

OTP Bank Plc.

Half-year Financial Report
First half 2024 result

(English translation of the original report submitted
to the Budapest Stock Exchange)

Budapest, 9 August 2024



CONSOLIDATED FINANCIAL HIGHLIGHTS¹ AND SHARE DATA – NEW METHODOLOGY

In accordance with the management’s decision, the scope of adjustment items presented in the stock exchange report on consolidated level changed from 1Q 2024. According to the **new methodology** applied from 1Q 2024, only the goodwill impairment and the direct effect of acquisitions adjustment items are carved out and presented on consolidated level.

For the sake of comparability, in the semi-annual report the relevant consolidated tables are presented in accordance with both the old and the new methodologies, including data for 2024 under the old methodology. For details, see the *Methodological summary of the change in the scope of adjustment items* section in the *Supplementary data annex*.

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Consolidated profit after tax	576,812	507,891	-12%	382,050	990,459	239,962	267,930	12%	-30%
Adjustments (after tax)	179,378	0	-100%	90,843	85,507	0	0		-100%
Consolidated adjusted profit after tax	397,433	507,891	28%	291,207	904,952	239,962	267,930	12%	-8%
Profit before income tax	545,868	682,353	25%	315,520	1,179,224	341,231	341,121	0%	8%
Operating profit	567,327	721,569	27%	328,131	1,265,909	334,330	387,239	16%	18%
Total income	1,021,162	1,251,923	23%	553,995	2,245,706	597,615	654,308	9%	18%
Net interest income	650,502	877,650	35%	339,735	1,461,850	435,345	442,305	2%	30%
Net fees and commissions	220,899	259,852	18%	117,679	478,119	121,161	138,690	14%	18%
Other net non-interest income	149,761	114,422	-24%	96,580	305,737	41,109	73,313	78%	-24%
Operating expenses	-453,835	-530,354	17%	-225,864	-979,797	-263,286	-267,069	1%	18%
Total risk costs	-21,459	-39,216	83%	-12,611	-86,685	6,902	-46,118		266%
Corporate taxes	-148,435	-174,462	18%	-24,314	-274,272	-101,270	-73,192	-28%	201%
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	39,609,144	42,523,604	7%	36,866,660	39,609,144	41,481,987	42,523,604	3%	15%
Total customer loans (net, FX-adjusted)	22,031,216	22,965,060	4%	21,545,438	22,031,216	22,352,991	22,965,060	3%	7%
Total customer loans (gross, FX-adjusted)	23,086,623	24,014,764	4%	22,579,589	23,086,623	23,389,653	24,014,764	3%	6%
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	22,083,567	22,993,781	4%	21,641,938	22,083,567	22,388,793	22,993,781	3%	6%
Allowances for possible loan losses (FX-adjusted)	-1,055,407	-1,049,704	-1%	-1,034,151	-1,055,407	-1,036,662	-1,049,704	1%	2%
Total customer deposits (FX-adjusted)	30,238,624	31,037,065	3%	28,180,485	30,238,624	30,492,669	31,037,065	2%	10%
Issued securities	2,095,548	2,580,402	23%	1,727,388	2,095,548	2,207,077	2,580,402	17%	49%
Subordinated loans	562,396	586,216	4%	552,883	562,396	591,181	586,216	-1%	6%
Total shareholders' equity	4,094,793	4,548,142	11%	3,595,500	4,094,793	4,438,980	4,548,142	2%	26%
Performance indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROE (from profit after tax)	34.7%	23.6%	-11.2%p	45.1%	27.2%	22.7%	24.4%	1.7%p	-20.7%p
ROE (from adjusted profit after tax)	23.9%	23.6%	-0.4%p	34.4%	24.9%	22.7%	24.4%	1.7%p	-9.9%p
ROA (from profit after tax)	3.3%	2.5%	-0.8%p	4.2%	2.7%	2.4%	2.6%	0.2%p	-1.6%p
ROA (from adjusted profit after tax)	2.3%	2.5%	0.2%p	3.2%	2.4%	2.4%	2.6%	0.2%p	-0.6%p
Operating profit margin	3.23%	3.52%	0.29%p	3.63%	3.41%	3.31%	3.74%	0.43%p	0.11%p
Total income margin	5.82%	6.11%	0.30%p	6.13%	6.04%	5.91%	6.31%	0.40%p	0.18%p
Net interest margin	3.71%	4.29%	0.58%p	3.76%	3.93%	4.30%	4.27%	-0.04%p	0.51%p
Cost-to-asset ratio	2.59%	2.59%	0.00%p	2.50%	2.64%	2.60%	2.58%	-0.03%p	0.08%p
Cost/income ratio	44.4%	42.4%	-2.1%p	40.8%	43.6%	44.1%	40.8%	-3.2%p	0.0%p
Provision for impairment on loan losses-to-average gross loans ratio	0.22%	0.15%	-0.07%p	0.32%	0.34%	-0.17%	0.45%	0.62%p	0.13%p
Total risk cost-to-asset ratio	0.12%	0.19%	0.07%p	0.14%	0.23%	-0.07%	0.44%	0.51%p	0.31%p
Effective tax rate	27.2%	25.6%	-1.6%p	7.7%	23.3%	29.7%	21.5%	-8.2%p	13.8%p
Net loan/(deposit+retail bond) ratio (FX-adjusted)	76%	74%	-2%p	76%	72%	73%	74%	1%p	-2%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	17.9%	18.8%	0.8%p	17.9%	18.9%	19.0%	18.8%	-0.2%p	0.8%p
Tier1 ratio - Basel3	15.6%	17.4%	1.7%p	15.6%	16.6%	16.7%	17.4%	0.6%p	1.7%p
Common Equity Tier 1 ("CET1") ratio - Basel3	15.6%	17.4%	1.7%p	15.6%	16.6%	16.7%	17.4%	0.6%p	1.7%p
Share data	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from profit after tax)	2,149	1,900	-12%	1,428	3,693	895	1,006	12%	-30%
EPS diluted (HUF) (from adjusted profit after tax)	1,483	1,907	29%	1,089	3,380	898	1,009	12%	-7%
Closing price (HUF)	12,130	18,325	51%	12,130	15,800	16,800	18,325	9%	51%
Highest closing price (HUF)	12,175	18,600	53%	12,175	16,030	17,520	18,600	6%	53%
Lowest closing price (HUF)	9,482	15,600	65%	9,664	9,482	15,600	16,800	8%	74%
Market Capitalization (EUR billion)	9.2	13.0	41.9%	9.2	11.6	11.9	13.0	9.3%	41.9%
Book Value Per Share (HUF)	13,412	17,077	27%	13,445	15,294	16,611	17,135	3%	27%
Tangible Book Value Per Share (HUF)	12,789	16,331	28%	12,820	14,589	15,892	16,387	3%	28%
Price/Book Value	0.9	1.1	18.7%	0.9	1.0	1.0	1.1	5.7%	18.5%
Price/Tangible Book Value	0.9	1.1	18.3%	0.9	1.1	1.1	1.1	5.8%	18.2%
P/E (trailing, from profit after tax)	3.9	5.8	51.1%	3.9	4.5	4.5	5.8	28.2%	51.1%
P/E (trailing, from adjusted profit after tax)	4.6	6.9	51.1%	4.6	4.9	4.5	6.9	53.3%	51.1%
Average daily turnover (EUR million)	13	17	32%	13	15	18	17	-9%	32%
Average daily turnover (million share)	0.5	0.4	-15.6%	0.4	0.5	0.4	0.4	-12.5%	-12.7%

¹ Structural adjustments made on the consolidated IFRS profit and loss statement and balance sheet, together with the calculation methodology of adjusted indicators, are detailed in the Supplementary data section of the Report.

CONSOLIDATED FINANCIAL HIGHLIGHTS² AND SHARE DATA – OLD METHODOLOGY

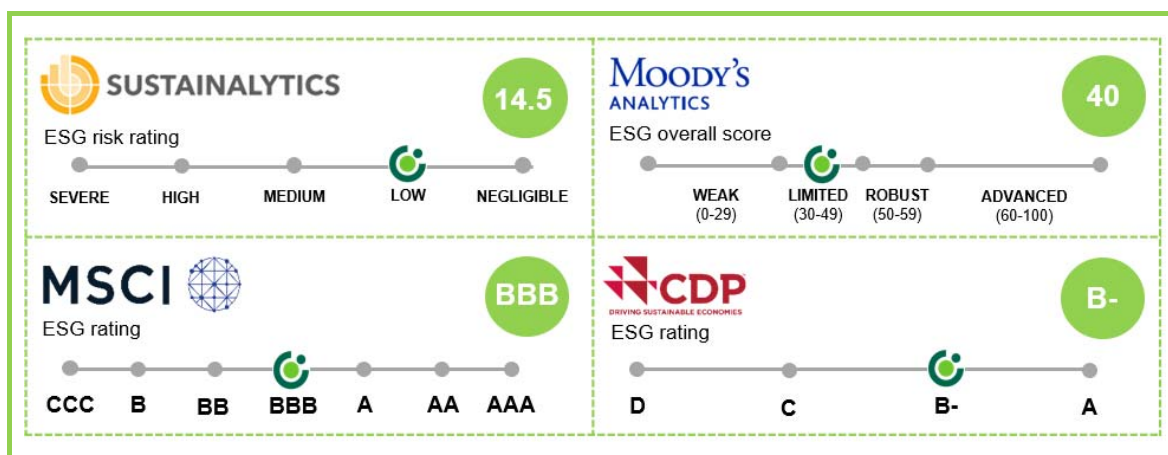
Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Consolidated profit after tax	576,812	507,891	-12%	382,050	990,459	239,962	267,930	12%	-30%
Adjustments (after tax)	105,753	-56,745		98,110	-18,123	-41,608	-15,137	-64%	
Consolidated adjusted profit after tax	471,059	564,636	20%	283,940	1,008,583	281,570	283,066	1%	0%
Profit before income tax	557,343	698,096	25%	334,680	1,222,328	340,800	357,296	5%	7%
Operating profit	557,067	708,045	27%	325,207	1,260,850	333,898	374,148	12%	15%
Total income	1,004,583	1,237,119	23%	547,454	2,224,584	596,680	640,439	7%	17%
Net interest income	652,872	875,399	34%	340,808	1,459,694	434,261	441,138	2%	29%
Net fees and commissions	220,908	259,852	18%	117,681	478,146	121,161	138,690	14%	18%
Other net non-interest income	130,804	101,868	-22%	88,965	286,745	41,257	60,611	47%	-32%
Operating expenses	-447,516	-529,073	18%	-222,248	-963,734	-262,782	-266,291	1%	20%
Total risk costs	275	-9,950		9,473	-38,521	6,902	-16,851		
Corporate taxes	-86,284	-133,460	55%	-50,740	-213,746	-59,230	-74,230	25%	46%
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	39,609,144	42,523,604	7%	36,866,660	39,609,144	41,481,987	42,523,604	3%	15%
Total customer loans (net, FX-adjusted)	22,031,216	22,965,060	4%	21,545,438	22,031,216	22,352,991	22,965,060	3%	7%
Total customer loans (gross, FX-adjusted)	23,086,623	24,014,764	4%	22,579,589	23,086,623	23,389,653	24,014,764	3%	6%
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	22,083,567	22,993,781	4%	21,641,938	22,083,567	22,388,793	22,993,781	3%	6%
Allowances for possible loan losses (FX-adjusted)	-1,055,407	-1,049,704	-1%	-1,034,151	-1,055,407	-1,036,662	-1,049,704	1%	1%
Total customer deposits (FX-adjusted)	30,238,624	31,037,065	3%	28,180,485	30,238,624	30,492,669	31,037,065	2%	10%
Issued securities	2,095,548	2,580,402	23%	1,727,388	2,095,548	2,207,077	2,580,402	17%	49%
Subordinated loans	562,396	586,216	4%	552,883	562,396	591,181	586,216	-1%	6%
Total shareholders' equity	4,094,793	4,548,142	11%	3,595,500	4,094,793	4,438,980	4,548,142	2%	26%
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROE (from profit after tax)	34.7%	23.6%	-11.2%p	45.1%	27.2%	22.7%	24.4%	1.7%p	-20.7%p
ROE (from adjusted profit after tax)	28.4%	26.2%	-2.2%p	33.5%	27.7%	26.6%	25.8%	-0.8%p	-7.7%p
ROA (from profit after tax)	3.3%	2.5%	-0.8%p	4.2%	2.7%	2.4%	2.6%	0.2%p	-1.6%p
ROA (from adjusted profit after tax)	2.7%	2.8%	0.1%p	3.1%	2.7%	2.8%	2.7%	-0.1%p	-0.4%p
Operating profit margin	3.17%	3.46%	0.28%	3.60%	3.39%	3.30%	3.61%	0.31%	0.01%
Total income margin	5.72%	6.04%	0.32%	6.06%	5.99%	5.90%	6.18%	0.28%	0.12%
Net interest margin	3.72%	4.27%	0.56%	3.77%	3.93%	4.29%	4.26%	-0.04%	0.49%
Cost-to-asset ratio	2.55%	2.58%	0.03%	2.46%	2.59%	2.60%	2.57%	-0.03%	0.11%
Cost/income ratio	44.5%	42.8%	-1.8%	40.6%	43.3%	44.0%	41.6%	-2.5%	1.0%
Provision for impairment on loan losses-to-average gross loans ratio	0.03%	0.10%	0.07%	-0.06%	0.16%	-0.17%	0.36%	0.52%	0.41%
Total risk cost-to-asset ratio	0.00%	0.05%	0.05%	-0.10%	0.10%	-0.07%	0.16%	0.23%	0.27%
Effective tax rate	15.5%	19.1%	3.6%p	15.2%	17.5%	17.4%	20.8%	3.4%p	5.6%p
Net loan/(deposit+retail bond) ratio (FX-adjusted)	76%	74%	-2%	76%	72%	73%	74%	1%p	-2%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	17.9%	18.8%	0.8%p	17.9%	18.9%	19.0%	18.8%	-0.2%p	0.8%p
Tier1 ratio - Basel3	15.6%	17.4%	1.7%p	15.6%	16.6%	16.7%	17.4%	0.6%p	1.7%p
Common Equity Tier 1 ('CET1') ratio - Basel3	15.6%	17.4%	1.7%p	15.6%	16.6%	16.7%	17.4%	0.6%p	1.7%p
Share data	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from profit after tax)	2,149	1,900	-12%	1,428	3,693	895	1,006	12%	-30%
EPS diluted (HUF) (from adjusted profit after tax)	1,757	2,120	21%	1,062	3,767	1,054	1,066	1%	0%
Closing price (HUF)	12,130	18,325	51%	12,130	15,800	16,800	18,325	9%	51%
Highest closing price (HUF)	12,175	18,600	53%	12,175	16,030	17,520	18,600	6%	53%
Lowest closing price (HUF)	9,482	15,600	65%	9,664	9,482	15,600	16,800	8%	74%
Market Capitalization (EUR billion)	9.2	13.0	41.9%	9.2	11.6	11.9	13.0	9.3%	41.9%
Book Value Per Share (HUF)	13,412	17,077	27%	13,445	15,294	16,611	17,135	3%	27%
Tangible Book Value Per Share (HUF)	12,789	16,331	28%	12,820	14,589	15,892	16,387	3%	28%
Price/Book Value	0.9	1.1	18.7%	0.9	1.0	1.0	1.1	5.7%	18.5%
Price/Tangible Book Value	0.9	1.1	18.3%	0.9	1.1	1.1	1.1	5.8%	18.2%
P/E (trailing, from profit after tax)	3.9	5.4	40.2%	3.9	4.5	4.5	5.6	22.6%	44.5%
P/E (trailing, from adjusted profit after tax)	4.2	4.6	11.3%	4.2	4.4	4.3	4.7	9.2%	11.4%
Average daily turnover (EUR million)	13	17	32%	13	15	18	17	-9%	32%
Average daily turnover (million share)	0.5	0.4	-15.6%	0.4	0.5	0.4	0.4	-12.5%	-12.7%

² Structural adjustments made on the consolidated IFRS profit and loss statement and balance sheet, together with the calculation methodology of adjusted indicators, are detailed in the Supplementary data section of the Report.

ACTUAL CREDIT RATINGS

S&P GLOBAL	
OTP Bank and OTP Mortgage Bank – FX long-term issuer credit rating	BBB-
OTP Bank – Dated subordinated FX debt	BB
MOODY'S	
OTP Bank – FX long term deposits	Baa1
OTP Bank – Dated subordinated FX debt	Ba2
OTP Mortgage Bank – Covered bonds	A1
SCOPE	
OTP Bank – Issuer rating	BBB+
OTP Bank – Dated subordinated FX debt	BB+
LIANHE	
OTP Bank – Issuer rating (China national scale)	AAA

ACTUAL ESG RATINGS



AWARDS

At the **Euromoney 2024 Awards Ceremony**, **OTP Group subsidiaries** were among the most highly regarded in **17 categories**. Among them, **OTP Bank (Hungary)** received **two awards** this year, in the categories **Hungary's Best Bank for Corporate Responsibility** and **Hungary's Best Bank for Corporates**. These awards were conferred in recognition of the bank's exemplary corporate social responsibility activities.



RESULTS OF THE 2023 EBA STRESS TEST

OTP Bank enjoyed high rankings in the EU-level stress test survey conducted by the European Banking Authority (EBA) in 2023, which involved 70 European banks.

Fully loaded consolidated CET1 ratio and its decrease over the three-year period from 2022 to 2025 under the adverse scenario:

	CET1 rate end-2025	Ranking	CET1 rate decrease	Ranking
	14.5%	No 13	-0.77pp	No 4

HALF-YEAR FINANCIAL REPORT – OTP BANK'S RESULTS FOR FIRST HALF 2024

The Half-year Financial Report of OTP Bank Plc. for the first half of 2024 has been prepared on the basis of its non-audited separate and consolidated IFRS financial statements for 30 June 2024 or derived from that.

However, for the purpose of including the consolidated eligible profit of the actual period in the regulatory capital and to comply with the provisions of Article 26 (2) of CRR, OTP Bank will submit the documents specifically prepared for this purpose as predefined in the legislation (OTP Group management representation letter, special purpose review report) to the Supervisory Authority until the pre-determined deadline.

EXECUTIVE SUMMARY

In 1Q 2024 the Hungarian economy grew faster than expected, by 0.8% q-o-q and 1.1% y-o-y, primarily attributable to strong consumption. According to preliminary statistics, in 2Q the economy shrank by 0.2% q-o-q and grew by 1.5% y-o-y; the Central Statistical Office revealed that it was mainly the weaker industrial production that tamed growth in the second quarter. Inflation hit its bottom in March at 3.6%, since then it remained in the range of 3.7%-4.0%, with the June reading hitting 3.7%.

In June ECB cut its key policy rate by 25 bps; instead of a concrete forward-looking guidance, the data-driven approach was emphasized by the ECB. The National Bank of Hungary cut the base rate by altogether 125 bps in 2Q: by 50-50 bps in April and May, and by 25 bps in June, thus the base landed at 7.0% at the end of June. In July there was another 25 bps cut, and the National Bank of Hungary repeated that a careful and patient approach to monetary policy is warranted going forward. For the first time since October 2020, in June the Serbian central bank lowered the base rate by 25 bps.

The Hungarian credit ratings together with the outlook were reaffirmed by S&P Global at the end of April, followed by Moody's at the end of May.

On 8 July a package was announced by the Hungarian Government with an aim to boost 2024 budget revenues by HUF 400 billion, affecting the banking sector, too. Furthermore, the Government decided to trim expenditures by HUF 370 billion. The budget deficit target is 4.5% for 2024 and 3.7% for 2025.

The details and expected effects of the measures taken on 8 July can be found in the *Post-balance sheet events* and the *Regulatory changes and announcements made on 8 July in Hungary* section in the executive summary.

In 2Q the closing and average exchange rate of regional currencies, amongst them the Hungarian Forint against the EUR did not change materially q-o-q. There was a significant change against the closing rate of RUB: the HUF weakened by 8% q-o-q. During 2Q the Hungarian benchmark yields moderated by 17-45 bps at the short end of the curve, while in the case of 3Y or longer maturities there were no significant changes. In the course of July, however, yields dropped substantially.

Loan growth dynamics in the household segment continued to significantly outperform the corporate segment both in Hungary and other countries of the Group. In Hungary household loan demand was boosted by increasing real wages, the newly launched 'Family Housing Support Program Plus' (CSOK Plus) available from January 2024, and banks' voluntary undertaking to put a cap on newly granted market-based housing loan rates.

Consolidated earnings: HUF 508 billion profit after tax in 1H 2024 with an ROE of 23.6%; 2Q profit expanded by 12% on the back of higher revenues and moderating tax burden, amid increasing risk costs; 3% q-o-q increase in performing loans and 2% increase in deposits (FX-adjusted), improving core capital ratios

The Group's semi-annual profit after tax reached HUF 508 billion, and the ROE indicator hit 23.6%. The 12% y-o-y profit decline was explained by the one-off direct effects of the inclusion of the two newly acquired banks in 1H 2023; in 1H 2024 no adjustment items occurred.

The semi-annual P&L dynamics were shaped by the on-going P&L contribution of newly acquired banks: Nova KBM in Slovenia was included from February 2023 and Ipoteka Bank in Uzbekistan from July 2023. In 1H 2024 Nova KBM made HUF 45 billion profit after tax and Ipoteka Bank realized HUF 23 billion. Apart from this, FX rate changes also influenced P&L dynamics: the average rate of HUF typically weakened against the EUR and the currencies of other foreign subsidiaries but strengthened against the UAH and RUB.

The half-year adjusted profit after tax increased by 28%, whereas the FX-adjusted growth without the on-going profit contribution of the two newly acquired banks reached 22%.

The cumulated operating profit soared by 27%, primarily driven by the 35% increase in net interest income (+25% w/o acquisitions and FX-adjusted), supported by both expanding business volumes and improving margins. The NIM of OTP Core rebounded from its lows hit in 1Q 2023, climbing back to the altitude prevailing before the war and the extreme high-rate environment. Semi-annual net fees and commissions grew 14% on an FX-adjusted basis and without acquisitions, while the drop in other income

was owing mainly to the y-o-y lower fair value adjustment of subsidized housing and baby loans measured at fair value at OTP Core. Operating costs went up by 17%, while the FX-adjusted growth without acquisitions amounted to 10%. The semi-annual cost to income ratio improved by 2.1 pps to 42.4%.

The semi-annual total risk costs increased by 83%, within that credit risk costs moderated by 25% due to the releases in 1Q 2024 in the OTP Core, Croatian and Serbian segments, in the wake of improving forward-looking macro expectations. The jump in other risk costs in 2Q 2024 was caused by impairments made on Russian bonds.

The cumulated effective tax rate moderated by 1.6 pps y-o-y, as a joint effect of many factors: firstly, the total amount of special banking taxes presented on the corporate income tax line declined y-o-y, but the statutory corporate income tax rates were raised in many countries from the level effective in 1H 2023: from 19% to 22% in Slovenia, from 18% to 25% in Ukraine in the case of banks, and from 10% to 15% in Bulgaria as the global minimum corporate tax rate was adopted from 2024.

The HUF 268 billion profit after tax realized in 2Q 2024 implied 12% q-o-q increase. In 2Q all geographical segments reported positive results, the share of foreign profit contribution was close to 70%.

The q-o-q increase in profit was attributable to the HUF 28 billion moderation on the corporate income tax line: on one hand, on Group level, special banking taxes declined by HUF 44 billion q-o-q. In 1Q 2024, the total annual amount of the Hungarian 'old' special tax on financial institutions as well as the windfall profit tax (-HUF 44.4 billion in total), the pro-rated part of the reduction of the windfall profit tax (+1.6), and the Slovenian (-2.9) and Romanian (-0.7) special banking taxes for the actual quarter were booked. In 2Q only the reduction of the windfall profit tax for 2Q (+1.6), and the Slovenian (-2.9) and Romanian (-0.6) special banking taxes were recognized. On the other hand, the Russian tax burden materially increased q-o-q. The 2Q profit before tax remained stable q-o-q.

2Q results were affected by the below larger special one-off items typically booked within OTP Core:

- HUF 5 billion fair value adjustment of the Hungarian subsidized housing (CSOK) and baby loans measured at fair value, which was booked in 2Q on the other net non-interest income line of OTP Core;
- HUF 10 billion dividend income was realized in 2Q from MOL Plc. as part of the treasury share swap agreement, booked on the other net non-interest income line of OTP Core;
- -HUF 5.6 billion expected one-off negative impact of the further extension by 6 months of the rate cap on the outstanding volume of certain mortgage loans in Hungary, booked in one sum in 2Q on the

provision for impairment on loan losses line at OTP Core;

- in line with supervisory expectations, with an aim of lifting provision coverage, altogether -HUF 23.7 billion impairment was booked in relation to Russian bond exposures held in the balance sheet of OTP Core and DSK Bank (Bulgaria), weighing on the other provisions line of OTP Core (-HUF 22.1 billion) and DSK Bank (-HUF 1.6 billion).

At the end of June 2024, the total gross Russian bond exposures at OTP Core and DSK Bank amounted to HUF 128 billion equivalent, of which interest income has been realized on HUF 110 billion equivalent. As a result of the impairments made in 2Q, the provision coverage on the Russian bond exposures increased to 57%.

In 2Q the operating income grew 16% q-o-q, while total income advanced by 9%.

The 2% q-o-q increase in net interest income was driven by volume growth, whereas the margin eroded by 4 bps, mainly as a consequence of further tightening margins in Eurozone and ERM 2 countries. In Uzbekistan the q-o-q margin compression was induced by elevating funding costs as well as a technical item, but margins declined in Ukraine, Romania and Russia, too.

In the second quarter, net fees and commissions grew by 14% q-o-q. Apart from seasonality, base effect played a role, too: in 1Q altogether HUF 3 billion negative one-off items weighed on this line in the OTP Core segment.

2Q other net non-interest income jumped 78% or HUF 32 billion. Bulk of this was due to the above-mentioned one-off items: the fair value adjustment of subsidized housing loans and baby loans at OTP Core improved the q-o-q dynamics of other income by HUF 11 billion, and the dividend income paid by MOL Plc. amounted to HUF 10 billion.

Operating costs went up by 1% q-o-q, or by HUF 4 billion. The rate of increase was held back by base effect: the full annual amount of supervisory charges was booked in 1Q in one sum in Bulgaria, Slovenia and Romania, totalling at HUF 15 billion. Regarding underlying tendencies, wage inflation keeps on putting pressure on personnel expenses, while depreciation increased mainly in Hungary and Bulgaria, where the replacement of core banking systems is in process.

2Q total risk costs hit HUF 46 billion. Of this amount, provision for impairment on loan losses represented HUF 26 billion, half of which was related to Hungary, but significant amount of credit risk costs appeared in Russia and Romania, too. In 2Q, the normalization of risk costs continued in Uzbekistan.

The consolidated credit quality remained stable, the main credit quality indicators developed favourably. At the end of June, the ratio of Stage 3

loans under IFRS 9 stood at 4.3%, unchanged q-o-q. The Stage 3 ratio declined in Ukraine and Russia but kept on increasing in Uzbekistan. The own provision coverage of Stage 3 loans remained stable q-o-q at 61%.

Consolidated performing (Stage 1+2) loans expanded by 3% q-o-q (FX-adjusted), thus the year-to-date growth reached 4%, and 5% without Romania. In the second quarter the pace of growth accelerated in Bulgaria, Croatia and Serbia, and exceeded the Group average. After the gradual contraction in the previous quarters, Ukrainian corporate loans expanded by 13% q-o-q.

As for client segments, similar to the previous quarter, the q-o-q growth was fuelled by the household segment, whereas corporate exposures stagnated. In the course of this year, the growth of Uzbek household loans (+2% q-o-q) visibly decelerated versus the second half of last year.

In the second quarter, demand for household loans remained strong in Hungary, supported by both declining rate environment and the Housing Subsidy for Families Plus (CSOK Plus) scheme launched this year; however, the turnaround in corporate lending is yet to be seen. On 20 June 2024 the Government decided to further extend the interest rate cap scheme on certain outstanding housing loans, till the end of 2024. The rate cap on variable rate MSE loan volumes that started in 2022 ended on 1 April 2024. Also, the scheme ended on 1 May 2024 under which participating commercial banks volunteered to reduce the interest spread above BUBOR to 0% for the first six months of the tenor in case of new contracts, signed between 1 February and 1 May 2024, for HUF-denominated, floating-rate MSE and corporate loans. Furthermore, the 7.3% ceiling on APR of market-based housing loans, which was voluntarily applied by banks, ended on 30 June 2024.

Consolidated deposits expanded by 2% q-o-q and 3% year-to-date, on an FX-adjusted basis. The quarterly expansion was driven by household volumes. It was favourable that against the previous declining trend, starting from 4Q 2023 there was an increase in the stock of household deposits of OTP Core in each quarter (+2% q-o-q, including retail bonds). Uzbek deposits also grew by 17% q-o-q.

The net loans to (deposits + retail bonds) ratio hit 74% at the end of June 2024.

The volume of issued securities without retail bonds went up by 21% q-o-q and 31% over the first six months. In the first half of the year, OTP Bank issued altogether EUR 1.3 billion MREL-eligible bonds through public transactions. In January 2024, EUR 600 million 5NC4 MREL-eligible Senior Preferred Notes were printed, with a coupon of 5% p.a., whereas in June the largest-ever MREL bond was issued in OTP Bank's history in the aggregate nominal amount of EUR 700 million with significant oversubscription, in Senior Preferred format, with

green label, 4NC3 structure and a coupon of 4.75% p.a.

OTP Bank announced in 2Q that the EUR 400 million green Senior Preferred bonds issued in 2022, as well as the EUR 500 million subordinated bonds printed in 2019 would be redeemed. The actual redemption took place in July 2024 in the case of both bond series.

From 3 June 2024 altogether HUF 150 billion dividend was paid to shareholders, equivalent of HUF 539.5 per share eligible for dividend. Moreover, the value of repurchased treasury shares under the single permission received from the Hungarian National Bank on 12 February 2024 reached HUF 58.7 billion by 7 August 2024. Under the NBH's single permission, the Bank is entitled to repurchase its own shares in the amount of HUF 60 billion.

