may be integrated in the PD, LGD and EAD parameters.

During 2025 the additional expected loss related to geopolitical risks and ESG risks was separately identified, which is reflected through PD and LGD parameter. Parallely, forward-looking expectations were also reviewed, calculating expected loss in four different (optimistic, baseline, pessimistic, stress) scenarios. Geopolitical risks accounts for HUF 16 billion additional expected loss, while HUF 19 billion expected loss is explained by ESG risks on Group level. In Hungary, multiple cash loan disbursement reason resulted in additional HUF 4 billion expected loss.

The additional impairment recognized due to geopolitical risks covers the increase in credit risk arising from trade policy uncertainties, supply chain vulnerabilities, and potential rises in energy prices. The additional impairment related to ESG risks encompasses both physical and transition risks associated with climate change – including extreme weather events as well as regulatory and market changes – which may directly affect clients' financial position and the value of their assets.

During 2024 in line with the rollout plan DSK Bank and OTP banka Srbija implemented the advanced, lifetime-based methodology for some portfolios to identify the significant increase in credit risk, this methodological change resulted in HUF 3 billion provision creation in the second quarter (DSK Bank) and HUF 1.5 billion in the fourth quarter. DSK Bank identified “novel risks” in the fourth quarter, the provision increase was EUR 10 million. In the fourth quarter of year 2024 a new forward-looking methodology was implemented in Ipoteka Bank regarding the PD parameter estimation in line with the Group IFRS9 methodology. The refinement in the methodology resulted immaterial effect on the total ECL level.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.1. Gross values and loss allowance / provision of financial instruments by stages

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and of interest-bearing securities at fair value through other comprehensive income and financial commitments and provision on them by stages as at 31 December 2025:

31/12/2025	Carrying amount / Exposure	Gross carrying amount / Notional value					Accumulated loss allowance / Provision				
		Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Placements with other banks	1,991,489	1,990,436	2,465	1,538	-	1,994,439	913	1,049	988	-	2,950
Repo receivables	237,144	236,554	1,539	-	-	238,093	888	61	-	-	949
Mortgage loans	6,570,908	6,200,445	335,456	88,422	46,803	6,671,126	17,451	21,738	46,458	14,571	100,218
Loans to medium and large corporates	8,922,393	7,707,616	1,141,006	304,756	56,426	9,209,804	44,426	84,756	144,338	13,891	287,411
Consumer loans	5,822,770	5,345,368	627,486	352,395	29,390	6,354,639	111,029	131,329	279,721	9,790	531,869
Loans to micro and small enterprises	983,507	793,979	187,709	69,701	7,715	1,059,104	8,009	16,447	47,572	3,569	75,597
Loans at amortized cost	<u>22,299,578</u>	<u>20,047,408</u>	<u>2,291,657</u>	<u>815,274</u>	<u>140,334</u>	<u>23,294,673</u>	<u>180,915</u>	<u>254,270</u>	<u>518,089</u>	<u>41,821</u>	<u>995,095</u>
Finance lease receivable	1,588,550	1,391,115	188,342	34,080	33	1,613,570	5,366	6,485	13,141	28	25,020
Interest-bearing securities at fair value through other comprehensive income ¹	1,954,513	1,944,298	1	10,214	-	1,954,513	13,832	-	44,149	-	57,981
Securities at amortized cost	7,925,465	7,917,060	20,254	22,794	-	7,960,108	13,813	1,491	19,339	-	34,643
Financial assets total	<u>35,996,739</u>	<u>33,526,871</u>	<u>2,504,258</u>	<u>883,900</u>	<u>140,367</u>	<u>37,055,396</u>	<u>215,727</u>	<u>263,356</u>	<u>595,706</u>	<u>41,849</u>	<u>1,116,638</u>
Loan commitments given	6,862,814	6,567,985	322,569	11,543	515	6,902,612	26,875	10,721	2,150	52	39,798
Financial guarantees given	1,597,023	1,526,769	72,734	8,113	52	1,607,668	6,203	1,806	2,584	52	10,645
Other commitments given	671,363	645,133	28,032	1,233	1,414	675,812	1,628	776	631	1,414	4,449
Financial liabilities total	<u>9,131,200</u>	<u>8,739,887</u>	<u>423,335</u>	<u>20,889</u>	<u>1,981</u>	<u>9,186,092</u>	<u>34,706</u>	<u>13,303</u>	<u>5,365</u>	<u>1,518</u>	<u>54,892</u>

¹ Interest bearing securities at fair value through other comprehensive income are recognized in the Consolidated statement of financial position as at fair value (see in Note 9). Loss allowances for securities at fair value through other comprehensive income that are in Stage 1 and / or in Stage 2 is recognized in the Other comprehensive income. It is included in the accumulated loss allowance of this table showed above.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.1. Gross values and loss allowance / provision of financial instruments by stages [continued]

Gross carrying amount and accumulated loss allowance of financial assets at amortized cost and of interest-bearing securities at fair value through other comprehensive income and financial commitments and provision on them by stages as at 31 December 2024:

31/12/2024	Carrying amount / Exposure	Gross carrying amount / Notional value					Accumulated loss allowance / Provision				
		Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Placements with other banks	1,891,901	1,890,786	1,013	1,569	-	1,893,368	505	958	4	-	1,467
Repo receivables	331,837	332,349	-	-	-	332,349	512	-	-	-	512
Mortgage loans	5,947,341	5,431,298	472,986	98,928	62,342	6,065,554	13,685	37,630	44,604	22,294	118,213
Loans to medium and large corporates	8,430,951	7,032,611	1,396,700	268,335	65,329	8,762,975	58,069	113,232	140,769	19,954	332,024
Consumer loans	4,995,814	4,346,073	719,392	281,199	38,405	5,385,069	59,143	118,967	207,025	4,120	389,255
Loans to micro and small enterprises	916,275	655,090	256,690	72,173	10,564	994,517	6,606	19,342	50,005	2,289	78,242
Loans at amortized cost	20,290,381	17,465,072	2,845,768	720,635	176,640	21,208,115	137,503	289,171	442,403	48,657	917,734
Finance lease receivable	1,511,477	1,327,216	169,791	54,290	37	1,551,334	6,522	6,168	27,167	-	39,857
Interest-bearing securities at fair value through other comprehensive income ¹	1,622,824	1,593,287	1,739	27,798	-	1,622,824	12,906	87	55,057	-	68,050
Securities at amortized cost	7,447,177	7,441,670	12,521	37,491	-	7,491,682	16,301	855	27,349	-	44,505
Financial assets total	33,095,597	30,050,380	3,030,832	841,783	176,677	34,099,672	174,249	297,239	551,980	48,657	1,072,125
Loan commitments given	5,660,885	5,347,629	332,965	12,610	599	5,693,803	19,520	12,046	1,255	97	32,918
Financial guarantees given	1,535,734	1,440,075	95,405	11,832	67	1,547,379	4,450	2,357	4,773	65	11,645
Other commitments given	1,033,567	980,085	51,765	6,015	1,616	1,039,481	2,134	1,785	549	1,446	5,914
Financial liabilities total	8,230,186	7,767,789	480,135	30,457	2,282	8,280,663	26,104	16,188	6,577	1,608	50,477

¹ Interest bearing securities at fair value through other comprehensive income are recognized in the Consolidated statement of financial position as at fair value (see in Note 9). Loss allowances for securities at fair value through other comprehensive income that are in Stage 1 and / or in Stage 2 is recognized in the Other comprehensive income. It is included in the accumulated loss allowance of this table showed above.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.1. Credit risk [continued]****37.1.2. Financial instruments under simplified approach by day-past-due categories**

31/12/2025	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate	3.05%	9.33%	3.62%	8.23%	57.64%	
Gross value	124,660	9,404	30,618	2,904	58,466	226,052
Loss allowance	<u>(3,798)</u>	<u>(877)</u>	<u>(1,107)</u>	<u>(239)</u>	<u>(33,697)</u>	<u>(39,718)</u>
Net carrying amount	<u>120,862</u>	<u>8,527</u>	<u>29,511</u>	<u>2,665</u>	<u>24,769</u>	<u>186,334</u>

31/12/2024	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate	3.67%	6.03%	2.79%	18.66%	65.02%	
Gross value	145,429	34,947	2,544	5,718	53,582	242,220
Loss allowance	<u>(5,333)</u>	<u>(2,108)</u>	<u>(71)</u>	<u>(1,067)</u>	<u>(34,839)</u>	<u>(43,418)</u>
Net carrying amount	<u>140,096</u>	<u>32,839</u>	<u>2,473</u>	<u>4,651</u>	<u>18,743</u>	<u>198,802</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments

Movement of gross values of financial assets at amortized cost and on interest bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2025:

31/12/2025	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Foreign exchange and other adjustment	Closing balance
Stage 1	30,050,380	50,067,132	2,361,776	(47,572,851)	(297,120)	(6,182)	(3,864)	(1,072,400)	33,526,871
Placements with other banks	1,890,786	16,496,150	40,127	(16,518,409)	126	-	-	81,656	1,990,436
Repo receivables	332,349	20,475,884	17,726	(20,587,034)	-	-	-	(2,371)	236,554
Loans at amortized cost	17,465,072	9,630,945	1,145,409	(7,225,659)	(237,772)	(6,182)	(3,864)	(720,541)	20,047,408
Finance lease receivables	1,327,216	651,527	44,397	(518,267)	(49,956)	-	-	(63,802)	1,391,115
Interest-bearing securities at fair value through other comprehensive income	1,593,287	1,416,067	131,785	(1,116,171)	-	-	-	(80,670)	1,944,298
Securities at amortized cost	7,441,670	1,396,559	982,332	(1,607,311)	(9,518)	-	-	(286,672)	7,917,060
Stage 2	3,030,832	485,673	142,750	(1,050,096)	10,795	(844)	(628)	(114,224)	2,504,258
Placements with other banks	1,013	1	2,079	(502)	-	-	-	(126)	2,465
Repo receivables	-	1,539	-	-	-	-	-	-	1,539
Loans at amortized cost	2,845,768	414,580	134,027	(958,596)	(38,194)	(844)	(628)	(104,456)	2,291,657
Finance lease receivables	169,791	69,203	6,427	(87,439)	39,471	-	-	(9,111)	188,342
Interest-bearing securities at fair value through other comprehensive income	1,739	-	-	(1,629)	-	-	-	(109)	1
Securities at amortized cost	12,521	350	217	(1,930)	9,518	-	-	(422)	20,254
Stage 3	841,783	69,725	29,085	(234,484)	286,325	(335)	(65,353)	(42,846)	883,900
Placements with other banks	1,569	5,495	618	(5,525)	(126)	-	(1)	(492)	1,538
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	720,635	60,272	27,792	(167,504)	275,965	(335)	(64,817)	(36,734)	815,274
Finance lease receivables	54,290	3,958	675	(29,552)	10,486	-	(535)	(5,242)	34,080
Interest-bearing securities at fair value through other comprehensive income	27,798	-	-	(17,584)	-	-	-	-	10,214
Securities at amortized cost	37,491	-	-	(14,319)	-	-	-	(378)	22,794
Financial assets subtotal	<u>33,922,995</u>	<u>50,622,530</u>	<u>2,533,611</u>	<u>(48,857,431)</u>	<u>=</u>	<u>(7,361)</u>	<u>(69,845)</u>	<u>(1,229,470)</u>	<u>36,915,029</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments [continued]

Movement of gross values of financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2025 [continued]:

31/12/2025	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Foreign exchange and other adjustment	Closing balance
POCI	176,677	614	2,332	(28,476)	-	-	(3,823)	(6,957)	140,367
Placements with other banks	-	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	176,640	614	2,332	(28,474)	-	-	(3,823)	(6,955)	140,334
Finance lease receivables	37	-	-	(2)	-	-	-	(2)	33
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Securities at amortized cost	=	=	=	=	=	=	=	=	=
Financial assets total	<u>34,099,672</u>	<u>50,623,144</u>	<u>2,535,943</u>	<u>(48,885,907)</u>	=	<u>(7,361)</u>	<u>(73,668)</u>	<u>(1,236,427)</u>	<u>37,055,396</u>
Loan commitments and financial guarantees given - Stage 1	7,767,789	3,821,144	668,227	(3,176,272)	(69,598)	-	-	(271,403)	8,739,887
Loan commitments and financial guarantees given - Stage 2	480,135	123,227	31,500	(255,461)	61,387	-	-	(17,453)	423,335
Loan commitments and financial guarantees given - Stage 3	30,457	2,752	1,329	(20,894)	8,211	-	-	(966)	20,889
Loan commitments and financial guarantees given - POCI	2,282	87	123	(373)	=	=	=	(138)	1,981
Financial liabilities total	<u>8,280,663</u>	<u>3,947,210</u>	<u>701,179</u>	<u>(3,453,000)</u>	=	=	=	<u>(289,960)</u>	<u>9,186,092</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments [continued]

Movement of gross values of financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2024:

31/12/2024	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Foreign exchange and other adjustment	Closing balance
Stage 1	24,804,231	49,571,066	3,265,291	(47,671,939)	(557,933)	(385,833)	(77,702)	1,103,199	30,050,380
Placements with other banks	1,569,167	12,121,835	34,344	(11,915,052)	(2,878)	70,700	-	12,670	1,890,786
Repo receivables	224,477	25,909,255	829,891	(26,642,511)	-	-	-	11,237	332,349
Loans at amortized cost	15,263,928	8,021,531	1,277,288	(6,771,271)	(610,914)	(455,022)	(77,702)	817,234	17,465,072
Finance lease receivables	1,095,039	653,498	41,095	(484,115)	(25,069)	(1,690)	-	48,458	1,327,216
Interest-bearing securities at fair value through other comprehensive income	1,423,021	936,826	48,326	(965,565)	85,223	-	-	65,456	1,593,287
Securities at amortized cost	5,228,599	1,928,121	1,034,347	(893,425)	(4,295)	179	-	148,144	7,441,670
Stage 2	2,731,872	557,587	221,602	(1,005,159)	368,756	51,024	(4,568)	109,718	3,030,832
Placements with other banks	63	-	2,006	(1,994)	887	-	-	51	1,013
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	2,455,644	495,632	213,584	(898,194)	434,478	51,024	(4,568)	98,168	2,845,768
Finance lease receivables	176,856	61,955	5,711	(97,828)	14,319	-	-	8,778	169,791
Interest-bearing securities at fair value through other comprehensive income	87,085	-	-	(2,397)	(85,223)	-	-	2,274	1,739
Securities at amortized cost	12,224	-	301	(4,746)	4,295	-	-	447	12,521
Stage 3	842,706	127,120	38,712	(316,752)	189,177	60,452	(123,558)	23,926	841,783
Placements with other banks	15	8,575	5	(9,087)	1,991	-	(7)	77	1,569
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	707,921	112,880	34,359	(268,866)	176,437	60,454	(123,037)	20,487	720,635
Finance lease receivables	62,799	4,616	1,561	(27,832)	10,749	(2)	(514)	2,913	54,290
Interest-bearing securities at fair value through other comprehensive income	30,874	-	27	(3,103)	-	-	-	-	27,798
Securities at amortized cost	41,097	1,049	2,760	(7,864)	-	-	-	449	37,491
Financial assets subtotal	<u>28,378,809</u>	<u>50,255,773</u>	<u>3,525,605</u>	<u>(48,993,850)</u>	<u>=</u>	<u>(274,357)</u>	<u>(205,828)</u>	<u>1,236,843</u>	<u>33,922,995</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.3. Movement table of gross values on financial instruments [continued]

Movement of gross values of financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of financial commitments as at 31 December 2024 [continued]:

31/12/2024	Opening balance	Increases due to origination and acquisition	Increase on opening balance	Decreases due to payments and derecognition	Transfers between stages (net)	Changes due to modifications without derecognition (net)	Decrease due to write-offs	Foreign exchange and other adjustment	Closing balance
POCI	143,109	57,247	9,563	(33,303)	-	(4,826)	(4,076)	8,963	176,677
Placements with other banks	-	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	143,071	57,247	9,563	(33,300)	-	(4,826)	(4,076)	8,961	176,640
Finance lease receivables	38	-	-	(3)	-	-	-	2	37
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Securities at amortized cost	-	-	-	-	-	-	-	-	-
Financial assets total	<u>28,521,918</u>	<u>50,313,020</u>	<u>3,535,168</u>	<u>(49,027,153)</u>	≡	<u>(279,183)</u>	<u>(209,904)</u>	<u>1,245,806</u>	<u>34,099,672</u>
Loan commitments and financial guarantees given - Stage 1	6,706,369	4,352,876	1,242,666	(4,682,200)	(71,095)	(23,984)	-	243,157	7,767,789
Loan commitments and financial guarantees given - Stage 2	403,470	220,286	66,676	(277,203)	58,042	(3,896)	-	12,760	480,135
Loan commitments and financial guarantees given - Stage 3	27,804	7,868	888	(19,335)	13,053	(326)	-	505	30,457
Loan commitments and financial guarantees given - POCI	2,506	2,190	528	(3,118)	-	(3)	-	179	2,282
Financial liabilities total	<u>7,140,149</u>	<u>4,583,220</u>	<u>1,310,758</u>	<u>(4,981,856)</u>	≡	<u>(28,209)</u>	≡	<u>256,601</u>	<u>8,280,663</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2025:

31/12/2025	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition or to other reasons not related to change in credit risk	Transfers between stages (net)	Changes due to change in credit risk (net)	Decrease in loss allowance account due to write-offs	Foreign exchange and other adjustment	Closing balance
Stage 1	174,249	118,463	(56,992)	7,185	(20,103)	(103)	(6,972)	215,727
Placements with other banks	505	1,579	(2,171)	-	1,072	-	(72)	913
Repo receivables	512	7,255	(7,147)	-	305	-	(37)	888
Loans at amortized cost	137,503	98,492	(38,201)	7,355	(19,306)	(103)	(4,825)	180,915
Finance lease receivables	6,522	2,981	(1,520)	(396)	(1,532)	-	(689)	5,366
Interest-bearing securities at fair value through other comprehensive income	12,906	5,893	(4,155)	-	262	-	(1,074)	13,832
Securities at amortized cost	16,301	2,263	(3,798)	226	(904)	-	(275)	13,813
Stage 2	297,239	42,471	(58,855)	(67,540)	61,540	(561)	(10,938)	263,356
Placements with other banks	958	-	-	-	92	-	(1)	1,049
Repo receivables	-	61	-	-	-	-	-	61
Loans at amortized cost	289,171	40,242	(57,592)	(67,612)	61,097	(561)	(10,475)	254,270
Finance lease receivables	6,168	2,168	(1,182)	298	(532)	-	(435)	6,485
Interest-bearing securities at fair value through other comprehensive income	87	-	(81)	-	-	-	(6)	-
Securities at amortized cost	855	-	-	(226)	883	-	(21)	1,491
Stage 3	551,980	27,897	(73,077)	60,355	99,503	(52,377)	(18,575)	595,706
Placements with other banks	4	-	-	-	1,477	(1)	(492)	988
Repo receivables	-	-	-	-	-	-	-	-
Loans at amortized cost	442,403	26,329	(50,069)	60,257	105,803	(51,859)	(14,775)	518,089
Finance lease receivables	27,167	1,568	(13,058)	98	964	(517)	(3,081)	13,141
Interest-bearing securities at fair value through other comprehensive income	55,057	-	(4,093)	-	(6,815)	-	-	44,149
Securities at amortized cost	27,349	-	(5,857)	-	(1,926)	-	(227)	19,339
Loss allowance on financial assets	<u>1,023,468</u>	<u>188,831</u>	<u>(188,924)</u>	=	<u>140,940</u>	<u>(53,041)</u>	<u>(36,485)</u>	<u>1,074,789</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments [continued]

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2025 [continued]:

31/12/2025	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition or to other reasons not related to change in credit risk	Transfers between stages (net)	Changes due to change in credit risk (net)	Decrease in loss allowance account due to write-offs	Foreign exchange and other adjustment	Closing balance
POCI	48,657	119	(4,875)	-	3,734	(3,293)	(2,493)	41,849
Placements with other banks	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-
Loans at amortized cost	48,657	119	(4,875)	-	3,706	(3,293)	(2,493)	41,821
Finance lease receivables	-	-	-	-	28	-	-	28
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Securities at amortized cost	=	=	=	=	=	=	=	=
Loss allowance on financial assets total	<u>1,072,125</u>	<u>188,950</u>	<u>(193,799)</u>	=	<u>144,674</u>	<u>(56,334)</u>	<u>(38,978)</u>	<u>1,116,638</u>
Loan commitments and financial guarantees given - Stage 1	26,104	16,068	(7,496)	2,569	(1,556)	-	(983)	34,706
Loan commitments and financial guarantees given - Stage 2	16,188	3,494	(4,755)	(3,299)	2,196	-	(521)	13,303
Loan commitments and financial guarantees given - Stage 3	6,577	338	(3,145)	730	991	-	(126)	5,365
Loan commitments and financial guarantees given - POCI	<u>1,608</u>	-	<u>(4)</u>	=	<u>13</u>	=	<u>(99)</u>	<u>1,518</u>
Provision on financial liabilities total	<u>50,477</u>	<u>19,900</u>	<u>(15,400)</u>	=	<u>1,644</u>	=	<u>(1,729)</u>	<u>54,892</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments [continued]

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2024:

31/12/2024	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition or to other reasons not related to change in credit risk	Transfers between stages (net)	Changes due to change in credit risk (net)	Changes due to modifications without derecognition (net)	Decrease in loss allowance account due to write-offs	Foreign exchange and other adjustment	Closing balance
Stage 1	174,434	97,184	(92,071)	(21,893)	14,001	(3,066)	(1,030)	6,690	174,249
Placements with other banks	2,182	2,077	(3,709)	-	(209)	-	-	164	505
Repo receivables	593	7,730	(8,052)	-	249	-	-	(8)	512
Loans at amortized cost	137,792	77,157	(68,211)	(25,665)	14,422	(2,853)	(1,030)	5,891	137,503
Finance lease receivables	5,331	2,591	(5,159)	3,821	(318)	(73)	-	329	6,522
Interest-bearing securities at fair value through other comprehensive income	11,395	4,150	(2,964)	(2,150)	2,354	46	-	75	12,906
Securities at amortized cost	17,141	3,479	(3,976)	2,101	(2,497)	(186)	-	239	16,301
Stage 2	247,554	30,326	(64,795)	(11,643)	54,067	33,705	(1,311)	9,336	297,239
Placements with other banks	55	-	(41)	-	938	-	-	6	958
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	238,144	28,554	(60,447)	(10,722)	52,253	33,705	(1,311)	8,995	289,171
Finance lease receivables	8,342	1,772	(3,761)	(970)	498	-	-	287	6,168
Interest-bearing securities at fair value through other comprehensive income	258	-	(125)	-	(59)	-	-	13	87
Securities at amortized cost	755	-	(421)	49	437	-	-	35	855
Stage 3	535,059	29,447	(85,603)	33,536	102,133	19,342	(96,122)	14,188	551,980
Placements with other banks	10	-	(224)	-	148	-	(7)	77	4
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	466,068	26,150	(75,990)	36,389	53,089	19,342	(95,603)	12,958	442,403
Finance lease receivables	31,309	2,247	(8,082)	(2,853)	4,058	-	(512)	1,000	27,167
Interest-bearing securities at fair value through other comprehensive income	22,920	-	-	2,150	29,987	-	-	-	55,057
Securities at amortized cost	14,752	1,050	(1,307)	(2,150)	14,851	-	-	153	27,349
Loss allowance on financial assets	957,047	156,957	(242,469)	≡	170,201	49,981	(98,463)	30,214	1,023,468

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.4. Movement table of loss allowance / provision on financial instruments [continued]

Movement of loss allowance on financial assets at amortized cost and on interest-bearing securities at fair value through other comprehensive income and of provision of financial commitments as at 31 December 2024 [continued]:

31/12/2024	Opening balance	Increases due to origination and acquisition	Decreases due to derecognition or to other reasons not related to change in credit risk	Transfers between stages (net)	Changes due to change in credit risk (net)	Changes due to modifications without derecognition (net)	Decrease in loss allowance account due to write-offs	Foreign exchange and other adjustment	Closing balance
POCI	52,065	137	(11,443)	-	8,484	1,005	(3,859)	2,268	48,657
Placements with other banks	-	-	-	-	-	-	-	-	-
Repo receivables	-	-	-	-	-	-	-	-	-
Loans at amortized cost	52,027	137	(11,440)	-	8,484	1,005	(3,859)	2,303	48,657
Finance lease receivables	38	-	(3)	-	-	-	-	(35)	-
Interest-bearing securities at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-
Securities at amortized cost	=	=	=	=	=	=	=	=	=
Loss allowance on financial assets total	<u>1,009,112</u>	<u>157,094</u>	<u>(253,912)</u>	=	<u>178,685</u>	<u>50,986</u>	<u>(102,322)</u>	<u>32,482</u>	<u>1,072,125</u>
Loan commitments and financial guarantees given - Stage 1	28,142	14,476	(10,645)	(4,365)	(3,420)	850	-	1,066	26,104
Loan commitments and financial guarantees given - Stage 2	11,172	3,746	(5,965)	2,752	4,098	52	-	333	16,188
Loan commitments and financial guarantees given - Stage 3	5,567	1,505	(3,187)	1,613	1,149	(169)	-	99	6,577
Loan commitments and financial guarantees given - POCI	<u>1,256</u>	=	<u>(562)</u>	=	<u>824</u>	=	=	<u>90</u>	<u>1,608</u>
Provision on financial liabilities total	<u>46,137</u>	<u>19,727</u>	<u>(20,359)</u>	=	<u>2,651</u>	<u>733</u>	=	<u>1,588</u>	<u>50,477</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.1. Credit risk [continued]****37.1.5. Loan portfolio by internal ratings**

31/12/2025 Internal rating grade	Gross carrying amount				Total
	Stage 1	Stage 2	Stage 3	POCI	
Low risk grade (1-4)	14,167,217	947,366	-	22,662	15,137,245
Medium risk grade (5-7)	7,079,274	1,194,898	-	34,886	8,309,058
High risk grade (8-9)	192,032	337,735	-	22,094	551,861
Non-performing	=	=	849,354	60,725	910,079
Total loans at amortized cost and finance lease receivable	<u>21,438,523</u>	<u>2,479,999</u>	<u>849,354</u>	<u>140,367</u>	<u>24,908,243</u>

31/12/2025 Internal rating grade	Accumulated loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Low risk grade (1-4)	83,817	91,440	-	325	175,582
Medium risk grade (5-7)	95,323	127,982	-	2,675	225,980
High risk grade (8-9)	7,141	41,333	-	185	48,659
Non-performing	=	=	531,230	38,664	569,894
Total loans at amortized cost and finance lease receivable	<u>186,281</u>	<u>260,755</u>	<u>531,230</u>	<u>41,849</u>	<u>1,020,115</u>

31/12/2024 Internal rating grade	Gross carrying amount				Total
	Stage 1	Stage 2	Stage 3	POCI	
Low risk grade (1-4)	12,329,875	987,132	-	6,655	13,323,662
Medium risk grade (5-7)	6,170,989	1,499,654	-	78,012	7,748,655
High risk grade (8-9)	291,424	528,773	-	8,907	829,104
Non-performing	=	=	774,925	83,103	858,028
Total loans at amortized cost and finance lease receivable	<u>18,792,288</u>	<u>3,015,559</u>	<u>774,925</u>	<u>176,677</u>	<u>22,759,449</u>

31/12/2024 Internal rating grade	Accumulated loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Low risk grade (1-4)	69,858	86,080	-	185	156,123
Medium risk grade (5-7)	67,302	152,411	-	12,292	232,005
High risk grade (8-9)	6,865	56,848	-	231	63,944
Non-performing	=	=	469,570	35,949	505,519
Total loans at amortized cost and finance lease receivable	<u>144,025</u>	<u>295,339</u>	<u>469,570</u>	<u>48,657</u>	<u>957,591</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.1. Credit risk [continued]****37.1.6. Geographical analysis of the loan portfolio**

The geographical analysis of the non-qualified and qualified gross loan portfolio at amortized cost, finance lease receivables, placements with other banks and repo receivables and their loss allowances is as follows:

Country	31/12/2025		31/12/2024	
	Gross amount of exposure	Loss allowance	Gross amount of exposure	Loss allowance
Hungary	6,615,072	245,157	6,031,853	247,357
Bulgaria	5,320,708	132,430	4,751,756	142,822
Croatia	2,843,747	80,496	2,802,968	88,648
Serbia	2,642,196	78,301	2,656,365	84,911
Slovenia	2,609,230	46,410	2,657,708	45,290
Russia	2,987,879	238,594	2,209,676	121,391
Ukraine	461,936	36,355	450,007	52,645
Montenegro	624,663	14,395	547,509	14,351
Uzbekistan	1,158,175	113,275	1,300,549	121,084
Albania	533,796	19,978	506,958	20,809
Moldova	208,151	6,428	185,111	7,266
Romania	103,204	1,759	92,050	177
France	181,413	240	98,937	326
Germany	197,433	2,608	127,030	4,250
Belgium	55,036	177	52,880	130
Austria	54,856	150	40,781	220
Slovakia	44,166	682	69,786	409
The Netherlands	124,825	1,994	120,264	2,211
Switzerland	17,713	273	11,705	183
United Kingdom	39,312	1,217	28,745	265
United States of America	124,381	384	117,556	382
Luxembourg	38,137	228	28,654	266
Poland	20,216	325	24,322	513
Italy	19,179	295	18,116	670
Ireland	34,526	321	12,129	56
Cyprus	3,154	134	142	13
Denmark	<u>418</u>	<u>5</u>	<u>128</u>	<u>2</u>
Subtotal	<u>27,063,522</u>	<u>1,022,611</u>	<u>24,943,685</u>	<u>956,647</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.1. Credit risk [continued]****37.1.6. Geographical analysis of the loan portfolio [continued]**

Country	31/12/2025		31/12/2024	
	Gross amount of exposure	Loss allowance	Gross amount of exposure	Loss allowance
Czech Republic	2,663	15	3,002	7
Portugalia	810	10	3,086	182
Canada	90	2	86	2
Australia	109	-	96	-
Greece	3,908	126	1,961	192
Turkey	2,062	49	340	7
Spain	27,094	183	15,312	517
Israel	1,097	7	1,389	10
Bosnia and Herzegovina	2,361	358	1,915	318
Sweden	3,292	50	784	13
Norway	158	14	111	1
United Arab Emirates	183	1	3,049	1,051
Egypt	103	6	100	4
Kazakhstan	7,515	45	345	7
Latvia	896	9	132	4
Other ¹	<u>24,912</u>	<u>528</u>	<u>9,773</u>	<u>608</u>
Subtotal	<u>77,253</u>	<u>1,403</u>	<u>41,481</u>	<u>2,923</u>
Total	<u>27,140,775</u>	<u>1,024,014</u>	<u>24,985,166</u>	<u>959,570</u>

¹Other category as at 31 December 2025 mainly includes e.g.: Marshall-Islands, Liberia, North-Macedonia, Finland, Brazil, Kosovo, India, Japan, Armenia other countries.

The geographical analysis of the non-qualified and qualified loan portfolio mandatorily at fair value through profit or loss is as follows:

Country	31/12/2025	31/12/2024
Hungary	1,941,203	1,559,631
Switzerland	-	127
Germany	9	10
Slovakia	1	1
Romania	1	2
Others	<u>8</u>	<u>10</u>
Total loans at fair value	<u>1,941,222</u>	<u>1,559,781</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.1. Credit risk [continued]****37.1.8. Collateral**

The values of collateral received and held by the Group by types are as follows (**total value of the collaterals**).
The collateral covers loans as well as off-balance sheet exposures.

Held collaterals at book value by type of collateral

	31/12/2025	31/12/2024
Mortgages	29,412,557	23,642,106
Guarantees and warranties	1,770,941	1,745,316
Guarantees of state or state-owned organizations	1,923,045	1,934,251
Assignments (revenue or other receivables)	261,065	222,085
Securities	296,375	270,824
Cash deposits	229,690	299,769
Other	<u>3,345,748</u>	<u>3,077,755</u>
Total	<u>37,239,421</u>	<u>31,192,106</u>

Held collaterals at fair value by type of collateral

	31/12/2025	31/12/2024
Mortgages	37,064,134	28,502,087
Guarantees and warranties	1,699,610	1,754,520
Guarantees of state or state-owned organizations	1,869,607	1,945,681
Assignments (revenue or other receivables)	393,266	374,866
Securities	717,874	308,090
Cash deposits	312,801	284,637
Other	<u>4,396,475</u>	<u>3,703,979</u>
Total	<u>46,453,767</u>	<u>36,873,860</u>

The values of collateral received and held by the Group by types are as follows (**to the extent of the exposures**).
The collaterals cover loans as well as off-balance sheet exposures.

Held collaterals at book value by type of collateral

	31/12/2025	31/12/2024
Mortgages	13,921,699	10,372,684
Guarantees and warranties	1,410,500	1,360,597
Guarantees of state or state-owned organizations	1,448,709	1,614,324
Assignments (revenue or other receivables)	98,845	97,793
Securities	164,606	94,680
Cash deposits	158,733	162,142
Other	<u>1,467,874</u>	<u>1,014,932</u>
Total	<u>18,670,966</u>	<u>14,717,152</u>

The coverage level of the loan portfolio to the total collateral at book value increased from 109.64% to 118.75% and the coverage level to the extent of the exposures at book value increased from 51.73% to 59.54% as at 31 December 2025 comparing with the previous period.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.8. Collateral [continued]

The values of collateral received and held by the Group by the positions of the related exposures are as follows:

31/12/2025	Maximum exposure to credit risk, book value	Fair value of collaterals	Surplus collateral	Net exposure	Associated expected credit loss
On balance items					
Cash, due from banks and balances with the National Banks	4,965,635	-	-	4,965,635	(1,829)
Placements with other banks	1,991,489	117,063	(1,947)	1,876,373	(2,950)
Repo receivables	237,144	326,441	(3,711)	(85,586)	(949)
Securities at amortized cost	7,925,465	7,405	(129)	7,918,189	(34,643)
Loans and undrawn line of credit	30,750,942	40,656,010	(19,044,917)	9,139,849	(1,059,913)
Total financial assets at amortized cost	45,870,675	41,106,919	(19,050,704)	23,814,460	(1,100,284)
Financial assets at fair value through profit or loss	223,995	2,600,000	-	(2,376,005)	-
Financial assets at fair value through other comprehensive income	1,954,513	5,789	(97)	1,948,821	(57,981)
Loans mandatorily at fair value through profit or loss	1,941,222	1,300,691	(2,052,476)	2,693,007	-
Derivative financial instruments	150,216	75,914	=	74,302	=
Total financial assets at fair value	4,269,946	3,982,394	(2,052,573)	2,340,125	(57,981)
Total on balance sheet items	50,140,621	45,089,313	(21,103,277)	26,154,585	(1,158,265)
Off-balance items					
Financial guarantees	1,597,023	1,042,179	(404,954)	959,798	(10,645)
Other off-balance sheet commitments	671,363	322,275	(130,889)	479,977	(4,449)
Total off-balance sheet items	2,268,386	1,364,454	(535,843)	1,439,775	(15,094)
31/12/2024					
	Maximum exposure to credit risk, book value	Fair value of collaterals	Surplus collateral	Net exposure	Associated expected credit loss
On balance items					
Cash, due from banks and balances with the National Banks	6,079,012	-	-	6,079,012	(1,273)
Placements with other banks	1,891,901	136,366	(369)	1,755,904	(1,467)
Repo receivables	331,837	35,435	14,058	282,344	(512)
Securities at amortized cost	7,447,177	20,944	(449)	7,426,682	(44,505)
Loans and undrawn line of credit	27,930,682	31,644,423	(10,653,035)	6,939,294	(990,509)
Total financial assets at amortized cost	43,680,609	31,837,168	(10,639,795)	22,483,236	(1,038,266)
Financial assets at fair value through profit or loss	512,178	-	77,958	434,220	-
Financial assets at fair value through other comprehensive income	1,622,824	7,405	(315)	1,615,734	(60,890)
Loans mandatorily at fair value through profit or loss ¹	1,559,781	3,331,055	(1,908,009)	136,735	-
Derivative financial instruments	202,894	129,509	=	73,385	=
Total financial assets at fair value	3,897,677	3,467,969	(1,830,366)	2,260,074	(60,890)
Total on balance sheet items	47,578,286	35,305,137	(12,470,161)	24,743,310	(1,099,156)
Off-balance items					
Financial guarantees	1,535,734	1,295,042	(253,697)	494,389	(11,645)
Other off-balance sheet commitments	565,628	273,681	(80,899)	372,846	(5,914)
Total off-balance sheet items	2,101,362	1,568,723	(334,596)	867,235	(17,559)

¹: Comparing with the previous year's disclosure, in 2024 Loans mandatorily at fair value through profit or loss was included into Financial assets at fair value through profit or loss line.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.1. Credit risk [continued]****37.1.8. Collateral [continued]**

Returns from realization of collaterals taken into possession by types of collateral

Types of collateral	31/12/2025	31/12/2024
Real estate	11,623	15,796
from this: real estate taken into possession by OTP group member	3,095	5,470
Guarantee	33,377	47,292
Bail	99	31
Movable property	6,004	5,807
Other	<u>2,708</u>	<u>3,399</u>
Proceeds from enforcement of collaterals	<u>53,811</u>	<u>72,325</u>

37.1.9. Restructured loans

	31/12/2025		31/12/2024	
	Gross portfolio	Loss allowance	Gross portfolio	Loss allowance
Retail mortgage loans	10,998	(739)	16,542	(1,102)
Loans to medium and large corporations	86,028	(10,566)	209,001	(28,987)
Retail consumer loans	63,356	(23,320)	54,239	(18,861)
Loans to micro and small enterprises	9,444	(989)	23,580	(2,247)
Municipal	1,178	(48)	1,433	(48)
Other loans	<u>12,193</u>	<u>(4,529)</u>	<u>4,345</u>	<u>(1,130)</u>
Total	<u>183,197</u>	<u>(40,191)</u>	<u>309,140</u>	<u>(52,375)</u>

The forbore definition used by the Group is based on EU 2015/227 regulation.

Restructuring (forbearance) is a modification of the contract – initiated by either the client or the bank – that provides a concession or allowance towards the client in respect to the client's current or future financial difficulties. The table of restructured loans contains exposures classified as performing 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.

Compared to end of 2024 the volume of performing forbore exposures to corporates has decreased significantly due to healing from performing forbore status. Most of the healing is related to Hungary, Croatia, Bulgaria and Uzbekistan.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories

Trading securities as at fair value through profit or loss

31/12/2025	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B2	Not rated	Total
Government bonds	1,998	61	-	14,179	39	1,647	2,707	11,265	107,785	8,346	-	731	4,522	219	-	153,499
Equity instruments																
and fund units	-	-	20	15	18	21	26	81	16	8	-	193	11	-	1,578	1,987
Corporate bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,122	1,122
Discounted Treasury bills	-	-	-	-	-	-	4	-	17,389	-	-	-	-	-	39	17,432
Mortgage bonds	-	-	-	-	98	-	-	-	-	-	-	-	-	-	9	107
National Bank of Hungary bonds	-	-	-	-	-	-	-	-	17,810	-	-	-	-	-	19,625	37,435
Other interest bearing securities	-	-	-	-	-	-	-	433	6,001	872	249	-	-	-	6,845	14,400
Other non-interest bearing securities	=	=	=	=	=	=	=	=	=	=	=	=	=	=	778	778
Total	1,998	61	20	14,194	155	1,668	2,737	11,779	149,001	9,226	249	924	4,533	219	29,996	226,760

31/12/2024	Aaa	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B2	Not rated	Total
Government bonds	8,738	-	9,910	-	2,499	1,138	10,287	46,394	3,499	-	1,648	1,707	230	-	86,050
Equity instruments															
and fund units	-	12	11	17	42	52	22	56	54	145	-	5	-	781	1,197
Corporate bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	753	753
Discounted Treasury bills	-	-	-	-	-	20	-	3,844	-	-	-	-	-	54	3,918
Mortgage bonds	-	-	-	93	-	-	-	-	-	-	-	-	-	9	102
National Bank of Hungary bonds	-	-	-	-	-	-	-	8,878	-	-	-	-	-	403,524	412,402
Other interest bearing securities	-	-	-	-	-	173	-	4,287	472	1,183	-	-	-	2,838	8,953
Other non-interest bearing securities	=	=	=	=	=	=	=	=	=	=	=	=	=	982	982
Total	8,738	12	9,921	110	2,541	1,383	10,309	63,459	4,025	1,328	1,648	1,712	230	408,941	514,357

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories [continued]

Non-trading instruments mandatorily at fair value through profit or loss

31/12/2025	Aa1	Aa3	A3	Baa2	Not rated	Total
Non-trading equity instruments mandatorily at fair value through profit or loss	5,747	-	599	30,159	40,305	76,810
Non-trading debt instruments mandatorily at fair value through profit or loss	=	<u>338</u>	=	=	<u>714</u>	<u>1,052</u>
Total	<u>5,747</u>	<u>338</u>	<u>599</u>	<u>30,159</u>	<u>41,019</u>	<u>77,862</u>

31/12/2024	Aaa	Aa3	A3	Baa2	Not rated	Total
Non-trading equity instruments mandatorily at fair value through profit or loss	6,096	-	575	28,513	38,729	73,913
Non-trading debt instruments mandatorily at fair value through profit or loss	=	<u>839</u>	=	=	<u>1,778</u>	<u>2,617</u>
Total	<u>6,096</u>	<u>839</u>	<u>575</u>	<u>28,513</u>	<u>40,507</u>	<u>76,530</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories [continued]

Securities at fair value through other comprehensive income

31/12/2025	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba2	Ba3	Ca	C	Not rated	WR ¹	Total
Government bonds	21,137	10,209	6,034	8,662	9,169	14,267	200,142	65,700	1,048,272	48,860	280,138	-	134,852	718	363	10,213	1,858,736
Corporate bonds	-	-	-	-	-	-	384	-	-	-	7,740	2,321	-	-	16,033	-	26,478
Mortgage bonds	7,945	-	-	374	12,456	-	-	-	-	-	-	-	-	-	9,392	-	30,167
Discounted																	
treasury bills	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,939	-	2,939
Other securities	349	-	-	-	-	773	5,700	-	-	-	24,404	-	-	-	4,967	-	36,193
Non-trading																	
equity instruments	=	=	=	51	=	=	36,096	=	=	=	=	=	=	=	55,754	=	91,901
Total	29,431	10,209	6,034	9,087	21,625	15,040	242,322	65,700	1,048,272	48,860	312,282	2,321	134,852	718	89,448	10,213	2,046,414

31/12/2024	Aaa	Aa1	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	B1	Ca	Not rated	WR ¹	Total
Government bonds	40,673	2,275	10,356	8,665	19,924	207,629	115,964	245,858	81,623	-	296,786	102,780	155,135	-	24,395	1,312,063
Corporate bonds	-	833	822	-	-	2,056	-	-	-	7,326	5,866	-	-	10,140	-	27,043
Mortgage bonds	13,169	-	390	11,751	-	-	-	-	-	-	-	-	-	8,923	-	34,233
National Bank of Hungary bonds	-	-	-	-	-	-	-	205,050	-	-	-	-	-	-	-	205,050
Interest bearing																
treasury bills	-	-	-	-	-	-	-	86	-	-	-	-	-	-	-	86
Other securities	2,409	-	-	615	812	8,361	-	-	-	-	26,606	-	-	5,546	-	44,349
Non-trading																
equity instruments	=	=	10,143	=	=	27,003	=	=	=	=	=	=	=	45,583	=	82,729
Total	56,251	3,108	21,711	21,031	20,736	245,049	115,964	450,994	81,623	7,326	329,258	102,780	155,135	70,192	24,395	1,705,553

¹: means withdrawn rating

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.1. Credit risk [continued]

37.1.10. Financial instruments by Moody's rating categories [continued]

Securities at amortized cost

31/12/2025	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	B1	B3	Caa1	Ca	C	Not rated	WR ¹	Total
Government bonds	139,572	427,491	-	333,373	22,359	266,412	1,086,924	609,128	3,132,509	425,190	-	21,658	64,666	23,537	-	291,044	2,308	-	3,456	6,849,627
Corporate bonds	3,832	1,489	7,289	10,503	12,757	-	15,476	7,549	10,036	744	183	19,461	-	-	-	-	-	310,800	-	400,119
Bonds of Hungarian National Bank	-	-	-	-	-	-	-	-	154,842	-	-	-	-	-	-	-	-	-	-	154,842
Discounted Treasury bills	-	-	-	-	-	-	-	-	-	-	-	-	-	52,777	-	-	-	-	-	52,777
Mortgage bonds	1,918	-	-	-	18,083	-	-	-	-	-	-	-	-	-	-	-	-	12,015	-	32,016
Other securities	<u>76,544</u>	-	<u>38,921</u>	<u>47,853</u>	<u>126,449</u>	<u>39,975</u>	<u>44,012</u>	<u>22,263</u>	<u>15,786</u>	-	-	-	-	-	<u>1,635</u>	-	-	<u>22,646</u>	-	<u>436,084</u>
Total	<u>221,866</u>	<u>428,980</u>	<u>46,210</u>	<u>391,729</u>	<u>179,648</u>	<u>306,387</u>	<u>1,146,412</u>	<u>638,940</u>	<u>3,313,173</u>	<u>425,934</u>	<u>183</u>	<u>41,119</u>	<u>64,666</u>	<u>76,314</u>	<u>1,635</u>	<u>291,044</u>	<u>2,309</u>	<u>345,461</u>	<u>3,455</u>	<u>7,925,465</u>

31/12/2024	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	B1	B3	Caa1	Ca	C	Not rated	WR ¹	Total
Government bonds	630,724	101,890	8,160	215,094	1,224	213,019	816,635	645,168	2,892,326	383,412	-	23,728	87,987	51,204	-	308,362	2,510	-	7,211	6,388,654
Corporate bonds	1,980	1,549	6,944	12,634	4,093	4,422	14,500	15,729	15,942	774	581	-	-	-	-	-	-	264,506	-	343,654
Discounted Treasury bills	-	-	-	-	-	-	-	22	92,894	-	-	-	-	43,535	-	-	-	-	-	136,451
Mortgage bonds	2,077	-	-	-	18,057	-	-	-	-	-	-	-	-	-	-	-	-	11,847	-	31,981
Interest bearing Treasury bills	-	-	-	-	-	-	-	-	-	-	-	-	1,658	-	-	-	-	-	-	1,658
Other securities	<u>87,011</u>	-	<u>27,855</u>	<u>56,856</u>	<u>119,230</u>	<u>53,358</u>	<u>65,109</u>	<u>48,363</u>	<u>16,259</u>	<u>14,507</u>	<u>2,517</u>	-	-	-	<u>1,628</u>	-	-	<u>52,086</u>	-	<u>544,779</u>
Total	<u>721,792</u>	<u>103,439</u>	<u>42,959</u>	<u>284,584</u>	<u>142,604</u>	<u>270,799</u>	<u>896,244</u>	<u>709,282</u>	<u>3,017,421</u>	<u>398,693</u>	<u>3,098</u>	<u>23,728</u>	<u>89,645</u>	<u>94,739</u>	<u>1,628</u>	<u>308,362</u>	<u>2,510</u>	<u>328,439</u>	<u>7,211</u>	<u>7,447,177</u>

¹: means withdrawn rating

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities

Liquidity risk is a measure of the extent to which the Group may be required to raise funds to meet its commitments associated with financial instruments. The Group maintains its liquidity position in accordance with regulations prescribed by the NBH.

The essential aspect of the liquidity risk management strategy is to identify all relevant systemic and idiosyncratic sources of liquidity risk and to measure the probability and severity of such events. During liquidity risk management the Group considers the effect of liquidity risk events caused by reasons arising in the bank business line (deposit withdrawal), the national economy (exchange rate shock yield curve shock) and the global financial system (capital market shock).

In line with the Group's risk management policy liquidity risks are measured and managed on multiply hierarchy levels and applying integrated unified VaR based methodology. The basic requirement is that the Group must keep high quality liquidity reserves which means it can fulfill all liabilities when they fall due without material additional costs.