Regulatory changes and announcements made on 8 July in Hungary

Pursuant to the decisions taken by the Government, the existing financial transaction tax rates were increased, and a new, additional levy will be introduced on FX conversions. Effective from 1 August 2024, the general rate of the financial transaction tax was hiked from 0.3% to 0.45%, and the maximum levy per transaction was increased from HUF 10,000 to HUF 20,000. At the same time, the levy on cash withdrawals went up from 0.6% to 0.9%. Effective from 1 October 2024, an additional FX conversion levy will be introduced with a rate of 0.45% and a limit per transaction of HUF 20,000.

The financial transaction tax (including the additional levy on FX conversions) payable by the Hungarian Group members, according to the latest estimate of OTP Bank, is expected to increase by approximately HUF 25 billion in 2024.

Until the end of 2024 banks shall refrain from the unilateral modification of retail account fees.

Pursuant to the already enacted amendments to the windfall tax regulation, for 2024 the gross amount of the tax has not changed, but the conditions under which the tax payment can be reduced by up to 50% have been made stricter. Accordingly, for the Hungarian Group members the potential negative impact in 2024 is expected to be less than HUF 1 billion.

The Ministry for National Economy stated in its press release that the Government decided to extend the windfall tax into 2025 in a way that the sector-level total gross levy shall not decline y-o-y, and the tax base will be the 2023 adjusted profit before tax. In 2025 the reduction opportunity will depend on the change in the average stock of government securities between January-November 2024 and January-November 2025. No further details have been publicly released.

Management Guidance for 2024

Based on the developments in the first six months, in 2024 the consolidated net interest margin may be higher than in 2023 (3.93%).

The guidance for all other performance indicators was upheld by the management:

- FX-adjusted organic performing loan volume growth may be higher than 6% in 2023.
- The consolidated cost-to-income ratio may be around 45%.
- Portfolio risk profile may be similar to 2023.
- Leverage is expected to decline, therefore ROE may be lower than in 2023 (27.2%).

P&L effects of the sale of OTP Bank Romania

On 30 July 2024 the sale of the Romanian operation has been financially closed, as a result of which the directly and indirectly owned 100% shareholding in OTP Bank's Romanian subsidiary, OTP Bank Romania S.A. has become the property of Banca Transilvania S.A.. OTP Group also sold its 100% shareholding in OTP Leasing Romania IFN S.A. to Banca Transilvania Group under the transaction. The closing of the purchase process of OTP Asset Management S.A.I. S.A. may take place later, subject to receiving the relevant authority's approval.

In 4Q 2023 HUF 59.5 billion negative P&L impact was recorded on consolidated level related to the sale of the Romanian operation, since the selling price was lower than the net asset value of the to be sold subsidiaries in the consolidated accounts.

In 3Q 2024, on consolidated level around HUF 15 billion positive P&L impact (after tax) is expected related to the closing of the transaction.

Bearing in mind the effects of the Romanian operation's elimination, including the potential effects to be booked in 3Q on the Group's own funds and risk weighted assets, the consolidated 2Q CET1 and CAR ratio would have been higher by 56 and 61 bps, respectively (*ceteris paribus*).

Consolidated capital adequacy ratios (in accordance with BASEL III)

At the end of June 2024, the consolidated CET1 ratio according to IFRS and under the prudential scope of consolidation was 17.4%, marking 71 bps increase in the first six months. In the absence of AT1 instruments, this equals to the Tier 1 ratio.

The consolidated capital adequacy ratio (CAR) stood at 18.8% at the end of June. The 12 bps ytd decline was explained by the announcement in 2Q of the redemption of the EUR 500 million subordinated bond issued in 2019, which was eliminated from the consolidated own funds already at the time of the announcement.

At the end of 2Q 2024, the effective regulatory minimum requirement for the consolidated Tier 1

capital adequacy ratio was 12.3% which also incorporated the effective SREP rate, whereas the minimum CET1 requirement was 10.5%.

The components of the capital requirements were shaped by the following recent changes:

- The effective SREP rate from 1 January 2024 is 120%, as a result the additional capital requirement is 1.6%.
- Effective from 1 January 2024 the O-SII capital buffer is 2%.
- The effective rate of the countercyclical capital buffer is 2% in Bulgaria, 1% in Romania, 0.5% in Slovenia, and from 2Q it went up by 50 bps to 1.5% in Croatia. Accordingly, on Group level the countercyclical capital buffer was 0.6% as at 30 June 2024. In Hungary, at the end of June 2024 the effective countercyclical capital buffer was 0%, however from 1 July 2024 NBH introduced a 50 bps buffer requirement, which will increase to 1% from 1 July 2025. With these changes taking effect, on consolidated level the countercyclical capital buffer is expected to increase to 0.7% by the end of 2024 and to 0.9% by the end of 2025.

The risk weighted assets (RWA) under the prudential scope of consolidation grew by 7% over the first six months. Within that, credit risk related RWA went up by 7% or HUF 1,583 billion, partially driven by FX-effect (+HUF 697 billion ytd RWA effect), as well as by a regulatory change, pursuant to which a higher risk weight was assigned to certain EU government debt instruments denominated in foreign currencies (+HUF 80 billion). The rest of the ytd increase was induced by organic effects.

The consolidated Common Equity Tier1 (CET1) capital grew by 11% or HUF 449 billion ytd. The eligible profit for the first half-year amounted to HUF 441 billion (after dividend deduction).

In 1H 2024 HUF 78.7 billion dividend deduction was reflected in the eligible profit, which was determined in accordance with the Commission Regulation (EU) No. 241/2014. Article 2. (7) Paragraph. Therefore, this amount should not be considered as a proposal from the management for the dividend payment after 2024.

As a result of the comprehensive income the CET1 capital grew by HUF 142 billion ytd, mainly due to currency rate changes (revaluation reserve increased by HUF 138 billion ytd). This positive impact was offset by the deduction related to the repurchased own shares (-HUF 66 billion ytd CET1 effect), and a regulatory change related to transitional adjustments which reduced CET1 capital by HUF 60 billion ytd.

MREL adequacy

As a result of recently raised MREL-eligible funds, against the mandatory minimum requirement of 24% for 2Q 2024, the MREL adequacy ratio of OTP Group reached 26.4% at the end of June, up by 1.3 pps

versus end-2023. The redemption of the altogether EUR 900 million MREL-eligible bonds announced during 2Q was already digested in the 2Q MREL ratio, as those funds were eliminated from the consolidated MREL-eligible volumes already at the time of the announcement.

Credit rating, shareholder structure

In 1H 2024 there were no changes in OTP Bank's credit ratings, consequently:

- OTP Bank's long-term issuer credit rating by S&P Global is 'BBB-', the outlook is stable; the credit rating of the dated Tier 2 instrument is 'BB';
- the dated subordinated FX debt rating by Moody's is 'Ba2', while the Senior Preferred bond rating is 'Baa3'. OTP Mortgage Bank's long term issuer rating is 'Baa3', whereas the mortgage bond rating is 'A1'. The long-term FX deposit rating of OTP Bank Plc. remained unchanged at 'Baa1'. The outlook is stable for all ratings;
- OTP Bank Plc' issuer rating at Scope Ratings is 'BBB+' and the subordinated debt rating 'BB+', respectively; the outlook is stable;
- OTP Bank Plc's Long-Term Issuer Credit Rating (China national scale) by the Chinese Lianhe Credit Rating Co. is 'AAA', the outlook is stable.

Regarding the ownership structure of the Bank, on 30 June 2024 the following investors had more than 5% influence (voting rights) in the Company: MOL Plc. (the Hungarian Oil and Gas Company, 8.68%), and Groupama Group (5.16%).

DISCLAIMER – RISKS RELATING TO THE RUSSIAN-UKRAINIAN ARMED CONFLICT

In 2022 Russia launched a still ongoing overall military operation against Ukraine. Many countries, as well as the European Union imposed sanctions due to the armed conflict on Russia and Russian businesses and citizens. Russia responded to these sanctions with similar measures.

The armed conflict and the international sanctions influence the business and economic activities significantly all around the world. There are a number of factors associated with the Russian-Ukrainian armed conflict and the international sanctions as well as their impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the OTP Group.

The armed conflict and the international sanctions cause significant economic damage to the affected parties and in addition they cause disruptions in the global economic processes, of which the precise consequences (inter alia the effects on energy and grain markets, the global transport routes and international trade as well as tourism) are difficult to be estimated at the moment.

It remains unclear how this will evolve in the future and the OTP Group continues to monitor the situation closely. However, the OTP Group's ability to conduct business may be adversely affected by disruptions 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.

POST-BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 2 August 2024.

Hungary

- The government extended childbirth pledge deadline until 1 July 2026, for all baby loan borrowers whose deadline was or will be between 1 July 2024 and 30 June 2026, based on Government Decree No. 190/2024. (VII. 8.).
- On 8 July 2024, the Government took measures to increase budget revenues.
 - Based on Government Decree No. 183/2024. (VII. 8.) the existing financial transaction tax rates were increased, and a new, additional levy will be introduced on FX conversions:

	Previously	Upcoming	Effect
General levy and currency exchange levy	0.30%, maximum HUF 10,000	0.45%, maximum HUF 20,000	from 1 August 2024
Cash withdrawal levy	0.60%	0.90%	from 1 August 2024
Additional FX conversion tax	-	0.45%, maximum HUF 20,000	from 1 October 2024

Notes: in the case of the general levy, the exemption for residential customers increased to HUF 50,000 from the previous HUF 20,000. The foreign exchange conversion tax does not apply to credit card transactions.

- Based on Government Decree No. 187/2024. (VII. 8.) the government obliged banks to freeze account fees for retail customers until 31 December 2024: any unilateral modification of existing contracts is prohibited either in terms of payment obligations or discounts.
- According to Government Decree No. 183/2024. (VII. 8.) the windfall tax burden in 2024 can be reduced in proportion of the growth of government bonds maturing after 2027 only if the total volume of government bonds increases at least with the same amount. The reduction can be up to 10% of the growth in the notional of government bonds, but not more than 50% of the windfall tax payment obligation.
- On 8 July, the Ministry for National Economy stated in its press release that the Government decided to extend the windfall tax into 2025 in a way that the sector-level total gross levy shall not decline y-o-y, and the tax base will be the 2023 adjusted profit before tax. In 2025 the reduction opportunity will depend on the change in the average stock of government securities between January-November 2024 and January-November 2025.
- On 15 July 2024, OTP Bank Plc. redeemed senior preferred notes (5.500 per cent. Green Senior Preferred Fixed-to-Floating Callable Notes due 2025) in the total nominal amount of EUR 400 million. The principal amount, together with accrued and unpaid interest was paid to the holders of the Notes. Following the redemption, the Notes have been cancelled.
- On 15 July 2024, OTP Bank Plc. redeemed Tier 2 notes (Fixed Rate Reset Callable Subordinated Notes due 15 July 2029) in the total nominal amount of EUR 500 million. The principal amount, together with accrued and unpaid interest was paid to the holders of the Notes. Following the redemption, the Notes have been cancelled.
- On 23 July 2024, the National Bank of Hungary cut the policy rate by 25 bps to 6.75%.
- According to the preliminary estimate of the Hungarian Central Statistical Office, in 2Q 2024 the Hungarian GDP increased by 1.5% y-o-y, and was down by 0.2% compared to the previous quarter. The economic growth was held back by a decrease in the value added of industry which has a high share in the economy as a whole.
- On 30 July 2024, the financial closing of the sale and purchase transaction with Banca Transilvania S.A. took place, as a result of which Banca Transilvania S.A. acquired 100% of the direct and indirect shares in OTP Bank Romania S.A., the Romanian subsidiary bank of OTP Group. As part of the transaction, OTP Group also sold OTP Leasing Romania IFN S.A. to Banca Transilvania Group. The closing of the sale of OTP Asset Management S.A.I. S.A. may take place at a later date, subject to the relevant regulatory approvals.

Albania

- On 3 July 2024 the National Bank of Albania cut the base rate by 25 bps to 3%.

Serbia

- On 10 July 2024 the National Bank of Serbia cut the base rate by 25 bps to 6%.

Russia

- On 26 July 2024 CBR hiked the base rate by 200 bps to 18%.

Ukraine

- On 24 July 2024 Fitch lowered Ukraine's foreign currency issuer rating from 'CC' to 'C'.
- On 2 August 2024 Standard & Poor's cut Ukraine's long term foreign currency debt rating from 'C' to 'Selective Default'.

CONSOLIDATED PROFIT AFTER TAX BREAKDOWN BY SEGMENTS³ – NEW METHODOLOGY

in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Consolidated profit after tax	576,812	507,891	-12%	382,050	990,459	239,962	267,930	12%	-30%
Adjustments (after tax)	179,378	0	-100%	90,843	85,507	0	0		-100%
Consolidated adjusted profit after tax	397,433	507,891	28%	291,207	904,952	239,962	267,930	12%	-8%
Banks total ¹	371,225	477,351	29%	276,845	848,803	228,400	248,951	9%	-10%
OTP Core (Hungary) ²	55,497	112,499	103%	87,543	233,871	50,055	62,443	25%	-29%
DSK Group (Bulgaria) ³	88,215	97,598	11%	52,930	198,182	43,490	54,108	24%	2%
OTP Bank Slovenia ⁴	48,562	56,880	17%	29,542	112,342	26,280	30,600	16%	4%
OBH (Croatia) ⁵	29,337	33,264	13%	16,752	53,333	18,548	14,717	-21%	-12%
OTP Bank Serbia ⁶	29,638	41,228	39%	13,800	58,211	20,385	20,843	2%	51%
Ipoteka Bank (Uzbekistan) ⁷	-	22,721		-	-15,422	11,133	11,588	4%	
OTP Bank Ukraine ⁸	30,353	27,190	-10%	17,733	44,908	16,140	11,050	-32%	-38%
CKB Group (Montenegro) ⁹	8,692	11,258	30%	4,469	21,358	5,343	5,915	11%	32%
OTP Bank Albania ¹⁰	7,090	9,975	41%	3,944	11,603	4,995	4,979	0%	26%
OTP Bank Moldova	8,581	5,509	-36%	4,084	14,624	2,520	2,989	19%	-27%
OTP Bank Russia ¹¹	51,306	57,179	11%	33,347	95,674	29,366	27,813	-5%	-17%
OTP Bank Romania ¹²	13,955	2,050	-85%	12,701	20,120	143	1,907		-85%
Leasing	2,773	3,386	22%	849	6,647	1,601	1,785	12%	110%
Merkantil Group (Hungary) ¹³	2,773	3,386	22%	849	6,647	1,601	1,785	12%	110%
Asset Management	6,610	11,682	77%	4,079	19,861	6,089	5,594	-8%	37%
OTP Asset Management (Hungary)	6,448	11,589	80%	4,009	19,673	6,038	5,551	-8%	38%
Foreign Asset Management Companies ¹⁴	162	93	-42%	70	188	51	42	-17%	-40%
Other Hungarian Subsidiaries	18,173	9,126	-50%	10,738	35,972	4,699	4,428	-6%	-59%
Other Foreign Subsidiaries ¹⁵	-422	-423	0%	-284	986	-188	-236	26%	-17%
Eliminations	-925	6,769		-1,021	-7,317	-638	7,408		
Adjusted profit after tax of the Hungarian operation ¹⁶	82,554	144,459	75%	102,626	298,679	61,626	82,833	34%	-19%
Adjusted profit after tax of the Foreign operation ¹⁷	314,879	363,435	15%	188,581	606,274	178,336	185,099	4%	-2%
Share of Hungarian contribution to the adjusted profit after tax	21%	28%	8%p	35%	33%	26%	31%	5%p	-4%p
Share of Foreign contribution to the adjusted profit after tax	79%	72%	-8%p	65%	67%	74%	69%	-5%p	4%p

³ Relevant footnotes are in the Supplementary data section of the Report.

CONSOLIDATED PROFIT AFTER TAX BREAKDOWN BY SEGMENTS⁴ – OLD METHODOLOGY

in HUF million	2023 1H	2024 1H	Y/Y	2023 2Q	2023	2024 1Q	2024 2Q	Q/Q	Y/Y
Consolidated profit after tax	576,812	507,891	-12%	382,050	990,459	239,962	267,930	12%	-30%
Adjustments (after tax)	105,753	-56,745	-154%	98,110	-18,123	-41,608	-15,137	-64%	-115%
Consolidated adjusted profit after tax	471,059	564,636	20%	283,940	1,008,583	281,570	283,066	1%	0%
Banks total ¹	441,534	532,384	21%	268,836	946,279	268,229	264,155	-2%	-2%
OTP Core (Hungary) ²	116,654	162,528	39%	73,598	302,935	88,029	74,499	-15%	1%
DSK Group (Bulgaria) ³	88,813	98,981	11%	53,211	201,992	43,490	55,491	28%	4%
OTP Bank Slovenia ⁴	54,474	61,440	13%	34,209	128,730	28,558	32,882	15%	-4%
OBH (Croatia) ⁵	29,705	33,264	12%	16,904	53,959	18,548	14,717	-21%	-13%
OTP Bank Serbia ⁶	30,613	41,228	35%	14,185	68,026	20,385	20,843	2%	47%
Ipoteka Bank (Uzbekistan) ⁷	-	20,471	-	-	-21,857	10,050	10,421	4%	-
OTP Bank Ukraine ⁸	30,404	27,190	-11%	17,764	45,184	16,140	11,050	-32%	-38%
CKB Group (Montenegro) ⁹	8,952	11,258	26%	4,559	21,814	5,343	5,915	11%	30%
OTP Bank Albania ¹⁰	8,084	9,975	23%	4,272	15,032	4,995	4,979	0%	17%
OTP Bank Moldova	8,587	5,509	-36%	4,090	14,700	2,520	2,989	19%	-27%
OTP Bank Russia ¹¹	51,301	57,179	11%	33,345	95,665	29,366	27,813	-5%	-17%
OTP Bank Romania ¹²	13,948	3,361	-76%	12,698	20,099	804	2,557	218%	-80%
Leasing	6,279	3,901	-38%	1,756	10,267	2,586	1,315	-49%	-25%
Merkantil Group (Hungary) ¹³	6,279	3,901	-38%	1,756	10,267	2,586	1,315	-49%	-25%
Asset Management	6,610	11,682	77%	4,079	19,861	6,089	5,594	-8%	37%
OTP Asset Management (Hungary)	6,448	11,589	80%	4,009	19,673	6,038	5,551	-8%	38%
Foreign Asset Management Companies ¹⁴	162	93	-42%	70	188	51	42	-17%	-40%
Other Hungarian Subsidiaries	17,983	9,146	-49%	10,574	30,570	4,707	4,439	-6%	-58%
Other Foreign Subsidiaries ¹⁵	-422	-423	0%	-284	986	-188	-236	26%	-17%
Eliminations	-925	7,947	-	-1,021	620	147	7,799	-	-
Adjusted profit after tax of the Hungarian operation ¹⁶	147,044	196,200	33%	89,441	365,979	101,378	94,822	-6%	6%
Adjusted profit after tax of the Foreign operation ¹⁷	324,015	368,436	14%	194,499	642,604	180,192	188,244	4%	-3%
Share of Hungarian contribution to the adjusted profit after tax	31%	35%	4%p	32%	36%	36%	33%	-3%p	2%p
Share of Foreign contribution to the adjusted profit after tax	69%	65%	-4%p	68%	64%	64%	67%	3%p	-2%p

⁴ Relevant footnotes are in the Supplementary data section of the Report.

CONSOLIDATED, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME – NEW METHODOLOGY

Main components of the adjusted Statement of recognized income in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Consolidated profit after tax	576,812	507,891	-12%	382,050	990,459	239,962	267,930	12%	-30%
Adjustments (after tax)	179,378	0	-100%	90,843	85,507	0	0		-100%
Goodwill impairment charges (after tax)	0	0		0	0	0	0		
Direct effect of acquisitions (after tax)	179,378	0	-100%	90,843	85,507	0	0		-100%
Consolidated adjusted profit after tax	397,433	507,891	28%	291,207	904,952	239,962	267,930	12%	-8%
Profit before tax	545,868	682,353	25%	315,520	1,179,224	341,231	341,121	0%	8%
Operating profit	567,327	721,569	27%	328,131	1,265,909	334,330	387,239	16%	18%
Total income	1,021,162	1,251,923	23%	553,995	2,245,706	597,615	654,308	9%	18%
Net interest income	650,502	877,650	35%	339,735	1,461,850	435,345	442,305	2%	30%
Net fees and commissions	220,899	259,852	18%	117,679	478,119	121,161	138,690	14%	18%
Other net non-interest income	149,761	114,422	-24%	96,580	305,737	41,109	73,313	78%	-24%
Foreign exchange result, net	94,968	70,797	-25%	44,063	123,313	27,803	42,994	55%	-2%
Gain/loss on securities, net	14,250	2,210	-84%	13,025	-2,999	-240	2,450		-81%
Net other non-interest result	40,543	41,415	2%	39,492	185,423	13,546	27,870	106%	-29%
Operating expenses	-453,835	-530,354	17%	-225,864	-979,797	-263,286	-267,069	1%	18%
Personnel expenses	-228,970	-273,399	19%	-120,733	-506,465	-130,409	-142,991	10%	18%
Depreciation	-48,219	-56,511	17%	-23,616	-100,458	-26,832	-29,680	11%	26%
Other expenses	-176,647	-200,444	13%	-81,514	-372,874	-106,046	-94,398	-11%	16%
Total risk costs	-21,459	-39,216	83%	-12,611	-86,685	6,902	-46,118	-768%	266%
Provision for impairment on loan losses	-22,385	-16,865	-25%	-16,573	-71,690	9,480	-26,344	-378%	59%
Other provision	926	-22,352		3,962	-14,995	-2,578	-19,774	667%	-599%
Corporate taxes	-148,435	-174,462	18%	-24,314	-274,272	-101,270	-73,192	-28%	201%
Performance indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROE (from profit after tax)	34.7%	23.6%	-11.2%p	45.1%	27.2%	22.7%	24.4%	1.7%p	-20.7%p
ROE (from adjusted profit after tax)	23.9%	23.6%	-0.4%p	34.4%	24.9%	22.7%	24.4%	1.7%p	-9.9%p
ROA (from profit after tax)	3.3%	2.5%	-0.8%p	4.2%	2.7%	2.4%	2.6%	0.2%p	-1.6%p
ROA (from adjusted profit after tax)	2.3%	2.5%	0.2%p	3.2%	2.4%	2.4%	2.6%	0.2%p	-0.6%p
Operating profit margin	3.23%	3.52%	0.29%p	3.63%	3.41%	3.31%	3.74%	0.43%p	0.11%p
Total income margin	5.82%	6.11%	0.30%p	6.13%	6.04%	5.91%	6.31%	0.40%p	0.18%p
Net interest margin	3.71%	4.29%	0.58%p	3.76%	3.93%	4.30%	4.27%	-0.04%p	0.51%p
Net fee and commission margin	1.26%	1.27%	0.01%p	1.30%	1.29%	1.20%	1.34%	0.14%p	0.04%p
Net other non-interest income margin	0.85%	0.56%	-0.29%p	1.07%	0.82%	0.41%	0.71%	0.30%p	-0.36%p
Cost-to-asset ratio	2.59%	2.59%	0.00%p	2.50%	2.64%	2.60%	2.58%	-0.03%p	0.08%p
Cost/income ratio	44.4%	42.4%	-2.1%p	40.8%	43.6%	44.1%	40.8%	-3.2%p	0.0%p
Provision for impairment on loan losses-to-average gross loans ratio	0.22%	0.15%	-0.07%p	0.32%	0.34%	-0.17%	0.45%	0.62%p	0.13%p
Total risk cost-to-asset ratio	0.12%	0.19%	0.07%p	0.14%	0.23%	-0.07%	0.44%	0.51%p	0.31%p
Effective tax rate	27.2%	25.6%	-1.6%p	7.7%	23.3%	29.7%	21.5%	-8.2%p	13.8%p
Non-interest income/total income	36%	30%	-6%p	39%	35%	27%	32%	5%p	-6%p
EPS base (HUF) (from profit after tax)	2,150	1,901	-12%	1,429	3,695	895	1,006	12%	-30%
EPS diluted (HUF) (from profit after tax)	2,149	1,900	-12%	1,428	3,693	895	1,006	12%	-30%
EPS base (HUF) (from adjusted profit after tax)	1,483	1,908	29%	1,089	3,382	898	1,010	12%	-7%
EPS diluted (HUF) (from adjusted profit after tax)	1,483	1,907	29%	1,089	3,380	898	1,009	12%	-7%
Comprehensive Income Statement	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Consolidated profit after tax	576,811	507,892	-12%	382,049	990,459	239,962	267,930	12%	-30%
Fair value changes of financial instruments measured at fair value through other comprehensive income	52,098	14,316	-73%	24,218	78,419	13,073	1,243	-90%	-95%
Net investment hedge in foreign operations	8,943	-12,370	-238%	6,908	-2,707	-13,050	680	-105%	-90%
Foreign currency translation difference	-268,829	140,384	-152%	-106,584	-200,928	118,493	21,891	-82%	-121%
Change of actuarial costs (IAS 19)	-105	28	-127%	-62	-400	30	-2	-107%	-97%
Net comprehensive income	368,918	650,250	76%	306,529	864,843	358,508	291,742	-19%	-5%
o/w Net comprehensive income attributable to equity holders	369,505	647,679	75%	306,872	863,714	357,393	290,286	-19%	-5%
Net comprehensive income attributable to non-controlling interest	-587	2,571	-538%	-343	1,129	1,115	1,456	31%	-524%
Average exchange rate¹ of the HUF (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/EUR	381	390	2%	373	382	388	391	1%	5%
HUF/CHF	386	406	5%	381	393	409	402	-2%	6%
HUF/USD	353	361	2%	343	353	358	364	2%	6%

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CONSOLIDATED STATEMENT OF RECOGNIZED INCOME – OLD METHODOLOGY

Main components of the adjusted Statement of recognized income in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Consolidated profit after tax	576,812	507,891	-12%	382,050	990,459	239,962	267,930	12%	-30%
Adjustments (after tax)	105,753	-56,745	-154%	98,110	-18,123	-41,608	-15,137	-64%	-115%
Dividends and net cash transfers (after tax)	600	0	-100%	443	-1,911	0	0	188%	-100%
Goodwill/investment impairment charges (after tax)	-518	0	-100%	-518	-3,919	0	0		-100%
Special tax on financial institutions (after tax)	-62,535	-43,506	-30%	25,595	-62,551	-42,053	-1,452	-97%	-106%
Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia (after tax)	-17,556	-5,058	-71%	-17,874	-32,898	0	-5,058		-72%
Effect of the winding up of Sberbank Hungary (after tax)	10,389	0	-100%	0	10,389	0	0		
Effect of acquisitions (after tax)	168,914	969	-99%	83,985	64,886	580	390	-33%	-100%
Result of the treasury share swap agreement (after tax)	6,459	12,326	91%	6,479	10,680	-135	12,461		92%
Impairments on Russian government bonds at OTP Core and DSK Bank (after tax)	0	-21,477		0	-2,799	0	-21,477		
Consolidated adjusted profit after tax	471,059	564,636	20%	283,940	1,008,583	281,570	283,066	1%	0%
Profit before tax	557,343	698,096	25%	334,680	1,222,328	340,800	357,296	5%	7%
Operating profit	557,067	708,045	27%	325,207	1,260,850	333,898	374,148	12%	15%
Total income	1,004,583	1,237,119	23%	547,454	2,224,584	596,680	640,439	7%	17%
Net interest income	652,872	875,399	34%	340,808	1,459,694	434,261	441,138	2%	29%
Net fees and commissions	220,908	259,852	18%	117,681	478,146	121,161	138,690	14%	18%
Other net non-interest income	130,804	101,868	-22%	88,965	286,745	41,257	60,611	47%	-32%
Foreign exchange result, net	94,969	156	-100%	44,064	123,314	-4,848	5,005	-203%	-89%
Gain/loss on securities, net	7,372	-324	-104%	5,906	1,994	-92	-232	153%	-104%
Net other non-interest result	28,462	102,036	258%	38,995	161,436	46,197	55,838	21%	43%
Operating expenses	-447,516	-529,073	18%	-222,248	-963,734	-262,782	-266,291	1%	20%
Personnel expenses	-227,727	-273,399	20%	-120,019	-503,959	-130,409	-142,991	10%	19%
Depreciation	-46,047	-56,511	23%	-22,571	-95,561	-29,561	-29,680	11%	31%
Other expenses	-173,743	-199,163	15%	-79,658	-364,215	-105,542	-93,621	-11%	18%
Total risk costs	275	-9,950		9,473	-38,521	6,902	-16,851	-344%	-278%
Provision for impairment on loan losses	-3,016	-11,307	275%	3,027	-34,781	9,480	-20,787	-319%	-787%
Other provision	3,292	1,357	-59%	6,446	-3,741	-2,578	3,935	-253%	-39%
Corporate taxes	-86,284	-133,460	55%	-50,740	-213,746	-59,230	-74,230	25%	46%
Performance indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROE (from profit after tax)	34.7%	23.6%	-11.2%p	45.1%	27.2%	24.4%	24.4%	1.7%p	-20.7%p
ROE (from adjusted profit after tax)	28.4%	26.2%	-2.2%p	33.5%	27.7%	26.6%	25.8%	-0.8%p	-7.7%p
ROA (from profit after tax)	3.3%	2.5%	-0.8%p	4.2%	2.7%	2.4%	2.6%	0.2%p	-1.6%p
ROA (from adjusted profit after tax)	2.7%	2.8%	0.1%p	3.1%	2.7%	2.8%	2.7%	-0.1%p	-0.4%p
Operating profit margin	3.17%	3.46%	0.28%p	3.60%	3.39%	3.30%	3.61%	0.31%p	0.01%p
Total income margin	5.72%	6.04%	0.32%p	6.06%	5.99%	5.90%	6.18%	0.28%p	0.12%p
Net interest margin	3.72%	4.27%	0.56%p	3.77%	3.93%	4.29%	4.26%	-0.04%p	0.49%p
Net fee and commission margin	1.26%	1.27%	0.01%p	1.30%	1.29%	1.20%	1.34%	0.14%p	0.04%p
Net other non-interest income margin	0.75%	0.50%	-0.25%p	0.98%	0.77%	0.41%	0.58%	0.18%p	-0.40%p
Cost-to-asset ratio	2.55%	2.58%	0.03%p	2.46%	2.59%	2.60%	2.57%	-0.03%p	0.11%p
Cost/income ratio	44.5%	42.8%	-1.8%p	40.6%	43.3%	44.0%	41.6%	-2.5%p	1.0%p
Provision for impairment on loan losses-to-average gross loans ratio	0.03%	0.10%	0.07%p	-0.06%	0.16%	-0.17%	0.36%	0.52%p	0.41%p
Total risk cost-to-asset ratio	0.00%	0.05%	0.05%p	-0.10%	0.10%	-0.07%	0.16%	0.23%p	0.27%p
Effective tax rate	15.5%	19.1%	3.6%p	15.2%	17.5%	17.4%	20.8%	3.4%p	5.6%p
Non-interest income/total income	35%	29%	-6%p	38%	34%	27%	31%	4%p	-7%p
EPS base (HUF) (from profit after tax)	2,150	1,901	-12%	1,429	3,695	895	1,006	12%	-30%
EPS diluted (HUF) (from profit after tax)	2,149	1,900	-12%	1,428	3,693	895	1,006	12%	-30%
EPS base (HUF) (from adjusted profit after tax)	1,758	2,121	21%	1,062	3,769	1,054	1,067	1%	0%
EPS diluted (HUF) (from adjusted profit after tax)	1,757	2,120	21%	1,062	3,767	1,054	1,066	1%	0%
Comprehensive income Statement	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Consolidated profit after tax	576,811	507,892	-12%	382,049	990,459	239,962	267,930	12%	-30%
Fair value changes of financial instruments measured at fair value through other comprehensive income	52,098	14,316	-73%	24,218	78,419	13,073	1,243	-90%	-95%
Net investment hedge in foreign operations	8,943	-12,370	-238%	6,908	-2,707	-13,050	680	-105%	-90%
Foreign currency translation difference	-268,829	140,384	-152%	-106,584	-200,928	118,493	21,891	-82%	-121%
Change of actuarial costs (IAS 19)	-105	28	-127%	-62	-400	30	-2	-107%	-97%
Net comprehensive income	368,918	650,250	76%	306,529	864,843	358,508	291,742	-19%	-5%
o/w Net comprehensive income attributable to equity holders	369,505	647,679	75%	306,872	863,714	357,393	290,286	-19%	-5%
Net comprehensive income attributable to non-controlling interest	-587	2,571	-538%	-343	1,129	1,115	1,456	31%	-524%
Average exchange rate¹ of the HUF (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/EUR	381	390	2%	373	382	388	391	1%	5%
HUF/CHF	386	406	5%	381	393	409	402	-2%	6%
HUF/USD	353	361	2%	343	353	358	364	2%	6%