The liquidity reserves can be divided in two parts. There are separate decentralized liquid asset portfolios at subsidiary level and a centralized flexible liquidity pool at a Group level. The reserves at subsidiary levels are held to cover the relevant shocks of the subsidiaries which may arise in local currencies (deposit withdrawal, local capital market shock, unexpected business expansion), while the centralized liquidity pool is held to cover the Bank's separate shocks (deposit-, yield curve- and exchange rate shocks) and all group member's potential shocks that may arise in foreign currencies (deposit withdrawal, capital market shock).

The recalculation of shocks is made at least quarterly while the recalibration of shock measurement models and review of the risk management methodology is an annual process. The monitoring of liquidity reserves for both centralized and decentralized liquid asset portfolio has been built into the daily reporting process.

Due to the balance sheet adjustment process (deleveraging) experienced in the last few years, the liquidity reserves of the Group increased significantly while the liquidity risk exposure has decreased considerably. Currently the (over)coverage of potential liquidity risk exposure by high quality liquid assets is high. There were no material changes in the liquidity risk management process for the year ended 31 December 2025.

The contractual amounts disclosed in the maturity analyses are the contractual undiscounted cash flows like gross finance lease obligations (before deducting finance charges); prices specified in forward agreements to purchase financial assets for cash; net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged; contractual amounts to be exchanged in a derivative financial instrument for which gross cash flows are exchanged; gross loan commitments.

Such undiscounted cash flows differ from the amount included in the Consolidated Statement of Financial Position because the amount in that statement is based on discounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.

The following tables provide an analysis of assets and liabilities about the non-discounted cash flow into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities [continued]

31/12/2025	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 Banks	4,967,278	120	82	-	-	4,967,480
Placements with other banks	1,696,123	658	114,429	191,776	1,844	2,004,830
Repo receivables	238,110	84	26	-	-	238,220
Trading securities at fair value through profit or loss	67,733	30,793	86,993	42,571	1,444	229,534
Non-trading instruments mandatorily at fair value through profit or loss	6,536	-	-	-	58,599	65,135
Securities at fair value through other comprehensive income	159,370	240,005	1,100,429	686,858	160,677	2,347,339
Securities at amortized cost	1,132,120	1,207,455	2,813,783	3,449,844	-	8,603,202
Loans at amortized cost	2,772,482	4,546,852	9,268,664	9,959,179	5	26,547,182
Finance lease receivable	142,431	366,863	1,111,488	109,860	-	1,730,642
Loans mandatorily at fair value through profit or loss	48,414	57,952	331,396	1,418,927	-	1,856,689
Associates and other investments	-	-	-	-	164,172	164,172
Other financial assets ¹	<u>298,154</u>	<u>13,947</u>	<u>20,317</u>	<u>391</u>	<u>10,481</u>	<u>343,290</u>
TOTAL ASSETS	<u>11,528,751</u>	<u>6,464,729</u>	<u>14,847,607</u>	<u>15,859,406</u>	<u>397,222</u>	<u>49,097,715</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	333,687	140,250	612,878	549,190	-	1,636,005
Repo liabilities	166,725	33	51	-	-	166,809
Financial liabilities designated at fair value through profit or loss	527	1,047	4,877	84,092	-	90,543
Deposits from customers ²	31,469,336	1,755,700	540,804	50,259	-	33,816,099
Liabilities from issued securities	64,543	124,782	2,037,651	323,888	-	2,550,864
Leasing liabilities	4,354	11,817	34,606	39,918	-	90,695
Other financial liabilities ¹	615,794	46,958	28,273	428	6,377	697,830
Subordinated bonds and loans	<u>6,420</u>	-	<u>13,716</u>	<u>463,371</u>	-	<u>483,507</u>
TOTAL LIABILITIES	<u>32,661,386</u>	<u>2,080,587</u>	<u>3,272,856</u>	<u>1,511,146</u>	<u>6,377</u>	<u>39,532,352</u>
NET POSITION³	<u>(21,132,635)</u>	<u>4,384,142</u>	<u>11,574,751</u>	<u>14,348,260</u>	<u>390,845</u>	<u>9,565,363</u>

¹ Without derivative financial instruments.

² Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

³ Analysis for net position of assets and liabilities are calculated in accordance with IFRS 7, therefore certain financial instruments are presented in the earliest period in which the Group could be required to pay. On-demand deposits are presented in the earliest (within 3 month) period category, however based on the Management's discretion the Group has appropriate liquidity reserves as maintenance and management of liquidity risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities [continued]

31/12/2025	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Receivables from derivative financial instruments held for trading	7,380,552	1,529,962	509,214	83,561	-	9,503,289
Liabilities from derivative financial instruments held for trading	<u>(7,365,387)</u>	<u>(1,517,047)</u>	<u>(439,315)</u>	<u>(77,941)</u>	-	<u>(9,399,690)</u>
Net position of financial instruments held for trading	<u>15,165</u>	<u>12,915</u>	<u>69,899</u>	<u>5,620</u>	-	<u>103,599</u>
Receivables from derivative financial instruments designated as hedge accounting	50,827	197,431	1,278,039	54,544	-	1,580,841
Liabilities from derivative financial instruments designated as hedge accounting	<u>(49,462)</u>	<u>(196,021)</u>	<u>(1,281,254)</u>	<u>(49,965)</u>	-	<u>(1,576,702)</u>
Net position of financial instruments designated as hedge accounting	<u>1,365</u>	<u>1,410</u>	<u>(3,215)</u>	<u>4,579</u>	-	<u>4,139</u>
Net position of derivative financial instruments total	<u>16,530</u>	<u>14,325</u>	<u>66,684</u>	<u>10,199</u>	-	<u>107,738</u>
Commitments to extend credit	5,300,209	738,951	322,957	95,329	4	6,457,450
Bank guarantees	786,775	383,311	306,332	131,250	-	1,607,668
Confirmed letters of credit	43,380	12,120	-	-	-	55,500
Factoring loan commitment	443,443	1,719	-	-	-	445,162
Other commitments	<u>128,224</u>	<u>177,712</u>	<u>165,887</u>	<u>148,489</u>	-	<u>620,312</u>
Off-balance sheet commitments	<u>6,702,031</u>	<u>1,313,813</u>	<u>795,176</u>	<u>375,068</u>	4	<u>9,186,092</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.2. Maturity analysis of financial assets and liabilities [continued]

31/12/2024	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash, amounts due from banks and balances with the National Banks	6,081,452	149	-	-	-	6,081,601
Placements with other banks	1,573,903	55,598	167,564	105,797	1,811	1,904,673
Repo receivables	332,369	-	-	-	-	332,369
Trading securities at fair value through profit or loss	435,363	10,204	44,540	25,888	377	516,372
Non-trading instruments mandatorily at fair value through profit or loss	6,671	-	-	-	57,543	64,214
Securities at fair value through other comprehensive income	308,098	204,069	980,059	262,531	158,247	1,913,004
Securities at amortized cost	710,483	1,055,389	3,288,055	2,898,233	-	7,952,160
Loans at amortized cost	2,547,329	4,315,757	8,552,986	8,516,428	-	23,932,500
Finance lease receivable	148,644	356,068	1,063,186	105,855	-	1,673,753
Loans mandatorily at fair value through profit or loss	36,245	44,927	256,515	1,132,775	-	1,470,462
Associates and other investments	-	-	-	-	134,728	134,728
Other financial assets ¹	<u>316,678</u>	<u>7,435</u>	<u>13,558</u>	<u>283</u>	<u>1,273</u>	<u>339,227</u>
TOTAL ASSETS	<u>12,497,235</u>	<u>6,049,596</u>	<u>14,366,463</u>	<u>13,047,790</u>	<u>353,979</u>	<u>46,315,063</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	407,594	506,520	629,096	627,990	-	2,171,200
Repo liabilities	132,122	15	-	-	-	132,137
Financial liabilities designated at fair value through profit or loss	650	1,059	5,130	65,627	-	72,466
Deposits from customers ²	29,551,220	1,723,312	430,297	53,913	-	31,758,742
Liabilities from issued securities	65,947	224,388	2,034,050	316,132	-	2,640,517
Leasing liabilities	4,177	11,022	38,641	32,261	-	86,101
Other financial liabilities ¹	717,826	40,698	26,643	60	2,181	787,408
Subordinated bonds and loans	<u>76</u>	<u>9,597</u>	<u>7,360</u>	<u>361,046</u>	-	<u>378,079</u>
TOTAL LIABILITIES	<u>30,879,612</u>	<u>2,516,611</u>	<u>3,171,217</u>	<u>1,457,029</u>	<u>2,181</u>	<u>38,026,650</u>
NET POSITION³	<u>(18,382,377)</u>	<u>3,532,985</u>	<u>11,195,246</u>	<u>11,590,761</u>	<u>351,798</u>	<u>8,288,413</u>

¹ Without derivative financial instruments

² Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

³ Analysis for net position of assets and liabilities are calculated in accordance with IFRS 7, therefore certain financial instruments are presented in the earliest period in which the Group could be required to pay. On-demand deposits are presented in the earliest (within 3 month) period category, however based on the Management's discretion the Group has appropriate liquidity reserves as maintenance and management of liquidity risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.2. Maturity analysis of financial assets and liabilities [continued]**

31/12/2024	Within 3 months	Within one year and over 3 months	Within 5 years and over one year	Over 5 years	Without maturity	Total
Receivables from derivative financial instruments held for trading	5,850,423	1,437,108	672,271	59,398	-	8,019,200
Liabilities from derivative financial instruments held for trading	<u>(5,875,018)</u>	<u>(1,461,135)</u>	<u>(678,939)</u>	<u>(63,456)</u>	-	<u>(8,078,548)</u>
Net position of financial instruments held for trading	<u>(24,595)</u>	<u>(24,027)</u>	<u>(6,668)</u>	<u>(4,058)</u>	-	<u>(59,348)</u>
Receivables from derivative financial instruments designated as hedge accounting	39,945	242,697	873,658	25,923	-	1,182,223
Liabilities from derivative financial instruments designated as hedge accounting	<u>(30,267)</u>	<u>(242,235)</u>	<u>(819,664)</u>	<u>(18,919)</u>	-	<u>(1,111,085)</u>
Net position of financial instruments designated as hedge accounting	<u>9,678</u>	<u>462</u>	<u>53,994</u>	<u>7,004</u>	-	<u>71,138</u>
Net position of derivative financial instruments total	<u>(14,917)</u>	<u>(23,565)</u>	<u>47,326</u>	<u>2,946</u>	-	<u>11,790</u>
Commitments to extend credit	4,703,379	650,088	255,927	84,409	-	5,693,803
Bank guarantees	687,488	333,929	380,441	145,521	-	1,547,379
Confirmed letters of credit	26,331	6,973	7,816	-	-	41,120
Factoring loan commitment	466,323	1,616	-	-	-	467,939
Other commitments	<u>122,059</u>	<u>170,113</u>	<u>173,083</u>	<u>65,167</u>	-	<u>530,422</u>
Off-balance sheet commitments	<u>6,005,580</u>	<u>1,162,719</u>	<u>817,267</u>	<u>295,097</u>	-	<u>8,280,663</u>

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.3. Net foreign currency position and foreign currency risk**

31/12/2025	USD	EUR	CHF	Other	Total
Assets	1,242,330	16,530,872	51,312	13,357,791	31,182,305
Liabilities	(2,003,403)	(14,719,322)	(161,358)	(11,272,861)	(28,156,944)
Derivative financial instruments	<u>794,543</u>	<u>(288,999)</u>	<u>110,387</u>	<u>32,689</u>	648,620
Net position	<u>33,470</u>	<u>1,522,551</u>	<u>341</u>	<u>2,117,619</u>	<u>3,673,981</u>
31/12/2024	USD	EUR	CHF	Other	Total
Assets	1,530,210	17,126,367	80,020	11,582,268	30,318,865
Liabilities	(2,036,244)	(15,307,447)	(166,380)	(9,749,648)	(27,259,719)
Derivative financial instruments	<u>426,671</u>	<u>(118,045)</u>	<u>85,845</u>	<u>(47,804)</u>	346,667
Net position	<u>(79,363)</u>	<u>1,700,875</u>	<u>(515)</u>	<u>1,784,816</u>	<u>3,405,813</u>

The table above provides an analysis of the main foreign currency exposures of the Group that arise in the non-functional currency of the entities constituting the Group. The remaining foreign currencies are shown within 'Others'. 'Others' category contains mainly foreign currencies in RSD, UAH, RUB, BGN, ALL, MDL and UZS. The Group monitors its foreign exchange position for compliance with the regulatory requirements of the National Banks and its own limit system established in respect of limits on open positions. The measurement of the open foreign currency position of the Group involves monitoring the "VaR" limit on the foreign exchange exposure of the Group. The derivative financial instruments detailed in the table above are presented at fair value.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument, therefore, indicates to what extent it is exposed to interest rate risk.

The majority of the interest-bearing assets and liabilities of the Group are structured to match either short-term assets and short-term liabilities, or long-term assets and liabilities with repricing opportunities within one year, or long-term assets and corresponding liabilities where repricing is performed simultaneously.

In addition, the significant spread existing between the different types of interest-bearing assets and liabilities enables the Group to benefit from a high level of flexibility in adjusting for its interest rate matching and interest rate risk exposure.

The following table presents the interest repricing periods of the assets and liabilities. Variable yield assets and liabilities have been reported in accordance with their next repricing date. Fixed income assets and liabilities have been reported in accordance with their maturity.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2025

ASSETS	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Total		Total	
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency		
Cash, amounts due from banks and balances with the																
National Banks	9,527	1,877,027	-	1	-	71	-	-	-	1	1,164,754	1,914,254	1,174,281	3,791,354	4,965,635	
fixed rate	2,027	1,739,417	-	1	-	71	-	-	-	1	-	-	2,027	1,739,490	1,741,517	
variable rate	7,500	137,610	-	-	-	-	-	-	-	-	-	-	7,500	137,610	145,110	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	1,164,754	1,914,254	1,164,754	1,914,254	3,079,008	
Placements with other banks	219,084	1,292,132	48,485	52,286	-	19,981	-	472	-	42,215	60,496	256,338	328,065	1,663,424	1,991,489	
fixed rate	354	1,024,890	-	45,682	-	10,346	-	472	-	40,283	-	-	354	1,121,673	1,122,027	
variable rate	218,730	267,242	48,485	6,604	-	9,635	-	-	-	1,932	-	-	267,215	285,413	552,628	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	60,496	256,338	60,496	256,338	316,834	
Repo receivables	150,542	20,139	61,412	4,839	-	84	-	4	-	-	-	124	211,954	25,190	237,144	
fixed rate	150,542	20,139	61,412	4,817	-	84	-	4	-	-	-	-	211,954	25,044	236,998	
variable rate	-	-	-	22	-	-	-	-	-	-	-	-	-	22	22	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	124	-	124	124	
Trading instruments at fair value through profit or loss	52,742	6,769	14,260	4,476	32,551	5,271	894	15,147	62,530	29,355	559	2,206	163,536	63,224	226,760	
fixed rate	49,614	6,730	143	4,476	18,907	5,271	894	15,147	61,011	29,355	-	-	130,569	60,979	191,548	
variable rate	3,128	39	14,117	-	13,644	-	-	-	1,519	-	-	-	32,408	39	32,447	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	559	2,206	559	2,206	2,765	
Non-trading instruments mandatorily at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	53,541	24,321	53,541	24,321	77,862	
fixed rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	53,541	24,321	53,541	24,321	77,862	

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2025 [continued]

ASSETS [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Total		Total
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	
Securities at fair value through other comprehensive income	215,379	50,082	3,099	94,341	86,479	135,797	21,857	136,304	730,652	480,523	404	91,497	1,057,870	988,544	2,046,414
fixed rate	-	50,082	930	94,177	86,479	135,797	21,857	136,304	730,652	472,783	-	-	839,918	889,143	1,729,061
variable rate	215,379	-	2,169	164	-	-	-	-	-	7,740	-	-	217,548	7,904	225,452
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	404	91,497	404	91,497	91,901
Securities at amortized cost	13,419	670,850	40,276	308,035	772,012	527,558	317,590	325,327	1,857,472	2,912,278	154,844	25,804	3,155,613	4,769,852	7,925,465
fixed rate	3,345	670,850	-	304,563	772,012	527,558	317,590	325,327	1,856,972	2,912,278	-	-	2,949,919	4,740,576	7,690,495
variable rate	10,074	-	40,276	3,472	-	-	-	-	500	-	-	-	50,850	3,472	54,322
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	154,844	25,804	154,844	25,804	180,648
Loans at amortized cost, net of allowance for loan losses	1,069,392	8,916,404	437,981	2,473,380	258,040	1,865,469	143,168	850,656	2,258,144	3,714,530	147,427	164,987	4,314,152	17,985,426	22,299,578
fixed rate	33,875	2,142,953	5,354	291,841	85,634	977,575	123,186	831,313	1,826,972	3,250,952	-	-	2,075,021	7,494,634	9,569,655
variable rate	1,035,517	6,773,451	432,627	2,181,539	172,406	887,894	19,982	19,343	431,172	463,578	-	-	2,091,704	10,325,805	12,417,509
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	147,427	164,987	147,427	164,987	312,414
Finance lease receivables	4,399	105,321	5,012	107,324	35,692	223,302	62,998	207,594	340,805	489,012	80	7,011	448,986	1,139,564	1,588,550
fixed rate	2,464	8,470	2,850	34,937	23,971	84,308	58,849	99,914	310,510	306,240	-	-	398,644	533,869	932,513
variable rate	1,935	96,851	2,162	72,387	11,721	138,994	4,149	107,680	30,295	182,772	-	-	50,262	598,684	648,946
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	80	7,011	80	7,011	7,091
Loans mandatorily at fair value through profit or loss	72,251	-	93,450	-	591,500	-	233,828	-	948,518	1,675	-	-	1,939,547	1,675	1,941,222
fixed rate	-	-	-	-	-	-	-	-	-	1,675	-	-	-	1,675	1,675
variable rate	72,251	-	93,450	-	591,500	-	233,828	-	948,518	-	-	-	1,939,547	-	1,939,547
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustment of derivative financial instruments	1,095,482	253,192	897,520	1,874,228	644,795	818,800	26,139	122,469	728,160	378,991	26,547	1,727,363	3,418,643	5,175,043	8,593,686
fixed rate	1,034,293	166,602	367,301	878,764	301,704	515,145	26,139	119,197	728,160	378,865	-	-	2,457,597	2,058,573	4,516,170
variable rate	61,189	86,590	530,219	995,464	343,091	303,655	-	3,272	-	126	-	-	934,499	1,389,107	2,323,606
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	26,547	1,727,363	26,547	1,727,363	1,753,910
Other financial assets	168	33,327	25	2,458	-	5	-	1	-	169	73,527	178,700	73,720	214,660	288,380
fixed rate	168	29,556	25	2,446	-	5	-	1	-	166	-	-	193	32,174	32,367
variable rate	-	3,771	-	12	-	-	-	-	-	3	-	-	-	3,786	3,786
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	73,527	178,700	73,527	178,700	252,227

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2025 [continued]

LIABILITIES	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Total		Total	
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency		
Amounts due to banks, the National Governments, deposits from the National																
Banks and other banks	11,503	180,801	14,575	89,738	76,380	74,025	29,136	129,905	237,892	523,229	45,712	78,025	415,198	1,075,723	1,490,921	
fixed rate	10,751	57,041	14,331	9,329	76,380	21,558	26,080	106,776	237,892	493,233	-	-	365,434	687,937	1,053,371	
variable rate	752	123,760	244	80,409	-	52,467	3,056	23,129	-	29,996	-	-	4,052	309,761	313,813	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	45,712	78,025	45,712	78,025	123,737	
Repo liabilities	50,093	116,184	-	448	-	-	-	-	-	84	-	-	50,093	116,716	166,809	
fixed rate	50,093	116,184	-	448	-	-	-	-	-	84	-	-	50,093	116,716	166,809	
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Financial liabilities designated at fair value through profit or loss	15,271	-	-	-	8	-	-	-	1,456	-	73,605	-	90,340	-	90,340	
fixed rate	-	-	-	-	8	-	-	-	-	-	-	-	8	-	8	
variable rate	15,271	-	-	-	-	-	-	-	1,456	-	-	-	16,727	-	16,727	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	73,605	-	73,605	-	73,605	
Deposits from customers¹	8,295,631	21,510,035	529,214	1,101,244	102,661	1,379,962	53,412	143,056	114,261	202,274	23,400	279,117	9,118,579	24,615,688	33,734,267	
fixed rate	1,167,579	9,529,728	136,401	1,088,107	102,641	1,362,221	53,412	142,287	114,261	199,114	-	-	1,574,294	12,321,457	13,895,751	
variable rate	7,128,052	11,980,307	392,813	13,137	20	17,741	-	769	-	3,160	-	-	7,520,885	12,015,114	19,535,999	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	23,400	279,117	23,400	279,117	302,517	
Liabilities from issued securities	202,772	4,429	17,569	-	114,003	-	72,780	540,663	73,207	1,480,490	-	6,722	480,331	2,032,304	2,512,635	
fixed rate	10,802	4,429	17,569	-	114,003	-	72,780	540,663	73,207	1,480,490	-	-	288,361	2,025,582	2,313,943	
variable rate	191,970	-	-	-	-	-	-	-	-	-	-	-	191,970	-	191,970	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	6,722	-	6,722	6,722	

¹Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2025 [continued]

LIABILITIES [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Total		Total
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	
Fair value adjustment of derivative financial instruments	1,799,213	208,762	1,362,550	1,352,483	472,949	929,500	34,257	47,804	534,141	653,790	416,585	724,202	4,619,695	3,916,541	8,536,236
fixed rate	1,765,338	95,616	664,548	580,830	301,666	470,607	34,257	47,190	533,201	653,790	-	-	3,299,010	1,848,033	5,147,043
variable rate	33,875	113,146	698,002	771,653	171,283	458,893	-	614	940	-	-	-	904,100	1,344,306	2,248,406
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	416,585	724,202	416,585	724,202	1,140,787
Leasing liabilities	8	1,072	24	2,000	154	11,482	305	11,666	919	52,127	242	2,402	1,652	80,749	82,401
fixed rate	-	622	8	850	86	7,088	191	6,463	919	21,974	-	-	1,204	36,997	38,201
variable rate	8	450	16	1,150	68	4,394	114	5,203	-	30,153	-	-	206	41,350	41,556
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	242	2,402	242	2,402	2,644
Other financial liabilities	146	37,050	870	267	-	2,577	-	225	-	347	437,066	293,837	438,082	334,303	772,385
fixed rate	146	36,948	870	61	-	2,143	-	225	-	321	-	-	1,016	39,698	40,714
variable rate	-	102	-	206	-	434	-	-	-	26	-	-	-	768	768
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	437,066	293,837	437,066	293,837	730,903
Subordinated bonds and loans	-	24	-	-	-	-	-	-	-	480,040	-	6,020	-	486,084	486,084
fixed rate	-	24	-	-	-	-	-	-	-	480,040	-	-	-	480,064	480,064
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	6,020	-	6,020	6,020
Net position	(7,472,252)	(8,833,114)	(323,282)	2,375,188	1,654,914	1,198,792	616,584	784,655	5,964,405	4,656,368	685,569	3,002,280	1,125,938	3,184,169	4,310,107

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024

ASSETS	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Total		Total
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	
Cash, amounts due from banks and balances with the															
National Banks	1,409,105	2,745,110	10	534	-	689	-	-	-	1	232,060	1,691,503	1,641,175	4,437,837	6,079,012
fixed rate	1,402,976	2,509,429	2	534	-	689	-	-	-	1	-	-	1,402,978	2,510,653	3,913,631
variable rate	6,129	235,681	8	-	-	-	-	-	-	-	-	-	6,137	235,681	241,818
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	232,060	1,691,503	232,060	1,691,503	1,923,563
Placements with other banks	203,611	1,168,594	32,057	83,994	1	54,955	-	4,183	1,344	64,992	55,057	223,113	292,070	1,599,831	1,891,901
fixed rate	15,176	1,032,986	-	83,825	1	54,955	-	4,183	1,344	63,298	-	-	16,521	1,239,247	1,255,768
variable rate	188,435	135,608	32,057	169	-	-	-	-	-	1,694	-	-	220,492	137,471	357,963
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	55,057	223,113	55,057	223,113	278,170
Repo receivables	139,427	192,276	-	-	-	-	-	-	-	-	-	134	139,427	192,410	331,837
fixed rate	139,427	192,276	-	-	-	-	-	-	-	-	-	-	139,427	192,276	331,703
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	134	-	134	134
Trading instruments at fair value through profit or loss	417,158	4,811	1,149	9,462	5,236	9,679	525	9,183	36,602	18,373	450	1,729	461,120	53,237	514,357
fixed rate	415,465	4,757	214	9,462	4,109	9,679	525	9,183	36,602	18,373	-	-	456,915	51,454	508,369
variable rate	1,693	54	935	-	1,127	-	-	-	-	-	-	-	3,755	54	3,809
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	450	1,729	450	1,729	2,179
Non-trading instruments mandatorily at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	49,547	26,983	49,547	26,983	76,530
fixed rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	49,547	26,983	49,547	26,983	76,530

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024 [continued]

ASSETS [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Total		Total
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	
Securities at fair value through other comprehensive income	312,048	12,489	281	59,022	91,839	171,975	127	211,180	197,315	566,548	403	82,326	602,013	1,103,540	1,705,553
fixed rate	301,641	12,489	36	59,022	91,839	167,846	127	209,442	197,315	566,548	-	-	590,958	1,015,347	1,606,305
variable rate	10,407	-	245	-	-	4,129	-	1,738	-	-	-	-	10,652	5,867	16,519
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	403	82,326	403	82,326	82,729
Securities at amortized cost	10,795	497,298	10,042	159,923	690,404	426,360	755,037	557,349	1,473,057	2,844,974	-	21,938	2,939,335	4,507,842	7,447,177
fixed rate	751	497,298	-	155,801	690,404	426,360	755,037	557,349	1,472,558	2,844,974	-	-	2,918,750	4,481,782	7,400,532
variable rate	10,044	-	10,042	4,122	-	-	-	-	499	-	-	-	20,585	4,122	24,707
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	21,938	-	21,938	21,938
Loans at amortized cost, net of allowance for loan losses	1,042,915	8,293,966	423,550	2,216,029	144,037	1,753,825	167,504	762,093	2,033,163	3,190,139	131,337	131,823	3,942,506	16,347,875	20,290,381
fixed rate	44,776	2,012,784	58,830	267,791	73,472	918,694	134,008	745,751	1,529,058	3,133,887	-	-	1,840,144	7,078,907	8,919,051
variable rate	998,139	6,281,182	364,720	1,948,238	70,565	835,131	33,496	16,342	504,105	56,252	-	-	1,971,025	9,137,145	11,108,170
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	131,337	131,823	131,337	131,823	263,160
Finance lease receivables	29,187	117,006	11,948	182,729	19,684	218,323	49,854	165,108	298,129	412,867	92	6,550	408,894	1,102,583	1,511,477
fixed rate	8,234	3,853	2,553	22,739	19,478	77,985	49,334	82,644	282,166	258,657	-	-	361,765	445,878	807,643
variable rate	20,953	113,153	9,395	159,990	206	140,338	520	82,464	15,963	154,210	-	-	47,037	650,155	697,192
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	92	6,550	92	6,550	6,642
Loans mandatorily at fair value through profit or loss	52,930	-	73,479	-	444,796	2,558	291,153	-	694,865	-	-	-	1,557,223	2,558	1,559,781
fixed rate	-	-	-	-	-	2,558	-	-	-	-	-	-	-	2,558	2,558
variable rate	52,930	-	73,479	-	444,796	-	291,153	-	694,865	-	-	-	1,557,223	-	1,557,223
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustment of derivative financial instruments	1,135,228	1,050,184	1,082,978	1,051,630	1,000,250	614,282	188,848	36,176	326,300	317,311	837,606	327,441	4,571,210	3,397,024	7,968,234
fixed rate	1,067,092	986,576	854,189	542,623	651,699	448,091	188,848	36,137	329,605	316,781	-	-	3,091,433	2,330,208	5,421,641
variable rate	68,136	63,608	228,789	509,007	348,551	166,191	-	39	(3,305)	530	-	-	642,171	739,375	1,381,546
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	837,606	327,441	837,606	327,441	1,165,047
Other financial assets	617	38,521	805	17	216	1,790	-	-	-	186	99,212	150,956	100,850	191,470	292,320
fixed rate	313	33,966	132	3	216	1,790	-	-	-	181	-	-	661	35,940	36,601
variable rate	304	4,555	673	14	-	-	-	-	-	5	-	-	977	4,574	5,551
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	99,212	150,956	99,212	150,956	250,168

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024 [continued]

LIABILITIES	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Total		Total	
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency		
Amounts due to banks, the National Governments, deposits from the National																
Banks and other banks	56,243	107,988	176,224	313,462	295,501	124,345	89,956	110,324	160,824	448,283	53,660	85,381	832,408	1,189,783	2,022,191	
fixed rate	15,565	23,373	98,839	68,997	281,384	61,808	89,956	100,447	160,824	418,827	-	-	646,568	673,452	1,320,020	
variable rate	40,678	84,615	77,385	244,465	14,117	62,537	-	9,877	-	29,456	-	-	132,180	430,950	563,130	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	53,660	85,381	53,660	85,381	139,041	
Repo liabilities	23,736	108,401	-	-	-	-	-	-	-	-	-	-	23,736	108,401	132,137	
fixed rate	23,736	108,401	-	-	-	-	-	-	-	-	-	-	23,736	108,401	132,137	
variable rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Financial liabilities designated at fair value through profit or loss	17,008	-	-	-	-	-	16	-	1,456	-	54,010	-	72,490	-	72,490	
fixed rate	-	-	-	-	-	-	16	-	-	-	-	-	16	-	16	
variable rate	17,008	-	-	-	-	-	-	-	1,456	-	-	-	18,464	-	18,464	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	54,010	-	54,010	-	54,010	
Deposits from customers¹	8,226,803	20,445,413	117,347	745,736	77,747	1,184,609	60,318	185,142	141,261	145,784	53,691	282,547	8,677,167	22,989,231	31,666,398	
fixed rate	1,080,245	9,229,742	117,347	744,055	77,652	1,182,192	60,318	181,916	141,261	143,141	-	-	1,476,823	11,481,046	12,957,869	
variable rate	7,146,558	11,215,671	-	1,681	95	2,417	-	3,226	-	2,643	-	-	7,146,653	11,225,638	18,372,291	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	53,691	282,547	53,691	282,547	336,238	
Liabilities from issued securities	181,102	2,501	14,410	-	87,099	131,816	8,298	586,584	115,427	1,455,408	-	10,479	406,336	2,186,788	2,593,124	
fixed rate	2,262	2,501	14,410	-	87,099	117,537	8,298	586,584	115,427	1,455,408	-	-	227,496	2,162,030	2,389,526	
variable rate	178,840	-	-	-	-	14,279	-	-	-	-	-	-	178,840	14,279	193,119	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	10,479	-	10,479	10,479	

¹Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.4. Interest rate risk management [continued]

As at 31 December 2024 [continued]

LIABILITIES [continued]	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Total		Total	
	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency	HUF	Foreign currency		
Fair value adjustment of derivative																
financial instruments	905,752	1,553,774	1,422,318	639,273	1,237,309	523,519	149,761	42,400	291,452	215,645	696,524	216,307	4,703,116	3,190,918	7,894,034	
fixed rate	781,932	1,508,386	878,673	490,085	769,354	332,117	149,585	42,394	291,452	215,645	-	-	2,870,996	2,588,627	5,459,623	
variable rate	123,820	45,388	543,645	149,188	467,955	191,402	176	6	-	-	-	-	1,135,596	385,984	1,521,580	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	696,524	216,307	696,524	216,307	912,831	
Leasing liabilities	291	1,207	1,566	2,610	156	13,023	129	11,438	875	46,043	1,043	3,728	4,060	78,049	82,109	
fixed rate	182	707	2	1,583	9	7,390	3	5,331	389	15,527	-	-	585	30,538	31,123	
variable rate	109	500	1,564	1,027	147	5,633	126	6,107	486	30,516	-	-	2,432	43,783	46,215	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	1,043	3,728	1,043	3,728	4,771	
Other financial liabilities	1,144	45,638	1	249	826	1,942	-	158	-	252	476,830	291,366	478,801	339,605	818,406	
fixed rate	451	45,580	1	83	826	1,801	-	138	-	248	-	-	1,278	47,850	49,128	
variable rate	693	58	-	166	-	141	-	20	-	4	-	-	693	389	1,082	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	476,830	291,366	476,830	291,366	768,196	
Subordinated bonds and loans	-	42	-	94,656	-	9,646	-	2,874	-	262,135	-	6	-	369,359	369,359	
fixed rate	-	42	-	43	-	9,646	-	2,874	-	262,135	-	-	-	274,740	274,740	
variable rate	-	-	-	94,613	-	-	-	-	-	-	-	-	-	94,613	94,613	
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	-	6	-	6	6	
Net position	(4,659,058)	(8,144,709)	(95,567)	1,967,354	697,825	1,265,536	1,144,570	806,352	4,349,480	4,841,841	70,006	1,774,682	1,507,256	2,511,056	4,018,312	

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.5. Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group applies a 'Value-at-Risk' (VaR) methodology to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Management Board sets limits on the value of risk that may be accepted, which is monitored on a daily basis. (Analysis of liquidity risk, foreign currency risk and interest rate risk is detailed in Notes 37.2., 37.3. and 37.4., respectively.)

37.5.1. Market Risk sensitivity analysis

The VaR risk measure estimates the potential loss in pre-tax profit over a given holding period for a specified confidence level.

The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number. The one-day 99% VaR number used by the Group reflects the 99% probability that the daily loss will not exceed the reported VaR.

VaR methodologies are employed to calculate daily risk numbers include the historical and variance-covariance approach. The diversification effect has not been validated among the various market risk types when capital calculation happens.

In addition to these two methodologies, Monte Carlo simulations are applied to the various portfolios on a monthly basis to determine potential future exposure.

The VaR of the trading portfolio can be summarized as follows (in HUF mn):

Historical VaR (99%, one-day) by risk type	Average VaR	
	31/12/2025	31/12/2024
Foreign exchange	1,267	6,936
Interest rate	217	263
Equity instruments	20	11
Diversification	=	=
Total VaR exposure	<u>1,504</u>	<u>7,209</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 Group's daily exposure to currency and interest rate risk, sensitivity analysis evaluates the impact of a reasonably possible change in interest or foreign currency rates over a year. The longer time frame of sensitivity analysis complements VaR and helps the Group to assess its market risk exposures. Details of sensitivity analysis for foreign currency risk are set out in Note 37.5.2., for interest rate risk in Note 37.5.3., and for equity price sensitivity analysis in Note 37.5.4.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.5. Market risk [continued]****37.5.2. Foreign currency sensitivity analysis**

The Bank changed its methodology of foreign currency sensitivity analysis and has been using a historical VaR calculation since 31 March 2021. The former Monte Carlo simulation represented the Group's sensitivity to the rise and fall in the HUF exchange rate against EUR, over a 3-month period. The sensitivity analysis included only outstanding foreign currency denominated monetary items as strategic open positions related to foreign activities. In line with the Management's intention, the former EUR (310) million strategic open position was fully closed as at 31 March 2021.

Since the closing of the strategic open position, the Group has been using a historical VaR calculation with a one-day holding period. The analysis includes the same net open foreign exchange position as used under the internal capital adequacy assessment process (ICAAP). The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets.

Additionally, the Bank determines the foreign currency risk of assets evaluated through the Other Comprehensive Income, which includes securities valued on fair value through other comprehensive income and the foreign currency translation reserves.

The following table shows the result of the foreign currency sensitivity analysis.

The numbers below indicate the expected daily profit or loss of the portfolio beside the given confidence level.

Probability	Effects to the Consolidated Statement of Profit or Loss		Effects to the Consolidated Statement of Other Comprehensive Income	
	In HUF million		In HUF million	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
1%	(663)	(4,017)	(5,457)	(6,716)
5%	(433)	(2,463)	(3,180)	(3,322)
25%	(147)	(988)	(1,182)	(1,155)
50%	29	(94)	33	(7)
25%	165	862	1,077	930
5%	404	2,202	2,633	2,634
1%	527	2,890	3,757	4,961

Note:

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

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.5. Market risk [continued]****37.5.3. Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. The analysis is prepared assuming the amount of assets and liabilities outstanding at the balance sheet date was outstanding for the whole year. The analysis was prepared by assuming only adverse interest rate changes. The main assumptions were as follows:

- Floating rate assets and liabilities were repriced to the modelled benchmark yields at the repricing dates assuming the unchanged margin compared to the last repricing.
- Fixed rate assets and liabilities were repriced at the contractual maturity date.
- As for liabilities with discretionary repricing feature by the Bank were assumed to be repriced with two-weeks delay, assuming no change in the margin compared to the last repricing date.
- Deposits with an interest rate lower than 0.3% even at high market rates were assumed to be unchanged for the whole period.

The sensitivity of interest income to changes in BUBOR was analysed by assuming two interest rate path scenarios:

- (1) BUBOR decreases gradually by 100 bps over the next year (probable scenario)
- (2) BUBOR increases gradually by 100 bps over the next year (alternative scenario)

The net interest income in a one-year period after 1 January 2026 would be decreased by HUF 4,246 million (probable scenario) and increased by HUF 4,227 million (alternative scenario) as a result of these simulation. A similar simulation indicated HUF 664 million decrease (probable scenario) and HUF 1,850 million (alternative scenario) increase in the Net interest income in a one-year period after 1 January 2025.

This effect is further enhanced by capital results HUF 1,898 million gain (for probable scenario) and HUF 1,852 loss million (for alternative scenario) as at 31 December 2025, the comparative results were (HUF 960 million gain for probable scenario, HUF 1,596 million loss 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 at fair value through other comprehensive income portfolio booked against capital was analysed. The results can be summarized as follows (in HUF million):

Description	31/12/2025		31/12/2024	
	Effects to the net interest income	Effects to capital	Effects to the net interest income	Effects to capital
HUF (0.1%) parallel shift	(1,136)	252	(491)	273
HUF 0.1% parallel shift	1,136	(252)	488	(273)
EUR (0.1%) parallel shift	(2,338)	-	(3,868)	-
EUR 0.1% parallel shift	4,294	-	4,175	-
USD (0.1%) parallel shift	(102)	-	(82)	-
USD 0.1% parallel shift	129	-	65	-

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.5. Market risk [continued]

37.5.4. Equity price sensitivity analysis

The following table shows the effect of the equity price sensitivity. The Group uses VaR calculation with 1 day holding period and a 99% confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. The daily loss will not exceed the reported VaR number with 99% of probability.

The stress test assumes the largest price movement of the last year and calculates with it as the adverse direction. These scenarios show the loss of the portfolio when all prices change with the maximum amount of the last year.

Description	31/12/2025	31/12/2024
VaR (99%, one day, HUF million)	11	9
Stress test (HUF million)	(23)	(52)

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.6. Capital management

Capital management

The primary objective of the capital management of the Group is to ensure the prudent operation, the entire compliance with the prescriptions of the regulator for a persistent business operation and maximising the shareholder value, accompanied by an optimal financing structure.

The capital management of the Group members includes the management and evaluation of the shareholders' equity and other types of funds available for hedging risks, to be recorded in the equity and all material risks to be covered by the capital.

The basis of the capital management of the Group members in the short run is the continuous monitoring of their capital position, in the long run the strategic and the business planning, which includes the monitoring and forecast of the capital position.

The Group members maintain the capital adequacy required by the regulatory bodies and the planned risk taking mainly by means of ensuring and developing their profitability. In the event that the planned risk level of a Group member exceeded its Core and the previously raised Supplementary capital, it ensures the prudent operation by occasional measures. A further tool in the capital management of the Bank is the dividend policy, and the transactions performed with the treasury shares.

Capital adequacy on the basis of CRR consolidation

The Capital Requirements Directive package (CRDIV/CRR) transposes the new global standards on banking regulation (known as the Basel III agreement) into the EU legal framework. The new rules are applied from 1 January 2014. They set stronger prudential requirements for institutions, requiring them to keep sufficient capital reserves and liquidity. This new framework makes institutions in the EU more solid and strengthens their capacity to adequately manage the risks linked to their activities and absorb any losses they may incur in doing business. The capital adequacy of the Group is supervised based on the financial statements data prepared in accordance with IFRS applying the current directives, rulings and indicators from 1 January 2014.

For regulatory compliance the capital adequacy ratios according to regulatory scope of consolidation are relevant. The Disclosure requirement of OTP Group in line with Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, and Regulation (EU) No 575/2013 contains the capital adequacy ratios calculated under regulatory scope of consolidation.

The Group has entirely complied with the regulatory capital requirements both in the year ended 31 December 2025 and 2024.

The Group uses the standard method for determining the regulatory capital requirements of the credit risk and market risk, and parallel to that, the base indicator method, and the advanced method ("AMA") in case of the operational risk.

The Capital adequacy ratio of the Group (CRR) was 19.7%, the Regulatory capital was HUF 5,725,501 million and the Total regulatory capital requirement was HUF 2,324,570 million as at 31 December 2025. The same ratios calculated as at 31 December 2024 were the following: 20.3%, HUF 5,200,375 million and HUF 2,046,142 million.

The group-level large exposure limit was exceeded against the Central Bank of Russia as at 31 March 2025. To address this, in July 2025 after the necessary discussions OTP Bank submitted an action plan to the Hungarian National Bank. The exposure remained within the limit at the end of each month during 2025, but ongoing compliance was challenging. Following the limit breach in January 2026, discussions were held with the NBH to submit a new compliance plan. OTP Group committed to 35% compliance till the end of 2026, which was approved by the NBH in February 2026.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]**37.6. Capital management [continued]****Capital adequacy [continued]**

Calculation on CRR basis (in HUF million)	31/12/2025	31/12/2024
Core capital (Tier 1) = Common Equity Tier 1 (CET 1)	5,253,291	4,842,978
Issued capital	28,000	28,000
Reserves ¹	5,660,743	4,808,726
Fair value adjustments	(11,750)	(43,555)
Other capital components	75,624	287,847
Non-controlling interests	28,500	33,741
Treasury shares	(331,778)	(139,315)
Goodwill and other intangible assets	(198,637)	(220,998)
Other adjustments	2,589	88,532
Supplementary capital (Tier 2)	472,210	357,397
Subordinated bonds and loans	461,223	345,063
Components recognized in T2 capital issued by subsidiaries	<u>10,987</u>	<u>12,334</u>
Regulatory capital	<u>5,725,501</u>	<u>5,200,375</u>
Credit risk capital requirement	1,989,524	1,839,095
Market risk capital requirement	27,876	30,461
Operational risk capital requirement	<u>307,170</u>	<u>176,586</u>
Total requirement regulatory capital	<u>2,324,570</u>	<u>2,046,142</u>
Surplus capital	<u>3,400,931</u>	<u>3,154,233</u>
CET 1 ratio	18.10%	18.90%
Tier 1 ratio	18.10%	18.90%
Capital adequacy ratio	<u>19.70%</u>	<u>20.30%</u>

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

Basel III

The components of the Common Equity Tier 1 capital (CET 1) are the following: Issued capital, Reserves (Retained earnings, Other reserves, Changes in the equity of subsidiaries, Net Profit for the year, Changes due to consolidation) Fair value adjustments, Other capital components, (Revaluation reserves, Share based payments, Cash-flow hedges, Net investment hedge in foreign operations), Non-controlling interest, Treasury shares, Goodwill and other Intangible assets, other adjustments (due to prudential filters, due to deferred tax receivables, due to temporary regulations).

Supplementary capital (Tier 2): Subordinated loan capital, Supplementary loan capital, Other issued capital components, Components recognized in T2 capital issued by subsidiaries.

NOTE 37: FINANCIAL RISK MANAGEMENT (in HUF mn) [continued]

37.6. Capital management [continued]

Resolution strategy of OTP Group

The National Bank of Hungary as the group-level resolution authority of OTP Group draw up the group resolution plan for OTP in close cooperation with the national resolution authorities of the EU and the equivalent third country subsidiaries in line with Section 7 of the Resolution Act (XXXVII of 2014 on the further development of the system of institutions strengthening the security of the individual players of the financial intermediary system) implementing Article 12 of BRRD (2014/59/EU Directive). According to the plan the resolution strategy for OTP Group is the Multiple Point of Entry Approach (MPE) which determines two intervention points in the Group in case of resolution: OTP Bank (Hungary) and OTP banka d.d. (Slovenia).

OTP Bank's Resolution Group covers entities included in the prudential scope of consolidation of OTP Bank without OTP banka d.d. (Slovenia) and its subsidiaries, while OTP banka d.d.'s Resolution Group covers OTP banka d.d. and its subsidiaries which is equivalent to the prudential scope of consolidation. For both resolution groups the preferred resolution tool is the application of open-bank bail-in at the level of each of the resolution entities – OTP Bank Plc. and OTP banka d.d. (Slovenia).

The resolution authorities monitor the degree of integration of OTP banka d.d. (Slovenia) into OTP Group as a result of the integration project based on which the MPE resolution strategy is planned to be reviewed in the next update of the group-level resolution plan.

MREL requirement of OTP Group

Pursuant to Section 62 (1) of the Resolution Act OTP Bank shall meet the minimum requirement for own funds and eligible liabilities (MREL) on a consolidated basis at the level of the resolution group. The MNB establishes and updates annually the MREL requirement on the basis of the Joint Decision of the Resolution College, which is operated jointly with the resolution authorities of OTP Bank's subsidiaries.

The consolidated MREL requirement of OTP Bank applicable from January 2025 is 18.6% of the total risk exposure amount/risk weighted assets (TREA/RWA) and 6.02% of the total exposure measure (TEM) of OTP Bank's Resolution Group. The reviewed consolidated MREL requirement is expected to apply from May 2026. Subordination requirements are applicable to OTP Bank from 16 December 2024 that are set at 13.5% of TREA/RWA, 5% of TEM and 8% of TLOF (total liabilities and own funds) of OTP Bank's Resolution Group which shall be met with own funds and subordinated eligible instruments. OTP Bank shall meet the combined buffer requirement in addition to the consolidated MREL RWA requirement / MREL RWA subordination requirement.

NOTE 38: TRANSFER OF FINANCIAL INSTRUMENTS (in HUF mn)**Financial assets transferred but not derecognized**

	Transferred assets Carrying amount 31/12/2025	Associated liabilities Carrying amount 31/12/2025	Transferred assets Carrying amount 31/12/2024	Associated liabilities Carrying amount 31/12/2024
Financial assets at fair value through profit or loss				
Debt securities	<u>1,761</u>	<u>1,766</u>	=	=
Total	<u>1,761</u>	<u>1,766</u>	=	=
Financial assets at fair value through other comprehensive income				
Debt securities	<u>28,134</u>	<u>9,971</u>	=	=
Total	<u>28,134</u>	<u>9,971</u>	=	=
Financial assets at amortized cost				
Debt securities	391,759	155,072	205,726	132,137
Loans and advances	<u>3,782</u>	=	=	=
Total	<u>395,541</u>	<u>155,072</u>	<u>205,726</u>	<u>132,137</u>
Total	<u>425,436</u>	<u>166,809</u>	<u>205,726</u>	<u>132,137</u>

As at 31 December 2025 and 2024, respectively, the Group had an obligation from repurchase agreements (repo liability) of HUF 166,809 million and HUF 132,137 million respectively. Securities sold temporarily under repurchase agreements will continue to be recognized in the Consolidated Statement of Financial Position of the Group in the appropriate securities category. The related liability is measured at amortized cost in the Consolidated Statement of Financial Position as “Repo liabilities”.

Financial assets transferred, derecognized with continuing involvement

Financial assets which would have been derecognized but would be represented the continuing involvement are not recognized in the Consolidated Statement of Financial Position as at 31 December 2025 or as at 31 December 2024.