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CONSOLIDATED BALANCE SHEET

Main components of the adjusted balance sheet, in HUF million	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
TOTAL ASSETS	36,866,660	39,609,144	41,481,987	42,523,604	3%	15%	7%
Cash, amounts due from Banks and balances with the National Banks	5,582,622	7,324,636	6,225,087	6,544,035	5%	17%	-11%
Placements with other banks, net of allowance for placement losses	1,305,309	1,575,145	1,630,117	1,747,356	7%	34%	11%
Securities at fair value through profit or loss	474,949	290,975	307,373	332,949	8%	-30%	14%
Securities at fair value through other comprehensive income	1,853,513	1,640,891	1,630,233	1,609,955	-1%	-13%	-2%
Net customer loans	20,576,085	21,447,380	22,320,541	22,965,060	3%	12%	7%
Net customer loans (FX-adjusted ¹)	21,545,438	22,031,216	22,352,991	22,965,060	3%	7%	4%
Gross customer loans	21,563,617	22,466,415	23,348,380	24,014,764	3%	11%	7%
Gross customer loans (FX-adjusted ¹)	22,579,589	23,086,623	23,389,653	24,014,764	3%	6%	4%
Gross performing (Stage 1+2) customer loans (FX-adjusted¹)	21,641,938	22,083,567	22,388,793	22,993,781	3%	6%	4%
o/w Retail loans	11,292,557	11,978,322	12,230,809	12,749,757	4%	13%	6%
Retail mortgage loans (incl. home equity)	5,675,725	5,946,437	6,100,136	6,315,390	4%	11%	6%
Retail consumer loans	4,529,105	5,026,055	5,211,632	5,495,180	5%	21%	9%
SME loans	1,087,727	1,005,830	919,041	939,187	2%	-14%	-7%
Corporate loans	8,912,522	8,631,385	8,647,175	8,658,059	0%	-3%	0%
Leasing	1,436,859	1,473,860	1,510,809	1,585,965	5%	10%	8%
Allowances for loan losses	-987,532	-1,019,035	-1,027,839	-1,049,704	2%	6%	3%
Allowances for loan losses (FX-adjusted ¹)	-1,034,151	-1,055,407	-1,036,662	-1,049,704	1%	2%	-1%
Associates and other investments	88,140	96,346	109,827	105,616	-4%	20%	10%
Securities at amortized costs	5,370,001	5,475,701	7,353,361	7,291,707	-1%	36%	33%
Tangible and intangible assets, net	774,704	878,949	894,690	929,078	4%	20%	6%
o/w Goodwill, net	65,460	66,932	68,224	71,708	5%	10%	7%
Tangible and other intangible assets, net	709,244	812,017	826,466	857,370	4%	21%	6%
Other assets	841,338	879,121	1,010,758	997,848	-1%	19%	14%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	36,866,660	39,609,144	41,481,987	42,523,604	3%	15%	7%
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	2,162,700	2,013,333	2,141,081	2,171,682	1%	0%	8%
Deposits from customers	26,903,983	29,428,284	30,432,829	31,037,065	2%	15%	5%
Deposits from customers (FX-adjusted¹)	28,180,485	30,238,624	30,492,669	31,037,065	2%	10%	3%
o/w Retail deposits	18,899,605	19,868,617	19,939,031	20,476,844	3%	8%	3%
Household deposits	15,997,475	16,557,136	16,761,347	17,184,301	3%	7%	4%
SME deposits	2,902,130	3,311,481	3,177,685	3,292,543	4%	13%	-1%
Corporate deposits	9,238,848	10,370,008	10,553,638	10,560,221	0%	14%	2%
Accrued interest payable related to customer deposits	42,032	0	0	0		-100%	
Liabilities from issued securities	1,727,388	2,095,548	2,207,077	2,580,402	17%	49%	23%
o/w Retail bonds	173,695	201,131	163,696	107,239	-34%	-38%	-47%
Liabilities from issued securities without retail bonds	1,553,693	1,894,418	2,043,381	2,473,163	21%	59%	31%
Other liabilities	1,924,207	1,414,790	1,670,840	1,600,097	-4%	-17%	13%
Subordinated bonds and loans	552,883	562,396	591,181	586,216	-1%	6%	4%
Total shareholders' equity	3,595,500	4,094,793	4,438,980	4,548,142	2%	26%	11%
Indicators	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
Loan/deposit ratio (FX-adjusted ¹)	80%	76%	77%	77%	1%p	-3%p	1%p
Net loan/(deposit + retail bond) ratio (FX-adjusted ¹)	76%	72%	73%	74%	1%p	-2%p	1%p
Stage 1 loan volume under IFRS 9	18,354,451	18,570,222	19,392,430	20,087,774	4%	9%	8%
Stage 1 loans under IFRS 9/gross customer loans	85.1%	82.7%	83.1%	83.6%	0.6%p	-1.5%p	1.0%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	0.9%	0.8%	0.8%	0.0%p	-0.3%p	-0.1%p
Stage 2 loan volume under IFRS 9	2,312,773	2,926,312	2,961,761	2,906,008	-2%	26%	-1%
Stage 2 loans under IFRS 9/gross customer loans	10.7%	13.0%	12.7%	12.1%	-0.6%p	1.4%p	-0.9%p
Own coverage of Stage 2 loans under IFRS 9	10.0%	9.2%	8.9%	9.1%	0.1%p	-0.9%p	-0.1%p
Stage 3 loan volume under IFRS 9	896,393	969,881	994,189	1,020,982	3%	14%	5%
Stage 3 loans under IFRS 9/gross customer loans	4.2%	4.3%	4.3%	4.3%	0.0%p	0.1%p	-0.1%p
Own coverage of Stage 3 loans under IFRS 9	61.4%	60.8%	61.0%	61.0%	0.0%p	-0.4%p	0.1%p
Consolidated capital adequacy - Basel3, IFRS, according to prudential scope of consolidation	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
Capital adequacy ratio	17.9%	18.9%	19.0%	18.8%	-0.2%p	0.8%p	-0.1%p
Tier1 ratio	15.6%	16.6%	16.7%	17.4%	0.6%p	1.7%p	0.7%p
Common Equity Tier 1 ('CET1') capital ratio	15.6%	16.6%	16.7%	17.4%	0.6%p	1.7%p	0.7%p
Own funds	4,076,508	4,475,380	4,712,966	4,749,800	1%	17%	6%
o/w Tier1 Capital	3,551,485	3,945,570	4,153,004	4,394,793	6%	24%	11%
o/w Common Equity Tier 1 capital	3,551,485	3,945,570	4,153,004	4,394,793	6%	24%	11%
Tier2 Capital	525,023	529,810	559,962	355,007	-37%	-32%	-33%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	22,713,600	23,700,282	24,827,852	25,320,922	2%	11%	7%
o/w RWA - Credit risk RWA	20,477,484	21,275,002	22,340,932	22,857,917	2%	12%	7%
RWA - Market & Operational risk	2,236,116	2,425,281	2,486,920	2,463,004	-1%	10%	2%
Closing exchange rate of the HUF (in HUF)	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
HUF/EUR	371	383	396	395	0%	6%	3%
HUF/CHF	380	412	405	411	1%	8%	0%
HUF/USD	342	346	367	369	1%	8%	7%

¹ For the FX-adjustment, the closing cross currency rates for the current period were used in order to calculate the HUF equivalent of loan and deposit volumes in the base periods.

OTP CORE (OTP BANK'S HUNGARIAN CORE BUSINESS)

Starting from 1Q 2024 Bajor-Polár Center Real Estate Management Ltd., CIL Babér Ltd., BANK CENTER No. 1. Ltd. and MFM Project Investment and Development Ltd. were included into OTP Core: These companies were previously reported in the other Hungarian subsidiaries segment, and typically their primary business activity is property letting to OTP Bank.

OTP Core Statement of recognized income:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	185,845	472,444	154%	129,761	500,869	301,523	170,921	-43%	32%
Dividend received from subsidiaries	129,066	359,946	179%	36,387	187,726	251,468	108,478	-57%	198%
Profit after tax without received dividend	56,779	112,499	98%	93,375	313,143	50,055	62,443	25%	-33%
Adjustments (without dividend received from subsidiaries, after tax) ¹	1,282	0	-100%	5,832	79,272	0	0		-100%
Adjusted profit after tax	55,497	112,499	103%	87,543	233,871	50,055	62,443	25%	-29%
Profit before tax	144,418	182,805	27%	78,471	359,862	104,762	78,043	-26%	-1%
Operating profit	169,682	206,158	21%	102,750	360,944	89,587	116,571	30%	13%
Total income	367,581	415,957	13%	206,323	774,869	187,330	228,627	22%	11%
Net interest income	187,177	280,314	50%	97,394	432,651	137,437	142,878	4%	47%
Net fees and commissions	93,711	105,682	13%	49,695	197,341	48,890	56,791	16%	14%
Other net non-interest income	86,692	29,961	-65%	59,234	144,877	1,003	28,958		-51%
Operating expenses	-197,899	-209,799	6%	-103,573	-413,925	-97,742	-112,056	15%	8%
Total risk costs	-25,264	-23,353	-8%	-24,279	-1,082	15,175	-38,528		59%
Provision for impairment on loan losses	-33,308	169		-30,992	-11,164	13,192	-13,023		-58%
Other provisions	8,044	-23,522		6,713	10,083	1,983	-25,505		
Corporate income tax	-88,921	-70,306	-21%	9,072	-125,991	-54,707	-15,600	-71%	
Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROE (adjusted)	5.5%	8.5%	3.0%p	17.0%	11.0%	7.9%	9.1%	1.2%p	-7.9%p
ROA (adjusted)	0.6%	1.1%	0.5%p	1.8%	1.2%	1.0%	1.2%	0.2%p	-0.6%p
Operating profit margin	1.81%	2.05%	0.24%p	2.16%	1.89%	1.79%	2.30%	0.14%p	0.14%p
Total income margin	3.92%	4.14%	0.22%p	4.33%	4.06%	3.75%	4.52%	0.76%p	0.18%p
Net interest margin	1.99%	2.79%	0.79%p	2.05%	2.26%	2.75%	2.82%	0.07%p	0.78%p
Net fee and commission margin	1.00%	1.05%	0.05%p	1.04%	1.03%	0.98%	1.12%	0.14%p	0.08%p
Net other non-interest income margin	0.92%	0.30%	-0.63%p	1.24%	0.76%	0.02%	0.57%	0.55%p	-0.67%p
Operating costs to total assets ratio	2.1%	2.1%	0.0%p	2.2%	2.2%	2.0%	2.2%	0.3%p	0.0%p
Cost/income ratio	53.8%	50.4%	-3.4%p	50.2%	53.4%	52.2%	49.0%	-3.2%p	-1.2%p
Provision for impairment on loan losses / average gross loans ²	1.03%	-0.01%	-1.03%p	1.90%	0.17%	-0.80%	0.78%	1.57%p	-1.12%p
Effective tax rate	61.6%	38.5%	-23.1%p	-11.6%	35.0%	52.2%	20.0%	-32.2%p	31.5%p

¹ Starting from the second quarter of 2024, the scope of adjustment items affecting OTP Core has changed: in accordance with the new methodology applied on consolidated level, impairments on subsidiary investment will no longer be treated as adjustment item. This change was applied retroactively from the first quarter of 2024, therefore the amount reported on OTP Core's *adjustment items* line in the first quarter of 2024 is now presented on the *other provisions* line.

² Negative *Provision for impairment on loan and placement losses/average gross loans ratio* implies positive amount on the Provision for impairment on loan and placement losses line.

Main components of OTP Core’s Statement of financial position:

Main components of balance sheet closing balances in HUF million	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
Total Assets	18,427,187	18,459,423	20,058,319	20,204,376	1%	10%	9%
Financial assets ¹ (net)	9,734,086	9,630,766	10,735,406	10,972,166	2%	13%	14%
Net customer loans	6,233,586	6,329,293	6,432,950	6,516,564	1%	5%	3%
Net customer loans (FX adjusted)	6,325,835	6,374,658	6,430,557	6,516,564	1%	3%	2%
Gross customer loans	6,515,300	6,597,968	6,692,753	6,782,785	1%	4%	3%
Gross customer loans (FX adjusted)	6,610,777	6,644,627	6,690,338	6,782,785	1%	3%	2%
Stage 1+2 customer loans (FX-adjusted)	6,339,198	6,381,225	6,429,951	6,499,237	1%	3%	2%
Retail loans	3,627,826	3,752,612	3,812,613	3,920,309	3%	8%	4%
Retail mortgage loans (incl. home equity)	1,688,590	1,722,818	1,760,403	1,823,462	4%	8%	6%
Retail consumer loans	1,406,178	1,515,041	1,534,698	1,568,749	2%	12%	4%
SME loans	533,059	514,752	517,512	528,098	2%	-1%	3%
Corporate loans	2,711,371	2,628,613	2,617,338	2,578,928	-1%	-5%	-2%
Provisions	-281,714	-268,675	-259,803	-266,221	2%	-5%	-1%
Provisions (FX adjusted)	-284,942	-269,968	-259,781	-266,221	2%	-7%	-1%
Tangible and intangible assets (net)	229,375	296,425	351,515	373,478	6%	63%	26%
Shares and equity investments (net)	1,861,388	1,890,681	2,017,348	2,008,727	0%	8%	6%
Other assets (net)	368,751	312,258	521,100	333,441	-36%	-10%	7%
Deposits from customers + retail bonds	10,488,155	10,981,387	11,409,780	11,231,848	-2%	7%	2%
Deposits from customers + retail bonds (FX adjusted)	10,684,199	11,088,710	11,408,718	11,231,848	-2%	5%	1%
Retail deposits + retail bonds	6,295,349	6,410,331	6,498,596	6,621,220	2%	5%	3%
Household deposits + retail bonds	4,973,671	4,987,922	5,127,765	5,218,140	2%	5%	5%
o/w: Retail bonds	173,695	201,131	163,696	107,239	-35%	-38%	-47%
SME deposits	1,321,678	1,422,409	1,370,831	1,402,837	2%	6%	-1%
Corporate deposits	4,388,850	4,678,378	4,910,122	4,610,869	-6%	5%	-1%
Liabilities to credit institutions	3,365,743	2,326,311	2,660,544	2,803,846	5%	-17%	21%
Issued securities without retail bonds	1,258,834	1,719,603	1,971,600	2,276,034	15%	81%	32%
Subordinated bonds and loans	500,343	507,277	533,255	527,718	-1%	5%	4%
Total shareholders' equity	2,121,148	2,371,964	2,816,114	2,797,929	-1%	32%	18%
Loan Quality	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
Stage 1 loan volume under IFRS 9 (in HUF million)	5,294,537	5,312,525	5,499,048	5,626,119	2%	6%	6%
Stage 1 loans under IFRS 9/gross customer loans	81.3%	80.5%	82.2%	82.9%	0.8%p	1.7%p	2.4%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	0.8%	0.7%	0.7%	0.0%p	-0.4%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	950,889	1,023,157	933,361	873,118	-6%	-8%	-15%
Stage 2 loans under IFRS 9/gross customer loans	14.6%	15.5%	13.9%	12.9%	-1.1%p	-1.7%p	-2.6%p
Own coverage of Stage 2 loans under IFRS 9	8.9%	7.8%	7.6%	7.7%	0.2%p	-1.2%p	0.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	269,874	262,285	260,344	283,548	9%	5%	8%
Stage 3 loans under IFRS 9/gross customer loans	4.1%	4.0%	3.9%	4.2%	0.3%p	0.0%p	0.2%p
Own coverage of Stage 3 loans under IFRS 9	51.4%	55.9%	57.6%	55.9%	-1.7%p	4.5%p	0.0%p
Market Share	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
Loans	26.4%	26.2%	26.3%	26.1%	-0.3%p	-0.3%p	-0.1%p
Deposits	28.4%	28.3%	27.8%	27.3%	-0.5%p	-1.1%p	-0.9%p
Total Assets	28.7%	28.2%	29.2%	29.4%	0.2%p	0.7%p	1.2%p
Performance Indicators	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y	YTD
Net loans to (deposits + retail bonds) (FX adjusted)	59%	57%	56%	58%	2%p	-1%p	1%p
Leverage (closing Shareholder's Equity/Total Assets)	11.5%	12.8%	14.0%	13.8%	-0.2%p	2.3%p	1.0%p
Leverage (closing Total Assets/Shareholder's Equity)	8.7x	7.8x	7.1x	7.2x	0.1x	-1.5x	-0.6x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	24.7%	27.6%	28.5%	27.6%	-0.9%	2.9%	0.0%
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	19.4%	22.5%	23.2%	24.4%	1.2%	5.0%	1.9%

¹ Cash, amounts due from banks and balances with the National Bank of Hungary; placements with other banks; repo receivables; securities and other financial assets.

In the first half-year, **OTP Core** generated HUF 472 billion profit after tax including HUF 360 billion dividends received from subsidiaries.

Under the new methodology launched in 2024, no adjustment items were carved out of OTP Core 1H 2024.

In the first half-year of 2024, OTP Core generated HUF 112 billion profit after tax without dividends from subsidiaries, doubling the HUF 57 billion profit made in the base period. The improving operating profit, the modest increase in operating costs, and the declining tax burden all contributed to this improvement. Having increased by 25% q-o-q, the second-quarter profit amounted to HUF 62 billion, as higher risk costs were offset by lower tax burden.

The full-year gross amount of the special tax on financial institutions and the windfall tax, presented on the corporate tax line, totalled HUF 30.2 billion, and was accounted for in a lump sum in the first quarter. In case government securities' stock increases as stipulated by the relevant regulation, the windfall tax burden may decline by up to 50%. In each month, one-twelfth of the annual amount of this tax-reducing item is accounted for, in equal amounts; thus, the reduction for the first half-year was HUF 3.2 billion.

The cumulated adjusted profit before tax grew by 27%.

In the first half-year, adjusted operating profit improved by 21%, mainly driven by a 50% jump in net interest income, which owed partly to the depressed base caused by the low net interest margin in the extremely high interest rate environment in the first six months of 2023. In the first half-year, net interest margin rose by 79 bps, to 2.79%.

In the second quarter, OTP Core's net interest margin was 2.82%, thus it actually returned to the level seen before the extremely high interest rate environment (2021: 2.85%).

Net interest income increased by 4% q-o-q, benefitting from the continued growth in the weight of retail deposits. On the other hand, the issuance of MREL-eligible bonds in the actual period led to additional interest expenses.

Cumulated net fees and commissions rose by 13% y-o-y, mainly supported by stronger income related to deposits, transactions, cards, and securities commissions. In the second quarter, fees grew by 16%, or HUF 7.9 billion compared to the first quarter, which was seasonally weaker and dragged down by negative one-off items to the tune of HUF 3 billion. The 14% y-o-y expansion in the second quarter was driven by surging retail lending, too.

In the first quarter, other income amounted to HUF 30.0 billion, one third of the amount seen a year earlier. The material q-o-q growth (+HUF 28.0 billion) stemmed from the HUF 10.0 billion dividend received from MOL in the second quarter, and from the fair

value adjustment of baby loans and subsidized housing loans (+HUF 11.2 billion q-o-q effect).

Half-year non-interest expenses were 6% higher than a year earlier; the rise in personnel expenses and in amortization equally contributed to the HUF 11.9 billion increase. Operational expenses grew by 2%, as the decline in fees paid to the National Deposit Insurance Fund almost completely offset the increase in IT and marketing costs, and expert fees.

In the first half-year, total risk cost amounted to HUF 23.4 billion (including releases made in the first quarter), HUF 1.9 billion less than in the first half of 2023. In the second quarter, risk cost totalled HUF 38.5 billion: credit risk costs of HUF 13.0 billion were partly related to the expected impact of the interest rate cap extension until the end of December (HUF 5.6 billion one-off negative effect), and to individual corporate exposures. On the other provisions line, impairment on Russian bonds amounted to HUF 22 billion.

Regarding loan quality trends, the decline in retail loans' Stage 3 ratio continued, while the total portfolio's Stage 3 ratio upped 0.3 pp, as some individual corporate items were reclassified.

In the second quarter, performing (Stage 1+2) loans kept up last year's moderate pace of growth (+1% q-o-q FX-adjusted), which brought the ytd dynamics to 2%.

In the retail segment, the increase in performing mortgage loans continued to speed up: in the second quarter, the stock rose by 4% q-o-q, pushing the annual growth rate to 8%. Until the end of the first half-year, all big banks applied the voluntary interest rate cap on new housing loan placements, which propelled demand, as did the Housing Subsidy for Families Plus ('CSOK Plus') launched in January 2024. As a result, the amount of new loan contracts for both market-based and subsidized products tripled in the first half-year, surpassing the two and a half times growth rate on the whole market. In a favourable development, both in the first and second quarter OTP Bank's flow market shares exceeded its stock market shares for both mortgage loans and cash loans.

The volume of applications for the CSOK subsidized housing loans grew to HUF 46 billion in the second quarter, topping that of the first quarter. The CSOK Plus loan, available from 2024, made up more than 70% of the HUF 78 billion worth of subsidized loan contracts signed this year.

Consumer loan volumes rose by 2% in the second quarter, bringing the y-o-y growth rate to 11%. The stock of cash loans and baby loans expanded at a similar rate, while cash loan disbursements in the first half-year exceeded the previous year's level by 60%, thus its dynamic surpassed that of the market.

The performing corporate loan book shrank by 1% in the second quarter, and it contracted by 5% y-o-y, while OTP Bank's markets share in loans to

non-financial corporations barely changed. In the second quarter, the Széchenyi Card MAX+ Loan programme generated more substantial new placements than in the previous quarter (1Q: HUF 83 billion; 2Q: HUF 154 billion). Of the HUF 200 billion envelope of the Baross Gábor loan programme available from 2024 (already exhausted), Eximbank approved HUF 33 billion worth of deals for OTP Bank.

Deposits from customers including retail bonds rose by an FX-adjusted 5% y-o-y. It is encouraging that the uptrend in retail deposits plus retail bonds, which began in the fourth quarter of 2023, continued (+2% q-o-q), thus retail deposits and retail bonds expanded by 5% y-o-y. The corporate deposit book was stable in the first six months of the year, but increased by 5% y-o-y.

As a result of the Bank's active presence on capital markets, the volume of issued securities (without retail bonds) surged by 81% y-o-y. 'Green' Senior Preferred bonds worth a total of EUR 700 million were issued in the second quarter.

Recently the following relevant regulatory changes were announced in Hungary:

- On 20 June 2024, Government Decree No. 130/2024 (VI.20) enacted the extension of the interest rate cap on certain housing loans, until 31 December 2024.
- On 20 June 2024, the National Bank of Hungary raised the countercyclical capital buffer rate to 1%, effective from 1 July 2025. In its meeting of 27 June 2024, the central bank left the systemic risk capital buffer unchanged at 0%.
- On 5 April 2024, the government announced a new subsidized home renovation loan programme, which began on 1 July 2024. The loan, with maximum amount of HUF 7 million and up to 12 years term, is available in OTP Bank's branches that function as 'MFB points', for the purpose of energy efficiency improvement of family houses built before 1990.
- At the beginning of October 2023, the Ministry of Economic Development proposed that banks impose voluntary interest rate caps on new forint-denominated housing loans for retail customers. The voluntary interest rate cap expired on 30 June 2024. OTP Bank participated in the initiative.
- Pursuant to government decree of 190/2024. (VII.8.), in the case of baby loans the government extended childbirth pledge deadline until 1 July 2026, for all baby loan borrowers whose deadline was or will be between 1 July 2024 and 30 June 2026
- On 8 July 2024, the government announced an anti-war action plan, the details of which are presented in the *Post-balance sheet events* section.

OTP FUND MANAGEMENT (HUNGARY)

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

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	6,448	11,589	80%	4,009	19,673	6,038	5,551	-8%	38%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	6,448	11,589	80%	4,009	19,673	6,038	5,551	-8%	38%
Income tax	-773	-1,249	62%	-488	-2,491	-608	-641	5%	31%
Profit before income tax	7,221	12,838	78%	4,497	22,165	6,646	6,192	-7%	38%
Operating profit	7,221	12,827	78%	4,498	22,193	6,646	6,181	-7%	37%
Total income	9,296	15,209	64%	5,536	27,771	7,766	7,443	-4%	34%
Net fees and commissions	8,818	13,917	58%	5,235	25,923	6,910	7,007	1%	34%
Other net non-interest income	477	1,277	168%	301	1,846	853	424	-50%	41%
Operating expenses	-2,075	-2,382	15%	-1,038	-5,578	-1,121	-1,262	13%	22%
Total provisions	0	11		0	-28	0	11	0%	
Provision for impairment on loan losses	0	13	0%	0	-39	0	13	0%	0%
Other provision	0	-2	444%	0	11	0	-2	0%	444%

Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	39,461	39,328	0%	27,121	39,461	46,085	39,328	-15%	45%
Total shareholders' equity	28,741	16,374	-43%	15,515	28,741	10,823	16,374	51%	6%

Asset under management in HUF billion	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)¹	3,086	3,622	17%	2,395	3,086	3,437	3,622	5%	51%
Volume of investment funds (closing, w/o duplicates)	2,610	3,098	19%	1,970	2,610	2,938	3,098	5%	57%
Volume of managed assets (closing)	477	525	10%	424	477	499	525	5%	24%
Volume of investment funds (closing, with duplicates)²	3,532	4,250	20%	2,638	3,532	3,991	4,250	6%	61%
bond	1,924	2,292	19%	1,269	1,924	2,203	2,292	4%	81%
mixed	336	490	46%	285	336	405	490	21%	72%
money market	484	483	0%	415	484	507	483	-5%	16%
absolute return fund	370	469	27%	304	370	408	469	15%	54%
equity	331	410	24%	295	331	368	410	11%	39%
commodity market	70	87	24%	55	70	81	87	7%	58%
guaranteed	17	18	9%	14	17	18	18	3%	29%

¹ The cumulative net asset value of investment funds and managed assets of OTP Fund Management, eliminating the volume of own investment funds (duplications) being managed in other investment funds and managed assets of OTP Fund Management.

² The cumulative net asset value of investment funds with duplications managed by OTP Fund Management.

In the first half-year of 2024, **OTP Fund Management** realized almost HUF 12 billion profit after tax, which is consistent with 80% y-o-y growth. Out of the 1H 2024 profit, HUF 5.6 billion was generated in the second quarter.

In the first six months, net fee and commission income surged by nearly 60% y-o-y, in accordance with the dynamic expansion in the average volume of assets under management, while the average fund management fee moderated in the reporting period (1H 2023: 1.33% vs 1H 2024: 1.18%).

Other income increased to more than 2.5 times in the first half-year, owing to the FVA on securities at fair value in the Company's own books.

Operating expenses rose by 15% y-o-y in the first half-year, primarily because of wage hikes, but higher marketing costs and consultancy fees played a role, too.

In the first six months of 2024, domestic investment funds excelled; all categories enjoyed capital inflows, with the exception of bond funds, but the latter's ytd volume change was helped by positive yields. Mixed funds kept up the momentum seen at the beginning of the year, thus they constitute the second largest category among investment funds in terms of asset under management.

The wealth of OTP Fund Management' bond funds increased by 19% year to date, thus the total wealth under management drew near HUF 2,300 billion by the end of June. Regarding the other categories, mixed funds grew dynamically (+46% ytd), and equity funds also marched higher (+24% ytd) on the strength of capital inflows and favourable stock price changes.