NOTE 39: OFF-BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)

In the normal course of business, the Group becomes a party to various financial transactions that are not reflected on the Consolidated statement of financial position and are referred to as off-balance sheet financial instruments. The following represent notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

Contingent liabilities	31/12/2025	31/12/2024
Commitments to extend credit	6,457,450	5,693,803
Guarantees arising from banking activities	1,607,668	1,547,379
Factoring loan commitment	445,162	467,939
Confirmed letters of credit	55,500	41,120
Other	<u>620,312</u>	<u>530,422</u>
Contingent liabilities and commitments total in accordance with IFRS 9	<u>9,186,092</u>	<u>8,280,663</u>
Legal disputes (disputed value)	144,517	115,918
Underwriting guarantees	9,376	8,768
Other	<u>78,436</u>	<u>56,677</u>
Contingent liabilities and commitments total in accordance with IAS 37	<u>232,329</u>	<u>181,363</u>
Total	<u>9,418,421</u>	<u>8,462,026</u>

Legal disputes

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

The Group believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation. Provisions due to legal disputes were HUF 36,774 million as at 31 December 2025 and HUF 39,867 million as at 31 December 2024, respectively. (See Note 24.)

Commitments to extend credit, guarantees and letters of credit

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans.

Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

Guarantees, irrevocable letters of credit and undrawn loan commitments are subject to similar credit risk monitoring and credit policies as utilised in the extension of loans. The Management of the Group believes the market risk associated with guarantees, irrevocable letters of credit and undrawn loan commitments are minimal.

NOTE 39: OFF-BALANCE SHEET ITEMS AND DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn) [continued]

Guarantees, payment undertakings arising from banking activities

Payment undertaking is a promise by the Group to assume responsibility for the debt obligation of a borrower if that borrower defaults until a determined amount, until a determined date, in case of fulfilling conditions, without checking the underlying transactions. The guarantee's liability is joint and primary with the principal, in case of payment undertaking, while the Group assumes the obligation derived from guarantee independently by the conditions established by the Group. A guarantee is most typically required when the ability of the primary obligor to perform its obligations under a contract is in question, or when there is some public or private interest which requires protection from the consequences of the principal's default or delinquency.

A contract of guarantee is subject to the statute of frauds (or its equivalent local laws) which has maturity and is only enforceable if recorded in writing and signed by the surety and the principal. This means that if the beneficiary has not exercised his rights against the surety or guarantor by the deadline indicated, he automatically forfeits all his claims against the guarantor or surety.

In the case of a simple surety, the beneficiary is obliged to seek recovery of the debt from the debtor, because as long as the debt is recoverable from the debtor, the guarantor can refuse to pay, whereas in the case of a cash surety, the beneficiary can also go to the guarantor immediately, there being no objection to enforcement.

Derivatives

The Group maintains strict control limits on net open derivative positions, that is the difference between purchase and sale contracts, regarding both the amount and the term. At any time the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e. assets), which in relation to derivatives is only a small fraction of the contract or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except for trading with clients, where the Group in most of the cases requires margin deposits.

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn)

The previously approved option program required a modification due to the introduction of the Bank Group Policy on Payments accepted in resolution of Annual General Meeting regarding to the amendment of CRD III. Directives and Act on Credit Institutions and Financial Enterprises.

Key management personnel affected by the Bank Group Policy receive compensation based on performance assessment generally in the form of cash bonus and equity shares in a ratio of 50-50%. Assignment is based on OTP shares, furthermore performance-based payments are deferred in accordance with the rules of Credit Institutions Act.

The Bank ensures the share-based payment part for the management personnel of the Group members.

During implementation of the Remuneration Policy of the Group appeared that in case of certain foreign subsidiaries it is not possible to ensure the originally determined share-based payment because of legal reasons – incompatible with relevant EU-directives –, therefore a decision was made to cancel the share-based payment in affected countries, and virtual share-based payment – cash payment fixed to share price - was made from 2017. In case of foreign subsidiaries virtual share-based payment was made uniformly from 2021 (in the case of payments related to 2021).

The quantity of usable shares for individuals calculated for settlement of share-based payment shall be determined as the ratio of the amount of share-based payment and share price determined by Supervisory Board (until the end of 2014 by Board of Directors).

The value of the share-based payment at the performance assessment is determined within 10 days by Supervisory Board based on the average of the three previous trade day's middle rate of OTP Bank's equity shares fixed on the Budapest Stock Exchange.

At the same time the conditions of discounted share-based payment are determined, and share-based payment shall contain maximum HUF 6,000 discount at the assessment date, and earnings for the shares at the payment date is maximum HUF 12,000. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 Employee Benefits shall be applied in accounting for all employee benefits, except those to which IFRS 2 Share-based Payment applies.

The parameters for the share-based payment relating to ongoing years 2019-2021 by the Supervisory Board for periods of each year as follows:

Year	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share
	Exercise price	Maximum earnings		Exercise price	Maximum earnings		Exercise price	Maximum earnings	
	for the year 2019			HUF per share 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

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

The parameters for the share-based payment relating to ongoing years 2022-2024 by the Supervisory Board for periods of each year as follows:

Year	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share	Share purchasing at a discounted price		Price of remuneration exchanged to share
	Exercise price	Maximum earnings		Exercise price	Maximum earnings		Exercise price	Maximum earnings	
for the year 2022			HUF per share 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

Parameters of benefits for year after 2024 due in 2031 only is applicable to foreign companies and for virtual benefits.

Relevant factors considered during measurement of fair value related to share-based payment as follows:

Year	Reference price	Assumed volatility	Risk-free interest rate (HUF)						
			1-year	2-year	3-year	4-year	5-year	6-year	7-year
2017	9,200	21.30%	0.10%	0.50%	0.70%	1.00%	1.30%	1.30%	1.30%
2018	10,064	26.00%	0.20%	0.60%	1.00%	1.30%	1.60%	1.90%	2.10%
2019	12,413	19.20%	0.20%	0.70%	0.90%	1.10%	1.30%	1.40%	1.60%
2020	11,553	33.60%	0.60%	0.40%	0.50%	0.60%	0.80%	0.90%	1.00%
2021	16,644	28.60%	1.00%	1.60%	1.80%	1.90%	2.00%	2.10%	2.10%
2022	8,912	42.60%	7.10%	7.90%	7.60%	7.30%	7.10%	7.00%	6.90%
2023	10,773	33.30%	13.20%	9.20%	8.20%	7.70%	7.30%	7.10%	6.90%
2024	17,485	22.10%	6.20%	5.80%	5.80%	5.90%	5.90%	6.00%	6.00%
2025	27,051	23.60%	6.00%	5.40%	5.40%	5.50%	5.60%	5.70%	5.80%

Year	Expected dividends (HUF/Share)							Pricing model
	1-year	2-year	3-year	4-year	5-year	6-year	7-year	
2017	219	219	252	290	334	384	442	Binomial
2018	219	219	219	219	219	219	219	Binomial
2019	252	290	333	383	440	507	583	Binomial
2020	219	252	290	333	383	440	507	Binomial
2021	371	321	357	393	432	475	523	Binomial
2022	452	497	547	601	661	728	800	Binomial
2023	300	330	363	399	439	483	531	Binomial
2024	714	786	864	951	1,046	1,150	1,265	Binomial
2025	1,179	1,296	1,426	1,568	1,725	1,897	2,087	Binomial

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board relating to the year **2019** effective pieces are as 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 as 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 started in 2021	201,273	201,273	16,298	-	-
Remuneration exchanged to share provided in 2021	30,834	30,834	17,618	-	-
Share purchasing period started in 2022	107,760	101,897	13,771	5,863	-
Remuneration exchanged to share provided in 2022	10,564	10,564	8,529	-	-
Share purchasing period started in 2023	126,749	123,676	14,336	3,073	-
Remuneration exchanged to share provided in 2023	13,427	13,427	11,674	-	-
Share purchasing period started in 2024	31,262	31,262	17,618	-	-
Remuneration exchanged to share provided in 2024	6,183	6,183	17,540	-	-
Remuneration exchanged to share provided 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 as 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 as 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 started in 2022	83,688	76,928	17,629	6,760	-
Remuneration exchanged to share provided in 2022	15,232	15,111	8,529	121	-
Share purchasing period started in 2023	47,275	45,755	19,805	1,520	-
Remuneration exchanged to share provided in 2023	8,562	8,562	11,659	-	-
Share purchasing period started in 2024	49,974	49,974	19,993	-	-
Remuneration exchanged to share provided in 2024	11,837	11,837	17,613	-	-
Remuneration exchanged to share started in 2025	12,371	12,371	18,823	-	-
Remuneration exchanged to share provided 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 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board relating to the year **2021** effective pieces are as 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 as 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 started in 2023	117,276	117,276	13,672	-	-
Remuneration exchanged to share provided in 2023	10,824	10,824	11,534	-	-
Share purchasing period started in 2024	50,402	50,083	17,838	319	-
Remuneration exchanged to share provided in 2024	4,807	4,807	17,399	-	-
Share purchasing period started in 2025	53,930	52,899	17,825	-	1,031
Remuneration exchanged to share provided in 2025	4,942	4,807	27,499	135	-
Remuneration exchanged to share starting in 2026	-	-	-	-	58,155
Remuneration exchanged to share applying in 2026	-	-	-	-	4,942
Remuneration exchanged to share 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 as 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 as 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 started in 2024	103,159	102,651	17,684	508	-
Remuneration exchanged to share provided in 2024	3,769	3,769	17,399	-	-
Share purchasing period started in 2025	42,463	41,650	18,164	-	813
Remuneration exchanged to share provided 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

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

Based on parameters accepted by Supervisory Board relating to the year **2023** effective pieces are as 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 as at 31 December 2025
Share purchasing period started in 2024	97,690	96,566	20,731	1,124	-
Remuneration exchanged to share provided in 2024	6,745	6,745	17,402	-	-
Share purchasing period started in 2025	188,376	162,349	19,525	-	26,027
Remuneration exchanged to share provided 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 as 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 as at 31 December 2025
Share purchasing period started in 2025	73,713	73,713	26,808	-	-
Remuneration exchanged to share provided 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

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]

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 and HUF 4,411 million was recognized as expense for the year ended 31 December 2025 and 2024, respectively.

Defined benefit plan

Defined benefit plan is post-employment benefit plans other than defined contribution plan. The Group's net obligation is calculated by estimating the amount of employee's future benefit based on their services for the current and prior periods. The future value of benefit is being discounted to present value.

The Group has small number of plans and mainly in Bulgaria, Serbia, Montenegro, Croatia and Slovenia. These plans are providing retirement benefits upon pension age as lump-sum payment based either on fixed amounts or certain months of salary.

These plans are unfunded consequently there are no significant plan assets associated with these plans.

The movements of defined benefit obligation can be summarized as follows:

	31/12/2025	31/12/2024
Balance as at 1 January	7,940	6,584
Current service cost	525	498
Interest cost	303	343
Actuarial losses from changes in demographic assumptions	1	5
Actuarial losses from changes in financial assumptions	226	471
Benefits paid	(559)	(619)
Past service cost	1	15
Other increase	62	180
Revaluation difference	(464)	463
Closing balance	<u>8,035</u>	<u>7,940</u>

	31/12/2025	31/12/2024
Amounts recognized in profit and loss		
Current service cost	525	498
Net interest expense	303	343
Past service cost	1	15
Actuarial loss	288	326
Other income	(74)	(487)
Total	<u>1,043</u>	<u>695</u>

	31/12/2025	31/12/2024
Maturity analysis of the present value of defined benefit obligations		
Within one year	701	127
Within 5 years and over one year	1,712	1,237
Within 10 years and over 5 years	2,968	2,210
Over 10 years	2,654	1,688
Total present value	<u>8,035</u>	<u>5,262</u>

NOTE 40: SHARE-BASED PAYMENTS AND EMPLOYEE BENEFITS (in HUF mn) [continued]**Defined benefit plan [continued]**

Actuarial assumptions	31/12/2025	31/12/2024
Discount rate	3.00% - 6.00%	2.75% - 8.00%
Future salary increases	0.00% - 10.30%	1.48% - 8.65%
Inflation rate	3.80% - 4.60%	2.20% - 12.00%
Sensitivity analysis	31/12/2025	31/12/2024
If the discount rate is 100 basis points higher, the defined benefit obligation would decrease by	(650)	(582)
If the discount rate is 100 basis points lower, the defined benefit obligation would increase by	757	673
If the expected salary growth increases by 1 per cent, the defined benefit obligation would increase by	721	642
If the expected salary growth decreases by 1 per cent, the defined benefit obligation would decrease by	(631)	(565)

Since plan asset is not recognized in the Consolidated Financial Statements, the effect of the asset ceiling, the effect of changes in foreign exchange rates and the return on plan assets, excluding amounts included in interest accounts are also not recognized and therefore not presented.

OTP Group made an insignificant amount of contribution to the defined benefit plans during the year ended 31 December 2025 and 2024, respectively.

NOTE 41: RELATED PARTY TRANSACTIONS (in HUF mn)

The compensation of key management personnel, such as the members of the Board of Directors, members of the Supervisory Board, key employees of the Bank and its major subsidiaries involved in the decision-making process in accordance with the compensation categories defined in IAS 24 Related Party Disclosures, is summarised below:

Compensations	31/12/2025	31/12/2024
Short-term employee benefits	15,261	12,688
Share-based payment	5,257	4,350
Other long-term employee benefits	953	1,042
Termination benefits	<u>7</u>	<u>178</u>
Total	<u>21,478</u>	<u>18,258</u>

Share based compensations to the members of the Board of Directors, Supervisory Board or key employees of the Bank and its major subsidiaries are detailed in Note 40 Share-based payments.

An analysis of payment to executives of the Group related to their activity in Board of Directors and Supervisory Board is as follows:

	31/12/2025	31/12/2024
Members of Board of Directors	6,179	4,773
Members of Supervisory Board	<u>639</u>	<u>551</u>
Total	<u>6,818</u>	<u>5,324</u>

NOTE 41: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Connections with related party (key management personnel and their close family member and companies) by which line of the consolidated statement of financial position and off-balance sheet is presented:

Assets	31/12/2025				31/12/2024			
	Other related parties	Associated companies	Other companies	Total	Other related parties	Associated companies	Other companies	Total
Securities (net value)	621	19	-	640	614	18	-	632
Fair value adjustment of derivative financial instruments	-	-	-	-	-	253	-	253
Loans at amortized cost (net value)	92,754	1,498	2,026	96,278	67,671	22,689	2,111	92,471
Finance lease receivable (net value)	-	4	26	30	-	23	-	23
Loans mandatorily at fair value through profit or loss	157	851	824	1,832	182	408	2,150	2,740
Total assets	93,532	2,372	2,876	98,780	68,467	23,391	4,261	96,119
Liabilities								
Deposits from customers and loan liabilities	70,974	14,884	1,182	87,040	33,445	12,626	8,128	54,199
Total liabilities	70,974	14,884	1,182	87,040	33,445	12,626	8,128	54,199

NOTE 41: RELATED PARTY TRANSACTIONS (in HUF mn) [continued]

Connections with related party (key management personnel and their close family member and companies) by which line of the consolidated statement of financial position and off-balance sheet is presented [continued]:

Off-balance sheet items	31/12/2025			Total	31/12/2024			Total
	Other related parties	Associated companies	Other companies		Other related parties	Associated companies	Other companies	
Undrawn line of credit	114,278	495	1,760	116,533	54,572	50	1,850	56,472
Bank Guarantee	13,300	-	509	13,809	7,472	2,050	1,228	10,750
Commitments and guarantees given	<u>50</u>	-	-	50	<u>34</u>	-	-	34
Total off-balance sheet items	<u>127,628</u>	<u>495</u>	<u>2,269</u>	<u>130,392</u>	<u>62,078</u>	<u>2,100</u>	<u>3,078</u>	<u>67,256</u>

**Statement of profit or loss
(turnover during the current period)**

	31/12/2025	31/12/2024
Interest income	1,681	2,654
Fee and commission income	671	352
Interest expense	(440)	(781)
Fee and commission expenses	(2,312)	(1,510)
Loss allowance / Provision on loans, placements, for commitments and guarantees given	(30)	(270)
Operational costs	(7,284)	(4,989)
Net income from sale of assets	194	-

In the normal course of business, the Bank enters into other transactions with its unconsolidated subsidiaries of the Group, the amounts and volumes of which are not significant to these Consolidated Financial Statements taken as a whole. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions and such terms can be substantiated.

NOTE 42: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn)

Investments in companies in which the Bank has a controlling interest are detailed below. They are fully consolidated companies and incorporated in Hungary unless otherwise stated.

Significant subsidiaries

Name	Ownership (Direct and Indirect)		Activity
	31/12/2025	31/12/2024	
DSK Bank AD (Bulgaria)	99.92%	99.92%	commercial banking services
OTP Bank JSC (Ukraine)	100.00%	100.00%	commercial banking services
JSC "OTP Bank" (Russia)	97.92%	97.92%	commercial banking services
OTP banka d.d. (Croatia)	100.00%	100.00%	commercial banking services
OTP banka Srbija a.d. Novi Sad (Serbia)	100.00%	100.00%	commercial banking services
Crnogorska komercijalna banka a.d. (Montenegro)	100.00%	100.00%	commercial banking services
Banka OTP Albania SHA (Albania)	100.00%	100.00%	commercial banking services
OTP Bank S.A. (Moldova)	98.26%	98.26%	commercial banking services
OTP banka d.d. (Slovenia)	100.00%	100.00%	commercial banking services
JSCMB 'Ipoteka Bank' (Uzbekistan)	79.83%	79.82%	commercial banking services
OTP Financing Malta Company Ltd. (Malta)	100.00%	100.00%	refinancing activities
OTP Holding Ltd. (Cyprus)	100.00%	100.00%	refinancing activities
OTP Factoring Ltd.	100.00%	100.00%	work-out
OTP Mortgage Bank Ltd.	100.00%	100.00%	mortgage lending
OTP Real Estate Ltd.	100.00%	100.00%	real estate management and development
Merkantil Bank Ltd.	100.00%	100.00%	finance lease
OTP Building Society Ltd.	100.00%	100.00%	housing savings and loan
OTP Fund Management Ltd.	100.00%	100.00%	fund management
Bank Center No. 1. Ltd.	100.00%	100.00%	real estate lease
OTP Funds Servicing and Consulting Ltd.	100.00%	100.00%	fund services
OTP Real Estate Leasing Ltd.	100.00%	100.00%	real estate leasing

NOTE 42: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn) [continued]**Significant associates and joint ventures**

The associated entities that are owned through venture capital funds are not detailed below neither for year 2025 nor for 2024, only the funds that own them are presented below. PortfoLion funds are subsidiaries in the consolidated financial statements.

Summarized financial and non-financial information of associates which are accounted according to IAS 28 and in line with IFRS 9 as at 31 December 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 42: SIGNIFICANT SUBSIDIARIES AND ASSOCIATES (in HUF mn) [continued]**Significant associates and joint ventures [continued]**

Summarized financial and non-financial information of associates which are accounted according to IAS 28 and in line with IFRS 9 as at 31 December 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 / Dunaujváros	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%	Slovenia / Ljubjana	Data processing, web hosting services
Subtotal	<u>8,259</u>						
Total	<u>76,570</u>						

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

NOTE 43: TRUST ACTIVITIES (in HUF mn)

The Bank acts as a trustee for certain loans granted by companies or employers to their employees, mainly for housing purposes. The ultimate risk for these loans rests with the party advancing the funds. As these loans and related funds are not considered to be assets or liabilities of the Group, they have been excluded from the accompanying Consolidated Statement of Financial Position.

	31/12/2025	31/12/2024
The amount of loans managed by the Group as a trustee	38,040	37,412

NOTE 44: CONCENTRATION OF ASSETS AND LIABILITIES

	31/12/2025	31/12/2024
In the percentage of the total assets		
Receivables from, or securities issued by the Hungarian Government or the NBH	12.15%	12.92%

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

The Group continuously provides the NBH with reports on the extent of dependency on large depositors as well as the exposure of the biggest 50 depositors towards the Group.

Further to this obligatory reporting to the NBH, the Group pays particular attention on the exposure of its largest partners and cares for maintaining a closer relationship with these partners in order to secure the stability of the level of deposits.

The organisational unit of the Bank in charge of partner-risk management analyses the biggest partners on a constant basis and sets limits on the Bank's and the Group's exposure separately partner-by-partner. If necessary, it modifies partner-limits in due course thereby reducing the room for manoeuvring of the Treasury and other business areas.

The Bank's internal regulation (Limit-management regulation) controls risk management related to exposures of clients. The Bank makes a difference between clients or clients who are economically connected with each other, partners, partners operating in the same geographical region or in the same economic sector, exposures from customers. Limit-management regulation includes a specific range provision system used by the Bank to control risk exposures. This regulation has to be used by the Bank for its business (lending) risk-taking activity both in retail and corporate sector.

To specify credit risk limits Group strives their clients get an acceptable margin of risk based on their financial situation. In the Group limit system has to be provided a lower-level decision-making delegation.

If a Group member takes risk against a client or group of clients (either inside the local economy or outside), the client will be qualified as a group level risk and these limits will be specified at group level.

The validity period of this policy is 12 months. The limit shall be reviewed prior to the expiry date but at least once a year - based on the relevant information required to limit calculations.

NOTE 45: EARNINGS PER SHARE

Consolidated Earnings per share attributable to the ordinary shares of the Group are determined by dividing consolidated Net profit for the year attributable to ordinary shareholders, after the deduction of declared preference dividends, by the weighted average number of ordinary shares outstanding during the year. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares.

Earnings per share from continuing and discontinued operations	31/12/2025	31/12/2024
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,140,698	1,071,913
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	257,181,338	264,542,718
Basic Earnings per share (in HUF)	<u>4,435</u>	<u>4,052</u>
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,140,698	1,071,913
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	257,253,420	264,652,623
Diluted Earnings per share (in HUF)	<u>4,434</u>	<u>4,050</u>
Earnings per share from continuing operations	31/12/2025	31/12/2024
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,140,698	1,052,157
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	257,181,338	264,542,718
Basic Earnings per share (in HUF)	<u>4,435</u>	<u>3,977</u>
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	1,140,698	1,052,157
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	257,253,420	264,652,623
Diluted Earnings per share (in HUF)	<u>4,434</u>	<u>3,976</u>
Earnings per share from discontinued operations	31/12/2025	31/12/2024
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	-	19,756
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (number of share)	-	264,542,718
Basic Earnings per share (in HUF)	=	<u>75</u>
Consolidated profit after income tax for the period attributable to ordinary shareholders (in HUF mn)	-	19,756
Modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS (number of share)	-	264,652,623
Diluted Earnings per share (in HUF)	=	<u>75</u>

NOTE 45: EARNINGS PER SHARE [continued]

	31/12/2025	31/12/2024
Weighted average number of ordinary shares	280,000,010	280,000,010
Average number of Treasury shares	22,818,672	15,457,292
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS	<u>257,181,338</u>	<u>264,542,718</u>
Dilutive effects of options issued in accordance with the remuneration policy and convertible into ordinary shares ¹	72,082	109,905
The modified weighted average number of ordinary shares outstanding during the year for calculating diluted EPS	<u>257,253,420</u>	<u>264,652,623</u>

¹ Both for the year 2025 and for the year 2024 the dilutive effect is in connection with the Remuneration Policy and the Management Option Program.

NOTE 46: NET GAIN OR LOSS REALIZED ON FINANCIAL INSTRUMENTS (in HUF mn)

31/12/2025	Net interest / similar to interest gain and loss	Net non-interest gain and loss	Loss allowance	Other Compre- hensive Income
Cash, amounts due from banks and balances with the National Banks	236,159	-	(460)	-
Placements with other banks	199,428	-	(140)	-
Repo receivables	24,410	-	(489)	-
Securities at amortized cost	355,461	(1,782)	5,558	-
Loans at amortized cost	1,773,539	44,925	(162,281)	-
Finance lease receivables	113,822	-	(129)	-
Other financial assets ¹	8,449	-	(3,699)	-
Financial assets at amortized cost total	<u>2,711,268</u>	<u>43,143</u>	<u>(161,640)</u>	<u>=</u>
Trading securities at fair value through profit or loss	-	22,721	-	-
Non-trading instruments mandatorily at fair value through profit or loss	15	21,953	-	-
Interest-bearing securities at fair value through other comprehensive income	70,962	(439)	1,859	7,180
Non-interest-bearing instruments at fair value through other comprehensive income	-	1,042	-	(57)
Loans mandatorily at fair value through profit or loss	<u>126,858</u>	<u>(3,440)</u>	<u>111</u>	<u>=</u>
Financial assets at fair value total	<u>197,835</u>	<u>41,837</u>	<u>1,970</u>	<u>7,123</u>
Total result on financial assets	<u>2,909,103</u>	<u>84,980</u>	<u>(159,670)</u>	<u>7,123</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	(119,863)	-	-	-
Repo liabilities	(15,527)	-	-	-
Deposits from customers	(606,830)	581,651	-	-
Liabilities from issued securities	(136,190)	-	-	-
Leasing liabilities	(4,053)	-	-	-
Subordinated bonds and loans	(40,924)	-	-	-
Financial liabilities at amortized cost total	<u>(923,387)</u>	<u>581,651</u>	<u>=</u>	<u>=</u>
Financial liabilities designated at fair value through profit or loss	<u>(823)</u>	<u>228</u>	<u>=</u>	<u>=</u>
Total result on financial liabilities	<u>(924,210)</u>	<u>581,879</u>	<u>=</u>	<u>=</u>
Derivative financial instruments¹	<u>(44,321)</u>	<u>(1,316)</u>	<u>=</u>	<u>=</u>
Total result on financial instruments	<u>1,940,572</u>	<u>665,543</u>	<u>(159,670)</u>	<u>7,123</u>

¹ Gains from other financial assets and derivative financial instruments recognized in net interest income as Income similar to interest income.

Current year change of derivative financial assets and liabilities held-for-trading and designated as hedge accounting by types of results in the profit or loss

31/12/2025	Held-for-trading	Hedge accounting
Balance as at 1 January	38,424	35,776
Change in current period through p/l	(2,275)	(10,353)
on interest income/interest expense	20,206	(7,961)
on net results on derivative instruments	47,698	32,694
on revaluation difference	(70,179)	(35,086)
Realized result on closed deals /matured deals	4,574	(6,548)
Foreign currency translation difference	<u>(1,397)</u>	<u>(751)</u>
Closing balance	<u>39,326</u>	<u>18,124</u>

NOTE 46: NET GAIN OR LOSS REALIZED ON FINANCIAL INSTRUMENTS (in HUF mn)
[continued]

31/12/2024	Net interest / similar to interest gain and loss	Net non-interest gain and loss	Loss allowance	Other Compre- hensive Income
Cash, amounts due from banks and balances with the National Banks	171,238	-	(740)	-
Placements with other banks	238,235	-	(1,303)	-
Repo receivables	20,336	-	75	-
Securities at amortized cost	352,733	(9,495)	(10,059)	-
Loans at amortized cost	1,582,749	39,569	(94,870)	-
Finance lease receivables	110,830	-	6,518	-
Other financial assets ¹	<u>7,052</u>	-	<u>17</u>	-
Financial assets at amortized cost total	<u>2,483,173</u>	<u>30,074</u>	<u>(100,362)</u>	=
Trading securities at fair value through profit or loss	-	12,118	-	-
Non-trading instruments mandatorily at fair value through profit or loss	1,465	6,043	-	-
Interest-bearing securities at fair value through other comprehensive income	60,806	(1,477)	(29,848)	33,347
Non-interest-bearing instruments at fair value through other comprehensive income	-	1,082	-	14,404
Loans mandatorily at fair value through profit or loss	<u>99,559</u>	<u>25,746</u>	<u>5,504</u>	-
Financial assets at fair value total	<u>161,830</u>	<u>43,512</u>	<u>(24,344)</u>	<u>47,751</u>
Total result on financial assets	<u>2,645,003</u>	<u>73,586</u>	<u>(124,706)</u>	<u>47,751</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	(121,536)	-	-	-
Repo liabilities	(11,049)	-	-	-
Deposits from customers	(462,682)	477,930	-	-
Liabilities from issued securities	(157,008)	-	-	-
Leasing liabilities	(3,557)	-	-	-
Subordinated bonds and loans	<u>(35,471)</u>	-	-	-
Financial liabilities at amortized cost total	<u>(791,303)</u>	<u>477,930</u>	=	=
Financial liabilities designated at fair value through profit or loss	<u>(1,344)</u>	<u>1,240</u>	=	=
Total result on financial liabilities	<u>(792,647)</u>	<u>479,170</u>	=	=
Derivative financial instruments¹	<u>(107,016)</u>	<u>12,004</u>	=	=
Total result on financial instruments	<u>1,745,340</u>	<u>564,760</u>	<u>(124,706)</u>	<u>47,751</u>

¹ Gains from other financial assets and derivative financial instruments recognized in net interest income as Income similar to interest income.

Current year change of derivative financial assets and liabilities held for trading and designated as hedge accounting by types of results in the profit or loss

31/12/2024	Held-for-trading	Hedge accounting
Balance as at 1 January	13,141	(21,932)
Change in current period through p/l	712	75,875
on interest income/interest expense	34,595	(10,189)
on net results on derivative instruments	(122,489)	51,705
on revaluation difference	88,606	34,359
Realized result on closed deals /matured deals	24,077	(18,960)
Foreign currency translation difference	<u>494</u>	<u>793</u>
Closing balance	<u>38,424</u>	<u>35,776</u>

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn)

In determining the fair value of a financial asset or liability the Group uses the market price in the case of instruments that are quoted on an active market. In most cases market price is not publicly available, so the Group has to make assumptions or use valuation techniques to determine the fair value of a financial instrument. See Note 47.4. for more information about fair value classes applied for financial assets and liabilities measured at fair value in these financial statements.

To provide a reliable estimate of the fair value of those financial instruments that are originally measured at amortized cost, the Group used the discounted cash flow analyses (loans, placements with other banks, repo receivables, amounts due to banks, repo liabilities, deposits from customers). The fair value of issued securities and subordinated bonds is based on quoted prices (e.g. Reuters). Cash and amounts due from banks and balances with the National Banks represent amounts available immediately thus the fair value equals to the cost.

The assumptions used when calculating the fair value of financial assets and liabilities when using valuation technique are the following:

- the discount rates are the risk-free rates related to the denomination currency adjusted by the appropriate risk premium as of the end of the reporting period,
- the contractual cash flows are considered for the performing loans and for the non-performing loans, the amortized cost less impairment is considered as fair value,
- the future cash flows for floating interest rate instruments are estimated from the yield curves as of the end of the reporting period,
- the fair value of the deposit which can be due in demand cannot be lower than the amount payable on demand.

Classes of assets and liabilities not measured at fair value in the Consolidated Statement of Financial Position, the income approach was used to convert future cash flows to a single current amount. Fair value of current assets is equal to carrying amount, fair value of liabilities from issued securities and other bond-type classes of assets and liabilities not measured at fair value measured based on Reuters market rates, and the fair value of other classes not measured at fair value of the Consolidated Statement of Financial Position is measured at discounted cash flow method. Fair value of loans, net of loss allowance for loans measured at discount rate adjustment technique, the discount rate is derived from observed rates of return for comparable assets or liabilities that are traded in the market.

Methods and significant assumptions used to determine fair value of the different levels of financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Asset held for sale is valued at fair value less cost to sell, that is in this case equal to the sales price and would be classified as Level 3 fair value.

Use of modified yield curve

Yield curves derived from Hungarian government bonds (“ÁKK curve”) have become distorted due to certain market events, which means that real liquidity has concentrated on certain part of the yield curve. Therefore, a modified yield curve - which is not observable on the market - has been used at the concerning fair value calculations. This yield curve is based on the relevant yield curve points of the original ÁKK curve. Based on Management’s discretion fair value calculated with modified yield curves can represent the perspective of market participants reliable at current market conditions.

Modified yield curve was used for calculating fair value in case of subsidized personal loans represented in “Loans mandatorily measured at fair value through profit or loss” line.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.1. Fair value of financial assets and liabilities at amortized cost by level of the fair value hierarchy and their carrying amount

31/12/2025	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash, amounts due from banks and balances with the National Banks	4,965,635	4,963,538	3,723,381	1,240,157	-
Placements with other banks	1,991,489	2,008,169	351,767	1,552,044	104,358
Repo receivables	237,144	237,213	1,588	235,625	-
Securities at amortized cost	7,925,465	7,826,366	6,805,384	991,444	29,538
Loans at amortized cost	22,299,578	22,746,863	-	7,025	22,739,838
Finance lease receivables	1,588,550	1,626,971	-	386,456	1,240,515
Other financial assets	288,380	289,575	-	-	289,575
Total financial assets at amortized cost	<u>39,296,241</u>	<u>39,698,695</u>	<u>10,882,120</u>	<u>4,412,751</u>	<u>24,403,824</u>
Amounts due to the National Governments, to the National Banks and other banks	1,490,921	1,478,238	478,927	479,412	519,899
Repo liabilities	166,809	168,872	-	168,872	-
Deposits from customers ¹	33,734,267	33,685,943	-	18,151,791	15,534,152
Liabilities from issued securities	2,512,635	2,550,549	1,475,420	700,501	374,628
Leasing liabilities	82,401	82,422	-	170	82,252
Other financial liabilities	772,385	752,619	-	-	752,619
Subordinated bonds and loans	486,084	486,600	476,284	-	10,316
Total financial liabilities at amortized cost	<u>39,245,502</u>	<u>39,205,243</u>	<u>2,430,631</u>	<u>19,500,746</u>	<u>17,273,866</u>
31/12/2024	Carrying amount	Fair value	Level 1	Level 2	Level 3
Cash, amounts due from banks and balances with the National Banks	6,079,012	6,080,255	4,964,693	1,115,562	-
Placements with other banks	1,891,901	1,907,253	220,867	1,461,918	224,468
Repo receivables	331,837	332,039	3,768	328,271	-
Securities at amortized cost	7,447,177	7,254,449	6,356,814	870,803	26,832
Loans at amortized cost	20,290,381	20,507,024	-	8,315	20,498,709
Finance lease receivables	1,511,477	1,564,724	-	365,783	1,198,941
Other financial assets	292,320	291,485	-	-	291,485
Total financial assets at amortized cost	<u>37,844,105</u>	<u>37,937,229</u>	<u>11,546,142</u>	<u>4,150,652</u>	<u>22,240,435</u>
Amounts due to the National Governments, to the National Banks and other banks	2,022,191	1,999,976	508,358	926,517	565,101
Repo liabilities	132,137	135,771	-	135,771	-
Deposits from customers ¹	31,666,398	31,616,807	-	16,752,706	14,864,101
Liabilities from issued securities	2,593,124	2,613,242	2,207,606	-	405,636
Leasing liabilities	82,109	83,601	-	259	83,342
Other financial liabilities	818,406	793,524	-	-	793,524
Subordinated bonds and loans	369,359	372,137	349,895	8,879	13,363
Total financial liabilities at amortized cost	<u>37,683,724</u>	<u>37,615,058</u>	<u>3,065,859</u>	<u>17,824,132</u>	<u>16,725,067</u>

¹Deposit from customers includes the fair value changes on hedged deposits involved in portfolio hedge of interest rate risk.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.2. Fair value of derivative instruments

The Group regularly enters into hedging transactions in order to decrease its financial risks. However some economically hedging transaction do not meet the criteria to qualify as hedge accounting, therefore these transactions were accounted for as derivatives held for trading.

The assessment of the hedge effectiveness (both for fair value hedges and cash flow hedges) to determine the economic relationship between the hedged item and the hedging instrument is accomplished with prospective scenario analysis via different rate shift scenarios of the relevant risk factor(s) of the hedged risk component(s). The fair value change of the hedged item and the hedging instrument is compared in the different scenarios. Economic relationship is justified if the change of the fair value of the hedged item and the hedging instrument are in the opposite direction and the absolute changes are similar amounts. The hedge ratio is determined as the ratio of the notional of the hedged item and the notional of the hedging instrument. The sources of hedge ineffectiveness are the not hedged risk components (e.g. change of cross currency basis spreads in case of interest rate risk hedges), slight differences in maturity dates and interest payment dates in case of fair value hedges, and differences between the carrying amount of the hedged item and the carrying amount of the hedging instrument in case of FX hedges (e.g. caused by interest rate risk components in the fair value of the hedging instrument).

The summary of the derivatives held for trading and derivatives designated as hedge accounting of the Group are as follows:

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.2. Fair value of derivative instruments [continued]

	Before netting		31/12/2025	After netting		Before netting		31/12/2024	After netting	
	Assets	Liabilities	Netting	Assets	Liabilities	Assets	Liabilities	Netting	Assets	Liabilities
Held for trading derivative financial instruments										
Interest rate derivatives										
Interest rate swaps	108,785	(93,931)	74,899	33,886	(19,032)	144,530	(123,151)	99,513	45,017	(23,638)
Cross currency interest rate swaps	3,773	(1,714)	-	3,773	(1,714)	10,472	(10,558)	-	10,472	(10,558)
OTC options	894	(896)	-	894	(896)	1,278	(1,281)	-	1,278	(1,281)
Forward rate agreement	496	(31)	496	=	465	219	(172)	219	=	47
Total interest rate derivatives (OTC derivatives)	113,948	(96,572)	75,395	38,553	(21,177)	156,499	(135,162)	99,732	56,767	(35,430)
Foreign exchange derivatives										
Foreign exchange swaps	44,750	(33,298)	-	44,750	(33,298)	38,573	(49,720)	-	38,573	(49,720)
Foreign exchange forward contracts	11,228	(14,841)	-	11,228	(14,841)	17,051	(8,595)	-	17,051	(8,595)
OTC options	2,445	(2,065)	-	2,445	(2,065)	1,433	(825)	-	1,433	(825)
Foreign exchange spot conversion	197	(245)	=	197	(245)	180	(288)	=	180	(288)
Total foreign exchange derivatives (OTC derivatives)	58,620	(50,449)	=	58,620	(50,449)	57,237	(59,428)	=	57,237	(59,428)
Equity stock and index derivatives										
Commodity Swaps	3,297	(2,604)	-	3,297	(2,604)	10,472	(10,477)	-	10,472	(10,477)
Equity swaps	8,219	(273)	=	8,219	(273)	=	(1,194)	=	=	(1,194)
OTC derivatives total	11,516	(2,877)	=	11,516	(2,877)	10,472	(11,671)	=	10,472	(11,671)
Exchange traded futures and options	168	(648)	=	168	(648)	1,334	(728)	=	1,334	(728)
Total equity stock and index derivatives	11,684	(3,525)	=	11,684	(3,525)	11,806	(12,399)	=	11,806	(12,399)
Derivatives held for risk management not designated in hedge										
Interest rate swaps	34,831	(27,971)	27,971	6,860	-	49,053	(38,201)	37,433	11,620	(768)
Foreign exchange swaps	2,822	(4,093)	-	2,822	(4,093)	9,112	(4,995)	-	9,112	(4,995)
Cross currency interest rate swaps	2,052	(2,021)	=	2,052	(2,021)	5,971	(1,069)	=	5,971	(1,069)
Total derivatives held for risk management not designated in hedge	39,705	(34,085)	27,971	11,734	(6,114)	64,136	(44,265)	37,433	26,703	(6,832)
Total held for trading derivative financial instruments	223,957	(184,631)	103,366	120,591	(81,265)	289,678	(251,254)	137,165	152,513	(114,089)

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.2. Fair value of derivative instruments [continued]

Micro hedge	Before netting		31/12/2025	After netting		Before netting		31/12/2024	After netting	
	Assets	Liabilities	Netting	Assets	Liabilities	Assets	Liabilities	Netting	Assets	Liabilities
Derivatives designated in fair value hedges										
Interest rate swaps	33,647	(18,431)	12,484	21,163	(5,947)	41,859	(30,282)	19,957	21,902	(10,325)
Cross currency interest rate swaps	<u>3,929</u>	<u>(5,371)</u>	-	<u>3,929</u>	<u>(5,371)</u>	<u>18,190</u>	<u>(4,280)</u>	-	<u>18,190</u>	<u>(4,280)</u>
Total derivatives designated in fair value hedges	<u>37,576</u>	<u>(23,802)</u>	<u>12,484</u>	<u>25,092</u>	<u>(11,318)</u>	<u>60,049</u>	<u>(34,562)</u>	<u>19,957</u>	<u>40,092</u>	<u>(14,605)</u>
Total derivatives held for risk management (OTC derivatives) micro portfolio	<u>37,576</u>	<u>(23,802)</u>	<u>12,484</u>	<u>25,092</u>	<u>(11,318)</u>	<u>60,049</u>	<u>(34,562)</u>	<u>19,957</u>	<u>40,092</u>	<u>(14,605)</u>
Macro hedge	Before netting		31/12/2025	After netting		Before netting		31/12/2024	After netting	
	Assets	Liabilities	Netting	Assets	Liabilities	Assets	Liabilities	Netting	Assets	Liabilities
Derivative financial instruments designated as hedge accounting										
Derivatives designated in fair value hedges										
Interest rate swaps	<u>4,979</u>	<u>(629)</u>	<u>446</u>	<u>4,533</u>	<u>(183)</u>	<u>10,289</u>	-	-	<u>10,289</u>	-
Total derivatives designated in macro fair value hedges	<u>4,979</u>	<u>(629)</u>	<u>446</u>	<u>4,533</u>	<u>(183)</u>	<u>10,289</u>	=	=	<u>10,289</u>	=

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

31/12/2025	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offsetting with gross liabilities	Net assets recognized on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	182,739	(116,296)	66,443	(32,501)	(43,413)	(9,471)	83,773	150,216	74,302

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.2. Fair value of derivative instruments [continued]

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

31/12/2025	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum exposure to risk
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognized on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	140,993	(116,296)	24,697	(32,501)	(19,826)	(27,630)	68,069	92,766	40,439

Financial assets subject to offsetting, netting arrangement as at 31 December 2024

31/12/2024	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet			Assets not subject to netting arrangements	Total assets	Maximum exposure to risk
	Gross assets before offset	Offsetting with gross liabilities	Net assets recognized on the statement of financial position	Financial liabilities	Collateral received	Assets after consideration of netting potential	Assets recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	235,661	(157,122)	78,539	(39,854)	(77,022)	(38,337)	124,355	202,894	86,018

Financial liabilities subject to offsetting, netting arrangement as at 31 December 2024

31/12/2024	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet			Liabilities not subject to netting arrangements	Total liabilities	Maximum exposure to risk
	Gross liabilities before offset	Offsetting with gross assets	Net liabilities recognized on the statement of financial position	Financial assets	Collateral pledged	Liabilities after consideration of netting potential	Liabilities recognized on the statement of financial position	Recognized in the statement of financial position	After consideration of netting potential
Derivative financial instruments	191,806	(157,122)	34,684	(39,854)	(41,981)	(47,151)	94,010	128,694	46,859

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting

Interest rate risk management is centralized at the Group. Interest rate risk exposures in major currencies are managed at OTP Headquarter on a consolidated level. Although risk exposures in local currencies are managed at subsidiary level, the respective decisions are subject to Headquarter ALCO approval. Interest rate risk is measured by simulating NII and EVE under different stress and plan scenarios, the established risk limits are described in „OTP Bank’s Group-Level Regulations on the Management of Liquidity Risk and Interest Rate Risk of Banking Book”. The interest rate risk management activity aims to stabilize NII within the approved risk limits.

The risk management objective of these hedge relationships is to mitigate the risk of clean fair value (i.e. excluding accrued interest) change of MIRS loans due to the change of interest rate reference indices (BUBOR, EURIBOR, LIBOR, etc.) of the respective currency.

The ineffective part of fair value hedge accounting is presented on Interest income / Interest expense in the Consolidated Statement of Profit or Loss.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

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

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Micro hedge Fair value hedge	Interest rate risk	Interest rate swap						
		HUF						
		Notional	(5,996)	(9,936)	365,335	642,095	395,652	1,387,150
		Average Interest Rate (%)	2.46%	2.47%	4.91%	6.39%	6.95%	
		EUR						
		Notional	-	14	(790)	(2,594)	243	(3,127)
		Average Interest Rate (%)	-	-	3.64%	2.72%	3.15%	
		USD						
		Notional	-	-	(378)	(1,385)	20	(1,743)
Average Interest Rate (%)	-	-	4.05%	3.87%	1.65%			
Fair value hedge	Foreign exchange & Interest rate risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	-	2	4	8	14
		Average Interest Rate (%)	(1.67%)	(1.74%)	(1.74%)	(1.81%)	(1.82%)	
		Average FX Rate	310.88	309.58	309.84	307.91	307.71	

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

Amount, timing and uncertainty of future cash flows – hedging instruments as at 31 December 2024 (in foreign currency million)

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Micro hedge Fair value hedge	Interest rate risk	Interest rate swap						
		HUF						
		Notional	(10,000)	(3,000)	(193,376)	221,893	(41,000)	(25,483)
		Average Interest Rate (%)	12.20%	1.20%	(5.24%)	5.26%	4.20%	
		EUR						
		Notional	-	-	(439)	(2,657)	452	(2,644)
		Average Interest Rate (%)	-	-	3.89%	3.17%	-	
		USD						
		Notional	-	-	-	(1,013)	47	(966)
		Average Interest Rate (%)	-	-	-	3.77%	4.18%	
JPY								
Notional	-	-	4,500	-	-	4,500		
Average Interest Rate (%)	-	-	0.22%	-	-			
Fair value hedge	Foreign exchange & Interest rate risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	1	2	6	9	18
		Average Interest Rate (%)	(1.63%)	(1.69%)	(1.69%)	(1.76%)	(1.82%)	
		Average FX Rate	310.53	310.04	310.04	308.93	307.71	

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

Amount, timing and uncertainty of future cash flows – hedging instruments as at 31 December 2024 (in foreign currency million) [continued]

Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Micro hedge Fair value hedge	Foreign exchange risk	Cross currency interest rate swap						
		EUR/HUF						
		Notional	-	-	191	1,474	-	1,665
		Average FX Rate	-	426.83	379.97	383.10	-	
		RON/HUF						
		Notional	-	175	450	425	-	1,050
		Average FX Rate	-	79.76	80.30	75.17	-	
		RUB/HUF						
		Notional	-	-	-	2,700	-	2,700
		Average FX Rate	-	-	-	3.74	-	
JPY/HUF								
Notional	-	-	4,500	-	-	4,500		
Average FX Rate	-	-	2.43	-	-			
Type of hedge	Type of risk	Type of instrument	Within one month	Within three months and over one month	Within one year and over three months	Within five years and over one year	More than five years	Total
Macro hedge Fair value hedge	Interest rate risk	Interest rate swap						
		EUR						
		Notional	-	-	(345)	(1,205)	(170)	(1,720)
Average Interest Rate (%)	-	-	3.16%	2.75%	2.51%			

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

As at 31 December 2025 is as follows:

Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2025			Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2025		
				Before netting Assets	Liabilities	Netting			After netting Assets	Liabilities
Micro hedge Fair value hedge	IRS	Interest rate risk	4,484,411	33,647	(18,431)	12,484	21,163	(5,947)	Derivative financial instruments designated as hedge accounting	329
	CCIRS	FX & IR risk	4,291	-	(1,054)	-	-	(1,054)	Derivative financial instruments designated as hedge accounting	3
	CCIRS	FX risk	<u>1,254,330</u>	<u>3,929</u>	<u>(4,317)</u>	-	<u>3,929</u>	<u>(4,317)</u>	Derivative financial instruments designated as hedge accounting	<u>(1,243)</u>
Micro fair value hedges total			<u>5,743,032</u>	<u>37,576</u>	<u>(23,802)</u>	<u>12,484</u>	<u>25,092</u>	<u>(11,318)</u>		<u>(911)</u>
Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2025			Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2025		
				Before netting Assets	Liabilities	Netting			After netting Assets	Liabilities
Macro hedge Fair value hedge	IRS	Interest rate risk	<u>668,669</u>	<u>4,979</u>	<u>(629)</u>	<u>446</u>	<u>4,533</u>	<u>(183)</u>	Derivative financial instruments designated as hedge accounting	<u>497</u>
Macro fair value hedges total			<u>668,669</u>	<u>4,979</u>	<u>(629)</u>	<u>446</u>	<u>4,533</u>	<u>(183)</u>		<u>497</u>

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

As at 31 December 2024 is as follows:

Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2024			Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2024		
				Before netting Assets	Liabilities	Netting			After netting Assets	Liabilities
Micro hedge Fair value hedge	IRS	Interest rate risk	3,297,470	41,859	(30,282)	19,957	21,902	(10,325)	Derivative financial instruments designated as hedge accounting	7,801
	CCIRS	FX & IR risk	5,265	-	(1,764)	-	-	(1,764)	Derivative financial instruments designated as hedge accounting	(859)
	CCIRS	FX risk	<u>600,883</u>	<u>18,190</u>	<u>(2,516)</u>	=	<u>18,190</u>	<u>(2,516)</u>	Derivative financial instruments designated as hedge accounting	<u>11,104</u>
Micro fair value hedges total			<u>3,903,618</u>	<u>60,049</u>	<u>(34,562)</u>	<u>19,957</u>	<u>40,092</u>	<u>(14,605)</u>		<u>18,046</u>
Type of hedge	Type of instrument	Type of risk	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument as at 31 December 2024			Line item in the consolidated statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness for the year ended as at 31 December 2024		
				Before netting Assets	Liabilities	Netting			After netting Assets	Liabilities
Macro hedge Fair value hedge	IRS	Interest rate risk	<u>705,355</u>	<u>10,289</u>	=	=	<u>10,289</u>	=	Derivative financial instruments designated as hedge accounting	<u>3,875</u>
Macro fair value hedges total			<u>705,355</u>	<u>10,289</u>	=	=	<u>10,289</u>	=		<u>3,875</u>

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

As at 31 December 2025 is as follows:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2025		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2025		Line item in the consolidated statement of financial position in which the hedged item is included
		Assets	Liabilities	Assets	Liabilities	
Micro hedge						
Fair value hedge						
Loans	Interest rate risk	283,861	-	(5,158)	-	Loans at amortized cost
Loans	Interest rate risk	-	14,062	-	(167)	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Interest rate risk	970,235	-	456	-	Securities at amortized cost
Government bonds	Interest rate risk	835,641	-	(6,441)	-	Securities at fair value through other comprehensive income
Other bonds	Interest rate risk	-	1,933,075	-	27,199	Liabilities from issued securities
Other bonds	Interest rate risk	-	454,862	-	8,350	Subordinated bonds and loans
Loans	Foreign exchange & Interest rate risk	2,273	-	(23)	-	Loans at amortized cost
Loans	Foreign exchange risk	1,059,952	-	-	-	Loans at amortized cost
Refinanced loans	Interest rate risk	-	28,245	-	317	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Foreign exchange risk	<u>32,134</u>	=	=	=	Securities at amortized cost
Micro fair value hedges total		<u>3,184,096</u>	<u>2,430,244</u>	<u>(11,166)</u>	<u>35,699</u>	

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

As at 31 December 2025 is as follows [continued]:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2025		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2025		Line item in the consolidated statement of financial position in which the hedged item is included
		Assets	Liabilities	Assets	Liabilities	
Macro hedge						
Fair value hedge						
Customer deposits	Portfolio risk	=	<u>734,488</u>	=	<u>1,503</u>	Deposits from customers
Macro fair value hedges total		=	<u>734,488</u>	=	<u>1,503</u>	

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

As at 31 December 2024 is as follows:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2024		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2024		Line item in the consolidated statement of financial position in which the hedged item is included
		Assets	Liabilities	Assets	Liabilities	
Micro hedge						
Fair value hedge						
Loans	Interest rate risk	180,000	-	1,024	-	Loans at amortized cost
Loans	Interest rate risk	-	144,441	-	(3,618)	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Interest rate risk	481,715	-	1,376	-	Securities at amortized cost
Government bonds	Interest rate risk	290,270	-	(20,342)	-	Securities at fair value through other comprehensive income
Other bonds	Interest rate risk	4,101	-	(99)	-	Securities at fair value through other comprehensive income
Other bonds	Interest rate risk	-	1,796,848	-	43,723	Liabilities from issued securities
Other bonds	Interest rate risk	-	249,936	-	(3,474)	Subordinated bonds and loans
Loans	Foreign exchange & Interest rate risk	3,499	-	36	-	Loans at amortized cost
Loans	Foreign exchange risk	678,845	-	-	-	Loans at amortized cost
Refinanced loans	Interest rate risk	-	224,979	-	4,948	Amounts due to banks, the National Governments, deposits from the National Banks and other banks
Government bonds	Foreign exchange risk	11,307	-	-	-	Securities at fair value through other comprehensive income
Government bonds	Foreign exchange risk	86,541	-	-	-	Securities at amortized cost
Other securities	Other risk	=	14,053	=	=	Liabilities from issued securities
Micro fair value hedges total		<u>1,736,278</u>	<u>2,430,257</u>	<u>(18,005)</u>	<u>41,579</u>	

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

As at 31 December 2024 is as follows [continued]:

Type of hedge	Type of risk	Carrying amount of the hedged item as at 31 December 2024		Amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item for the year ended 31 December 2024		Line item in the consolidated statement of financial position in which the hedged item is included
		Assets	Liabilities	Assets	Liabilities	
Macro hedge						
Fair value hedge						
Customer deposits	Portfolio risk	=	<u>719,517</u>	=	<u>8,209</u>	Deposits from customers
Macro fair value hedges total		=	<u>719,517</u>	=	<u>8,209</u>	

Change in basis swap spread recognised in the consolidated other comprehensive income related fair value hedges as follows:

Type of risk	Carrying amount of the hedged item		Items recognized in the consolidated other comprehensive income for the year 2025	Change in the items recognized in other comprehensive income for the year 2025	Line item in the consolidated 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	Securities at fair value through other comprehensive income
FX risk	32,134	-	203	(347)	Securities at amortized cost
FX risk	=	=	=	<u>(16)</u>	Liabilities from issued securities
Total	<u>1,092,086</u>	=	<u>(1,025)</u>	<u>(1,551)</u>	

Type of risk	Carrying amount of the hedged item		Items recognised in the consolidated other comprehensive income for the year 2024	Change in the items recognized in other comprehensive income for the year 2024	Line item in the consolidated statement of financial position in which the hedged item is included
	Assets	Liabilities			
FX risk	678,846	-	11	(217)	Loans at amortised cost
FX risk	11,308	-	(51)	10	Securities at fair value through other comprehensive income
FX risk	86,541	-	549	549	Securities at amortized cost
FX risk	=	<u>14,053</u>	<u>16</u>	<u>16</u>	Liabilities from issued securities
Total	<u>776,695</u>	<u>14,053</u>	<u>525</u>	<u>358</u>	

On Group level there weren't any cash flow hedges for the year ended 31 December 2025 and 2024, respectively.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

Net investment hedge as at 31 December 2025

Details of the Group's activities in relation to hedges of its net investment in EUR against foreign exchange movements are, as follows:

31/12/2025	Change in fair value of hedged item for ineffectiveness assessment	Translation difference	Balances remaining in the Translation difference for hedge accounting is no longer applied
Net assets of subsidiaries where the investment is in EUR	-	96,444	(80,164)

Details of the EUR issued bonds used as hedging instruments and hedge effectiveness is as follows:

31/12/2025	Carrying amount		Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			
	Notional amount	Liabilities	Total	Effective part recognized in other comprehensive income	Hedge ineffectiveness recognized in statement of profit or loss	Reclassification into statement of profit or loss
Eur issued bonds	385,400	385,400	24,690	24,690	-	-

The following table shows maturity of the hedging instruments:

31/12/2025	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Eur issued bonds	-	-	-	385,400	-	385,400

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.3. Types of hedge accounting [continued]

Net investment hedge as at 31 December 2024

Details of the Group's activities in relation to hedges of its net investment in EUR against foreign exchange movements are, as follows:

31/12/2024	Change in fair value of hedged item for ineffectiveness assessment	Translation difference	Balances remaining in the Translation difference for hedge accounting is no longer applied
Net assets of subsidiaries where the investment is in EUR	-	168,230	63,997

Details of the EUR issued bonds used as hedging instruments and hedge effectiveness is as follows:

31/12/2024	Carrying amount		Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			
	Notional amount	Liabilities	Total	Effective part recognized in other comprehensive income	Hedge ineffectiveness recognized in statement of profit or loss	Reclassification into statement of profit or loss
Eur issued bonds	410,090	410,090	(27,310)	(27,310)	-	-

The following table shows maturity of the hedging instruments:

31/12/2024	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Eur issued bonds	-	-	-	410,090	-	410,090

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**47.4. Fair value levels**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31/12/2025	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	425,213	246,215	163,911	15,087
<i>Trading securities at fair value through profit or loss</i>	<i>226,760</i>	<i>182,032</i>	<i>44,728</i>	<i>-</i>
<i>Positive fair value of derivative financial assets held for trading</i>	<i>120,591</i>	<i>168</i>	<i>112,479</i>	<i>7,944</i>
<i>Non-trading instruments mandatorily at fair value through profit or loss¹</i>	<i>77,862</i>	<i>64,015</i>	<i>6,704</i>	<i>7,143</i>
Interest-bearing securities at fair value through other comprehensive income ²	1,954,513	1,282,350	536,819	135,344
Non-interest bearing instruments at fair value through other comprehensive income ³	91,901	47,344	30,603	13,954
Loans mandatorily at fair value through profit or loss	1,941,222	-	-	1,941,222
Equity instruments measured at fair value ⁴	70,331	-	-	70,331
Positive fair value of derivative financial assets designated as fair value hedge	<u>29,625</u>	-	<u>29,625</u>	-
Financial assets measured at fair value total	<u>4,512,805</u>	<u>1,575,909</u>	<u>760,958</u>	<u>2,175,938</u>
Financial liabilities designated at fair value through profit or loss	90,340	-	-	90,340
Negative fair value of held-for-trading derivative financial liabilities	81,265	648	80,617	-
Negative fair value of derivative financial liabilities designated as fair value hedge	<u>11,501</u>	-	<u>11,501</u>	-
Financial liabilities measured at fair value total	<u>183,106</u>	<u>648</u>	<u>92,118</u>	<u>90,340</u>

¹ The portfolio in level 3 mainly includes Visa C shares, East West Venture Capital Fund and TCE Fund.

² The portfolio in level 3 includes HUF 125,131 million Ukrainian and HUF 10,213 million Russian government bonds.

³ The portfolio in level 3 includes mainly Visa A preferred stock (in the book of OTP banka d.d. Croatia) and Borika AD (in the book of DSK Bank).

⁴ The detailed list of equity investments measured at fair value categorized in level 3 is presented in Note 42.

The fair value of investment properties is presented in Note 14 and they are categorized in level 3.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**47.4. Fair value levels [continued]**

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31/12/2024	Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss	743,400	184,743	548,838	9,819
<i>Trading securities at fair value through profit or loss</i>	<i>514,357</i>	<i>123,379</i>	<i>390,978</i>	-
<i>Positive fair value of derivative financial assets held for trading</i>	<i>152,513</i>	<i>1,336</i>	<i>151,177</i>	-
<i>Non-trading instruments mandatorily at fair value through profit or loss¹</i>	<i>76,530</i>	<i>60,028</i>	<i>6,683</i>	<i>9,819</i>
Interest-bearing securities at fair value through other comprehensive income ²	1,622,824	1,156,908	297,759	168,157
Non-interest bearing instruments at fair value through other comprehensive income ³	82,729	37,569	31,887	13,273
Loans mandatorily at fair value through profit or loss	1,559,781	-	-	1,559,781
Equity instruments measured at fair value ⁴	68,311			68,311
Positive fair value of derivative financial assets designated as fair value hedge	50,381	-	<u>50,381</u>	-
Financial assets measured at fair value total	<u>4,127,426</u>	<u>1,379,220</u>	<u>928,865</u>	<u>1,819,341</u>
Financial liabilities designated at fair value through profit or loss	72,490	-	-	72,490
Negative fair value of held-for-trading derivative financial liabilities	114,089	728	112,162	1,199
Negative fair value of derivative financial liabilities designated as fair value hedge	14,605	-	<u>14,605</u>	-
Financial liabilities measured at fair value total	<u>201,184</u>	<u>728</u>	<u>126,767</u>	<u>73,689</u>

¹ The portfolio in level 3 mainly includes Visa C shares, East West Venture Capital Fund and TCE Fund.

² The portfolio in level 3 includes HUF 144,138 million Ukrainian and HUF 24,019 million Russian government bonds.

³ The portfolio in level 3 includes mainly Visa A preferred stock (in the book of OTP banka d.d. Croatia) and Borika AD (in the book of DSK Bank).

⁴ The detailed list of equity investments measured at fair value categorized in level 3 is presented in Note 42.

The fair value of investment properties is presented in Note 14 and they are categorized in level 3.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.4. Fair value levels [continued]

Movements in Level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

31/12/2025	Opening balance	Purchase / Issuance / Disbursement (+)	Settlement / Close / Sale (-)	FVA (+/-)	FX effect / Revaluation	Other	Closing balance
Positive fair value of derivative financial assets held for trading	-	-	-	9,138	-	(1,194)	7,944
Non-trading instruments mandatorily at fair value through profit or loss	9,819	36	-	(1,539)	(819)	(354)	7,143
Interest-bearing securities at fair value through other comprehensive income	168,157	63,896	(62,884)	(7,789)	(24,637)	(1,399)	135,344
Non-interest-bearing instruments at fair value through other comprehensive income	13,273	26	-	289	(543)	909	13,954
Loans mandatorily at fair value through profit or loss ¹	1,559,781	488,958	(101,142)	(6,088)	(443)	156	1,941,222
Equity instruments measured at fair value	<u>68,311</u>	<u>7,423</u>	=	<u>13,482</u>	<u>(4,692)</u>	<u>(14,193)</u>	<u>70,331</u>
Financial assets measured at fair value total	<u>1,819,341</u>	<u>560,339</u>	<u>(164,026)</u>	<u>7,493</u>	<u>(31,134)</u>	<u>(16,075)</u>	<u>2,175,938</u>
Financial liabilities designated at fair value through profit or loss	72,490	-	(1,517)	7,483	-	11,884	90,340
Negative fair value of held-for-trading derivative financial liabilities	<u>1,199</u>	=	<u>(1,194)</u>	=	<u>(5)</u>	=	=
Financial liabilities designated at fair value total	<u>73,689</u>	=	<u>(2,711)</u>	<u>7,483</u>	<u>(5)</u>	<u>11,884</u>	<u>90,340</u>

¹ HUF 111 million gain from fair value adjustment resulting from risk factors and HUF 6,192 million loss from fair value adjustment resulting from market factors are included into FVA change for the current period at loans mandatorily measured at fair value through profit or loss.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]**47.4. Fair value levels [continued]****Movements in Level 3 financial instruments measured at fair value [continued]**

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets and liabilities which are recorded at fair value:

31/12/2024	Opening balance	Purchase / Issuance / Disbursement (+)	Settlement / Close / Sale (-)	FVA (+/-)	Transfer (+/-)	FX effect / Revaluation	Other	Closing balance
Non-trading instruments mandatorily at fair value through profit or loss	12,283	-	-	(1,794)	-	(209)	(461)	9,819
Interest-bearing securities at fair value through other comprehensive income	106,416	90,917	(27,726)	(9,350)	-	1,978	5,922	168,157
Non-interest-bearing instruments at fair value through other comprehensive income	6,643	1,763	(22)	-	989	1,919	1,981	13,273
Loans mandatorily at fair value through profit or loss ¹	1,400,485	235,187	(104,638)	28,833	-	2	(88)	1,559,781
Equity instruments measured at fair value	<u>44,162</u>	<u>18,976</u>	<u>(57)</u>	<u>2,797</u>	=	<u>2,433</u>	=	<u>68,311</u>
Financial assets measured at fair value total	<u>1,569,989</u>	<u>346,843</u>	<u>(132,443)</u>	<u>20,486</u>	<u>989</u>	<u>6,123</u>	<u>7,354</u>	<u>1,819,341</u>
Financial liabilities designated at fair value through profit or loss	70,707	-	(1,522)	2,000	-	-	1,305	72,490
Negative fair value of held-for-trading derivative financial liabilities	<u>3,708</u>	=	=	<u>(2,506)</u>	=	<u>(3)</u>	=	<u>1,199</u>
Financial liabilities designated fair value total	<u>74,415</u>	=	<u>(1,522)</u>	<u>(506)</u>	=	<u>(3)</u>	<u>1,305</u>	<u>73,689</u>

¹ HUF 5,504 million gain from fair value adjustment resulting from risk factors and HUF 23,331 million gain from fair value adjustment resulting from market factors are included into FVA change for the current period at loans mandatorily measured at fair value through profit or loss.

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.4. Fair value levels [continued]

Valuation techniques on Level 2 financial 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 financial 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 a range or spread data of reliable reference source or a scenario based on relevant market analysis alongside the impact of using alternative models. Sensitivities are calculated without reflecting the impact of any diversification in the portfolio.

Unobservable inputs used in measuring fair value

Type of financial instrument	Presentation in the Statement of Financial Position	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
VISA C shares	Financial assets at fair value through profit or loss	Market approach combined with expert judgement.	Illiquidity	+ 12% / (12%)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+ 20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+ 20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Operational costs	+20% / (20)%
Subsidized personal loans	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Demography	Change in the cash flow estimation + 5% / (5)%
Ministry of Finance of Russia	Securities at fair value through other comprehensive income	Discounted cash flow model	Credit risk	+15% / (15)%
Ministry of Finance of Ukraine	Securities at fair value through other comprehensive income	Discounted cash flow model	Credit risk	+1% / (1)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Probability of default	+20% / (20)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Operational costs	+20% / (20)%
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Discounted cash flow model	Demography	Change in the cash flow estimation + 5% / (5)%

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.4. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 changing the assumptions used to reasonably possible alternative assumptions would have the following effects.

31/12/2025	Presentation in the Statement of Financial Position	Unobservable inputs	Book value	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	1,329	1,489	1,169	160	(160)
MFB refinanced 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	Credit risk	10,213	17,607	2,819	7,394	(7,394)
Ukrainian government bonds	Securities at fair value through other comprehensive income	Credit risk	125,131	127,442	122,874	2,311	(2,257)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Probability of default	856,860	857,124	856,600	264	(260)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Operational costs	856,860	863,211	850,658	6,351	(6,202)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Demography	223,095	223,538	222,684	443	(411)
Total			<u>5,284,388</u>	<u>5,308,538</u>	<u>5,260,233</u>	<u>24,150</u>	<u>(24,155)</u>

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.4. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement [continued]

31/12/2024	Presentation in the Statement of Financial Position	Unobservable	Book value	Fair values		Effect on profit and loss	
				Favourable	Unfavourable	Favourable	Unfavourable
VISA C shares	Financial assets at fair value through profit or loss	Illiquidity	3,304	3,700	2,908	396	(396)
MFB refinanced loans	Loans mandatorily at fair value through profit or loss	Probability of default	15,094	15,663	14,525	569	(569)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Probability of default	980,378	980,991	979,766	613	(612)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Operational costs	980,378	987,263	973,579	6,885	(6,799)
Subsidised personal loans	Loans mandatorily at fair value through profit or loss	Demography	980,378	981,238	979,693	860	(685)
Russian government bonds	Securities at fair value through other comprehensive income	Credit risk	24,019	34,777	13,261	10,758	(10,758)
Ukrainian government bonds	Securities at fair value through other comprehensive income	Credit risk	144,138	146,217	142,104	2,079	(2,034)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Probability of default	558,812	559,071	558,553	259	(259)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Operational costs	558,812	565,807	552,001	6,995	(6,811)
Subsidized mortgage loan for families "CSOK"	Loans mandatorily at fair value through profit or loss	Demography	<u>110,042</u>	<u>110,236</u>	<u>109,663</u>	<u>194</u>	<u>(379)</u>
Total			<u>4,355,355</u>	<u>4,384,963</u>	<u>4,326,053</u>	<u>29,608</u>	<u>(29,302)</u>

NOTE 47: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF mn) [continued]

47.4. Fair value levels [continued]

The effect of unobservable inputs on fair value measurement [continued]

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of Visa C shares have been calculated by modifying the discount rate used for the valuation by +/-12% as being the best estimates of the management as at 31 December 2025 and 31 December 2024, respectively.

In the case of Hungarian Development Bank (“MFB”) refinancing loans and subsidised personal loans the Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of probability of default by +/- 20% as one of the most significant unobservable inputs.

In case of subsidised personal loans operational cost and factors related to demography are considered as unobservable inputs to the applied fair value calculation model in addition to credit risk.

The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of operational costs by +/- 20% as one of the most significant unobservable inputs.

In case of subsidised personal loans cash flow estimation are based on assumption related to the future number of childbirths performed by the debtors both in the current and the comparative period. According to the assumptions used in comparative period 15% of the debtors will not fulfill the conditions of the subsidy determined by the government after 5 years (“breach of conditions”), thereby debtors will be obliged to pay back the interest subsidy given in advance. Furthermore, in this case subsidised loans are converted to loans provided based on market conditions. Loans are prepaid by the government as part of the subsidy after the second and the third childbirth following the signatory of the loan contract. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of breach of conditions by +/- 5% as the most significant unobservable input in the cash flow estimation.

Since 2022 the Bank has used a new and more detailed model for cash flow calculations of the subsidised personal loans. The new model uses more scenarios compared to the previous one. These scenarios based on the above-mentioned events (child births after signatory and breach of conditions) and also the event of divorce. The model uses public statistical information for these events to estimate. The Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the demographical assumption of future child births by +/-5% as one of the most significant unobservable inputs in the cash flow estimation.

The favourable and unfavourable effects of using reasonably possible alternative assumptions for the valuation of FVOCI securities have been calculated by modifying the discount rate used for the valuation by +/-15% and +/- 1% as being the best estimates of the management as at 31 December 2025 and 31 December 2024, respectively.

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn)

The Group distinguishes business and geographical segments. The report on the base of the business and geographical segments is reported below.

The reportable segments of the Group on the base of IFRS 8 are as the follows:

OTP Core Hungary, Merkantil Group, Asset Management subsidiaries, Other subsidiaries, Bulgaria, Croatia, Slovenia, Romania, Serbia, Ukraine, Russia, Montenegro, Albania, Moldova, Uzbekistan. Although Romanian segment was classified as discontinued operation from 2023 in these consolidated financial statements, segment reporting contained it as a separate segment (in the comparative period) because – in line with the structure of the financial statements monitored by the management (Stock Exchange Report) – the Romanian operation was presented in a way as if it was classified as continuing operation. The Romanian segment was deconsolidated in July 2024.

OTP Core is an economic unit for measuring the result of core business activity of the Group in Hungary. Financials of OTP Core are calculated from the partially Consolidated Financial Statements of the companies engaged in the Group's underlying banking operation in Hungary.

These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd., OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., OTP Bank Employee Stock Ownership Plan Organization, OTP Card Factory Ltd. (was eliminated from the fourth quarter of 2025), OTP Facility Management Llc (merged into CIL Babér Ltd. in the fourth quarter of 2024), Monicomp Ltd., SimplePay Plc. (previous name: OTP Mobile Service Llc.), OTP Real Estate Point Llc., OTP Home Solutions Llc., Bajor-Polár Center, Real Estate Management Ltd., CIL Babér Ltd., Bank Center No. 1. Ltd. and MFM Project Investment and Development Ltd. (in the fourth quarter of 2024, MFM Project Investment and Development Ltd. and Bajor-Polár Center Real Estate Management Ltd merged into Bank Center No. 1. Ltd) OD Ltd., HelloPay Plc. and companies providing intragroup financing.

The results of foreign factoring companies OTP Factoring Ukraine LLC (it was merged into OTP Bank JSC (Ukraine) in the fourth quarter of 2024), OTP Factoring Serbia d.o.o., and OTP Debt Collection d.o.o., as well as the foreign leasing companies are included into the relevant foreign bank's segment.

The Other subsidiaries include, among others: OTP Real Estate Ltd., OTP Life Annuity Ltd, OTP Funds Servicing and Consulting Ltd.

The reportable business and geographical segments of the Group are those components where:

- separated income and expenses, assets and liabilities can be identified and assignable to the segments,
- transactions between the different segments were eliminated,
- the main decisive board of the Group regularly controls the operating results,
- separated financial information is available.

Explanation to the segments in the following table below:

3; 4; 6: The segments distinguished on geographical basis contain banks in given country and sometimes other financial institutions (like leasing or factoring companies) or other companies. The income generated in the given segments arise mainly from providing financial services like: collecting deposits, granting loans, leasing and treasury activities, payment and investment services and other financial services.

7: Merkantil Group conducts leasing activities in Hungary, with its source of income being provided leasing services (financing cars and production equipment).

8: Income arising in this segment is mainly fee income of fund management companies in Hungary, Bulgaria, Serbia, Ukraine (and in Romania until its sale in October 2024) based on their assets in investment funds or other managed assets.