Overall, the volume of investment funds managed by OTP Fund Management expanded to HUF 4,250 billion (+20% ytd, +61% y-o-y) by the end of June. Thus the Company has maintained its leading position in the securities market, with 32.3% market share.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	2,773	3,386	22%	849	6,647	1,601	1,785	12%	110%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	2,773	3,386	22%	849	6,647	1,601	1,785	12%	110%
Income tax	-2,993	-2,778	-7%	448	-3,860	-2,108	-670	-68%	
Profit before income tax	5,766	6,163	7%	401	10,507	3,708	2,455	-34%	
Operating profit	7,827	6,553	-16%	3,415	14,967	3,626	2,927	-19%	-14%
Total income	14,111	13,845	-2%	6,809	28,013	7,183	6,662	-7%	-2%
Net interest income	13,086	12,479	-5%	6,166	26,257	6,420	6,059	-6%	-2%
Net fees and commissions	433	396	-8%	233	759	236	161	-32%	-31%
Other net non-interest income	592	969	64%	410	997	527	442	-16%	8%
Operating expenses	-6,284	-7,291	16%	-3,394	-13,046	-3,557	-3,735	5%	10%
Total provisions	-2,062	-390	-81%	-3,014	-4,461	82	-472		-84%
Provision for impairment on loan losses	-2,089	-421	-80%	-2,971	-4,438	17	-438		-85%
Other provision	28	31	14%	-43	-22	65	-34		-21%
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	930,761	888,975	-4%	931,037	930,761	952,408	888,975	-7%	-5%
Gross customer loans	590,510	611,481	4%	555,690	590,510	600,220	611,481	2%	10%
Gross customer loans (FX-adjusted)	592,348	611,481	3%	558,564	592,348	600,122	611,481	2%	9%
Stage 1+2 customer loans (FX-adjusted)	578,016	596,278	3%	544,249	578,016	584,282	596,278	2%	10%
Corporate loans	58,066	57,722	-1%	50,832	58,066	57,810	57,722	0%	14%
Leasing	519,951	538,556	4%	493,417	519,951	526,472	538,556	2%	9%
Allowances for possible loan losses	-13,637	-13,656	0%	-12,796	-13,637	-13,663	-13,656	0%	7%
Allowances for possible loan losses (FX-adjusted)	-13,089	-13,100	0%	-12,280	-13,089	-13,103	-13,100	0%	7%
Deposits from customers	5,028	5,279	5%	5,481	5,028	6,055	5,279	-13%	-4%
Deposits from customers (FX-adjusted)	5,028	5,279	5%	5,481	5,028	6,055	5,279	-13%	-4%
Retail deposits	2,767	2,504	-9%	2,959	2,767	2,647	2,504	-5%	-15%
Corporate deposits	2,261	2,775	23%	2,522	2,261	3,408	2,775	-19%	10%
Liabilities to credit institutions	839,730	794,979	-5%	837,469	839,730	858,380	794,979	-7%	-5%
Subordinated debt	5,003	5,002	0%	5,000	5,003	5,004	5,002	0%	0%
Total shareholders' equity	61,237	58,623	-4%	57,005	61,237	56,837	58,623	3%	3%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	478,960	550,790	15%	478,960	533,569	542,165	550,790	2%	15%
Stage 1 loans under IFRS 9/gross customer loans	86.2%	90.1%	3.9%p	86.2%	90.4%	90.3%	90.1%	-0.3%p	3.9%p
Own coverage of Stage 1 loans under IFRS 9	0.6%	0.8%	0.1%p	0.6%	0.8%	0.8%	0.8%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	62,477	45,488	-27%	62,477	42,648	42,212	45,488	8%	-27%
Stage 2 loans under IFRS 9/gross customer loans	11.2%	7.4%	-3.8%p	11.2%	7.2%	7.0%	7.4%	0.4%p	-3.8%p
Own coverage of Stage 2 loans under IFRS 9	5.6%	6.7%	1.1%p	5.6%	7.0%	6.9%	6.7%	-0.2%p	1.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	14,253	15,202	7%	14,253	14,293	15,843	15,202	-4%	7%
Stage 3 loans under IFRS 9/gross customer loans	2.6%	2.5%	-0.1%p	2.6%	2.4%	2.6%	2.5%	-0.2%p	-0.1%p
Own coverage of Stage 3 loans under IFRS 9	43.5%	42.1%	-1.4%p	43.5%	44.1%	41.4%	42.1%	0.8%p	-1.4%p
Provision for impairment on loan losses/average gross loans	0.78%	0.14%	-0.64%p	2.18%	0.80%	-0.01%	0.29%	0.30%	-1.89%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	0.6%	0.7%	0.1%p	0.4%	0.7%	0.7%	0.8%	0.1%p	0.4%p
ROE	9.8%	11.5%	1.7%p	5.9%	11.2%	10.7%	12.4%	1.7%p	6.4%p
Total income margin	3.02%	2.96%	-0.06%p	2.91%	3.00%	3.08%	2.84%	-0.24%p	-0.07%p
Net interest margin	2.80%	2.67%	-0.14%p	2.64%	2.81%	2.75%	2.58%	-0.17%p	-0.05%p
Operating costs / Average assets	1.3%	1.6%	0.2%p	1.5%	1.4%	1.5%	1.6%	0.1%p	0.1%p
Cost/income ratio	44.5%	52.7%	8.1%p	49.8%	46.6%	49.5%	56.1%	6.6%p	6.2%p

In the first half-year of 2024, **Merkantil Group** generated HUF 3.4 billion adjusted profit after tax, resulting in 11.5% ROE; second quarter profit was HUF 1.8 billion. The 22% improvement in the half-year after-tax profit is largely attributable to the considerable decline in risk costs, while the 12% q-o-q profit growth stemmed from the lower tax: Merkantil Group recognized the banking tax and the windfall tax in a lump sum in the first quarter. In the case of the latter, the HUF 0.3 billion deduction opportunity for the whole year is being recognized on monthly basis, in equal amounts, subject to the fulfilment of regulatory requirements. In 2Q, profit before tax dropped by a third q-o-q.

The semi-year operating profit shrank by 16% as a result of 2% drop in total income – caused mainly by narrowing net interest margin – and 16% increase in costs. The latter is caused by wage hikes of 2023 and inflationary processes, which are reflected in services prices. In the second quarter, operating expenses grew by 5% q-o-q, mainly owing to a rise in personnel and IT expenses, as well as higher amortization.

Loan quality processes remained favourable. In the reporting period, the credit risk cost ratio was subdued, at 14 bps. The ratio of Stage 1 loans grew by 3.9 pps y-o-y, to 90.1%, while the share of Stage 2 loans dropped by the same magnitude; the ratio of Stage 3 loans sank by 0.1 pp y-o-y, to 2.5%.

FX-adjusted performing (Stage 1+2) loans increased by 3% year to date and 10% y-o-y. Within that, corporate loan volumes grew by 14%, and leasing exposures surged by 9%. The 2% volume growth in the second quarter was caused by leasing exposures (+2% q-o-q).

In the first half-year of 2024, the volume of newly disbursed loans increased by 7% y-o-y, while the product mix changed: new car loan placements grew by 50%, while machinery financing fell by 14%. Placements intensified in all product segments in the second quarter (+13% q-o-q).

Credit demand benefited from the subsidized loan facilities: under the KAVOSZ Széchenyi Card programme, customers have concluded subsidized loan agreements totalling HUF 152 billion (including HUF 84 billion in 2022, HUF 43 billion in 2023, and HUF 25 billion in the first half-year of 2024) with Merkantil Bank, since the beginning of the scheme. Contracted volumes under the Baross Gábor loan programme grew by almost by 50% in the second quarter and stood at HUF 32 billion at the end of June 2024 (vs HUF 18 billion in 2023, and HUF 14 billion in 1H 2024).

IFRS REPORTS OF THE MAIN SUBSIDIARIES⁵

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	88,215	97,598	11%	52,930	198,182	43,490	54,108	24%	2%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	88,215	97,598	11%	52,930	198,182	43,490	54,108	24%	2%
Income tax	-9,436	-17,037	81%	-5,775	-21,303	-7,689	-9,348	22%	62%
Profit before income tax	97,651	114,635	17%	58,705	219,485	51,179	63,455	24%	8%
Operating profit	94,777	116,759	23%	55,543	216,102	52,027	64,732	24%	17%
Total income	146,480	178,757	22%	75,628	316,105	88,236	90,521	3%	20%
Net interest income	104,188	129,498	24%	54,676	226,693	64,321	65,177	1%	19%
Net fees and commissions	34,860	39,200	12%	17,635	72,366	18,822	20,379	8%	16%
Other net non-interest income	7,432	10,059	35%	3,317	17,046	5,093	4,966	-2%	50%
Operating expenses	-51,703	-61,997	20%	-20,086	-100,003	-36,209	-25,789	-29%	28%
Total provisions	2,874	-2,125		3,162	3,383	-848	-1,277	51%	
Provision for impairment on loan losses	1,951	-1,121		2,341	2,779	-1,595	474		-80%
Other provision	923	-1,003		821	604	747	-1,751		
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	6,456,668	6,959,673	8%	5,827,663	6,456,668	6,826,873	6,959,673	2%	19%
Gross customer loans	4,066,527	4,537,724	12%	3,734,238	4,066,527	4,340,086	4,537,724	5%	22%
Gross customer loans (FX-adjusted)	4,198,231	4,537,724	8%	3,976,061	4,198,231	4,332,690	4,537,724	5%	14%
Stage 1+2 customer loans (FX-adjusted)	4,098,988	4,442,432	8%	3,858,268	4,098,988	4,235,622	4,442,432	5%	15%
Retail loans	2,321,016	2,607,071	12%	2,109,982	2,321,016	2,439,227	2,607,071	7%	24%
Retail mortgage loans	1,192,604	1,358,084	14%	1,046,684	1,192,604	1,264,307	1,358,084	7%	30%
Retail consumer loans	1,037,553	1,155,832	11%	967,479	1,037,553	1,083,789	1,155,832	7%	19%
MSE loans	90,859	93,155	3%	95,819	90,859	91,131	93,155	2%	-3%
Corporate loans	1,461,734	1,494,166	2%	1,449,112	1,461,734	1,469,683	1,494,166	2%	3%
Leasing	316,239	341,195	8%	299,174	316,239	326,711	341,195	4%	14%
Allowances for possible loan losses	-125,806	-127,250	1%	-139,216	-125,806	-128,199	-127,250	-1%	-9%
Allowances for possible loan losses (FX-adjusted)	-129,886	-127,250	-2%	-148,228	-129,886	-127,982	-127,250	-1%	-14%
Deposits from customers	5,165,700	5,631,407	9%	4,695,115	5,165,700	5,425,261	5,631,407	4%	20%
Deposits from customers (FX-adjusted)	5,341,045	5,631,407	5%	5,003,719	5,341,045	5,418,030	5,631,407	4%	13%
Retail deposits	4,489,273	4,751,851	6%	4,160,846	4,489,273	4,605,233	4,751,851	3%	14%
Retail deposits	4,005,114	4,226,595	6%	3,693,466	4,005,114	4,104,370	4,226,595	3%	14%
MSE deposits	484,159	525,256	8%	467,380	484,159	500,863	525,256	5%	12%
Corporate deposits	851,771	879,555	3%	842,873	851,771	812,797	879,555	8%	4%
Liabilities to credit institutions	249,178	257,201	3%	176,264	249,178	249,229	257,201	3%	46%
Subordinated debt	88,087	90,931	3%	85,357	88,087	91,114	90,931	0%	7%
Total shareholders' equity	890,188	906,229	2%	758,112	890,188	853,025	906,229	6%	20%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	3,372,596	3,950,486	17%	3,372,596	3,483,290	3,727,824	3,950,486	6%	17%
Stage 1 loans under IFRS 9/gross customer loans	90.3%	87.1%	-3.3%p	90.3%	85.7%	85.9%	87.1%	1.2%p	-3.3%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	0.7%	-0.3%p	1.0%	0.7%	0.7%	0.7%	0.0%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	251,009	491,947	96%	251,009	487,099	515,025	491,947	-4%	96%
Stage 2 loans under IFRS 9/gross customer loans	6.7%	10.8%	4.1%p	6.7%	12.0%	11.9%	10.8%	-1.0%p	4.1%p
Own coverage of Stage 2 loans under IFRS 9	15.0%	8.9%	-6.1%p	15.0%	9.3%	8.9%	8.9%	0.0%p	-6.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	110,633	95,291	-14%	110,633	96,137	97,237	95,291	-2%	-14%
Stage 3 loans under IFRS 9/gross customer loans	3.0%	2.1%	-0.9%p	3.0%	2.4%	2.2%	2.1%	-0.1%p	-0.9%p
Own coverage of Stage 3 loans under IFRS 9	61.4%	57.9%	-3.5%p	61.4%	57.1%	57.0%	57.9%	0.9%p	-3.5%p
Provision for impairment on loan losses/average gross loans	-0.11%	0.05%	0.16%p	-0.26%	-0.07%	0.15%	-0.04%	-0.20%p	0.22%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	3.0%	2.9%	-0.1%p	3.6%	3.3%	2.6%	3.2%	0.6%p	-0.4%p
ROE	23.8%	22.1%	-1.7%p	28.8%	24.9%	19.3%	24.9%	5.6%p	-3.9%p
Total income margin	5.02%	5.33%	0.31%p	5.16%	5.24%	5.33%	5.34%	0.01%p	0.17%p
Net interest margin	3.57%	3.86%	0.29%p	3.73%	3.76%	3.88%	3.84%	-0.04%p	0.11%p
Operating costs / Average assets	1.8%	1.8%	0.1%p	1.4%	1.7%	2.2%	1.5%	-0.7%p	0.1%p
Cost/income ratio	35.3%	34.7%	-0.6%p	26.6%	31.6%	41.0%	28.5%	-12.5%p	1.9%p
Net loans to deposits (FX-adjusted)	76%	78%	2%p	76%	76%	78%	78%	1%p	2%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/BGN (closing)	189.8	202.0	6%	189.8	195.7	202.4	202.0	0%	6%
HUF/BGN (average)	195.3	198.5	2%	191.3	195.4	197.4	199.7	1%	4%

⁵ In the case of certain foreign operations, the profit after tax for 1Q 2024 has been retroactively corrected.

DSK Group's semi-annual profit after tax grew by 11%, to HUF 97.6 billion, and its ROE exceeded 22%. Apart from this, the comprehensive project launched in 2021 to improve both the banking operation's transformation and customer satisfaction continued in the second quarter.

In the first half-year of 2024, the effective corporate income tax rate jumped to 15% from 10% in the base period, as the rules of the global minimum tax took effect on 1 January 2024, and the Bank is subject to this regulation in respect of the business year that started on 1 January 2024.

In the first half-year, profit before tax improved by 17%, predominantly driven by a 24% jump in net interest income, which benefited from the continued dynamic growth of performing loans (+15% y-o-y FX-adjusted) and from the higher net interest margin. The latter can be attributable to the gradual repricing of corporate and leasing exposures priced on the EURIBOR reference rates in the wake of the rising interest rate environment, and to higher interest revenues realized on liquid assets. This was somewhat offset by the increase in the mandatory reserve requirement rate from 10% to 12% effective from July 2023, as the central bank does not pay interest on that stock.

In the second quarter, the continued volume growth helped net interest income increase by 1% q-o-q, while the margin slightly narrowed, just like in the first quarter. In the first half-year, the Bank further increased the share of long-term fixed-interest-rate bonds within the liquid asset portfolio; as the interest rate on these bonds is lower than that on short-term placements, this entailed a margin sacrifice in the short run. The ECB's interest rate cut in June did not have material effect in the second quarter.

Half-year net fees and commissions increased by 12% y-o-y; the 8% q-o-q improvement in the second quarter was caused partly by volume effect, and in part by seasonality. Semi-annual other income grew by 35% y-o-y.

First-half-year operating expenses grew by 20%, thus the half-year cost/income ratio improved by 0.6 pp, sinking below 35%. What shaped the q-o-q cost dynamic in the second quarter was the lump-sum recognition of full-year supervisory fees, in the amount of HUF 12 billion, in the first quarter.

In the first six months of 2024, total risk cost amounted to -HUF 2.1 billion. Within that, credit risk costs (-HUF 1.1 billion) brought the credit risk cost ratio to 5 basis points. On the other risk cost line, HUF 1.6 billion provision for impairment was set aside in the second quarter, for the Russian bonds held in the Bank's balance sheet.

Loan quality trends remained favourable. The ratio of Stage 2 loans declined by 1.0 pp q-o-q, to 10.8%, whereas the Stage 3 ratio moderated by 0.1 pp to 2.1%. The own provision coverage of performing loans remained stable q-o-q, while that of Stage 3 loans improved.

Performing (Stage 1+2) loans grew by 15% y-o-y (FX-adjusted); one of the strongest growth rates within the Group. The strong performance was driven by the retail segment. In the first half-year, DSK Bank's new mortgage loan placements jumped by two-thirds, and cash loan disbursements surged by close to 40%, resulting in performing mortgage volume growth of 30% y-o-y, while consumer loan volumes surged 19%. At the same time, MSE+corporate loans increased by 3% y-o-y, and leasing exposures expanded by 14% (FX-adjusted).

The deposit book grew by an FX-adjusted 13% y-o-y, including a 4% rise in the second quarter. The net loan/deposit ratio stood at 78% at the end of June.

OTP BANK SLOVENIA

Performance of OTP Bank Slovenia:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	37,177	56,880	53%	29,542	100,958	26,280	30,600	16%	4%
Adjustments (after tax)	-11,385	0	-100%	0	-11,385	0	0		
Adjusted profit after tax	48,562	56,880	17%	29,542	112,342	26,280	30,600	16%	4%
Income tax	-5,874	-14,768	151%	-3,995	-7,226	-7,240	-7,528	4%	88%
Profit before income tax	54,435	71,648	32%	33,537	119,568	33,520	38,128	14%	14%
Operating profit	57,833	73,809	28%	37,335	131,630	34,872	38,937	12%	4%
Total income	94,629	127,744	35%	56,915	218,870	63,481	64,264	1%	13%
Net interest income	70,352	98,029	39%	41,995	167,121	49,429	48,600	-2%	16%
Net fees and commissions	20,841	27,359	31%	12,425	46,028	12,699	14,659	15%	18%
Other net non-interest income	3,436	2,357	-31%	2,495	5,721	1,352	1,005	-26%	-60%
Operating expenses	-36,795	-53,936	47%	-19,581	-87,240	-28,609	-25,327	-11%	29%
Total provisions	-3,398	-2,160	-36%	-3,797	-12,061	-1,351	-809	-40%	-79%
Provision for impairment on loan losses	678	-2,443		-206	-2,485	-1,465	-978	-33%	376%
Other provision	-4,076	283		-3,592	-9,576	114	169	48%	
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	5,892,803	5,933,955	1%	5,589,664	5,892,803	5,793,909	5,933,955	2%	6%
Gross customer loans	2,796,313	2,900,335	4%	2,788,586	2,796,313	2,922,916	2,900,335	-1%	4%
Gross customer loans (FX-adjusted)	2,886,357	2,900,335	0%	2,969,271	2,886,357	2,918,040	2,900,335	-1%	-2%
Stage 1+2 customer loans (FX-adjusted)	2,840,693	2,852,168	0%	2,937,641	2,840,693	2,871,448	2,852,168	-1%	-3%
Retail loans	1,385,490	1,420,672	3%	1,344,079	1,385,490	1,400,490	1,420,672	1%	6%
Retail mortgage loans	916,265	924,506	1%	921,397	916,265	918,021	924,506	1%	0%
Retail consumer loans	415,488	435,073	5%	376,396	415,488	427,354	435,073	2%	16%
MSE loans	53,738	61,093	14%	46,286	53,738	55,114	61,093	11%	32%
Corporate loans	1,260,358	1,225,702	-3%	1,404,713	1,260,358	1,268,466	1,225,702	-3%	-13%
Leasing	194,844	205,793	6%	188,849	194,844	202,493	205,793	2%	9%
Allowances for possible loan losses	-33,587	-43,065	28%	-27,100	-33,587	-37,455	-43,065	15%	59%
Allowances for possible loan losses (FX-adjusted)	-34,655	-43,076	24%	-28,865	-34,655	-37,409	-43,076	15%	49%
Deposits from customers	4,583,072	4,584,273	0%	4,392,600	4,583,072	4,574,719	4,584,273	0%	4%
Deposits from customers (FX-adjusted)	4,731,691	4,584,273	-3%	4,678,238	4,731,691	4,567,931	4,584,273	0%	-2%
Retail deposits	3,696,250	3,687,236	0%	3,702,162	3,696,250	3,632,229	3,687,236	2%	0%
Retail deposits	3,209,197	3,226,445	1%	3,274,885	3,209,197	3,165,959	3,226,445	2%	-1%
MSE deposits	487,053	460,791	-5%	427,277	487,053	466,270	460,791	-1%	8%
Corporate deposits	1,035,442	897,036	-13%	976,076	1,035,442	935,702	897,036	-4%	-8%
Liabilities to credit institutions	131,375	129,197	-2%	133,709	131,375	136,623	129,197	-5%	-3%
Issued securities	335,400	337,407	1%	312,266	335,400	228,862	337,407	47%	8%
Subordinated debt	63,167	66,102	5%	61,734	63,167	65,772	66,102	1%	7%
Total shareholders' equity	669,622	691,332	3%	603,189	669,622	661,374	691,332	5%	15%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	2,600,070	2,531,093	-3%	2,600,070	2,514,261	2,578,203	2,531,093	-2%	-3%
Stage 1 loans under IFRS 9/gross customer loans	93.2%	87.3%	-6.0%p	93.2%	89.9%	88.2%	87.3%	-0.9%p	-6.0%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.2%	-0.1%p	0.4%	0.3%	0.2%	0.2%	0.0%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	158,821	321,075	102%	158,821	237,794	298,065	321,075	8%	102%
Stage 2 loans under IFRS 9/gross customer loans	5.7%	11.1%	5.4%p	5.7%	8.5%	10.2%	11.1%	0.9%p	5.4%p
Own coverage of Stage 2 loans under IFRS 9	2.7%	3.9%	1.3%p	2.7%	3.4%	3.7%	3.9%	0.2%p	1.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	29,695	48,167	62%	29,695	44,258	46,649	48,167	3%	62%
Stage 3 loans under IFRS 9/gross customer loans	1.1%	1.7%	0.6%p	1.1%	1.6%	1.6%	1.7%	0.1%p	0.6%p
Own coverage of Stage 3 loans under IFRS 9	45.2%	51.6%	6.4%p	45.2%	41.4%	43.4%	51.6%	8.2%p	6.4%p
Provision for impairment on loan losses/average gross loans	-0.06%	0.17%	0.23%p	0.03%	0.09%	0.21%	0.14%	-0.07%p	0.11%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	2.1%	2.0%	-0.2%p	2.2%	2.2%	1.8%	2.1%	0.3%p	-0.1%p
ROE	20.0%	16.9%	-3.1%p	20.0%	19.7%	15.5%	18.4%	2.9%p	-1.6%p
Total income margin	4.18%	4.43%	0.25%p	4.18%	4.23%	4.42%	4.44%	0.02%p	0.26%p
Net interest margin	3.11%	3.40%	0.29%p	3.09%	3.23%	3.44%	3.36%	-0.08%p	0.27%p
Operating costs / Average assets	1.6%	1.9%	0.2%p	1.4%	1.7%	2.0%	1.7%	-0.2%p	0.3%p
Cost/income ratio	38.9%	42.2%	3.3%p	34.4%	39.9%	45.1%	39.4%	-5.7%p	5.0%p
Net loans to deposits (FX-adjusted)	63%	62%	-1%p	63%	60%	63%	62%	-1%p	-1%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/EUR (closing)	371.1	395.2	6%	371.1	382.8	395.8	395.2	0%	6%
HUF/EUR (average)	382.0	388.3	2%	374.1	382.3	386.1	390.6	1%	4%

The **Slovenian operation** generated HUF 30.6 billion profit after tax in the second quarter of 2024, which is consistent with 18.4% ROE; thus the six-month profit after tax hit almost HUF 57 billion. One reason for the 53% y-o-y improvement in the half-year profit is that in the base period, NKBM contributed to profit only for five months. Moreover, income developed positively in the first half-year of 2024; net interest income, and net fee and commission income all grew by at least 30%. Meanwhile, risk costs fell by 36%.

The 16% q-o-q increase in second-quarter profit can be attributed to the improved operating profit: income rose marginally, and the efficient cost control also helped. Net interest income declined by 2% in the second quarter: owing to fierce competition, the lower interest rate on new loan placements was partly diminished as an increasing share of the extra liquidity was invested in bond investments that provide higher yields. The quarterly net interest margin (3.36%) eroded by 8 bps q-o-q.

Nevertheless, income from fees and commissions jumped by 15% q-o-q, partly owing to the improving fee income from selling investment funds and on payment services, and due to the fee refund from VISA. The 11% q-o-q drop in operating expenses was largely caused by a base effect: most supervisory fees were recorded in the first quarter; this burden fell to one-fifth in the second quarter. Meanwhile, personnel expenses and amortization barely changed q-o-q.

Loan portfolio quality was stable; the ratio of Stage 3 loans rose to 1.7%, and that of their own coverage grew to 51.6% (+6.4 pps y-o-y). The ratio of Stage 2 loans has increased q-o-q, slightly exceeding 11%. Loan loss provisions fell by 33% q-o-q in the second quarter, and the credit risk cost ratio was 14 bps (1H 2024: 17 bps).

FX-adjusted performing loan volumes contracted by 1% q-o-q. The retail loan portfolio grew by 1%; within that, the mortgage loan book rose by 1%, and cash loans increased by 2%, even though SKB's sales performance was subdued, owing to the on-going integration tasks. Corporate loans dropped by 3% for reasons that characterize the entire market: there were few major projects and investments; early repayment is prevalent, while the sector's cash stock is high.

Based on data from end-2024, the Slovenian operation remained *pro forma* market leader in net loans and deposit volumes (with 26.5% and 28.8% markets shares, respectively). In terms of corporate loans, the market share (25.3%) contracted q-o-q, while consumer loans or housing loans practically did not change (30.2% and 28.5%). The deposit volumes made up 28.8% of the sector; within that, the corporate ratio marginally improved, while the retail one trivially declined.

The Slovenian operation's net loan/deposit ratio slightly dropped, to 62%.

The legal and organizational integration of SKB and Nova KBM continued as planned; the ECB's approval for the merger was received in June, and the process is likely to be completed on 22 August 2024. The new entity will continue its operation under the name OTP Bank Slovenia with a legal seat in Ljubljana. Based on the preliminary indication of the SRB (Europe's Single Resolution Board), after the merger of the two existing Slovenian banks, the new operation will not automatically become part of OTP Bank's Resolution Group; however, it can't be excluded that at later stage it may happen. In the first half-year of 2024 MREL eligible Senior Preferred bonds worth EUR 300 million were issued.

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	29,337	33,264	13%	16,752	53,333	18,548	14,717	-21%	-12%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	29,337	33,264	13%	16,752	53,333	18,548	14,717	-21%	-12%
Income tax	-6,013	-7,247	21%	-3,701	-11,786	-4,081	-3,167	-22%	-14%
Profit before income tax	35,350	40,511	15%	20,453	65,119	22,628	17,883	-21%	-13%
Operating profit	29,328	34,151	16%	15,735	66,116	16,482	17,669	7%	12%
Total income	56,516	65,535	16%	29,193	123,133	31,975	33,560	5%	15%
Net interest income	41,383	50,002	21%	20,999	91,117	24,858	25,144	1%	20%
Net fees and commissions	11,622	13,266	14%	6,169	25,661	6,017	7,249	20%	18%
Other net non-interest income	3,510	2,267	-35%	2,025	6,355	1,100	1,167	6%	-42%
Operating expenses	-27,188	-31,384	15%	-13,458	-57,017	-15,493	-15,891	3%	18%
Total provisions	6,022	6,360	6%	4,718	-997	6,146	214	-97%	-95%
Provision for impairment on loan losses	7,386	8,345	13%	5,355	721	6,511	1,834	-72%	-66%
Other provision	-1,364	-1,984	46%	-636	-1,718	-365	-1,620	344%	155%
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	3,278,199	3,522,652	7%	2,891,965	3,278,199	3,349,208	3,522,652	5%	22%
Gross customer loans	2,311,788	2,556,387	11%	2,154,765	2,311,788	2,453,707	2,556,387	4%	19%
Gross customer loans (FX-adjusted)	2,386,525	2,556,387	7%	2,294,259	2,386,525	2,449,539	2,556,387	4%	11%
Stage 1+2 customer loans (FX-adjusted)	2,293,349	2,471,982	8%	2,197,385	2,293,349	2,362,255	2,471,982	5%	12%
Retail loans	1,202,115	1,308,827	9%	1,108,788	1,202,115	1,262,722	1,308,827	4%	18%
Retail mortgage loans	662,006	702,091	6%	605,999	662,006	682,917	702,091	3%	16%
Retail consumer loans	470,840	519,940	10%	442,740	470,840	496,199	519,940	5%	17%
MSE loans	69,269	86,796	25%	60,049	69,269	83,606	86,796	4%	45%
Corporate loans	908,925	940,015	3%	906,827	908,925	903,406	940,015	4%	4%
Leasing	182,309	223,140	22%	181,770	182,309	196,128	223,140	14%	23%
Allowances for possible loan losses	-97,835	-93,746	-4%	-89,260	-97,835	-95,438	-93,746	-2%	5%
Allowances for possible loan losses (FX-adjusted)	-100,985	-93,747	-7%	-95,044	-100,985	-95,280	-93,747	-2%	-1%
Deposits from customers	2,385,223	2,505,383	5%	2,067,684	2,385,223	2,380,291	2,505,383	5%	21%
Deposits from customers (FX-adjusted)	2,465,525	2,505,384	2%	2,202,971	2,465,525	2,377,303	2,505,384	5%	14%
Retail deposits	1,800,999	1,765,039	-2%	1,734,842	1,800,999	1,746,730	1,765,039	1%	2%
Retail deposits	1,583,045	1,545,895	-2%	1,537,212	1,583,045	1,537,153	1,545,895	1%	1%
MSE deposits	217,954	219,145	1%	197,630	217,954	209,577	219,145	5%	11%
Corporate deposits	664,526	740,344	11%	468,129	664,526	630,573	740,344	17%	58%
Liabilities to credit institutions	373,142	455,792	22%	319,510	373,142	410,141	455,792	11%	43%
Subordinated debt	23,438	43,955	88%	22,677	23,438	23,770	43,955	85%	94%
Total shareholders' equity	403,487	422,825	5%	365,725	403,487	406,598	422,825	4%	16%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,874,155	2,189,201	17%	1,874,155	1,932,763	2,072,926	2,189,201	6%	17%
Stage 1 loans under IFRS 9/gross customer loans	87.0%	85.6%	-1.3%p	87.0%	83.6%	84.5%	85.6%	1.2%p	-1.3%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.5%	0.0%p	0.5%	0.6%	0.5%	0.5%	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	189,630	282,781	49%	189,630	288,751	293,354	282,781	-4%	49%
Stage 2 loans under IFRS 9/gross customer loans	8.8%	11.1%	2.3%p	8.8%	12.5%	12.0%	11.1%	-0.9%p	2.3%p
Own coverage of Stage 2 loans under IFRS 9	7.8%	7.1%	-0.6%p	7.8%	7.6%	7.3%	7.1%	-0.2%p	-0.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	90,979	84,405	-7%	90,979	90,274	87,427	84,405	-3%	-7%
Stage 3 loans under IFRS 9/gross customer loans	4.2%	3.3%	-0.9%p	4.2%	3.9%	3.6%	3.3%	-0.3%p	-0.9%p
Own coverage of Stage 3 loans under IFRS 9	70.9%	74.5%	3.5%p	70.9%	72.0%	73.0%	74.5%	1.4%p	3.5%p
Provision for impairment on loan losses/average gross loans	-0.69%	-0.69%	0.00%p	-1.00%	-0.03%	-1.10%	-0.29%	0.81%p	0.71%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	2.0%	2.0%	0.0%p	2.4%	1.8%	2.3%	1.8%	-0.5%p	-0.6%p
ROE	16.1%	16.2%	0.2%p	18.8%	14.1%	18.0%	14.4%	-3.6%p	-4.4%p
Total income margin	3.89%	3.96%	0.07%p	4.12%	4.05%	3.92%	4.01%	0.09%p	-0.11%p
Net interest margin	2.85%	3.02%	0.17%p	2.96%	2.99%	3.05%	3.00%	-0.04%p	0.04%p
Operating costs / Average assets	1.9%	1.9%	0.0%p	1.9%	1.9%	1.9%	1.9%	0.0%p	0.0%p
Cost/income ratio	48.1%	47.9%	-0.2%p	46.1%	46.3%	48.5%	47.4%	-1.1%p	1.2%p
Net loans to deposits (FX-adjusted)	100%	98%	-2%p	100%	93%	99%	98%	-1%p	-2%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/EUR (closing)	371.1	395.2	6%	371.1	382.8	395.8	395.2	0%	6%
HUF/EUR (average)	382.0	388.3	2%	374.1	382.3	386.1	390.6	1%	4%

The **Croatian bank** generated more than HUF 33 billion profit after tax (+13% y-o-y) in 1H 2024, of which almost HUF 15 billion was made in 2Q 2024 (-21% q-o-q). Its half-year ROE exceeded 16%.

The improvement in the half-year profit was largely induced by the 16% total income growth. Within that, net interest income, the weight of which is more than 75%, expanded by 21% y-o-y, driven by the increase in both performing loan volumes and net interest margin. The main reason for the y-o-y margin improvement was the repricing in the assets following the ECB's interest rate hikes in 2023. However, in 2Q net interest margin shrank by 4 bps q-o-q, while net interest income could slightly rise q-o-q thanks to volume growth.

Six-month net fees and commissions rose by 14% y-o-y. The 20% q-o-q jump in the second quarter largely reflects seasonal effects: the transaction turnover increased as the tourism season began, generating higher merchant and card commission revenues.

Operating expenses rose by 15% in the January-June period. The increase in other expenses stemmed from costs related to real estates and utilities, and higher marketing expenses in the half-year. The increase in personnel expenses was partly due to base salary hike as of June 2024. The Croatian operation's half-year cost/income ratio improved by 0.2 pp, to 47.9%.

Credit risk costs remained in positive territory in the first six months, just like in the base period. In the first half-year of 2024, HUF 8.3 billion positive credit risk cost emerged; in the first quarter, releases stemmed from the revision of macroeconomic expectations; in the second quarter, the main reasons were the reclassification of major corporate exposures to lower risk category, and the repayment of Stage 3 corporate receivables. Other risk costs amounted to HUF 1.6 billion in the second quarter of 2024, in the form of provisions for legal disputes.

The loan portfolio quality improved, and the ratio of Stage 3 loans sank by 0.9 pp y-o-y, to 3.3%. This was supported by the overall improvement in the loan portfolio quality and by the partial repayment or write-off of some large corporate loans classified as Stage 3. The own provision coverage of Stage 3 loans further improved: by the end of June, it was at 74.5% (+1.4 pps q-o-q, and +3.5 pps y-o-y).

Performing (Stage 1+2) loan volumes grew by 12% y-o-y and 5% q-o-q (FX-adjusted). The growth in the retail segment was supported by the subsidized housing loan facility for first-home buyers, in a scheme resumed on 21 March 2022; its share in the retail mortgage loan disbursement represented almost 10% in 1H 2024. In addition, the 5% q-o-q increase in consumer loan volumes was also supported by the bank's improved digital value proposition.

FX-adjusted deposit volumes expanded by 14% y-o-y. Despite the better returns on alternative investment opportunities, retail deposits increased by 2% y-o-y in FX-adjusted terms. Corporate deposits jumped by more than 1.5 times y-o-y, due to higher level of the services offered and the expansion of their scope, amid intensifying market competition. The Bank's net loan/deposit ratio was stable near 100% during the first six months.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	29,638	41,228	39%	13,800	58,211	20,385	20,843	2%	51%
Adjustments (after tax)	0	0	-100%	0	0	0	0	0%	0%
Adjusted profit after tax	29,638	41,228	39%	13,800	58,211	20,385	20,843	2%	51%
Income tax	-4,546	-6,475	42%	-2,133	-9,143	-3,147	-3,328	6%	56%
Profit before income tax	34,184	47,703	40%	15,933	67,354	23,533	24,171	3%	52%
Operating profit	38,060	46,268	22%	19,760	81,177	22,332	23,936	7%	21%
Total income	62,421	72,968	17%	32,055	132,147	35,357	37,611	6%	17%
Net interest income	49,058	56,371	15%	24,927	103,730	27,722	28,649	3%	15%
Net fees and commissions	8,591	9,844	15%	4,411	18,419	4,692	5,152	10%	17%
Other net non-interest income	4,773	6,752	41%	2,717	9,998	2,942	3,810	29%	40%
Operating expenses	-24,361	-26,700	10%	-12,294	-50,970	-13,025	-13,675	5%	11%
Total provisions	-3,877	1,435		-3,827	-13,823	1,200	235		-80%
Provision for impairment on loan losses	-4,330	1,634		-4,289	-11,030	1,120	515		-54%
Other provision	453	-199		462	-2,793	81	-280		
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	2,874,794	3,090,927	8%	2,571,939	2,874,794	2,996,752	3,090,927	3%	20%
Gross customer loans	1,978,855	2,125,826	7%	1,862,133	1,978,855	2,045,559	2,125,826	4%	14%
Gross customer loans (FX-adjusted)	2,043,639	2,125,826	4%	1,983,553	2,043,639	2,043,175	2,125,826	4%	7%
Stage 1+2 customer loans (FX-adjusted)	1,984,017	2,066,462	4%	1,929,029	1,984,017	1,983,220	2,066,462	4%	7%
Retail loans	904,542	962,816	6%	894,090	904,542	926,112	962,816	4%	8%
Retail mortgage loans	427,057	446,461	5%	428,241	427,057	433,713	446,461	3%	4%
Retail consumer loans	426,295	460,318	8%	415,178	426,295	439,394	460,318	5%	11%
MSE loans	51,190	56,038	9%	50,671	51,190	53,005	56,038	6%	11%
Corporate loans	982,800	1,000,582	2%	936,016	982,800	959,028	1,000,582	4%	7%
Leasing	96,675	103,064	7%	98,923	96,675	98,080	103,064	5%	4%
Allowances for possible loan losses	-66,259	-67,002	1%	-65,493	-66,259	-66,965	-67,002	0%	2%
Allowances for possible loan losses (FX-adjusted)	-68,439	-67,002	-2%	-69,787	-68,439	-66,916	-67,002	0%	-4%
Deposits from customers	1,868,078	2,040,915	9%	1,525,397	1,868,078	1,954,168	2,040,915	4%	34%
Deposits from customers (FX-adjusted)	1,930,095	2,040,915	6%	1,626,336	1,930,095	1,953,317	2,040,915	4%	25%
Retail deposits	967,649	1,070,910	11%	865,628	967,649	1,011,659	1,070,910	6%	24%
Retail deposits	822,251	915,608	11%	734,814	822,251	862,885	915,608	6%	25%
MSE deposits	145,398	155,302	7%	130,814	145,398	148,774	155,302	4%	19%
Corporate deposits	962,446	970,005	1%	760,708	962,446	941,657	970,005	3%	28%
Liabilities to credit institutions	506,900	518,818	2%	616,370	506,900	506,064	518,818	3%	-16%
Subordinated debt	66,381	68,677	3%	45,582	66,381	69,278	68,677	-1%	51%
Total shareholders' equity	368,344	395,463	7%	330,492	368,344	401,484	395,463	-1%	20%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,586,729	1,803,380	14%	1,586,729	1,661,365	1,713,102	1,803,380	5%	14%
Stage 1 loans under IFRS 9/gross customer loans	85.2%	84.8%	-0.4%p	85.2%	84.0%	83.7%	84.8%	1.1%p	-0.4%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	0.6%	-0.4%p	1.0%	0.7%	0.6%	0.6%	0.0%p	-0.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	224,248	263,082	17%	224,248	259,780	272,474	263,082	-3%	17%
Stage 2 loans under IFRS 9/gross customer loans	12.0%	12.4%	0.3%p	12.0%	13.1%	13.3%	12.4%	-0.9%p	0.3%p
Own coverage of Stage 2 loans under IFRS 9	7.8%	6.5%	-1.4%p	7.8%	6.7%	6.6%	6.5%	-0.1%p	-1.4%p
Stage 3 loan volume under IFRS 9 (in HUF million)	51,155	59,364	16%	51,155	57,710	59,982	59,364	-1%	16%
Stage 3 loans under IFRS 9/gross customer loans	2.7%	2.8%	0.0%p	2.7%	2.9%	2.9%	2.8%	-0.1%p	0.0%p
Own coverage of Stage 3 loans under IFRS 9	62.6%	65.8%	3.3%p	62.6%	63.8%	64.5%	65.8%	1.3%p	3.3%p
Provision for impairment on loan losses/average gross loans	0.46%	-0.16%	-0.62%p	0.92%	0.57%	-0.23%	-0.10%	0.13%p	-1.02%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	2.3%	2.8%	0.5%p	2.1%	2.2%	2.8%	2.8%	0.0%p	0.7%p
ROE	17.2%	21.5%	4.3%p	16.2%	16.6%	21.3%	21.7%	0.4%p	5.5%p
Total income margin	4.82%	4.96%	0.13%p	4.92%	4.93%	4.89%	5.02%	0.14%p	0.10%p
Net interest margin	3.79%	3.83%	0.04%p	3.83%	3.87%	3.83%	3.83%	-0.01%p	0.00%p
Operating costs / Average assets	1.9%	1.8%	-0.1%p	1.9%	1.9%	1.8%	1.8%	0.0%p	-0.1%p
Cost/income ratio	39.0%	36.6%	-2.4%p	38.4%	38.6%	36.8%	36.4%	-0.5%p	-2.0%p
Net loans to deposits (FX-adjusted)	118%	101%	-17%p	118%	102%	101%	101%	0%p	-17%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/RSD (closing)	3.2	3.4	7%	3.2	3.3	3.4	3.4	0%	7%
HUF/RSD (average)	3.3	3.3	2%	3.2	3.3	3.3	3.3	1%	5%

In the first six months of 2024, the **Serbian banking group** realized more than HUF 41 billion profit after tax. The 39% y-o-y increase in the half-yearly profit predominantly stemmed from the increase in the operating profit; in addition, the improvement in operational cost efficiency also helped the y-o-y profit increase. Based on average equity and profit in the first half-year of 2024, ROE was 21.5% (+4.3 pps y-o-y).

The second-quarter profit exceeded HUF 20 billion (+2% q-o-q). Thanks to the improving trend in net interest income over the past year, and owing to positive risk costs, the bank's second-quarter ROE drew near 22%.

In the first half of the year, core banking revenues increased by 17%, thanks to the strengthening business activity. Within that, net interest income surged by 15%, which partly stemmed from the increase in performing loan (Stage 1+2) volumes, while both RSD and EUR interest rates were in uptrend until the end of last year and stagnated in the first half-year of 2024, which made its impact on the predominantly variable-interest-rate loans' interest levels, and through deposit growth.

In 2Q net interest income slightly increased (+3% q-o-q), partly because of the National Bank of Serbia's resolution of 11 September 2023, on temporary caps on interest rates. Pursuant to the resolution, banks shall impose a 4.08% temporary cap on existing variable-interest-rate housing loans amounting to less than EUR 200,000 and impose a 5.03% cap on newly disbursed fixed-interest-rate loans. Interest rates shall be frozen for 15 months, from October 2023 to the end of year 2024. The net interest margin (3.83%) remained unchanged q-o-q.

In the first six months, net fees and commissions grew by 15%; within that, there was a 10% q-o-q growth in the second quarter, largely owing to a rise in fee income related to deposits and account transactions, and to higher commission income from cards.

In 1H operating expenses increased by 10% y-o-y. Cost efficiency indicators further improved; the cost/income ratio of 36.6% (-2.4 pps y-o-y) in the first half of 2024 was one of the lowest rates among group members.

In the first half-year of 2024, credit risk costs remained in positive territory; in the first six months, HUF 1.2 billion provision was released, mainly owing to the improving macro expectations.

Loan portfolio quality was stable: the ratio of Stage 3 loans stood at 2.8% at the end of June, while their own provision coverage rose by 3.3 pps y-o-y, to 65.8%.

The performing (Stage 1+2) the loan book grew by 4% y-o-y (FX-adjusted). Mortgage loans increased by 4%, because there was strong EUR-denominated mortgage loan placement in the rising interest rate environment, owing to the interest rate cap. Party as the upper limit of the available loan amount was raised, consumer loans expanded by 5% q-o-q and 11% y-o-y (FX-adjusted), mainly driven by the growth in cash loans and car loans. Corporate loans increased by 4% y-o-y.

The Serbian operation's deposit book expanded by 25% y-o-y, to exceed HUF 2,000 billion at the end of June. This reduced the net loan to deposit ratio to 101%, from 148% in June 2022.

Based on the latest market data, the Serbian banking group's market share exceeded 17% at the end of March 2024, while its total assets rank it second, with 14% market share.

IPOTEKA BANK (UZBEKISTAN)

Performance of Ipoteka Bank (Uzbekistan):

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	-34,051	22,721	-	-34,051	-52,760	11,133	11,588	4%	-
Adjustments (after tax)	-34,051	0	-	-34,051	-37,338	0	0		
Adjusted profit after tax	-	22,721	-	-	-15,422	11,133	11,588	4%	-
Income tax	-	-6,970	-	-	-3,381	-2,464	-4,506	83%	-
Profit before income tax	-	29,692	-	-	-12,041	13,597	16,094	18%	-
Operating profit	-	39,949	-	-	40,143	21,752	18,198	-16%	-
Total income	-	61,026	-	-	66,089	31,868	29,158	-9%	-
Net interest income	-	53,272	-	-	53,006	27,466	25,807	-6%	-
Net fees and commissions	-	4,566	-	-	5,261	2,391	2,175	-9%	-
Other net non-interest income	-	3,188	-	-	7,822	2,011	1,177	-41%	-
Operating expenses	-	-21,077	-	-	-25,946	-10,116	-10,961	8%	-
Total provisions	-	-10,258	-	-	-52,184	-8,154	-2,103	-74%	-
Provision for impairment on loan losses	-	-9,548	-	-	-51,354	-6,050	-3,498	-42%	-
Other provision	-	-709	-	-	-830	-2,104	1,395		-
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	1,187,368	1,317,091	11%	1,200,975	1,187,368	1,250,454	1,317,091	5%	10%
Gross customer loans	961,533	994,060	3%	909,203	961,533	1,002,409	994,060	-1%	9%
Gross customer loans (FX-adjusted)	1,008,686	994,060	-1%	925,530	1,008,686	1,008,461	994,060	-1%	7%
Stage 1+2 customer loans (FX-adjusted)	888,563	853,270	-4%	901,015	888,563	874,248	853,270	-2%	-5%
Retail loans	748,907	687,136	-8%	653,430	748,907	677,535	687,136	1%	5%
Retail mortgage loans	365,637	390,688	7%	317,255	365,637	381,307	390,688	2%	23%
Retail consumer loans	222,587	247,679	11%	101,049	222,587	241,826	247,679	2%	145%
MSE loans	160,683	48,768	-70%	235,126	160,683	54,402	48,768	-10%	-79%
Corporate loans	139,656	166,134	19%	247,585	139,656	196,713	166,134	-16%	-33%
Allowances for possible loan losses	-96,738	-109,694	13%	-39,847	-96,738	-106,788	-109,694	3%	175%
Allowances for possible loan losses (FX-adjusted)	-101,547	-109,694	8%	-39,967	-101,547	-107,350	-109,694	2%	174%
Deposits from customers	327,161	374,026	14%	283,559	327,161	318,409	374,026	17%	32%
Deposits from customers (FX-adjusted)	343,742	374,026	9%	285,945	343,742	320,568	374,026	17%	31%
Retail deposits	249,480	188,812	-24%	104,712	249,480	152,765	188,812	24%	80%
Retail deposits	120,441	115,839	-4%	104,712	120,441	107,067	115,839	8%	11%
MSE deposits	129,038	72,972	-43%	0	129,038	45,698	72,972	60%	0%
Corporate deposits	94,262	185,214	96%	181,233	94,262	167,803	185,214	10%	2%
Liabilities to credit institutions	561,466	583,484	4%	577,882	561,466	605,289	583,484	-4%	1%
Issued securities	121,082	147,930	22%	114,492	121,082	131,854	147,930	12%	29%
Subordinated debt	12,162	12,810	5%	13,256	12,162	12,771	12,810	0%	-3%
Total shareholders' equity	145,941	175,732	20%	199,122	145,941	162,833	175,732	8%	-12%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	885,108	673,833	-24%	885,108	687,252	699,389	673,833	-4%	-24%
Stage 1 loans under IFRS 9/gross customer loans	97.3%	67.8%	-29.6%p	97.3%	71.5%	69.8%	67.8%	-2.0%p	-29.6%p
Own coverage of Stage 1 loans under IFRS 9	4.5%	2.7%	-1.8%p	4.5%	2.7%	2.7%	2.7%	0.0%p	-1.8%p
Stage 2 loan volume under IFRS 9 (in HUF million)	0	179,437	0%	0	159,931	169,402	179,437	6%	0%
Stage 2 loans under IFRS 9/gross customer loans	0.0%	18.1%	18.1%p	0.0%	16.6%	16.9%	18.1%	1.2%p	18.1%p
Own coverage of Stage 2 loans under IFRS 9	0.0%	20.6%	20.6%p	0.0%	21.6%	21.1%	20.6%	-0.5%p	20.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	24,096	140,790	484%	24,096	114,350	133,618	140,790	5%	484%
Stage 3 loans under IFRS 9/gross customer loans	2.7%	14.2%	11.5%p	2.7%	11.9%	13.3%	14.2%	0.8%p	11.5%p
Own coverage of Stage 3 loans under IFRS 9	0.0%	38.6%	38.6%p	0.0%	38.0%	38.9%	38.6%	-0.3%p	38.6%p
Provision for impairment on loan losses/average gross loans	0.00%	1.94%	1.94%p	0.00%	10.03%	2.44%	1.43%	-1.01%p	1.43%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	-	3.7%	-	-	-2.4%	3.7%	3.7%	0.0%p	-
ROE	-	28.6%	-	-	-16.3%	29.2%	28.0%	-1.3%p	-
Total income margin	-	9.92%	-	-	10.08%	10.64%	9.25%	-1.39%p	-
Net interest margin	-	8.66%	-	-	8.08%	9.17%	8.18%	-0.98%p	-
Operating costs / Average assets	-	3.4%	-	-	4.0%	3.4%	3.5%	0.1%p	-
Cost/income ratio	-	34.5%	-	-	39.3%	31.7%	37.6%	5.8%p	-
Net loans to deposits (FX-adjusted)	310%	236%	-73%p	310%	264%	281%	236%	-45%p	-73%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/1,000 UZS (closing)	29.8	29.4	-1%	29.8	28.1	29.2	29.4	1%	-1%
HUF/1,000 UZS (average)	30.9	28.6	-7%	30.0	30.1	28.6	28.6	0%	-5%

The balance sheet of Ipoteka Bank was consolidated in 2Q 2023, and its P&L was included in OTP Group's adjusted P&L starting from 3Q 2023.

According to the new methodology the P&L account was adjusted for the one-off items directly related to the acquisition; they are presented at consolidated level among the adjustment items. The balance sheet components were not adjusted for these effects.

Based on data for the second quarter of 2024, **Ipoteka Bank** is the fifth largest bank in Uzbekistan, with over 7% market share by total assets. In the second quarter of 2024, the Bank had almost 1.7 million retail customers; the number of retail customers surged by 11% since it joined the Group at the end of June 2023, and it grew by 2.5% compared to the previous quarter. Ipoteka Bank has 39 branches and employs nearly 4,500 people. The organization development and the integration of operations into the group continued in the second quarter.

In the first half-year 2024, the Bank generated HUF 23 billion profit after tax, which brought its ROE to almost 29%.

In the second quarter of 2024, Ipoteka Bank generated HUF 12 billion profit. Net interest income dropped by 6% q-o-q (or by HUF 1.7 billion), while other income fell by 41%. The main reason for the lower net interest income was a regulatory change, under which the penalty interest on loans shall rank as the last one in the order of settlement, therefore the Bank reversed penalty interests accrued from the beginning of the year for Stage 3 loans, in a lump sum in the second quarter, which reduced 2Q net interest income by HUF 0.8 billion. This accounted for almost half of the q-o-q decline in interest income. Moreover, deposit rates and deposit volumes increased q-o-q.

In the first half-year, operating costs amounted to HUF 21 billion, including HUF 11 billion in the second quarter; the 8% q-o-q increase mostly stemmed from personnel expenses. The half year cost/income ratio was 34.5%.

In the first half-year, total risk cost amounted to HUF 10 billion, including HUF 2 billion in the second quarter. In the second quarter, provisions were made mostly for Stage 2 retail and Stage 3 corporate volumes. However, what reduced loan loss provisions by HUF 8 billion in 2Q was that recoveries that have been realized since the acquisition on typically corporate loans that had been classified as Stage 3 already at the time of the acquisition, were recognized in a lump sum in the second quarter.

The ratio of Stage 3 loans rose by 0.8 pp q-o-q, to 14.2%, mostly because corporate exposures were reclassified. The own provision coverage of Stage 3 loans was at 38.6%, while the gross own coverage (the ratio of all gross receivables from customers and all related provisions) stood at 63.4%.

At the end of the second quarter of 2024, total assets amounted to HUF 1,317 billion, including HUF 853 billion worth of performing loans; the latter declined by 2% q-o-q and 5% y-o-y (FX-adjusted). Retail loan growth slowed in the second quarter, just like in the previous one (1Q 2024: +6%, 2Q: +2% q-o-q). Corporate (including MSE) performing loans dropped by 14% q-o-q, owing to reclassification into the Stage 3 segment, and to a drop in disbursements.

At the end of the quarter, the net loan/deposit ratio stood at 236%, marking more than 70 pps improvement since joining the Group. At the end of the second quarter of 2024, deposits amounted to HUF 374 billion (+17% q-o-q, +31% y-o-y, FX-adjusted). Retail deposits expanded by 10% y-o-y, and corporate ones jumped more than 40%. The 8% q-o-q increase in retail deposits was caused by the higher interest rates on deposits placed at the Bank, while the 21% q-o-q growth in corporate deposits stemmed from deposit placements by a few large corporate customers.

In the Bank's liability structure, liabilities to credit institutions made up HUF 583 billion in the bank's balance sheet.

On 25 April, the Bank successfully refinanced bonds, which was necessary because the senior unsecured bond issued in 2021 with nominal value of UZS 785 billion matured in April 2024. The new series was issued with a nominal value of UZS 1,370 billion (USD 108 million equivalent), with three-year maturity, and 20.5% annual coupon.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF million									
	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	30,353	27,190	-10%	17,733	44,908	16,140	11,050	-32%	-38%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	30,353	27,190	-10%	17,733	44,908	16,140	11,050	-32%	-38%
Income tax	-7,210	-8,467	17%	-3,590	-37,174	-4,998	-3,469	-31%	-3%
Profit before income tax	37,562	35,657	-5%	21,323	82,082	21,138	14,519	-31%	-32%
Operating profit	40,464	33,610	-17%	19,435	78,018	17,578	16,031	-9%	-18%
Total income	54,856	49,177	-10%	26,400	108,853	25,131	24,046	-4%	-9%
Net interest income	46,438	44,724	-4%	22,467	93,450	22,675	22,049	-3%	-2%
Net fees and commissions	5,893	4,338	-26%	2,697	10,837	2,181	2,158	-1%	-20%
Other net non-interest income	2,525	115	-95%	1,237	4,567	275	-160		
Operating expenses	-14,392	-15,567	8%	-6,965	-30,835	-7,552	-8,015	6%	15%
Total provisions	-2,901	2,047		1,887	4,064	3,559	-1,512		
Provision for impairment on loan losses	-602	4,303		2,685	10,654	3,568	735	-79%	-73%
Other provision	-2,300	-2,256	-2%	-798	-6,590	-9	-2,247	25797%	182%
Main components of balance sheet closing balances in HUF million									
	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	1,036,912	1,097,728	6%	973,988	1,036,912	1,087,346	1,097,728	1%	13%
Gross customer loans	393,741	421,057	7%	421,262	393,741	400,456	421,057	5%	0%
Gross customer loans (FX-adjusted)	402,383	421,057	5%	433,196	402,383	394,975	421,057	7%	-3%
Stage 1+2 customer loans (FX-adjusted)	314,642	346,415	10%	325,013	314,642	310,728	346,415	11%	7%
Retail loans	28,261	30,216	7%	31,497	28,261	28,286	30,216	7%	-4%
Retail mortgage loans	1,926	1,432	-26%	2,574	1,926	1,616	1,432	-11%	-44%
Retail consumer loans	26,263	28,719	9%	28,825	26,263	26,601	28,719	8%	0%
MSE loans	73	65	-11%	99	73	69	65	-6%	-35%
Corporate loans	201,282	222,015	10%	195,257	201,282	196,205	222,015	13%	14%
Leasing	85,099	94,184	11%	98,258	85,099	86,237	94,184	9%	-4%
Allowances for possible loan losses	-84,671	-73,403	-13%	-104,527	-84,671	-84,015	-73,403	-13%	-30%
Allowances for possible loan losses (FX-adjusted)	-87,050	-73,403	-16%	-107,804	-87,050	-83,160	-73,403	-12%	-32%
Deposits from customers	736,621	761,679	3%	691,316	736,621	763,806	761,679	0%	10%
Deposits from customers (FX-adjusted)	753,994	761,679	1%	710,484	753,994	754,802	761,679	1%	7%
Retail deposits	283,305	274,244	-3%	281,137	283,305	276,277	274,244	-1%	-2%
Retail deposits	238,260	235,956	-1%	233,176	238,260	234,741	235,956	1%	1%
MSE deposits	45,045	38,288	-15%	47,961	45,045	41,536	38,288	-8%	-20%
Corporate deposits	470,689	487,436	4%	429,347	470,689	478,525	487,436	2%	14%
Liabilities to credit institutions	91,154	102,027	12%	93,971	91,154	93,967	102,027	9%	9%
Subordinated debt	7,530	8,194	9%	7,217	7,530	8,050	8,194	2%	14%
Total shareholders' equity	157,088	185,696	18%	142,789	157,088	176,724	185,696	5%	30%
Loan Quality									
	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	189,468	266,266	41%	189,468	208,563	225,319	266,266	18%	41%
Stage 1 loans under IFRS 9/gross customer loans	45.0%	63.2%	18.3%p	45.0%	53.0%	56.3%	63.2%	7.0%p	18.3%p
Own coverage of Stage 1 loans under IFRS 9	1.9%	1.9%	-0.1%p	1.9%	1.9%	1.9%	1.9%	0.0%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	127,119	80,149	-37%	127,119	99,891	90,067	80,149	-11%	-37%
Stage 2 loans under IFRS 9/gross customer loans	30.2%	19.0%	-11.1%p	30.2%	25.4%	22.5%	19.0%	-3.5%p	-11.1%p
Own coverage of Stage 2 loans under IFRS 9	17.3%	13.7%	-3.7%p	17.3%	14.4%	13.8%	13.7%	-0.1%p	-3.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	104,674	74,642	-29%	104,674	85,287	85,070	74,642	-12%	-29%
Stage 3 loans under IFRS 9/gross customer loans	24.8%	17.7%	-7.1%p	24.8%	21.7%	21.2%	17.7%	-3.5%p	-7.1%p
Own coverage of Stage 3 loans under IFRS 9	75.3%	77.0%	1.7%p	75.3%	77.9%	79.2%	77.0%	-2.2%p	1.7%p
Provision for impairment on loan losses/average gross loans	0.26%	-2.16%	-2.42%p	-2.43%	-2.38%	-3.60%	-0.73%	2.87%p	1.70%p
Performance Indicators (adjusted)									
	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	6.1%	5.1%	-1.0%p	7.1%	4.4%	6.0%	4.1%	-1.9%p	-2.9%p
ROE	47.4%	31.4%	-16.0%p	53.2%	30.3%	38.2%	24.9%	-13.3%p	-28.4%p
Total income margin	10.99%	9.21%	-1.78%p	10.54%	10.65%	9.40%	9.02%	-0.38%p	-1.53%p
Net interest margin	9.30%	8.37%	-0.93%p	8.97%	9.14%	8.48%	8.27%	-0.21%p	-0.70%p
Operating costs / Average assets	2.9%	2.9%	0.0%p	2.8%	3.0%	2.8%	3.0%	0.2%p	0.2%p
Cost/income ratio	26.2%	31.7%	5.4%p	26.4%	28.3%	30.1%	33.3%	3.3%p	6.9%p
Net loans to deposits (FX-adjusted)	46%	46%	0%p	46%	42%	41%	46%	4%p	0%p
FX rates (in HUF)									
	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/UAH (closing)	9.3	9.1	-2%	9.3	9.1	9.4	9.1	-2%	-2%
HUF/UAH (average)	9.6	9.3	-3%	9.3	9.6	9.4	9.1	-2%	-2%

OTP Bank Ukraine generated HUF 27.2 billion profit after tax in the first half-year of 2024, including HUF 11 billion in the second quarter.