9: The activities of other Hungarian and foreign subsidiaries are very divergent, so their income also originates from different sources. The main part of the income in the Other subsidiaries segment comes from the activities of OTP Funds Servicing and Consulting, OTP Real Estate, OTP Real Estate Investment Fund Management and PortfoLion Funds.

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below:

As at 31 December 2025

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports	Adjustments on the accounting in Recognized Income	OTP Group - in the consolidated statement of profit or loss - structure of management reports	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	1=a+b; 1=2+3+4+5	2	3	4	5
Consolidated adjusted profit after income tax for the year from continued and discontinued operations	1,146,325	480	1,146,805	316,063	371,694	437,451	21,597
Profit after income tax for the year from discontinued operations	-	-	-	-	-	-	-
Consolidated adjusted profit after income tax for the year from continued operation	1,146,325	480	1,146,805	316,063	371,694	437,451	21,597
Profit before income tax	1,401,251	102,006	1,503,257	471,125	439,726	570,265	22,141
Adjusted operating profit	1,621,351	81,330	1,702,681	533,506	466,261	710,311	(7,397)
Adjusted total income	3,063,991	(145,000)	2,918,991	1,118,916	775,451	1,045,755	(21,131)
Adjusted net interest income	1,940,572	4,053	1,944,625	686,581	563,233	697,570	(2,759)
Adjusted net profit							
from fees and commissions	1,026,247	(421,923)	604,324	288,984	178,502	137,480	(642)
Adjusted other net non-interest income	97,172	272,870	370,042	143,351	33,716	210,705	(17,730)
Adjusted other administrative expenses	(1,442,640)	226,330	(1,216,310)	(585,410)	(309,190)	(335,444)	13,734
Personnel expenses	(630,276)	1	(630,275)	(275,962)	(164,879)	(190,852)	1,418
Depreciation and amortization	(153,126)	18,889	(134,237)	(77,161)	(24,517)	(31,975)	(584)
Other general expenses	(659,238)	207,440	(451,798)	(232,287)	(119,794)	(112,617)	12,900
Gains from derecognition of financial assets at amortized cost	(699)	-	(699)	(4,320)	2,655	987	(21)
Modification loss	(9,383)	-	(9,383)	(8,946)	-	(437)	-
Total risk costs	(210,018)	20,676	(189,342)	(49,115)	(29,190)	(140,596)	29,559
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(158,075)	(2,658)	(160,733)	1,734	(23,883)	(138,253)	(331)
Goodwill impairment	(674)	674	-	-	-	-	-
Other impairment (adjustment)	(51,269)	22,660	(28,609)	(50,849)	(5,307)	(2,343)	29,890
from this: Adjusted impairment under IAS 36	(5,633)	(3,726)	(9,359)	(8,846)	(343)	(161)	(9)
Income tax	(254,926)	(101,526)	(356,452)	(155,062)	(68,032)	(132,814)	(544)
Total Assets	45,427,144	-	45,427,144	72,151,593	18,314,058	11,432,176	(56,470,683)
Total Liabilities	39,801,528	-	39,801,528	60,421,174	16,000,821	9,821,407	(46,441,874)

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2025 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments) 2=6+...+9	OTP CORE (Hungary) 6	Merkantil Group (Hungary) 7	Asset Management subsidiaries 8	Other subsidiaries 9
Consolidated adjusted profit after income tax for the year	316,063	264,454	4,403	24,422	22,784
Profit before income tax	471,125	409,099	8,475	26,809	26,742
Adjusted operating profit	533,506	460,417	12,618	26,808	33,663
Adjusted total income	1,118,916	977,858	28,577	35,153	77,328
Adjusted net interest income	686,581	654,815	25,656	82	6,028
Adjusted net profit					-
from fees and commissions	288,984	247,158	569	33,813	7,444
Adjusted other net non-interest income	143,351	75,885	2,352	1,258	63,856
Adjusted other administrative expenses	(585,410)	(517,441)	(15,959)	(8,345)	(43,665)
Personnel expenses	(275,962)	(244,619)	(8,669)	(5,360)	(17,314)
Depreciation and amortization	(77,161)	(69,208)	(1,708)	(148)	(6,097)
Other general expenses	(232,287)	(203,614)	(5,582)	(2,837)	(20,254)
Gains from derecognition of financial assets at amortized cost	(4,320)	(4,538)	218	-	-
Modification loss	(8,946)	(8,510)	(436)	-	-
Total risk costs	(49,115)	(38,270)	(3,925)	1	(6,921)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	1,734	3,860	(2,077)	1	(50)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(50,849)	(42,130)	(1,848)	-	(6,871)
from this: Adjusted impairment under IAS 36	(8,846)	(3,102)	(253)	(1)	(5,490)
Income tax	(155,062)	(144,645)	(4,072)	(2,387)	(3,958)
Total Assets	72,151,593	20,063,104	2,843	51,609	52,034,037
Total Liabilities	60,421,174	16,784,267	948	13,529	43,622,430

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2025 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks in EU subtotal (without adjustments) 3=10+...+12	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	OTP banka d.d. (Slovenia) 12
Consolidated adjusted profit after income tax for the year	371,694	211,270	54,592	105,832
Profit before income tax	439,726	246,033	66,889	126,804
Adjusted operating profit	466,261	263,096	69,635	133,530
Adjusted total income	775,451	396,069	143,651	235,731
Adjusted net interest income	563,233	276,402	106,903	179,928
Adjusted net profit	-	-	-	-
from fees and commissions	178,502	94,067	31,441	52,994
Adjusted other net non-interest income	33,716	25,600	5,307	2,809
Adjusted other administrative expenses	(309,190)	(132,973)	(74,016)	(102,201)
Personnel expenses	(164,879)	(70,673)	(38,769)	(55,437)
Depreciation and amortization	(24,517)	(11,623)	(6,589)	(6,305)
Other general expenses	(119,794)	(50,677)	(28,658)	(40,459)
Gains from derecognition of financial assets at amortized cost	2,655	1,775	-	880
Modification loss	-	-	-	-
Total risk costs	(29,190)	(18,838)	(2,746)	(7,606)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(23,883)	(19,034)	3,145	(7,994)
Goodwill impairment	-	-	-	-
Other impairment (adjustment)	(5,307)	196	(5,891)	388
from this: Adjusted impairment under IAS 36	(343)	(598)	255	-
Income tax	(68,032)	(34,763)	(12,297)	(20,972)
Total Assets	18,314,058	8,507,136	3,878,564	5,928,358
Total Liabilities	16,000,821	7,406,875	3,412,253	5,181,693

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2025 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks not in EU subtotal (without adjustments) 4=13+...+19	OTP banka Srbija a.d. (Serbia) 13	OTP Bank JSC (Ukraine) 14	JSC "OTP Bank" (Russia) and Touch Bank 15	Crnogorska komercijalna banka a.d. (Montenegro) 16	Banka OTP Albania SHA (Albania) 17	OTP Bank S.A. (Moldova) 18	JSCMB Ipoteka Bank (Uzbekistan) 19
Consolidated adjusted profit after income tax for the year	437,451	79,322	55,849	201,785	22,376	18,597	10,027	49,495
Profit before income tax	570,265	90,815	66,446	295,988	26,356	22,075	11,499	57,086
Adjusted operating profit	710,311	97,282	73,522	415,347	26,908	21,544	11,456	64,252
Adjusted total income	1,045,755	161,849	108,652	544,919	47,569	39,913	26,145	116,708
Adjusted net interest income	697,570	118,297	96,238	296,644	36,581	33,531	17,901	98,378
Adjusted net profit								
from fees and commissions	137,480	26,552	7,816	73,390	10,020	3,895	2,331	13,476
Adjusted other net non-interest income	210,705	17,000	4,598	174,885	968	2,487	5,913	4,854
Adjusted other administrative expenses	(335,444)	(64,567)	(35,130)	(129,572)	(20,661)	(18,369)	(14,689)	(52,456)
Personnel expenses	(190,852)	(33,075)	(20,938)	(77,128)	(9,398)	(8,184)	(8,605)	(33,524)
Depreciation and amortization	(31,975)	(5,475)	(2,965)	(11,561)	(2,446)	(2,175)	(1,560)	(5,793)
Other general expenses	(112,617)	(26,017)	(11,227)	(40,883)	(8,817)	(8,010)	(4,524)	(13,139)
Gains from derecognition of financial assets at amortized cost	987	(33)	148	1,352	(169)	12	(203)	(120)
Modification loss	(437)	(243)	(162)	-	(32)	-	-	-
Total risk costs	(140,596)	(6,191)	(7,062)	(120,711)	(351)	519	246	(7,046)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(138,253)	(5,608)	(4,708)	(123,196)	155	73	607	(5,576)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(2,343)	(583)	(2,354)	2,485	(506)	446	(361)	(1,470)
from this: Adjusted impairment under IAS 36	(161)	(79)	-	-	(109)	-	27	-
Income tax	(132,814)	(11,493)	(10,597)	(94,203)	(3,980)	(3,478)	(1,472)	(7,591)
Total Assets	11,432,176	3,438,979	1,139,284	3,320,292	818,039	389,355	841,801	1,484,426
Total Liabilities	9,821,407	2,988,818	927,074	2,880,047	692,118	324,108	765,142	1,244,100

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024

Main components of the consolidated statement of profit or loss in HUF million	OTP Group - in the consolidated statement of profit or loss - structure of accounting reports	Adjustments on the accounting in Recognized Income	OTP Group - in the consolidated statement of profit or loss - structure of management reports	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments)	Foreign banks in EU subtotal (without adjustments)	Foreign banks not in EU subtotal (without adjustments)	Eliminations and adjustments
	a	b	1=a+b; 1=2+3+4+5	2	3	4	5
Profit after income tax for the year from continued and discontinued operations	1,076,140	-	1,076,140	329,404	377,840	352,890	16,006
Profit after income tax for the year from discontinued operations	19,756	(19,756)	-	-	-	-	-
Consolidated adjusted profit after income tax for the year from continued operations	1,056,384	19,756	1,076,140	329,404	377,840	352,890	16,006
Profit before income tax	1,309,824	77,059	1,386,883	444,289	451,825	474,758	16,011
Adjusted operating profit	1,473,088	81,958	1,555,046	506,499	484,669	556,876	7,002
Adjusted total income	2,685,862	(42,287)	2,643,575	1,011,558	800,524	836,445	(4,952)
Adjusted net interest income	1,745,340	37,264	1,782,604	606,919	590,060	586,644	(1,019)
Adjusted net profit							
from fees and commissions	842,655	(297,024)	545,631	266,889	169,474	110,547	(1,279)
Adjusted other net non-interest income	97,867	217,473	315,340	137,750	40,990	139,254	(2,654)
Adjusted other administrative expenses	(1,212,774)	124,245	(1,088,529)	(505,059)	(315,855)	(279,569)	11,954
Personnel expenses	(550,175)	(14,199)	(564,374)	(239,952)	(164,036)	(161,276)	890
Depreciation and amortization	(134,293)	15,665	(118,628)	(65,943)	(25,781)	(26,480)	(424)
Other general expenses	(528,306)	122,779	(405,527)	(199,164)	(126,038)	(91,813)	11,488
Gains from derecognition of financial assets at amortized cost	(14,409)	84	(14,325)	(10,717)	2,982	(6,586)	(4)
Modification loss	(13,193)	-	(13,193)	(10,891)	(7)	(2,294)	(1)
Total risk costs	(135,662)	(4,983)	(140,645)	(40,602)	(35,819)	(73,238)	9,014
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(109,142)	37,128	(72,014)	13,439	(24,332)	(61,700)	579
Goodwill impairment	-	-	-	-	-	-	-
Other impairment (adjustment)	(26,520)	(42,111)	(68,631)	(54,041)	(11,487)	(11,538)	8,435
from this: adjusted impairment under IAS 36	(9,056)	1,745	(7,311)	(7,013)	159	(8)	(449)
Income tax	(253,440)	(57,303)	(310,743)	(114,885)	(73,985)	(121,868)	(5)
Total Assets	43,419,128	-	43,419,128	21,069,530	17,566,160	10,574,190	(5,790,752)
Total Liabilities	38,299,115	-	38,299,115	17,428,696	15,253,492	9,113,844	(3,496,917)

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Hungarian segment and other foreign subsidiaries not reported in "Foreign bank segment" subtotal (without adjustments) 2=6+...+9	OTP CORE (Hungary) 6	Merkantil Group (Hungary) 7	Asset Management subsidiaries 8	Other subsidiaries 9
Consolidated adjusted profit after income tax for the year	329,404	270,386	10,841	24,747	23,430
Profit before income tax	444,289	374,636	14,569	27,361	27,723
Adjusted operating profit	506,499	434,843	11,794	27,296	32,566
Adjusted total income	1,011,558	877,922	27,237	34,103	72,296
Adjusted net interest income	606,919	578,001	24,052	82	4,784
Adjusted net profit					
from fees and commissions	266,889	219,505	669	31,491	15,224
Adjusted other net non-interest income	137,750	80,416	2,516	2,530	52,288
Adjusted other administrative expenses	(505,059)	(443,079)	(15,443)	(6,807)	(39,730)
Personnel expenses	(239,952)	(212,184)	(7,883)	(4,373)	(15,512)
Depreciation and amortization	(65,943)	(58,437)	(2,199)	(157)	(5,150)
Other general expenses	(199,164)	(172,458)	(5,361)	(2,277)	(19,068)
Gains from derecognition of financial assets at amortized cost	(10,717)	(10,972)	255	-	-
Modification loss	(10,891)	(10,367)	(524)	-	-
Total risk costs	(40,602)	(38,868)	3,044	65	(4,843)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	13,439	10,805	3,067	13	(446)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(54,041)	(49,673)	(23)	52	(4,397)
from this: adjusted impairment under IAS 36	(7,013)	(5,161)	-	(7)	(1,845)
Income tax	(114,885)	(104,250)	(3,728)	(2,614)	(4,293)
Total Assets	21,069,530	19,288,046	1,009,625	46,117	725,742
Total Liabilities	17,428,696	16,234,215	943,022	15,261	236,198

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks in EU subtotal (without adjustments) 3=10+...+13	DSK Bank AD (Bulgaria) 10	OTP banka d.d. (Croatia) 11	SKB Banka and Nova KBM d.d. (Slovenia) 12	OTP Bank Romania S.A. (Romania) 13
Consolidated adjusted profit after income tax for the year	377,840	200,764	61,743	113,283	2,050
Profit before income tax	451,825	234,156	75,418	137,571	4,680
Adjusted operating profit	484,669	255,204	73,593	146,283	9,589
Adjusted total income	800,524	375,365	138,875	252,418	33,866
Adjusted net interest income	590,060	267,411	105,300	190,303	27,046
Adjusted net profit					
from fees and commissions	169,474	83,724	28,923	53,756	3,071
Adjusted other net non-interest income	40,990	24,230	4,652	8,359	3,749
Adjusted other administrative expenses	(315,855)	(120,161)	(65,282)	(106,135)	(24,277)
Personnel expenses	(164,036)	(58,893)	(34,888)	(56,259)	(13,996)
Depreciation and amortization	(25,781)	(10,672)	(5,845)	(7,580)	(1,684)
Other general expenses	(126,038)	(50,596)	(24,549)	(42,296)	(8,597)
Gains from derecognition of financial assets at amortized cost	2,982	585	3,642	(1,329)	84
Modification loss	(7)	-	-	(7)	-
Total risk costs	(35,819)	(21,633)	(1,817)	(7,376)	(4,993)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(24,332)	(18,600)	6,793	(7,728)	(4,797)
Goodwill impairment	-	-	-	-	-
Other impairment (adjustment)	(11,487)	(3,033)	(8,610)	352	(196)
from this: adjusted impairment under IAS 36	159	165	(6)	-	-
Income tax	(73,985)	(33,392)	(13,675)	(24,288)	(2,630)
Total Assets	17,566,160	7,674,660	3,784,532	6,106,968	-
Total Liabilities	15,253,492	6,623,233	3,300,816	5,329,443	-

NOTE 48: SEGMENT REPORTING BY BUSINESS AND GEOGRAPHICAL SEGMENTS (in HUF mn) [continued]

Information regarding the Group's reportable segments is presented below [continued]:

As at 31 December 2024 [continued]

Main components of the consolidated statement of profit or loss in HUF million [continued]	Foreign banks not in EU subtotal (without adjustments) 4=14+...+20	OTP banka Srbija a.d. (Serbia) 14	OTP Bank JSC (Ukraine) 15	JSC "OTP Bank" (Russia) and Touch Bank 16	Crnogorska komercijalna banka a.d. (Montenegro) 17	Banka OTP Albania SHA (Albania) 18	OTP Bank S.A. (Moldova) 19	JSCMB Ipoteka Bank (Uzbekistan) 20
Consolidated adjusted profit after income tax for the year	352,890	66,496	41,179	136,946	24,195	19,687	11,493	52,894
Profit before income tax	474,758	77,469	72,842	195,535	28,580	23,450	13,039	63,843
Adjusted operating profit	556,876	95,477	68,415	252,216	27,170	23,146	12,414	78,038
Adjusted total income	836,445	153,565	101,605	343,619	45,661	40,048	26,179	125,768
Adjusted net interest income	586,644	116,621	89,894	187,070	35,460	33,531	15,353	108,715
Adjusted net profit								
from fees and commissions	110,547	21,726	7,769	55,095	9,729	4,243	2,483	9,502
Adjusted other net non-interest income	139,254	15,218	3,942	101,454	472	2,274	8,343	7,551
Adjusted other administrative expenses	(279,569)	(58,088)	(33,190)	(91,403)	(18,491)	(16,902)	(13,765)	(47,730)
Personnel expenses	(161,276)	(29,216)	(19,960)	(55,292)	(8,668)	(6,962)	(8,007)	(33,171)
Depreciation and amortization	(26,480)	(4,941)	(2,808)	(8,505)	(2,193)	(2,152)	(1,417)	(4,464)
Other general expenses	(91,813)	(23,931)	(10,422)	(27,606)	(7,630)	(7,788)	(4,341)	(10,095)
Gains from derecognition of financial assets at amortized cost	(6,586)	(84)	204	283	(29)	(1,328)	(228)	(5,404)
Modification loss	(2,294)	(2,164)	(134)	-	4	-	-	-
Total risk costs	(73,238)	(15,760)	4,357	(56,964)	1,435	1,632	853	(8,791)
Adjusted loss allowance on financial assets and liabilities (without the effect of revaluation of FX)	(61,700)	(13,615)	9,052	(55,172)	1,973	1,328	802	(6,068)
Goodwill impairment	-	-	-	-	-	-	-	-
Other impairment (adjustment)	(11,538)	(2,145)	(4,695)	(1,792)	(538)	304	51	(2,723)
from this: adjusted impairment under IAS 36	(8)	(36)	-	-	-	-	28	-
Income tax	(121,868)	(10,973)	(31,663)	(58,589)	(4,385)	(3,763)	(1,546)	(10,949)
Total Assets	10,574,190	3,483,775	1,186,801	2,370,967	776,370	791,495	455,246	1,509,536
Total Liabilities	9,113,844	3,047,166	981,096	2,072,180	654,980	676,846	386,192	1,295,384

NOTE 49: DISCONTINUED OPERATIONS (in HUF mn)

On 9 February 2024 OTP Bank announced the signing of the share sale and purchase agreement to sell its Romanian operation. As for the consolidated profit or loss, the Romanian contribution for the end of year 2024 was shown separately from the result of continuing operation, on the "Net gain from discontinued operations" line, that is the particular profit or loss lines in the 'continuing operations' section didn't incorporate the contribution from the Romanian subsidiaries.

The result from discontinued operations for the year 2024 was HUF 19,756 million, which was allocated in the consolidated profit or loss under the same line as previous year "Net gain / (loss) from discontinued operations" and consisted of:

- The contribution of the Romanian subsidiaries to the Group's result amounted to HUF 8,871 million.
- The combined effect of the gain on sale, the reclassification of exchange differences to profit or loss and other income items recognized in the Group's books amounted to HUF 10,885 million.

The negative impact of the translation difference removed from the consolidated statement of comprehensive income was HUF 18,166 million.

The selling price is EUR 347.5 million which is smaller than the net asset value of the to be sold subsidiaries recognized in the consolidated accounts, accordingly the transaction resulted in a negative profit or loss impact of HUF 55.9 billion (before tax) on consolidated level, which has already been booked in the fourth quarter of 2023. The Romanian segment of the Group which was classified as discontinued operation includes the following companies: OTP Bank Romania S.A., OTP Asset Management SAI S.A., OTP Leasing Romania IFN S.A., OTP Factoring SRL, SC Favo Consultanta SRL, SC Aloha Buzz SRL, SC Tezaur Cont SRL.

For the current year OTP Group did not present discontinued operation in the Consolidated Financial Statements. The results of discontinued operations, which have been separated on line "Net Gain from discontinued operations" in the consolidated statement of profit or loss for year 2024, were as follows:

	Year ended 31 December 2024
Interest income calculated using the effective interest method	54,388
Income similar to interest income	<u>4,055</u>
Interest income and income similar to interest income	58,443
Interest expense	<u>(24,810)</u>
NET INTEREST INCOME	33,633
Loss allowance on loans, placements, amounts due from banks and on repo receivables	(3,789)
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	72
Provision for commitments and guarantees given	<u>(1,012)</u>
Risk cost total	<u>(4,729)</u>
NET INTEREST INCOME AFTER RISK COST	28,904
Gain from derecognition of financial assets at amortized cost	85
Income from fees and commissions	9,800
Expense from fees and commissions	<u>(2,977)</u>
Net profit from fees and commissions	6,823
Foreign exchange result, net	(1,705)
Loss on securities, net	(12)
Fair value adjustment on financial instruments measured at fair value through profit or loss	36
Net results on derivative instruments and hedge relationships	1,811
Profit from associates	124
Other operating income	370
Other operating expenses	<u>(570)</u>
Net operating income	54
Personnel expenses	(14,133)
Depreciation and amortization	(2,676)
Other general expenses	<u>(8,867)</u>
Other administrative expenses	<u>(25,676)</u>
PROFIT BEFORE INCOME TAX	10,190
Income tax expense	<u>(1,319)</u>
PROFIT AFTER INCOME TAX FOR THE PERIOD	<u>8,871</u>

NOTE 50: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 2025

1) Term Note Program

See details in Note 21.

2) Significant regulatory changes in Hungary

About the regulatory changes of windfall tax, interest rate cap, freeze on retail banking fees, cash withdrawals, family support schemes and economic stimulation measures, capital regulation please see details in Note 4.

3) 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.

4) Acquisition of asset management company in Slovenia

The two wholly-owned subsidiaries of OTP Bank Plc., OTP Fund Management Ltd. and OTP banka d.d. (Slovenia) signed a sale and purchase agreement in Slovenia on September 19, 2025, according to which they will jointly acquire a 100% stake in the fund management company Primorski skladi d.o.o., Koper from the Dutch parent company Elektronček Group B.V. (EGBV). Under the transaction, OTP Fund Management Ltd. will acquire a 75% stake in the target company, while OTP banka d.d. (Slovenia) will acquire a 25% stake.

The transaction is expected to be financially closed in the first quarter of 2026, subject to obtaining the necessary regulatory approvals.

5) War related risks

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.

Ongoing wars and the international sanctions influence the business and economic activities significantly all around the world. There are a number of factors associated with the Russian-Ukrainian war and other armed conflicts as well as the international sanctions and 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.

Wars and 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 war situations 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 51: POST BALANCE SHEET EVENTS

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 unsecured Senior Preferred 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 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 25bps to 6.25%.
- As at 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

Bulgaria

- On 1 January 2026, Bulgaria joined the euro area, officially becoming the 21st member state after the European Union approved the accession process and the fulfilment of the convergence criteria.

Slovenia

- On 27 February 2026, Moody's Ratings upgraded Slovenia's ratings to A2 and changed outlook to stable.

Serbia

- On 27 February 2026, Moody's Ratings changed Serbia's outlook to stable from positive, and affirmed Ba2 ratings.

Ukraine

- On 29 January 2026, the National Bank of Ukraine reduced the base rate by 50 bps to 15%.

Montenegro

- On 27 February 2026, S&P Global Ratings revised its outlook on the long-term foreign and local currency sovereign ratings on Montenegro to positive from stable.

Russia

- On 13 February 2026, the Russian central bank reduced the base rate by 50 bps to 15.5%.