The half-year effective tax rate increased, as pursuant to a bill signed by Ukraine's President on 6 December 2023, the corporate income tax rate for banks increased to 50% for 2023, retroactively for the whole year, and to 25% from 2024. The effect of the higher corporate income tax rate for full year 2023 was recorded at the end of the year in one sum. For leasing companies, the 18% rate in force in 1H 2023 remained unchanged in 2024.

In the first half-year of 2024, operating profit declined by 17% y-o-y. Within core banking revenues, net interest income dropped by 4% y-o-y, while net interest margin eroded by 93 bps y-o-y, predominantly because of the lower interest rate paid on deposits placed at the National Bank of Ukraine. The O/N central bank deposit rate has been in downtrend since 2Q 2023: by the end of June 2024 it declined to 13%, down from 25% a year earlier. The second-quarter net interest income remained q-o-q stable in local currency terms, as the expansion in the stock of loans counterbalanced the effect of narrowing margin.

Half-year net fee and commission income declined by 26% y-o-y, owing to three factors: simultaneously with the central bank's interest rate cuts, certain fees related to corporate loans were eliminated; on the other hand, guarantee fee expenses increased due to the y-o-y expansion of corporate volumes. Furthermore, the transaction fee payable for bank card transactions went up y-o-y, because of the weakening of UAH, and because of the stronger card transaction turnover in the reporting period.

Half-year operating expenses grew by 8% y-o-y, predominantly driven by the 17% increase in personnel expenses in UAH, owing to a wage hike that exceeded the rate of inflation in 2023, while the average number of employees remained stable. In the case of other expenses, the higher marketing costs were offset by the lower level of supervisory charges and expert fees.

The half-year cost/income ratio rose by 5.4 pps y-o-y, to 31.7% by the end of June, which remained much better than the Group's similar ratio.

On the whole, the underlying loan quality trends remained favourable. As opposed to -HUF 0.6 billion in the base period, credit risk costs came in at +HUF 4.3 billion in the first half-year of 2024. Other risk costs were created mostly for the Ukrainian government bond portfolio in 2Q.

The ratio of Stage 3 loans within the portfolio dropped by 3.5 pps q-o-q and 7.1 pps y-o-y, to 17.7%; their own provision coverage hit 77.0%. In the first half-year of 2024, HUF 9.8 billion worth of non-performing loans were sold/written off (o/w 2Q: HUF 8.3 billion).

The ratio of Stage 2 loans contracted further, to 19.0%. The ratio of total provisions made up 17.0% of the total gross loan volumes at the end of June.

Amid the continued cautious and prudent lending activity, performing (Stage 1+2) loans rose by an FX-adjusted 7% y-o-y and 11% q-o-q, from a low base. In the second quarter, both corporate and leasing portfolio expanded (+13% and +9% q-o-q, respectively).

The FX-adjusted deposit book stagnated both y-o-y and q-o-q; within that, the erosion in retail deposits was offset by corporate placements. The net loan/deposit ratio stood at 46% at the end of June.

The bank's capital adequacy ratio significantly exceeded the regulatory minimum requirement during the year, reaching 30.0% at the end of June (regulatory minimum: 10.0%). Gross intragroup financing to the Ukrainian operation amounted to the equivalent of HUF 71 billion at the end of June.

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	8,692	11,258	30%	4,469	21,358	5,343	5,915	11%	32%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	8,692	11,258	30%	4,469	21,358	5,343	5,915	11%	32%
Income tax	-1,503	-1,952	30%	-783	-3,861	-904	-1,047	16%	34%
Profit before income tax	10,194	13,210	30%	5,252	25,218	6,247	6,962	11%	33%
Operating profit	10,435	13,538	30%	5,600	23,018	6,457	7,080	10%	26%
Total income	17,581	21,931	25%	9,124	38,425	10,533	11,398	8%	25%
Net interest income	13,740	17,129	25%	7,027	29,771	8,416	8,712	4%	24%
Net fees and commissions	3,488	4,430	27%	1,988	7,797	1,902	2,529	33%	27%
Other net non-interest income	354	372	5%	109	857	215	157	-27%	44%
Operating expenses	-7,146	-8,394	17%	-3,524	-15,407	-4,076	-4,317	6%	23%
Total provisions	-241	-328	36%	-349	2,200	-210	-118	-44%	-66%
Provision for impairment on loan losses	-319	289		-666	2,929	257	33	-87%	
Other provision	78	-617		317	-728	-466	-150	-68%	
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	663,676	690,662	4%	591,498	663,676	665,425	690,662	4%	17%
Gross customer loans	452,493	501,256	11%	426,871	452,493	482,029	501,256	4%	17%
Gross customer loans (FX-adjusted)	467,116	501,256	7%	454,498	467,116	481,201	501,256	4%	10%
Stage 1+2 customer loans (FX-adjusted)	447,481	482,777	8%	433,518	447,481	461,882	482,777	5%	11%
Retail loans	219,634	242,501	10%	202,649	219,634	228,312	242,501	6%	20%
Retail mortgage loans	107,455	116,418	8%	101,983	107,455	109,551	116,418	6%	14%
Retail consumer loans	106,507	119,070	12%	98,310	106,507	112,466	119,070	6%	21%
MSE loans	5,672	7,014	24%	2,356	5,672	6,295	7,014	11%	198%
Corporate loans	227,848	238,444	5%	230,869	227,848	233,401	238,444	2%	3%
Leasing	-	1,832	-	-	-	169	1,832	986%	-
Allowances for possible loan losses	-17,625	-17,888	1%	-20,534	-17,625	-18,048	-17,888	-1%	-13%
Allowances for possible loan losses (FX-adjusted)	-18,195	-17,888	-2%	-21,863	-18,195	-18,017	-17,888	-1%	-18%
Deposits from customers	520,168	526,401	1%	455,527	520,168	504,583	526,401	4%	16%
Deposits from customers (FX-adjusted)	537,293	526,401	-2%	485,173	537,293	503,828	526,401	4%	8%
Retail deposits	336,587	338,082	0%	291,651	336,587	325,438	338,082	4%	16%
Retail deposits	258,012	258,806	0%	234,340	258,012	252,550	258,806	2%	10%
MSE deposits	78,575	79,276	1%	57,311	78,575	72,888	79,276	9%	38%
Corporate deposits	200,707	188,319	-6%	193,522	200,707	178,390	188,319	6%	-3%
Liabilities to credit institutions	2,309	22,852	890%	11,922	2,309	14,275	22,852	60%	92%
Total shareholders' equity	113,004	103,998	-8%	100,444	113,004	109,732	103,998	-5%	4%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	374,708	450,153	20%	374,708	399,886	427,783	450,153	5%	20%
Stage 1 loans under IFRS 9/gross customer loans	87.8%	89.8%	2.0%p	87.8%	88.4%	88.7%	89.8%	1.1%p	2.0%p
Own coverage of Stage 1 loans under IFRS 9	1.3%	0.8%	-0.5%p	1.3%	0.8%	0.8%	0.8%	0.0%p	-0.5%p
Stage 2 loan volume under IFRS 9 (in HUF million)	32,457	32,624	1%	32,457	33,587	34,893	32,624	-7%	1%
Stage 2 loans under IFRS 9/gross customer loans	7.6%	6.5%	-1.1%p	7.6%	7.4%	7.2%	6.5%	-0.7%p	-1.1%p
Own coverage of Stage 2 loans under IFRS 9	9.1%	4.9%	-4.2%p	9.1%	5.1%	4.8%	4.9%	0.1%p	-4.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	19,705	18,479	-6%	19,705	19,020	19,353	18,479	-5%	-6%
Stage 3 loans under IFRS 9/gross customer loans	4.6%	3.7%	-0.9%p	4.6%	4.2%	4.0%	3.7%	-0.3%p	-0.9%p
Own coverage of Stage 3 loans under IFRS 9	64.9%	68.7%	3.8%p	64.9%	67.2%	67.4%	68.7%	1.3%p	3.8%p
Provision for impairment on loan losses/average gross loans	0.15%	-0.12%	-0.27%p	0.63%	-0.67%	-0.22%	-0.03%	0.20%p	-0.65%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	2.9%	3.4%	0.6%p	3.0%	3.4%	3.3%	3.5%	0.3%p	0.6%p
ROE	17.8%	20.1%	2.3%p	18.1%	20.6%	18.6%	21.7%	3.1%p	3.6%p
Total income margin	5.80%	6.66%	0.86%p	6.09%	6.11%	6.49%	6.83%	0.34%p	0.74%p
Net interest margin	4.53%	5.20%	0.67%p	4.69%	4.74%	5.19%	5.22%	0.03%p	0.53%p
Operating costs / Average assets	2.4%	2.5%	0.2%p	2.4%	2.5%	2.5%	2.6%	0.1%p	0.2%p
Cost/income ratio	40.6%	38.3%	-2.4%p	38.6%	40.1%	38.7%	37.9%	-0.8%p	-0.7%p
Net loans to deposits (FX-adjusted)	89%	92%	3%p	89%	84%	92%	92%	0%p	3%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/EUR (closing)	371.1	395.2	6%	371.1	382.8	395.8	395.2	0%	6%
HUF/EUR (average)	382.0	388.3	2%	374.1	382.3	386.1	390.6	1%	4%

The Montenegrin **CKB Group** generated HUF 11.3 billion adjusted profit after tax in the first half-year of 2024. In local currency, this is 26% more than in the same period of the previous year. Its ROE exceeded 20%. HUF 5.9 billion of the six-month profit was made in the second quarter of 2024 (+10% q-o-q; in local currency). The bank's cost efficiency is steadily improving: the cost to income ratio dropped by 0.8 pp q-o-q and by 2.4 pps y-o-y, to 38.3%.

In the first half-year of 2024, total income expanded by 22% in local currency, driven by a 22% growth in net interest income, as well as 24% jump in net fees and commissions. The improvement in net interest income was largely driven by increasing average volumes. Operating expenses amounted to HUF 8.4 billion (+15% y-o-y), while risk costs totalled HUF 0.3 billion.

In the second quarter, total income expanded by 7% q-o-q in local currency, including a 3% rise in net interest income, thus the quarterly net interest margin slightly improved, to 5.22%. Net fee and commission income grew by 32% due to a technical item. Operating expenses increased by 5% in local currency, largely driven by a 12% growth in other expenses. Risk cost level remained subdued in the second quarter.

Regarding loan quality, the ratio of Stage 3 loans sank to 3.7% (-0.3 pp q-o-q, and -0.9 pp y-o-y). The own provision coverage of Stage 3 loans stood at 68.7% at the end of the second quarter of 2024 (+1.3 pps q-o-q; +3.8 pps y-o-y).

Performing (Stage 1+2) loans rose by 5% q-o-q and 11% y-o-y (FX-adjusted). The expansion of stocks and disbursements was supported by the fact that the Bank joined the mortgage and cash loan interest rate initiative initiated by the central bank, based on which between 18 April 2024 and 31 December 2024, banks voluntarily reduce the interest rate on newly issued loans. In the case of CKB, interest rates on cash loans with a term of less than 6 years were reduced by 2pps regardless of the loan amount. In the area of mortgage lending, the Bank entered the market with a new mortgage loan product to help people under 30 buy their first home. The Bank entered the leasing market, and leasing volumes amounted to HUF 1.8 billion by end of June.

As to business activity, cash loan and corporate loan placements stagnated, while mortgage loan disbursements have nearly doubled on a quarterly basis.

The FX-adjusted deposit book expanded by 8% y-o-y, as a combined result of a 16% growth in retail deposits and a 3% contraction in corporate deposits. In quarter-on-quarter terms, the deposit book grew by 4%, as a result of a 4% increase in retail deposits, and 6% surge in corporate deposits. The net loan to deposit ratio stood at 92% at the end of the second quarter.

OTP BANK ALBANIA

Performance of OTP Bank Albania:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	7,090	9,975	41%	3,944	11,603	4,995	4,979	0%	26%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	7,090	9,975	41%	3,944	11,603	4,995	4,979	0%	26%
Income tax	-1,400	-1,879	34%	-810	-2,471	-869	-1,010	16%	25%
Profit before income tax	8,490	11,853	40%	4,754	14,073	5,864	5,990	2%	26%
Operating profit	7,349	11,036	50%	3,754	13,750	5,360	5,676	6%	51%
Total income	15,773	19,093	21%	8,096	33,123	9,308	9,784	5%	21%
Net interest income	13,226	16,359	24%	6,790	27,912	7,923	8,436	6%	24%
Net fees and commissions	1,631	1,661	2%	835	3,465	878	783	-11%	-6%
Other net non-interest income	916	1,072	17%	472	1,746	507	565	11%	20%
Operating expenses	-8,424	-8,056	-4%	-4,342	-19,373	-3,948	-4,108	4%	-5%
Total provisions	1,141	817	-28%	1,000	324	503	313	-38%	-69%
Provision for impairment on loan losses	640	317	-51%	515	108	535	-219		
Other provision	501	500	0%	484	216	-32	532		10%
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	669,765	718,645	7%	636,835	669,765	709,390	718,645	1%	13%
Gross customer loans	367,947	411,015	12%	352,289	367,947	388,278	411,015	6%	17%
Gross customer loans (FX-adjusted)	387,087	411,015	6%	385,646	387,087	394,388	411,015	4%	7%
Stage 1+2 customer loans (FX-adjusted)	363,083	386,556	6%	363,609	363,083	370,200	386,556	4%	6%
Retail loans	171,207	183,686	7%	167,942	171,207	176,834	183,686	4%	9%
Retail mortgage loans	118,883	129,178	9%	106,099	118,883	124,342	129,178	4%	22%
Retail consumer loans	24,832	27,094	9%	30,657	24,832	25,430	27,094	7%	-12%
MSE loans	27,493	27,414	0%	31,186	27,493	27,061	27,414	1%	-12%
Corporate loans	185,969	195,093	5%	190,798	185,969	187,444	195,093	4%	2%
Leasing	5,906	7,777	32%	4,869	5,906	5,922	7,777	31%	60%
Allowances for possible loan losses	-17,690	-18,880	7%	-15,065	-17,690	-17,413	-18,880	8%	25%
Allowances for possible loan losses (FX-adjusted)	-18,629	-18,880	1%	-16,564	-18,629	-17,692	-18,880	7%	14%
Deposits from customers	547,854	570,187	4%	497,763	547,854	570,971	570,187	0%	15%
Deposits from customers (FX-adjusted)	575,800	570,187	-1%	545,794	575,800	578,962	570,187	-2%	4%
Retail deposits	494,663	502,709	2%	477,181	494,663	496,368	502,709	1%	5%
Retail deposits	455,322	463,753	2%	438,674	455,322	456,666	463,753	2%	6%
MSE deposits	39,341	38,956	-1%	38,507	39,341	39,702	38,956	-2%	1%
Corporate deposits	81,137	67,478	-17%	68,612	81,137	82,594	67,478	-18%	-2%
Liabilities to credit institutions	8,138	18,581	128%	33,328	8,138	10,151	18,581	83%	-44%
Subordinated debt	2,861	2,954	3%	0	2,861	2,974	2,954	-1%	0%
Total shareholders' equity	81,102	96,214	19%	72,608	81,102	89,232	96,214	8%	33%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	300,650	347,316	16%	300,640	312,494	336,042	347,316	3%	16%
Stage 1 loans under IFRS 9/gross customer loans	85.3%	84.5%	-0.8%p	85.3%	84.9%	86.5%	84.5%	-2.0%p	-0.8%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.9%	0.1%p	0.8%	0.9%	0.9%	0.9%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	31,665	39,240	24%	31,671	32,677	28,456	39,240	38%	24%
Stage 2 loans under IFRS 9/gross customer loans	9.0%	9.5%	0.6%p	9.0%	8.9%	7.3%	9.5%	2.2%p	0.6%p
Own coverage of Stage 2 loans under IFRS 9	7.6%	7.9%	0.3%p	7.6%	8.2%	7.8%	7.9%	0.1%p	0.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	19,974	24,459	22%	19,977	22,776	23,780	24,459	3%	22%
Stage 3 loans under IFRS 9/gross customer loans	5.7%	6.0%	0.3%p	5.7%	6.2%	6.1%	6.0%	-0.2%p	0.3%p
Own coverage of Stage 3 loans under IFRS 9	51.1%	51.5%	0.4%p	51.1%	53.3%	51.0%	51.5%	0.5%p	0.4%p
Provision for impairment on loan losses/average gross loans	-0.37%	-0.17%	0.20%p	-0.60%	-0.03%	-0.58%	0.22%	0.80%p	0.82%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	2.3%	2.8%	0.5%p	2.5%	1.8%	2.9%	2.8%	-0.1%p	0.3%p
ROE	22.4%	22.5%	0.1%p	23.4%	16.3%	23.7%	21.5%	-2.3%p	-2.0%p
Total income margin	5.13%	5.45%	0.32%p	5.21%	5.15%	5.38%	5.51%	0.13%p	0.30%p
Net interest margin	4.30%	4.67%	0.37%p	4.37%	4.34%	4.58%	4.75%	0.17%p	0.38%p
Operating costs / Average assets	2.7%	2.3%	-0.4%p	2.8%	3.0%	2.3%	2.3%	0.0%p	-0.5%p
Cost/income ratio	53.4%	42.2%	-11.2%p	53.6%	58.5%	42.4%	42.0%	-0.4%p	-11.6%p
Net loans to deposits (FX-adjusted)	68%	69%	1%p	68%	64%	65%	69%	4%p	1%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/ALL (closing)	3.5	3.9	13%	3.5	3.7	3.8	3.9	3%	13%
HUF/ALL (average)	3.4	3.8	13%	3.4	3.5	3.7	3.9	4%	15%

In the first half-year of 2024, **OTP Bank Albania** generated HUF 10 billion profit after tax (+24% y-o-y in local currency), which brought its ROE to 22.5%. In 2Q 2024, profit after tax was HUF 5 billion.

Based on the latest data, the bank's market share by total assets exceeded 9%, which ranks it the fifth largest bank in the country. At the end of the quarter, the number of branches was 50, which represents a decrease of 23 units since the acquisition of the newly acquired bank, while the number of employees was 700, which is a 12% decrease since the acquisition. The Bank's cost efficiency improved from the same period of last year, the cost to income ratio dropped by 11.2 pps, to 42.2%.

In the first half-year of 2024, total income grew by 7% in local currency, thanks to a 9% increase in net interest income, and 15% decrease in operating expenses. The stronger interest income benefited from a y-o-y growth in volumes and disbursements, while the decline in costs is mainly the result of lower IT expenses, within other expenses.

In q-o-q comparison, operating profit rose by 2% in local currency, driven by a 1% increase in total income, and a stagnant operating expense. The 17 bps q-o-q improvement in second-quarter net interest margin helped net interest income grow by 3% q-o-q in local currency, while other income surged by 7%. Meanwhile, net fees and commissions decreased by 14%, as bank card-related fees grew owing to seasonality.

In the first half-year of 2024, the amount of risk costs was positive, HUF 0.8 billion. This was mainly caused by the recovery resulting from the sale of assets repossessed by the bank, in the second quarter, and by the release of a provision, which had been reduced due to the improvement in the credit quality of a corporate customer, in the first quarter.

The ratio of Stage 2 loans rose by 2.2 pps q-o-q, while the ratio of Stage 3 loans declined by 0.2 pp.

Overall, the FX-adjusted stock of performing (Stage 1+2) loans increased by 4% in the second quarter of 2024, as retail and corporate loans grew by 4% each.

The FX-adjusted volume of deposits from customers dropped by 2% q-o-q, as corporate deposits fell by 18%, while retail deposits remained stable.

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	8,581	5,509	-36%	4,084	14,624	2,520	2,989	19%	-27%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	8,581	5,509	-36%	4,084	14,624	2,520	2,989	19%	-27%
Income tax	-1,176	-787	-33%	-570	-2,047	-321	-465	45%	-18%
Profit before income tax	9,757	6,296	-35%	4,654	16,671	2,841	3,454	22%	-26%
Operating profit	7,917	5,840	-26%	2,968	13,352	2,854	2,986	5%	1%
Total income	13,458	12,286	-9%	5,705	25,275	6,036	6,250	4%	10%
Net interest income	9,960	7,686	-23%	4,181	16,349	3,684	4,003	9%	-4%
Net fees and commissions	1,113	1,153	4%	508	2,389	566	587	4%	16%
Other net non-interest income	2,385	3,447	44%	1,017	6,537	1,786	1,660	-7%	63%
Operating expenses	-5,541	-6,446	16%	-2,738	-11,923	-3,181	-3,265	3%	19%
Total provisions	1,840	455	-75%	1,686	3,319	-13	468		-72%
Provision for impairment on loan losses	1,496	674	-55%	1,053	3,106	87	588		-44%
Other provision	344	-219		633	213	-99	-119	20%	
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	428,192	423,196	-1%	352,452	428,192	420,136	423,196	1%	20%
Gross customer loans	150,228	156,820	4%	148,555	150,228	154,654	156,820	1%	6%
Gross customer loans (FX-adjusted)	155,574	156,820	1%	161,395	155,574	153,563	156,820	2%	-3%
Stage 1+2 customer loans (FX-adjusted)	149,500	151,106	1%	155,984	149,500	147,774	151,106	2%	-3%
Retail loans	69,957	72,296	3%	75,115	69,957	68,423	72,296	6%	-4%
Retail mortgage loans	38,444	36,873	-4%	41,070	38,444	37,135	36,873	-1%	-10%
Retail consumer loans	21,635	25,261	17%	23,281	21,635	21,997	25,261	15%	9%
MSE loans	9,878	10,162	3%	10,764	9,878	9,291	10,162	9%	-6%
Corporate loans	74,891	74,311	-1%	76,059	74,891	75,179	74,311	-1%	-2%
Leasing	4,652	4,500	-3%	4,810	4,652	4,172	4,500	8%	-6%
Allowances for possible loan losses	-7,122	-6,498	-9%	-8,700	-7,122	-7,205	-6,498	-10%	-25%
Allowances for possible loan losses (FX-adjusted)	-7,381	-6,498	-12%	-9,463	-7,381	-7,153	-6,498	-9%	-31%
Deposits from customers	332,062	325,989	-2%	265,168	332,062	318,065	325,989	2%	23%
Deposits from customers (FX-adjusted)	344,851	325,989	-5%	288,186	344,851	316,336	325,989	3%	13%
Retail deposits	212,476	193,325	-9%	196,685	212,476	194,907	193,325	-1%	-2%
Retail deposits	174,682	158,762	-9%	166,162	174,682	159,967	158,762	-1%	-4%
MSE deposits	37,794	34,563	-9%	30,523	37,794	34,940	34,563	-1%	13%
Corporate deposits	132,375	132,664	0%	91,501	132,375	121,429	132,664	9%	45%
Liabilities to credit institutions	27,489	22,449	-18%	27,529	27,489	27,102	22,449	-17%	-18%
Total shareholders' equity	63,353	60,846	-4%	53,905	63,353	68,868	60,846	-12%	13%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	122,468	135,391	11%	122,468	127,607	131,993	135,391	3%	11%
Stage 1 loans under IFRS 9/gross customer loans	82.4%	86.3%	3.9%p	82.4%	84.9%	85.3%	86.3%	1.0%p	3.9%p
Own coverage of Stage 1 loans under IFRS 9	1.8%	1.3%	-0.5%p	1.8%	1.3%	1.3%	1.3%	0.0%p	-0.5%p
Stage 2 loan volume under IFRS 9 (in HUF million)	21,112	15,715	-26%	21,112	16,760	16,830	15,715	-7%	-26%
Stage 2 loans under IFRS 9/gross customer loans	14.2%	10.0%	-4.2%p	14.2%	11.2%	10.9%	10.0%	-0.9%p	-4.2%p
Own coverage of Stage 2 loans under IFRS 9	14.9%	11.4%	-3.5%p	14.9%	11.7%	11.6%	11.4%	-0.2%p	-3.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	4,975	5,714	15%	4,975	5,861	5,830	5,714	-2%	15%
Stage 3 loans under IFRS 9/gross customer loans	3.3%	3.6%	0.3%p	3.3%	3.9%	3.8%	3.6%	-0.1%p	0.3%p
Own coverage of Stage 3 loans under IFRS 9	66.7%	51.2%	-15.6%p	66.7%	60.1%	61.1%	51.2%	-10.0%p	-15.6%p
Provision for impairment on loan losses/average gross loans	-1.89%	-0.89%	1.00%p	-2.72%	-2.01%	-0.23%	-1.52%	-1.29%p	1.20%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	4.9%	2.6%	-2.2%p	4.6%	3.9%	2.4%	2.9%	0.5%p	-1.7%p
ROE	31.0%	16.6%	-14.4%p	28.7%	25.3%	15.4%	17.7%	2.3%p	-11.0%p
Total income margin	7.61%	5.85%	-1.76%p	6.39%	6.73%	5.72%	5.99%	0.27%p	-0.40%p
Net interest margin	5.63%	3.66%	-1.97%p	4.68%	4.35%	3.49%	3.84%	0.35%p	-0.85%p
Operating costs / Average assets	3.1%	3.1%	-0.1%p	3.1%	3.2%	3.0%	3.1%	0.1%p	0.1%p
Cost/income ratio	41.2%	52.5%	11.3%p	48.0%	47.2%	52.7%	52.2%	-0.5%p	4.2%p
Net loans to deposits (FX-adjusted)	53%	46%	-7%p	53%	43%	46%	46%	0%p	-7%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/MDL (closing)	18.7	20.6	10%	18.7	19.9	20.8	20.6	-1%	10%
HUF/MDL (average)	19.2	20.3	6%	19.1	19.5	20.1	20.5	2%	7%

In the first half-year of 2024, **OTP Bank Moldova** generated HUF 5.5 billion profit after tax, of which HUF 3 billion realized in the second quarter (+17% q-o-q in local currency). The first half-year ROE was at 16.6%.

In the first six months of 2024 total income amounted to HUF 12.3 billion (-14% y-o-y in local currency), driven by HUF 7.7 billion net interest income (-27% y-o-y), HUF 1.1 billion net fees and commissions (-2% y-o-y), and HUF 3.4 billion other income (+36% y-o-y). The y-o-y drop in net interest income was largely influenced by the decreasing interest rate environment (1H 2023 average base rate: 12% vs. 1H 2024: 4%). This is also the main reason for the 1.97 pps decline in half-year net interest margin.

In q-o-q comparison, total income expanded by 4%, as a combined result of a 9% increase in net interest income, a 4% rise in net fees and commissions, and a 7% drop in other income. The main reason for the improvement in net interest income was the maturity of term deposits that had been fixed at higher interest rates; this has significantly reduced interest expenses. At the same time, the falling interest rates boosted demand for consumer loans, which also had a positive effect on net interest income. The decline in other income was caused by the drop in currency conversion income in the second quarter.

In the first six months, operating expenses increased by 16% y-o-y in HUF, and by 10% in local currency, predominantly because of growing wages, and within other expenses, owing to the higher experts fees and IT costs.

In the first half-year, positive risk costs amounted to HUF 0.5 billion, which occurred almost entirely in the second quarter, mainly in the corporate segment, in accordance with the favourable changes in market conditions and with the improvement in companies' ability to pay.

The ratio of Stage 3 loans sank to 3.6% (-0.1 pp q-o-q), and their own provision coverage dropped to 51%. The 15.6 pps y-o-y decline in coverage stemmed from the release of the provisions following the full revision of the Stage 3 loan book, which also shaped the development of the risk cost in the second quarter.

Overall, the FX-adjusted stock of performing (Stage 1+2) loans grew by 2% compared to the previous quarter, as retail loans increased by 6%, and leasing volume expanded by 8%, while corporate loans stagnated. Retail loans' growth largely stemmed from a significant increase in consumer loan disbursements.

In the second quarter, the FX-adjusted deposit book grew by 3%, largely driven by a 9% surge in corporate deposit volumes, while retail deposits were stable.

Liabilities to credit institutions fell by 17% q-o-q, owing to the favourable liquidity position. The net loan/deposit ratio stood at 46%.

OTP BANK RUSSIA

Performance of OTP Bank Russia

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	51,306	57,179	11%	33,347	95,674	29,366	27,813	-5%	-17%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	51,306	57,179	11%	33,347	95,674	29,366	27,813	-5%	-17%
Income tax	-14,091	-29,442	109%	-8,684	-34,506	-10,158	-19,285	90%	122%
Profit before income tax	65,396	86,622	32%	42,032	130,180	39,524	47,098	19%	12%
Operating profit	68,852	101,836	48%	40,835	149,307	46,328	55,508	20%	36%
Total income	106,532	143,195	34%	57,936	223,654	65,766	77,429	18%	34%
Net interest income	59,774	82,653	38%	29,535	122,084	40,458	42,194	4%	43%
Net fees and commissions	18,980	23,600	24%	10,002	40,831	9,764	13,835	42%	38%
Other net non-interest income	27,777	36,942	33%	18,399	60,739	15,543	21,399	38%	16%
Operating expenses	-37,680	-41,359	10%	-17,101	-74,347	-19,438	-21,921	13%	28%
Total provisions	-3,456	-15,214	340%	1,196	-19,126	-6,804	-8,410	24%	
Provision for impairment on loan losses	-1,424	-15,016	955%	1,136	-16,278	-4,450	-10,566	137%	
Other provision	-2,032	-198	-90%	61	-2,848	-2,354	2,156		
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	1,470,796	2,042,270	39%	1,127,788	1,470,796	1,736,346	2,042,270	18%	81%
Gross customer loans	721,212	948,584	32%	622,811	721,212	777,543	948,584	22%	52%
Gross customer loans (FX-adjusted)	801,285	948,584	18%	684,967	801,285	837,727	948,584	13%	38%
Stage 1+2 customer loans (FX-adjusted)	693,591	844,039	22%	576,958	693,591	736,573	844,039	15%	46%
Retail loans	674,502	827,690	23%	556,535	674,502	719,637	827,690	15%	49%
Retail mortgage loans	1,305	1,158	-11%	1,640	1,305	1,229	1,158	-6%	-29%
Retail consumer loans	673,186	826,497	23%	554,829	673,186	718,357	826,497	15%	49%
MSE loans	11	35	219%	66	11	51	35	-31%	-47%
Corporate loans	19,088	16,349	-14%	20,423	19,088	16,936	16,349	-3%	-20%
Allowances for possible loan losses	-133,255	-151,821	14%	-129,642	-133,255	-133,486	-151,821	14%	17%
Allowances for possible loan losses (FX-adjusted)	-147,891	-151,821	3%	-142,540	-147,891	-143,588	-151,821	6%	7%
Deposits from customers	1,101,084	1,557,858	41%	749,532	1,101,084	1,286,419	1,557,858	21%	108%
Deposits from customers (FX-adjusted)	1,210,781	1,557,858	29%	820,560	1,210,781	1,368,762	1,557,858	14%	90%
Retail deposits	444,277	477,885	8%	355,620	444,277	448,471	477,885	7%	34%
Retail deposits	314,187	312,172	-1%	258,596	314,187	299,984	312,172	4%	21%
MSE deposits	130,091	165,713	27%	97,025	130,091	148,487	165,713	12%	71%
Corporate deposits	766,504	1,079,973	41%	464,940	766,504	920,291	1,079,973	17%	132%
Liabilities to credit institutions	19,063	73,158	284%	33,437	19,063	30,540	73,158	140%	119%
Issued securities	0	0		44	0	0	0		-100%
Subordinated debt	8,071	8,412	4%	7,751	8,071	8,377	8,412	0%	9%
Total shareholders' equity	274,516	318,697	16%	278,369	274,516	316,466	318,697	1%	14%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	416,134	707,645	70%	416,134	510,129	568,429	707,645	24%	70%
Stage 1 loans under IFRS 9/gross customer loans	66.8%	74.6%	7.8%p	66.8%	70.7%	73.1%	74.6%	1.5%p	7.8%p
Own coverage of Stage 1 loans under IFRS 9	3.0%	2.9%	-0.1%p	3.0%	3.0%	2.9%	2.9%	0.0%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	108,407	136,394	26%	108,407	114,001	114,981	136,394	19%	26%
Stage 2 loans under IFRS 9/gross customer loans	17.4%	14.4%	-3.0%p	17.4%	15.8%	14.8%	14.4%	-0.4%p	-3.0%p
Own coverage of Stage 2 loans under IFRS 9	23.2%	23.2%	0.0%p	23.2%	22.7%	23.8%	23.2%	-0.5%p	0.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	98,270	104,546	6%	98,270	97,082	94,133	104,546	11%	6%
Stage 3 loans under IFRS 9/gross customer loans	15.8%	11.0%	-4.8%p	15.8%	13.5%	12.1%	11.0%	-1.1%p	-4.8%p
Own coverage of Stage 3 loans under IFRS 9	93.6%	95.1%	1.5%p	93.6%	95.0%	95.0%	95.1%	0.1%p	1.5%p
Provision for impairment on loan losses/average gross loans	0.4%	3.8%	3.4%p	-0.7%	2.4%	2.4%	5.1%	2.7%p	5.8%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	9.7%	6.7%	-2.9%p	12.1%	8.0%	7.3%	6.3%	-1.0%p	-5.8%p
ROE	35.7%	38.2%	2.5%p	47.9%	33.9%	39.7%	36.7%	-3.0%p	-11.2%p
Total income margin	20.10%	16.89%	-3.21%p	20.99%	18.69%	16.24%	17.50%	1.26%p	-3.49%p
Net interest margin	11.28%	9.75%	-1.53%p	10.70%	10.20%	9.99%	9.53%	-0.45%p	-1.16%p
Operating costs / Average assets	7.1%	4.9%	-2.2%p	6.2%	6.2%	4.8%	5.0%	0.2%p	-1.2%p
Cost/income ratio	35.4%	28.9%	-6.5%p	29.5%	33.2%	29.6%	28.3%	-1.2%p	-1.2%p
Net loans to deposits (FX-adjusted)	66%	51%	-15%p	66%	54%	51%	51%	0%p	-15%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/RUB (closing)	3.9	4.3	10%	3.9	3.9	4.0	4.3	8%	10%
HUF/RUB (average)	4.7	3.9	-15%	4.3	4.2	3.9	4.0	1%	-7%

OTP Bank Russia's HUF 27.8 billion second quarter profit after tax shrank by 5% q-o-q and 17% y-o-y: higher risk costs and the tax burden on dividend payment eroded profit.

In the second quarter of 2024, Russia's central bank allowed further dividend payment for OTP's Russian subsidiary; the approved amount made up RUB 13.6 billion in the first half year of 2024.

In the second quarter net interest income grew by 2% q-o-q in RUB terms. The interest margin narrowed by 116 bps y-o-y, despite the higher interest rate environment (benchmark rate was 7.5% at the beginning of 2023, it increased to 16% in the reporting period, and the central bank raised it to 18% on 26 July 2024).

In the first half-year, net fees and commissions grew by 24% y-o-y, mostly driven by an increase in income from account maintenance and transaction fees owing to the growing deposit stock.

Inflation put pressure on operating expenses, resulting in 27% y-o-y rise in the first half-year in RUB terms. Since the start of the war, the number of Russian branches fell by 39%, and the number of employees dropped by 27%. The bank's cost/income ratio was 28% in the second quarter.

The underlying loan quality trends remained favourable: Stage 3 loans ratio declined by 1.1 pps, to 11.0%, and their own coverage ratio improved by +0.1 pp q-o-q. In the second quarter, total risk cost grew by 21% q-o-q, in accordance with loan growth.

FX-adjusted (Stage 1+2) performing retail consumer loans grew by 15% in the second quarter, mainly driven by higher car loan and cash loan volumes. Meanwhile, performing corporate loans kept on shrinking (-3% q-o-q); thus they fell by a total of 87% compared to the pre-war level at the end of 2021.

The Bank's net loan/deposit ratio sank to 51%.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF million	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Profit after tax	13,955	2,050	-85%	12,701	20,120	143	1,907		-85%
Adjustments (after tax)	0	0		0	0	0	0		
Adjusted profit after tax	13,955	2,050	-85%	12,701	20,120	143	1,907		-85%
Income tax	-2,450	-2,630	7%	-2,165	-3,559	-1,052	-1,578	50%	-27%
Profit before income tax	16,406	4,680	-71%	14,866	23,679	1,194	3,485		-77%
Operating profit	9,306	9,589	3%	5,495	20,994	3,497	6,092	74%	11%
Total income	32,855	33,866	3%	15,849	68,635	17,110	16,756	-2%	6%
Net interest income	33,639	27,046	-20%	17,175	53,865	13,840	13,206	-5%	-23%
Net fees and commissions	2,774	3,071	11%	1,054	5,019	1,519	1,552	2%	47%
Other net non-interest income	-3,559	3,749		-2,379	9,751	1,751	1,998	14%	
Operating expenses	-23,549	-24,277	3%	-10,355	-47,641	-13,613	-10,664	-22%	3%
Total provisions	7,100	-4,909		9,371	2,685	-2,302	-2,607	13%	
Provision for impairment on loan losses	7,532	-4,714		9,459	2,771	-2,384	-2,329	-2%	
Other provision	-431	-196	-55%	-88	-86	82	-278		
Main components of balance sheet closing balances in HUF million	2023	1H 2024	YTD	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total assets	1,600,237	1,586,645	-1%	1,536,871	1,600,237	1,645,448	1,586,645	-4%	3%
Gross customer loans	1,136,507	1,127,319	-1%	1,118,022	1,136,507	1,147,918	1,127,319	-2%	1%
Gross customer loans (FX-adjusted)	1,172,406	1,127,319	-4%	1,188,447	1,172,406	1,145,553	1,127,319	-2%	-5%
Stage 1+2 customer loans (FX-adjusted)	1,110,060	1,060,945	-4%	1,126,647	1,110,060	1,080,730	1,060,945	-2%	-6%
Retail loans	500,075	486,535	-3%	520,619	500,075	490,496	486,535	-1%	-7%
Retail mortgage loans	392,037	385,039	-2%	414,193	392,037	385,595	385,039	0%	-7%
Retail consumer loans	85,825	80,946	-6%	84,180	85,825	83,398	80,946	-3%	-4%
MSE loans	22,213	20,549	-7%	22,246	22,213	21,504	20,549	-4%	-8%
Corporate loans	541,799	508,486	-6%	539,238	541,799	525,809	508,486	-3%	-6%
Leasing	68,186	65,924	-3%	66,789	68,186	64,426	65,924	2%	-1%
Allowances for possible loan losses	-55,856	-60,587	8%	-53,377	-55,856	-59,377	-60,587	2%	14%
Allowances for possible loan losses (FX-adjusted)	-57,513	-60,587	5%	-56,776	-57,513	-59,286	-60,587	2%	7%
Deposits from customers	1,100,016	1,069,391	-3%	926,339	1,100,016	1,117,593	1,069,391	-4%	15%
Deposits from customers (FX-adjusted)	1,135,720	1,069,391	-6%	983,543	1,135,720	1,115,303	1,069,391	-4%	9%
Retail deposits	684,627	710,538	4%	604,557	684,627	711,480	710,538	0%	18%
Retail deposits	587,066	611,036	4%	518,504	587,066	613,287	611,036	0%	18%
MSE deposits	97,561	99,502	2%	86,053	97,561	98,192	99,502	1%	16%
Corporate deposits	451,094	358,853	-20%	378,987	451,094	403,823	358,853	-11%	-5%
Liabilities to credit institutions	261,740	275,321	5%	373,727	261,740	287,310	275,321	-4%	-26%
Total shareholders' equity	192,650	200,969	4%	181,812	192,650	199,724	200,969	1%	11%
Loan Quality	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	904,986	889,612	-2%	904,986	919,683	903,638	889,612	-2%	-2%
Stage 1 loans under IFRS 9/gross customer loans	80.9%	78.9%	-2.0%p	80.9%	80.9%	78.7%	78.9%	0.2%p	-2.0%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.1%	0.0%p	1.1%	1.2%	1.2%	1.1%	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	154,927	171,333	11%	154,927	156,276	179,357	171,333	-4%	11%
Stage 2 loans under IFRS 9/gross customer loans	13.9%	15.2%	1.3%p	13.9%	13.8%	15.6%	15.2%	-0.4%p	1.3%p
Own coverage of Stage 2 loans under IFRS 9	8.6%	8.5%	-0.1%p	8.6%	8.5%	8.3%	8.5%	0.2%p	-0.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	58,109	66,374	14%	58,109	60,549	64,922	66,374	2%	14%
Stage 3 loans under IFRS 9/gross customer loans	5.2%	5.9%	0.7%p	5.2%	5.3%	5.7%	5.9%	0.2%p	0.7%p
Own coverage of Stage 3 loans under IFRS 9	51.9%	54.2%	2.3%p	51.9%	51.9%	52.3%	54.2%	1.9%p	2.3%p
Provision for impairment on loan losses/average gross loans	-1.33%	0.84%	2.17%p	-3.40%	-0.24%	0.84%	0.84%	0.00%p	4.24%p
Performance Indicators (adjusted)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
ROA	1.8%	0.3%	-1.5%p	3.3%	1.3%	0.0%	0.5%	0.4%p	-2.8%p
ROE	16.1%	2.1%	-14.0%p	29.1%	11.0%	0.3%	3.9%	3.6%p	-25.3%p
Total income margin	4.16%	4.18%	0.02%p	4.13%	4.29%	4.18%	4.17%	-0.01%p	0.04%p
Net interest margin	4.26%	3.34%	-0.92%p	4.47%	3.36%	3.38%	3.29%	-0.09%p	-1.18%p
Operating costs / Average assets	3.0%	3.0%	0.0%p	2.7%	3.0%	3.3%	2.7%	-0.7%p	0.0%p
Cost/income ratio	71.7%	71.7%	0.0%p	65.3%	69.4%	79.6%	63.6%	-15.9%p	-1.7%p
Net loans to deposits (FX-adjusted)	115%	100%	-15%p	115%	98%	97%	100%	2%p	-15%p
FX rates (in HUF)	1H 2023	1H 2024	Y-o-Y	2Q 2023	2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
HUF/RON (closing)	74.8	79.4	6%	74.8	77.0	79.6	79.4	0%	6%
HUF/RON (average)	77.5	78.1	1%	75.7	77.3	77.6	78.5	1%	4%

On 9 February 2024 OTP Bank Plc. concluded a share sale and purchase agreement to sell its directly and indirectly owned 100% shareholding in OTP Bank Romania S.A. to Banca Transilvania S.A.. OTP Group is also selling its 100% shareholdings in OTP Leasing Romania IFN S.A. and OTP Asset Management S.A.I. S.A. under the transaction.

On 30 July 2024, the transaction has been financially closed, as a result of which the directly and indirectly owned 100% shareholding in its Romanian subsidiary, OTP Bank Romania S.A. has become the property of Banca Transilvania S.A.. OTP Group also sold its 100% shareholding in OTP Leasing Romania IFN S.A. to Banca Transilvania Group under the transaction. The closing of the purchase process of OTP Asset Management S.A.I. S.A. may take place later, subject to receiving the relevant authority's approval.

OTP Bank Romania generated HUF 2 billion profit after tax in the first six months of 2024. The reason for the q-o-q improvement in second-quarter profit was the lower operating expenses (-22% q-o-q), while total income shrank (-2% q-o-q).

In the first half-year, total income amounted to HUF 34 billion, which translates into 2% expansion in local currency, compared to the same period of last year. Interest income declined by 20% y-o-y, as a result of the volume erosion in recent quarters. Net fees and commissions improved by 10%, while other income became positive again, unlike in the first half-year of the previous year.

In q-o-q terms, total income declined by 2%, largely because interest income dropped by 5%, but other income grew by 14%, while fee income was stable. The decrease in interest income can be attributed to further shrinking loan portfolios in the second quarter, mostly in cash loans and in the large corporate segment. The declining trend in net interest margin persisted: it sank by 9 bps q-o-q, to 3.29%.

Looking at the first half of the year, expenses rose by 2% in local currency. The 2Q operating cost level in HUF decreased by 22% q-o-q, as the HUF 1.6 billion annual fee to be paid to the deposit insurance and resolution fund was booked in one amount in 1Q, which was corrected by HUF 0.8 billion in the second quarter. The drop in personnel costs partly stemmed from the base effect and in part from the decreasing number of employees.

The half-year credit risk cost rate was 84 bps.

As to loan quality, the ratio of Stage 3 loans rose by 20 bps q-o-q, to 5.9%, as some major corporate customers' credit quality deteriorated; meanwhile the own provision coverage of Stage 3 loans increased by 1.9 pps, to 54.2%.

Regarding business activity, disbursements in the corporate segment dropped q-o-q, but the placement of cash and mortgage loans was in uptrend: they expanded by 34% and 23% q-o-q, respectively. The performing loan volume dropped by 2% q-o-q (FX-adjusted) in the second quarter.

The stock of deposits from customers shrank by 4% q-o-q in the second quarter of 2024, but the y-o-y growth rate hit 9%. Retail deposit volumes stagnated q-o-q, while corporate deposits shrank by 11% during the quarter. In y-o-y terms, the retail deposit book grew by 18%, while the corporate one contracted by 5%.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2023				30/06/2024			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	342	1,877	156,757	11,257	340	1,907	166,284	11,157
DSK Group (Bulgaria)	302	979	17,494	5,104	284	966	17,899	5,121
OTP Bank Slovenia	114	436	15,459	2,355	108	431	15,136	2,382
OBH (Croatia)	107	438	10,889	2,400	105	445	11,484	2,419
OTP Bank Serbia	156	275	20,108	2,676	155	277	18,601	2,665
Ipoteka Bank (Uzbekistan)	39	682	232	4,444	39	775	48,814	4,504
OTP Bank Ukraine (w/o employed agents)	71	165	190	2,074	71	177	348	2,104
CKB Group (Montenegro)	28	114	8,323	503	26	113	8,631	516
OTP Bank Albania	50	129	988	719	50	104	1,403	690
OTP Bank Moldova	53	154	0	867	52	157	0	859
OTP Bank Russia (w/o employed agents)	82	165	278	4,587	82	149	104	4,685
OTP Bank Romania	95	157	13,848	1,780	94	157	15,779	1,668
Foreign subsidiaries, total	1,097	3,694	87,809	27,509	1,066	3,751	138,199	27,614
Other Hungarian and foreign subsidiaries				640				759
OTP Group (w/o employed agents)				39,407				39,530
OTP Bank Russia - employed agents				2,018				1,699
OTP Bank Ukraine - employed agents				123				98
OTP Group (aggregated)	1,439	5,571	244,566	41,547	1,406	5,658	304,483	41,328

Definition of headcount number: closing, active FTE (full-time employee). The employee is considered as full-time employee in case his/her employment conditions regarding working hours are in line with a full-time employment defined in the Labour Code in the reporting entity's country. Part-time employees are taken into account proportional to the full-time working hours being effective in the reporting entity's country.

PERSONAL AND ORGANIZATIONAL CHANGES

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

ASSET-LIABILITY MANAGEMENT

Similar to previous periods OTP Group continues to have significant liquidity reserves...

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

Refinancing sources of the European Central Bank are available for OTP, ECB repo eligible securities portfolio on Group level approached EUR 7 billion.

Total liquidity reserves of OTP Bank remained steadily and substantially above the safety level. As at 30 June 2023 the gross liquidity buffer was around EUR 10.7 billion equivalent. The level of these buffers is significantly higher than the maturing debt within one year and the reserves required to manage possible liquidity shocks.

As at 30 June 2023 OTP Group's consolidated liquidity coverage ratio (LCR) was 237% (4Q 2023: 246%), while NSFR compliance remained comfortable, too (2Q 2024 preliminary data: 152%). For both ratios the regulatory minimum requirement is 100%.

The volume of issued securities increased on a consolidated basis by 23% in 1H 2024 compared to end 2023. The increase was mainly driven by bond issuances of OTP Bank: to meet MREL (Minimum Requirements for Own Funds and Eligible Liabilities) requirements, the bank issued two series of Senior Preferred bonds on the international capital markets, EUR 600 million in January and EUR 700 million in June. Furthermore, retail bonds were issued on the domestic market in the amount of HUF 36 billion while the redeemed amount totaled to HUF 129 billion in the first half of the year. With regards to the subsidiaries' activity, OTP Mortgage Bank and Ipoteka Bank contributed with about HUF 20 billion equivalent of net issuance each to the half-year growth of issued securities and NKBM refinanced in April its EUR 300 million Senior Non-Preferred bond, which was redeemed in January by a Senior Preferred one in the same amount.

...and kept its interest-rate risk exposures low

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

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

In case of EUR and BGN denominated volumes the Group has variable rate asset surplus, thus an open interest rate risk position. The Group continued to purchase fixed rate EUR (and BGN) assets in 1H 2024, furthermore it entered into fixed interest rate receiver swap positions, in order to hedge the Group's net interest income from the negative effects of potential decrease in the EUR yields.

Market Risk Exposure of OTP Group

The consolidated capital requirement of the trading book positions, the counterparty risk and the FX risk exposure represented HUF 56.1 billion in total.

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

In order to mitigate the FX rate sensitivity of the consolidated equity, OTP Bank Plc. has a strategic open short euro FX position for hedging purposes against HUF in the amount of EUR 1 billion, the revaluation result of which is recognized directly against equity.

STATEMENT ON CORPORATE GOVERNANCE PRACTICE

Corporate governance practice

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

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

System of internal controls

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

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

OTP Bank Plc.'s internal audit system is realised on several levels of control built on each other. The system of internal checks and balances includes process-integrated control, management control, independent internal audit organisation and executive information system. The independent internal audit organisation as a key element of internal lines of defence promotes the statutory and efficient management of assets and liabilities, the defence of property, the safe course of business, the efficient operation of internal control systems, the minimisation of risks, moreover it reveals and reports deviations from statutory regulations and internal rules, makes proposal to abolish deficiencies and follows up the execution of actions. The independent internal audit organisation annually and quarterly prepares group-level reports on control actions and audit results for the

executive boards. Once a year, the internal audit organisation with the prior opinion of the Audit Committee draws up, for the Supervisory Board, the Board of Directors and the Risk Assumption and Risk Management Committee, objective and independent reports in respect of the operation of risk management, internal control mechanisms and corporate governance functions. Furthermore, in line with the provisions of the Credit Institutions Act, reports, once a year, to the Supervisory Board and the Board of Directors on the regularity of internal audit tasks, professional requirements and the conduct of audits, and on the review of compliance with IT and other technical conditions needed for the audits.

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

General Meeting

The supreme body of OTP Bank Plc. shall be the General Meeting consisting of the shareholders. The Articles of Association regulate the manner of convocation and operation of the General Meeting, the manner of participation, and of the exercise of voting rights, and comply fully with both general and special statutory requirements. Information on the General Meeting is available in the Corporate Governance Report.

Committees

Members of the Board of Directors

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

Members of the Supervisory Board

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

Members of the Audit Committee

Dr. József Gábor Horváth – Chairman
 Mr. Tibor Tolnay – Deputy Chairman
 Dr. Tamás Gudra
 Mr. Olivier Péqueux

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

Operation of the executive boards

OTP Bank Plc. has a dual governance structure, in which the Board of Directors is the Company's executive management body in its managerial function, while the Supervisory Board is the management body in its supervisory function of the Company. It controls the supervision of the lawfulness of the Company's operation, its business practices and management, performs oversight tasks and accepts the provisions of the Bank Group's Remuneration Policy.

The effective operation of Supervisory Board is supported by the Audit Committee, as a committee, which also monitors the internal audit, the risk management, the reporting systems, the activities aimed at providing assurance on the sustainability report and the auditing activities.

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

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

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

The Board of Directors held 3, the Supervisory Board held 4 meetings, while the Audit Committee held 1 meeting in the first half of 2024. In addition, resolutions were passed by the Board of Directors on 68, by the Supervisory Board on 33 and by the Audit Committee on 16 occasions by written vote.

ENVIRONMENTAL POLICY, ENVIRONMENTAL PROJECTS⁶

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

In the context of the provision of financial services, environmental risks are managed, and business opportunities related to environmental protection are exploited within the ESG strategy.

In 2023, OTP Group again participated in the CDP's environmental disclosure scheme, maintaining its "B" rating achieved in the previous year.

OTP Bank mitigates environmental impacts through the following activities:

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

Bank members operate in maximum compliance with environmental legislation and no related fines were imposed in 2023 either. Environmental protection at the Bank is governed by an Environmental Policy. OTP Bank prepares annual internal reports on the environmental impact of its operation, for approval by the manager in charge of this function. To enhance knowledge relating to the performance of work, along with general knowledge, every OTP Bank employee is provided with environmental training once every two years.

Energy consumption and business travel

Even with the two major acquisitions – Ipoteka Bank and NKBM – OTP Group's energy consumption did not increase drastically, as several members of the Banking Group significantly reduced their energy consumption (by up to 10–20 percent). Consumption decreased most in relation to heating (mainly natural gas and district heating), while consumption related to car use increased and electricity usage decreased to a lesser extent at the member companies. OTP Bank's total energy consumption decreased by almost 10 percent compared to 2022, again largely due to the use of heating fuels.

At the Group level, the reduction in consumption was driven by the savings measures implemented, which, in addition to environmental considerations, were also encouraged by the significant price increase in 2022 and a milder winter. In several cases, consumption was moderated by timers during the period of non-use, and changes in the property portfolio and moves also affected consumption trends. Some of the team members educated colleagues on the functioning of the office heating and ventilation system and how to set the temperature correctly.

The fact that the OTP Group continuously carries out renovations and modernisations at both its central buildings and in its branch network also reduces consumption, and improving energy efficiency is an important aspect of investment projects. In 2023, the modernisation of heating systems, the widest possible use of LED lighting and the installation of additional motion sensors were again the most common types of energy efficiency investments. Two subsidiary banks carried out energy efficiency audits. During the replacement of air conditioning units we make sure that the new units use environment-friendly coolants.

To offset its 2023 Scope 1 and Scope 2 emissions, OTP Bank purchased carbon credits in 2023, thereby preventing the emission of 7,600 tonnes of carbon emissions during the year. The 2023 emission values were determined in advance, with offsets higher than emissions. The credits purchased are retired credits verified as per Verra (VER). The Bank considers it essential that the project supported through offsetting is located in the country of operation of the Banking Group, and has again opted for a project in Bulgaria, which was implemented at the Saint Nikola Wind Farm, the largest wind farm in the country, near the town of Kavarna.

The level of business travel varied across the Banking Group, with car use increasing for some companies and decreasing significantly for some businesses. The

⁶ The OTP Group reports its sustainability data on an annual basis, thus presenting data as of 31 December 2023.

total mileage increased by 9 percent and 13 percent year-on-year at the parent bank and across the group, respectively. The increase was partly due to new group members. While online meetings remain a dominant part of liaising, with the end of the coronavirus pandemic, face-to-face meetings have become more frequent again.

The maximum carbon emission limits for car purchases at Banking Group level remained unchanged during the year. Among the cars to choose from there are hybrid or electric vehicles in all categories. At OTP Bank, 38 hybrid vehicles were purchased during the year, while the fleet of electric and hybrid cars at the subsidiary banks increased minimally.

In addition to company cars, our employees also use their own personal cars for business travel in certain cases (not for commuting to work), and they also order taxi services. At OTP Bank, travelling by taxi and personal vehicles amounted to about 2.4 million kilometres; at Group level this value was 7.8⁷ million kilometres.

At Group level, there was again a significant increase in the number of trips by air. Our employees took around 9,800 trips⁸, nearly 30% of which were connected to OTP Bank.

Since OTP Bank and its subsidiaries find it important to enable employees and customers to access the workplace by alternative transportation means, several head office buildings and branches are equipped with bicycle storage at Group level. The establishment of branches typically requires the approval of local governments, which makes implementation more difficult. Bicycle storages are available at 60 percent of the branches of OTP Bank for employees and for customers.

Energy consumption figures are presented for OTP Bank.

Energy consumption within the organization (GJ), OTP Bank	2022	2023
Total energy consumption	268,934	245,555
Total energy consumption per employee	26.17	23.19

The energy consumption data are derived from metering; solar energy and part of the heat pump energy is estimated based on manufacturer information in the absence of a meter. Where necessary, we used the calorific values taken from the National Inventory Report (NIR) from 2022 onwards, and previously the EU regulation and DEFRA values, to convert the consumed quantities into energy.

Efforts to reduce paper use

We are constantly working on cutting our paper use. The steadily increasing range of electronically available services also reduces paper consumption. In addition, the digitalization of the bank's internal processes is ongoing. At the same time, the paper-based administration demanded by legal requirements inhibits in many cases the further reduction of printing in Hungary and in other countries.

The share of electronic account statements also showed an increasing trend in 2023. We also encourage their use through the conditions and fees of the application. The majority of OTP Bank customers (83 percent of retail clients and almost half of large corporate customers) do not receive paper-based statements, which is a noticeable increase over the previous year. At the Bulgarian subsidiary nearly all of our customers are provided with electronic statements, while e-statements are used exclusively at the Moldavian and the Ukrainian subsidiary. Three quarters of customers now receive an e-statement at the Serbian subsidiary, and 40 percent at the Croatian bank. At both Slovenian banks, 98 percent of corporate customers receive electronic statements, compared to almost 70 percent of retail customers at NKBM and 80 percent at SKB Bank. At the Montenegrin subsidiary electronic account statements are used in more than 50% of the cases among corporate customers. The Albanian, Montenegrin, Russian and Romanian subsidiaries also have a significant number of e-statements, but the exact number by 2023 is not known.

At the Group level, office paper use decreased minimally in 2023, which, taking acquisitions into account, represents an average decrease of 10 percent for the rest of the Group. The NKBM uses a minimum amount of paper for its size. At OTP Bank, we were able to reduce consumption by 11 percent. Further savings are expected from the electronic replacement of internal transport processes, with pilot operations launched at the end of 2023. The parent bank used 47 percent recycled paper in office paper use and 31 percent in total paper use. In Hungary, we use FSC-certified paper even in the case of account statements, marketing publications and envelopes, while we use recycled FSC paper for producing DM letters. The internal printing activity of OTP Bank is FSC-certified until 2025. All personal hygiene products used at OTP Bank are exclusively ECO Label products. Some smaller domestic subsidiaries use exclusively recycled paper.

⁷ The Russian subsidiary bank was unable to provide data on own car use, the Montenegrin, Uzbek and NKBM subsidiaries were unable to provide data

on taxi use, and some Hungarian subsidiaries were unable to provide any of those data.

⁸ One-way trips.

Amount of paper used, OTP Bank	2022	2023
Amount of office paper (t)	397	354
Amount of paper used for document sorting and packaging (t)	98	26
Amount of indirectly used paper (t) ¹	558	313

¹ E.g. marketing publications, account statements

Environmentally conscious use and waste management

OTP Bank follows the principle of using all of its equipment, devices and machines for the longest time reasonably possible. Furniture is reused several times and we ensure the compatibility of replacements.

At OTP Bank, DSK Bank, OTP Bank Romania and OTP Bank Serbia it is a common practice to donate no longer used but still functional furniture and IT equipment (primarily computers and laptops). In 2023, OTP Bank Ukraine also donated nearly 300 assets. At Group level, we donated a total of 731 no longer used computers to charity projects in 2023.

Waste collection remains unchanged in 2023. All members of OTP Group collect and treat hazardous waste and paper containing business secrets selectively, in compliance with the relevant legal requirements. The other than confidential paper waste, plastic and metal waste, are selectively collected by the group members to varying degrees. In Moldova, non-confidential paper waste is collected separately. In OTP Bank’s central office buildings and at the Croatian and the Romanian subsidiaries non-confidential paper waste, PET bottles, metal packaging materials and glass are selectively collected. The Serbian subsidiary collects its paper waste selectively, both in its head office building and at its branches. SKB Bank selects communal waste, including biodegradable food waste, as completely separately as possible. Our Albanian subsidiary collects paper waste comprehensively; this practice has been implemented at our Montenegrin subsidiary in the case of the head office building and the archives. There is selective waste collection in the head office building of our Ukrainian subsidiary and the Sofia and Varna sites of our Bulgarian subsidiary.

Attitude shaping

The members of the Group launch numerous programmes, awareness raising campaigns and involve employees, to promote environmental awareness and the protection of natural values.

OTP Bank continued its campaign in cooperation with Mastercard in the Priceless Planet Coalition in 2023 as well. The purpose of the initiative is to plant 100 million trees in five years to mitigate the harmful impacts of climate change. Partners participating in the programme mobilise consumers by campaigns to take action for the environment, while they also contribute actively to achieving the goal. OTP Bank enabled the planting of 75 thousand trees in 2023 under the cooperation.

OTP Bank has launched the Green Challenge idea contest among its employees. To start the competition, we launched a series of articles on six topics on the intranet. We rewarded the employees who answered the quiz questions at the end of each article the fastest. For the idea contest, we were looking for applications that support the reduction of the Bank’s carbon footprint and can be easily implemented in everyday practice. The challenge was met with great interest, with 136 ideas submitted, four of which will be implemented:

- Installation of MOL-Bubi stations around OTP offices,
- Green Plate Programme to promote more sustainable dietary habits,
- the digitalisation of business travel settlements,
- special prize for the idea with the greatest impact: minimising standby power consumption.

As a result of the popularity of the competition, we will be launching a permanent sustainability idea box starting from 2024.

OTP Bank was also one of the partners of the Green Friday initiative, launched jointly by MasterCard and several organisations to raise awareness about conscious spending and lifestyle. Throughout the programme, dedicated microsites and social media platforms featured awareness-raising articles and tips to promote a greener Christmas.

DSK Bank, in partnership with Mastercard and the Sofia Zoo, launched a new interactive game that teaches young people about the importance of biodiversity and ways to protect natural habitats. In addition to the game, free downloadable educational materials are available for teachers, educational organisations and students. Together with Mastercard, the subsidiary bank supported the “Five Little Corners” initiative, a unique urban art installation and events that raise awareness of biodiversity and environmental protection. The series of events took place in Sofia for a month.

The subsidiary bank supports the “Real Honey” initiative under the “Adopt a beehive” programme. The support is linked to the opening of a new corporate account, helping happy bee-keeping and Bulgarian beekeepers. Customers will receive a certificate and Bulgarian honey for their contribution. The Bank’s employees also participated in a tree planting project in the Balchik Botanical Garden and in Sofia, planting more than 50 trees.

The NKBM has also organised an ideas competition among its staff, inviting initiatives on ESG issues. 18 ideas were received for the competition, several of which have started to be implemented. The Bank’s employees planted 250 trees in the Karst region to help repair damage caused by forest fires. SKB Bank has launched a challenge to clean its employees’ living environment on Earth Day.

Both Slovenian banks participated in the European Mobility Week initiative, encouraging people to cycle to work. There is also a beehive on the roof of both banks' headquarters, which is maintained by staff.

The Croatian subsidiary bank provided e-learning training on environmental awareness for its staff, which was completed by 69 percent of the employees. The Board of Directors of the subsidiary bank has approved the decision that all the Bank's bank cards will be made of PLA (plant-derived biodegradable) material.

The bank is involved in the "Migration in the Light" bird monitoring project, using equipment installed on the central building to record the sounds and movements of birds to detect the effects of light pollution.

In 2023, the subsidiary bank also supported Ekotlon, Croatia's largest plogging (litter picking) race. More than 300 runners participated in the event. The registration fees were used for sponsorship this year again, for sports associations of disabled persons.

The Serbian subsidiary has established the so-called OTP Village as a venue for environmental programmes. Employees and their children had the opportunity to attend an event on bees, and workshops on ecological challenges and solutions were organised for the employees. The subsidiary bank also organised an environmental drawing competition for children. The employees also took part in voluntary waste collection and tree planting activities.

At the Albanian bank, a 'Green Hearts' team of volunteers was formed during 2023, with members taking part in litter picking and tree planting initiatives. The bank also donated 20 trees to the city of Tirana.

Employees of a Montenegrin subsidiary bank planted trees in Podgorica and the bank is supporting an environmental project for students at one of the largest secondary schools in Podgorica.

Our Ukrainian subsidiary continued the 'Surrender your Batteries!' campaign, in the framework of which used batteries and accumulators collected nationwide are shipped to a Romanian recycling plant.

The Moldovan subsidiary bank supported the rehabilitation of trees in the Chisinau Botanical Garden through the inclusion of its employees.

The Uzbek subsidiary planted an outstanding number of trees (45,680 trees), helping to sequester carbon dioxide and clean the air. Trees neutralise an average of 502 tonnes of carbon dioxide emissions per year, as well as sequestering significant amounts of air pollutants, contributing to climate improvement, noise protection and soil conservation. The planting is equivalent to nearly 30 hectares of forest.

Disclaimers

This Report contains statements that are, or may be deemed to be, “forward-looking statements” which are prospective in nature. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof such as “plans”, “expects” or “does not expect”, “is expected”, “continues”, “assumes”, “is subject to”, “budget”, “scheduled”, “estimates”, “aims”, “forecasts”, “risks”, “intends”, “positioned”, “predicts”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words or comparable terminology and phrases or statements that certain actions, events or results “may”, “could”, “should”, “shall”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy.

By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of OTP Bank. Forward-looking statements are not guarantees of future performance and may and often do differ materially from actual results. Neither OTP Bank nor any of its subsidiaries or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Report will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this Report. Other than in accordance with its legal or regulatory obligations, OTP Bank is not under any obligation and OTP Bank and its subsidiaries expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This Report shall not, under any circumstances, create any implication that there has been no change in the business or affairs of OTP Bank since the date of this Report or that the information contained herein is correct as at any time subsequent to its date.

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The information contained in this Report is provided as of the date of this Report and is subject to change without notice.

FINANCIAL DATA

OTP BANK SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/06/2024	31/12/2023	30/06/2023	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Bank of Hungary	2,858,762	2,708,232	2,316,708	6%	23%
Placements with other banks, net of allowance for placement losses	2,759,756	2,702,433	2,478,055	2%	11%
Repo receivables	147,472	201,658	234,291	-27%	-37%
Financial assets at fair value through profit or loss	261,688	257,535	480,694	2%	-46%
Financial assets at fair value through other comprehensive income	563,177	559,527	564,606	1%	0%
Securities at amortised cost	4,034,500	2,710,848	3,097,503	49%	30%
Loans at amortised cost	4,766,363	4,681,359	4,684,575	2%	2%
Loans mandatorily measured at fair value through profit or loss	957,458	934,848	849,682	2%	13%
Investments in subsidiaries	2,042,344	2,001,952	2,007,901	2%	2%
Property and equipment	109,074	107,306	94,806	2%	15%
Intangible assets	106,646	98,115	72,369	9%	47%
Right of use assets	64,880	66,222	40,112	-2%	62%
Investments properties	4,257	4,203	4,266	1%	0%
Current tax assets	0	0	1,042		
Deferred tax asset	0	408	24,450		
Derivative financial assets designated as hedge accounting relationships	20,807	21,628	34,320	-4%	-39%
Non-current assets held for sale	130,718	130,718	0		
Other assets	410,261	365,961	365,595	12%	12%
TOTAL ASSETS	19,238,163	17,552,953	17,350,975	10%	11%
Amounts due to banks and deposits from the National Bank of Hungary and other banks	2,164,274	1,761,579	1,642,660	23%	32%
Repo liabilities	608,768	443,694	1,431,820	37%	-57%
Deposits from customers	11,103,152	10,734,325	10,268,351	3%	8%
Leasing liabilities	68,828	68,282	40,553	1%	70%
Liabilities from issued securities	1,611,265	1,163,109	810,136	39%	99%
Financial liabilities at fair value through profit or loss	18,610	19,786	20,037	-6%	-7%
Derivative financial liabilities designated as held for trading	120,877	183,565	259,305	-34%	-53%
Derivative financial liabilities designated as hedge accounting relationships	24,062	27,423	35,427	-12%	-32%
Deferred tax liabilities	530	0	0		
Current tax assets	15,865	14,393	3,570	10%	344%
Provisions	23,445	22,497	38,171	4%	-39%
Other liabilities	351,813	295,399	356,724	19%	-1%
Subordinated bonds and loans	542,469	520,296	513,079	4%	6%
TOTAL LIABILITIES	16,653,958	15,254,348	15,419,833	9%	8%
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	2,138,738	1,621,771	1,596,716	32%	34%
Profit after tax	468,983	654,988	312,715	-28%	50%
Treasury shares	-51,516	-6,154	-6,289	737%	719%
TOTAL SHAREHOLDERS' EQUITY	2,584,205	2,298,605	1,931,142	12%	34%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	19,238,163	17,552,953	17,350,975	10%	11%

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/06/2024	31/12/2023	30/06/2023	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Banks	6,188,609	7,125,049	5,582,622	-13%	11%
Placements with other banks, net of loss allowance for placements	1,733,546	1,566,998	1,305,309	11%	33%
Repo receivables	351,106	223,884	164,830	57%	113%
Financial assets at fair value through profit or loss	330,541	288,885	474,947	14%	-30%
Securities at fair value through other comprehensive income	1,587,552	1,601,461	1,853,511	-1%	-14%
Loans at amortized cost	19,008,243	17,676,533	17,973,435	8%	6%
Loans mandatorily at fair value through profit or loss	1,454,589	1,400,485	1,302,501	4%	12%
Finance lease receivables	1,435,694	1,289,712	1,300,149	11%	10%
Associates and other investments	105,427	96,110	88,140	10%	20%
Loans at amortized cost	7,204,766	5,249,272	5,370,001	37%	34%
Property and equipment	551,931	523,124	493,644	6%	12%
Intangible assets and goodwill	307,968	291,358	247,005	6%	25%
Right-of-use assets	83,815	74,698	58,174	12%	44%
Investment properties	56,890	53,381	46,337	7%	23%
Derivative financial assets designated as hedge accounting	25,608	41,967	49,758	-39%	-49%
Deferred tax assets	52,849	55,691	64,267	-5%	-18%
Current income tax receivable	15,391	7,773	11,459	98%	34%
Other assets	506,379	509,430	480,571	-1%	5%
Assets classified as held for sale / discontinued operations	1,522,700	1,533,333	0	-1%	
TOTAL ASSETS	42,523,604	39,609,144	36,866,660	7%	15%
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	2,088,740	1,940,862	2,102,778	8%	-1%
Repo liabilities	232,637	126,237	565,949	84%	-59%
Financial liabilities designated at fair value through profit or loss	70,217	70,707	59,923	-1%	17%
Deposits from customers	29,968,256	28,332,431	26,903,982	6%	11%
Liabilities from issued securities	2,580,402	2,095,548	1,727,388	23%	49%
Derivative financial liabilities held for trading	86,030	140,488	269,573	-39%	-68%
Derivative financial liabilities designated as hedge accounting	41,748	63,899	21,156	-35%	97%
Leasing liabilities	83,134	76,313	60,373	9%	38%
Deferred tax liabilities	28,985	28,663	34,810	1%	-17%
Current income tax payable	51,248	69,948	34,747	-27%	47%
Provisions	119,949	121,119	129,741	-1%	-8%
Other liabilities	918,002	745,820	807,857	23%	14%
Subordinated bonds and loans	586,216	562,396	552,883	4%	6%
Liabilities directly associated with assets classified as held-for-sale / discontinued operation	1,119,898	1,139,920	0	-2%	
TOTAL LIABILITIES	37,975,462	35,514,351	33,271,160	7%	14%
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	4,686,409	4,179,322	3,684,014	12%	27%
Treasury shares	-175,710	-120,489	-125,907	46%	40%
Total equity attributable to the parent	4,538,699	4,086,833	3,586,107	11%	27%
Total equity attributable to non-controlling interest	9,443	7,960	9,393	19%	1%
TOTAL SHARHOLDERS' EQUITY	4,548,142	4,094,793	3,595,500	11%	26%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	42,523,604	39,609,144	36,866,660	7%	15%

OTP BANK SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	1H 2024	1H 2023	change
Interest income calculated using the effective interest method	546,724	607,079	-10%
Income similar to interest income	285,957	401,949	-29%
Total Interest Income	832,681	1,009,028	-17%
Total Interest Expense	-579,511	-798,221	-27%
NET INTEREST INCOME	253,170	210,807	20%
Risk cost total	-18,008	-17,943	
NET INTEREST INCOME AFTER RISK COST	235,162	192,864	22%
Losses arising from derecognition of financial assets measured at amortised cost	-3,941	-7,654	-49%
Modification loss	-1,124	-6,952	-84%
Income from fees and commissions	211,061	190,237	11%
Expenses from fees and commissions	-41,559	-35,179	18%
Net profit from fees and commissions	169,502	155,058	9%
Foreign exchange gains (+)/ loss (-)	-2,981	-9,434	-68%
Gains (+) or loss (-) on securities, net	4,529	18,823	
Losses on financial instruments at fair value through profit or loss	7,800	44,980	-83%
Gains on derivative instruments, net	3,195	10,993	
Dividend income	360,555	202,745	78%
Other operating income	13,387	19,839	-33%
Net other operating expenses	-26,737	-7,947	236%
Net operating income	359,748	279,997	28%
Personnel expenses	-95,613	-91,725	4%
Depreciation and amortization	-29,099	-24,500	19%
Other administrative expenses	-132,393	-159,810	-17%
Other administrative expenses	-257,105	-276,035	-7%
PROFIT BEFORE INCOME TAX	502,242	337,278	49%
Income tax expense	-33,259	-24,563	35%
PROFIT AFTER TAX FOR THE PERIOD	468,983	312,715	50%

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	1H 2024	1H 2023	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	1,251,706	1,111,486	13%
Income similar to interest income	259,060	332,987	-22%
Interest incomes	1,510,766	1,444,473	5%
Interest expenses	-668,682	-795,295	-16%
NET INTEREST INCOME	842,084	649,178	30%
Risk cost total	-18,889	-57,089	-67%
Loss allowance / Release of loss allowance on loans, placements, amounts due from banks and repo receivables	-5,065	-60,244	-92%
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	1,600	-1,501	
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-16,649	5,133	
Provision for commitments and guarantees given	1,221	-483	
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	4	6	
NET INTEREST INCOME AFTER RISK COST	823,195	592,089	39%
Income from fees and commissions	468,020	403,638	16%
Expense from fees and commissions	-90,255	-78,894	14%
Net profit from fees and commissions	377,765	324,744	16%
Modification gain or loss	-5,657	-19,286	-71%
Foreign exchange gains / losses, net	721	-170	-524%
Foreign exchange gains / losses, net	1,862	40,850	
Net results on derivative instruments and hedge relationships	-1,141	-41,020	
Gains / Losses on securities, net	5,171	18,856	
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	-86	43,843	-100%
Gain from derecognition of financial assets at amortized cost	-10,728	568	
Profit from associates	9,832	1,745	463%
Other operating income	65,392	294,103	-78%
Gains and losses on real estate transactions	4,207	4,016	5%
Other non-interest income	60,053	289,272	-79%
Net insurance result	1,129	814	39%
Other operating expense	-59,821	-54,414	10%
Net operating income	10,481	304,531	-97%
Personnel expenses	-259,266	-228,969	13%
Depreciation and amortization	-63,230	-57,185	11%
Other administrative expenses	-262,212	-268,187	-2%
Other administrative expenses	-584,708	-554,341	5%
PROFIT BEFORE INCOME TAX	621,076	647,737	-4%
Income tax expense	-122,055	-70,926	72%
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	499,021	576,811	-13%
DISCONTINUED OPERATIONS			
Net loss / gain from discontinued operation	8,871	0	
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION	507,892	576,811	-12%
From this, attributable to:			
Non-controlling interest	1,863	625	198%
Owners of the company	506,029	576,186	-12%

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY (IFRS)

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2023	28,000	52	3,395,163	-106,862	5,959	3,322,312
Profit after tax for the year	--	--	576,186	--	625	576,811
Other comprehensive income	--	--	-206,681	--	-1,212	-207,893
Decrease due to business combinations	--	--	--	--	4,021	4,021
Share-based payment	--	--	1,394	--	--	1,394
Dividend for the year 2022	--	--	-84,000	--	--	-84,000
Correction due to ESOP	--	--	3,836	--	--	3,836
Treasury shares						
– sale	--	--	--	17,835	--	17,835
– loss on sale	--	--	-1,936	--	--	-1,936
– volume change	--	--	--	-36,880	--	-36,880
Balance as at 30 June 2023	28,000	52	3,683,962	-125,907	9,393	3,595,500
Balance as at 1 January 2024	28,000	52	4,179,270	-120,489	7,960	4,094,793
Profit after tax for the year	--	--	506,029	--	1,863	507,892
Other comprehensive income	--	--	141,650	--	708	142,358
Dividends paid to non-controlling interests	--	--	--	--	-1,088	-1,088
Share-based payment	--	--	1,984	--	--	1,984
Dividend for the year 2023	--	--	-150,000	--	--	-150,000
Correction due to ESOP	--	--	6,928	--	--	6,928
Treasury shares						
– sale	--	--	--	22,895	--	22,895
– loss on sale	--	--	496	--	--	496
– volume change	--	--	--	-78,116	--	-78,116
Balance as at 30 June 2024	28,000	52	4,686,357	-175,710	9,443	4,548,142

¹The deduction related to repurchased treasury shares (2Q 2024: HUF 175,710 million) includes the book value of OTP shares held by ESOP (2Q 2024: 12,137,751 shares).

OTP BANK SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	30/06/2024	30/06/2023	change
OPERATING ACTIVITIES			
Profit before income tax	502,242	337,278	49%
Net accrued interest	62,833	-23,133	
Income tax paid	-13,472	-11,056	22%
Depreciation and amortization	28,939	24,568	18%
Loss allowance / (Release of loss allowance)	28,317	17,051	
Share-based payment	1,984	1,394	42%
Exchange rate gains on securities	3,210	7,029	-54%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	-8,886	-47,262	-81%
Unrealised losses on fair value adjustment of derivative financial instruments	-298	-69,861	
Interest expense from leasing liabilities	-1,369	794	
Effect of currency revaluation	47,435	-21,153	
Result from the sale of property, plant and equipment and intangible assets	-81	-1,214	-93%
Net change in assets and liabilities in operating activities	307,961	387,231	-20%
Net cash provided by operating activities	958,815	601,666	59%
INVESTING ACTIVITIES			
Net cash used in investing activities	-1,030,979	136,608	-855%
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	166,141	505,217	-67%
Net decrease in cash and cash equivalents	93,977	1,243,492	-92%
Cash and cash equivalents at the beginning of the year	1,564,925	351,770	345%
Cash and cash equivalents at the end of the year	1,658,902	1,595,262	4%

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

	30/06/2024	30/06/2023	változás
OPERATING ACTIVITIES			
Profit after tax for the period	506,029	576,186	-12%
Net changes in assets and liabilities in operating activities			
Income tax paid	-78,612	-23,751	231%
Depreciation and amortization	68,893	59,724	15%
Loss allowance	39,217	63,038	-38%
Net accrued interest	493,993	47,224	946%
Share-based payment	1,984	1,394	42%
Unrealized exchange rate differences	21,034	-3,891	-641%
Unrealized (gain) / losses on fair value adjustment of securities valued at fair value	-1,036	-137,204	-99%
Unrealized losses / (gains) on fair value adjustment of derivative financial instruments	-39,503	-70,324	
Other changes in assets and liabilities in operating activities	106,349	-1,183,119	
Net change in assets and liabilities in operating activities	1,118,348	-670,723	-267%
INVESTING ACTIVITIES			
Net cash used in investing activities	-1,861,813	1,016,367	
FINANCING ACTIVITIES			
Net cash used in financing activities	-130,304	448,743	-129%
Net increase (+) / decrease (-) of cash	-873,769	794,387	-210%
Cash and cash equivalents at the beginning of the year	4,859,342	2,597,688	87%
Cash and cash equivalents at the end of the year	3,755,733	3,392,075	11%
<i>Adjustment due to discontinuing activity</i>	229,840	-	

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification ¹
1 OTP Real Estate Ltd.		1,101,000,000	100.00	100.00	L
2 BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
3 OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
4 OTP Factoring Ltd.		500,000,000	100.00	100.00	L
5 OTP Close Building Society		2,000,000,000	100.00	100.00	L
6 Merkantil Bank Ltd.		3,000,000,000	100.00	100.00	L
7 OTP Factoring Management Ltd.		3,100,000	100.00	100.00	L
8 Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
9 OTP Mortgage Bank Ltd.		82,000,000,000	100.00	100.00	L
10 OTP Funds Servicing and Consulting Company Limited		2,351,000,000	100.00	100.00	L
11 DSK Bank AD	BGN	1,328,659,920	99.92	99.92	L
12 POK DSK-Rodina AD	BGN	10,010,198	99.85	99.85	L
13 NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
14 OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
15 OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
16 OTP Bank Romania S.A.	RON	2,279,253,360	100.00	100.00	L
17 DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
18 OTP banka dioničko društvo	EUR	539,156,898	100.00	100.00	L
19 Air-Invest Ltd.		700,000,000	100.00	100.00	L
20 DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
21 OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	EUR	2,417,030	100.00	100.00	L
22 OTP Nekretnine d.o.o.	EUR	39,635,100	100.00	100.00	L
23 SPLC-P Ltd.		15,000,000	100.00	100.00	L
24 SPLC Ltd.		10,000,000	100.00	100.00	L
25 OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
26 OTP Life Annuity Real Estate Investment Plc.		1,229,300,000	100.00	100.00	L
27 OTP Leasing d.d.	EUR	1,067,560	100.00	100.00	L
28 Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
29 JSC "OTP Bank" (Russia)	RUB	2,797,887,853	97.92	97.92	L
30 Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	100.00	100.00	L
31 OTP banka Srbija, joint-stock company, Novi Sad)	RSD	56,830,752,260	100.00	100.00	L
32 OTP Nekretnine doo Novi Sad	RSD	203,783,061	100.00	100.00	L
33 OTP Leasing Romania IFN S.A.	RON	33,556,300	100.00	100.00	L
34 OTP Ingatlanpont Ltd.		8,000,000	100.00	100.00	L
35 OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
36 OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
37 OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
38 LLC AMC OTP Capital	UAH	10,000,000	100.00	100.00	L
39 CRESCO d.o.o.	EUR	5,170	100.00	100.00	L
40 LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
41 OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
42 OTP Financing Solutions	EUR	18,000	100.00	100.00	L
43 Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
44 OTP Factoring SRL	RON	600,405	100.00	100.00	L
45 OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
46 OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
47 PortfoLion Venture Capital Fund Management Ltd.		39,500,000	100.00	100.00	L
48 SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
49 OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
50 OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
51 OTP Factoring Serbia d.o.o.	RSD	782,902,282	100.00	100.00	L
52 MONICOMP Ltd.		320,500,000	100.00	100.00	L
53 CIL Babér Ltd.		71,890,330	100.00	100.00	L
54 Project 01 Consulting, s. r. o.	EUR	22,540,000	100.00	100.00	L
55 R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
56 OTP Financial point Ltd.		53,000,000	100.00	100.00	L
57 Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
58 OTP Mobile Service Ltd.		1,400,000,000	100.00	100.00	L
59 OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
60 OTP Financing Malta Ltd.	EUR	105,000,000	100.00	100.00	L
61 LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
62 OTP Travel Limited		27,000,000	100.00	100.00	L
63 OTP Ecosystem Limited Liability Company; OTP Ecosystem Llc.		281,200,000	100.00	100.00	L
64 DSK ventures EAD	BGN	250,000	100.00	100.00	L
65 OTP Bank ESOP		154,977,590,235	0.00	0.00	L
66 PortfoLion Digital Ltd.		101,000,000	100.00	100.00	L
67 OTP Ingatlankezelő Ltd.		50,000,000	100.00	100.00	L
68 MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L
69 OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
70 OTP Services Ltd.	RSD	40,028	100.00	100.00	L

Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification ¹
71 Club Hotel Füred Szálloda Ltd.		90,000,000	100.00	100.00	L
72 DSK DOM EAD	BGN	100,000	100.00	100.00	L
73 ShiwaForce.com Inc.		114,107,000	84.92	84.92	L
74 OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
75 Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
76 Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
77 OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,580	100.00	100.00	L
78 OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	RSD	537,606,648	100.00	100.00	L
79 OTP Bank S.A.	MDL	100,000,000	98.26	98.26	L
80 SKB Banka d.d. Ljubljana	EUR	52,784,176	100.00	100.00	L
81 SKB Leasing d.o.o.	EUR	16,809,031	100.00	100.00	L
82 SKB Leasing Select d.o.o.	EUR	5,000,000	100.00	100.00	L
83 OTP Home Solutions Limited Liability Company		20,000,000	100.00	100.00	L
84 Georg d.o.o	EUR	3,000	76.00	76.00	L
85 Nova Kreditna Banka Maribor d.d.	EUR	150,000,000	100.00	100.00	L
86 ALEJA FINANCE, FINANCNE IN DRUGE STORITVE, D.O.O.	EUR	500,000	100.00	100.00	L
87 OTP Luxembourg S.à r.l.	EUR	2,711,440	100.00	100.00	L
88 Foglaljorvost Online Ltd		7,202,400	100.00	100.00	L
89 OD Ltd.		6,000,000	60.00	60.00	L
90 JN Parkoló Ltd.		11,000,000	100.00	100.00	L
91 JSCMB 'IPOTEKA BANK'	UZS	3,834,217,638,941	79.58	98.74	L
92 OTP INVEST DRUŠTVO ZA UPRAVLJANJE UCITS I ALTERNATIVNIM FONDOVIMA AD BEOGRAD	RSD	411,432,000	100.00	100.00	L
93 Hello Pay IT and Service cPlc.		5,000,000	100.00	100.00	L
94 LLC OTP Financial Technologies	RUB	10,000	100.00	100.00	L
95 Balansz Real Estate Institute Fund		100,428,671,936	100.00	100.00	L
96 PortfoLion Zöld Fund		33,571,000,000	100.00	100.00	L
97 PortfoLion Digitális Magántőkealap I.		7,000,000,000	100.00	100.00	L
98 PortfoLion Regionális Fund II.		25,060,000,000	49.88	49.88	L
99 Portfolion Partner Fund		72,004,608,295	30.56	30.56	L
100 PortfoLion Digitális Magántőkealap II.		7,000,000,000	100.00	100.00	L
101 "Nemesszalóki Mezőgazdasági" Állattenyésztési, Növénytermesztési, Termelő és Szolgáltató Ltd.		924,124,000	100.00	100.00	L
102 ZA-Invest Béta Ltd.		8,000,000	100.00	100.00	L
103 NAGISZ Mezőgazdasági Termelő és Szolgáltató Ltd.		3,802,080,000	100.00	100.00	L
104 Nádudvari Élelmiszer Feldolgozó és Kereskedelmi Ltd.		1,954,680,000	99.96	99.96	L
105 HAGE Ltd.		2,689,000,000	99.61	99.61	L
106 AFP Private Equity Invest Ltd.	EUR	452,000	29.14	29.14	L
107 Mendota Invest, Nepremicninska druzba, d.o.o.	EUR	257,500	100.00	100.00	L
108 ZA-Invest Delta Ltd.		4,000,000	100.00	100.00	L
109 ZA-Invest Kappa Ltd.		11,000,000	100.00	100.00	L
110 ZA Invest Gamma Ltd.		3,100,000	100.00	100.00	L
111 ZA Gamma HoldCo Ltd.		3,100,000	100.00	100.00	L
112 Aranykalász 1955. Ltd		55,560,000	75.00	100.00	L
113 AGROMAG-PLUSZ Ltd.		39,110,000	73.25	98.34	L
114 ARANYMEZŐ 2001. Ltd		3,000,000	75.00	100.00	L
115 Agricultural Privatey Held Joint-Stock Company Szekszárd		862,000,000	100.00	100.00	L
116 Szajk Agricultural Closed Company Limited by shares		659,859,000	100.00	100.00	L

¹ Full consolidated - L

Ownership structure of OTP Bank Plc.

Description of owner	Ownership share	Total equity				
		1 January 2024 Voting rights ¹	Quantity	Ownership share	30 June 2024 Voting rights ¹	Quantity
Domestic institution/company	31.40%	31.46%	87,914,205	31.93%	32.32%	89,392,395
Foreign institution/company	54.43%	54.54%	152,405,042	53.52%	54.18%	149,846,394
Domestic individual	12.93%	12.96%	36,217,730	12.45%	12.61%	34,868,509
Foreign individual	0.48%	0.48%	1,349,320	0.31%	0.31%	863,350
Employees, senior officers	0.48%	0.48%	1,338,715	0.51%	0.52%	1,441,741
Treasury shares ²	0.20%	0.00%	572,746	1.23%	0.00%	3,443,352
Government held owner	0.05%	0.05%	139,036	0.05%	0.05%	139,036
International Development Institutions	0.01%	0.01%	28,603	0.00%	0.00%	3,322
Other ³	0.01%	0.01%	34,613	0.00%	0.00%	1,911
TOTAL	100.00%	100.00%	280,000,010	100.00%	100.00%	280,000,010

¹ Voting rights in the General Meeting of the Issuer for participation in decision-making.

² Treasury shares do not include the OTP shares held by ESOP (OTP Bank Employee Stock Ownership Plan Organization). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 30 June 2024 ESOP owned 12,137,751 OTP shares.

³ Non-identified shareholders according to the shareholders' registry.

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

	1 January	31 March	30 June	30 September	31 December
OTP Bank	572,746	1,452,570	3,443,352		
Subsidiaries	0	0	0		
TOTAL	572,746	1,452,570	3,443,352		

Shareholders with over/around 5% stake as at 30 June 2024

Name	Nationality ¹	Activity ²	Number of shares	Ownership ³	Voting rights ^{3,4}	Notes ⁵
MOL (Hungarian Oil and Gas Company Plc.)	D	C	24,000,000	8.57%	8.68%	
Groupama Group	F/D	C	14,257,843	5.09%	5.16%	
Groupama Gan Vie SA	F	C	14,140,000	5.05%	5.11%	
Groupama Biztosító Ltd.	D	C	117,843	0.04%	0.04%	

¹ Domestic (D), Foreign (F).

² Custodian (CU), Public Institution (PU), International Development Institutions (ID), Institutional (I), Company (C), Private (PR), Employee or senior officer (E).

³ Rounded to two decimals.

⁴ Voting rights in the General Meeting of the Issuer for participation in decision-making.

⁵ Eg, professional investor, financial investor, etc.

Senior officers, strategic employees and their shareholding of OTP shares as at 30 June 2024

Type ¹	Name	Position	Commencement date of the term	Expiration/termination of the term	Number of shares
IG	dr. Sándor Csányi ²	Chairman and CEO	15/05/1992	2026	57,917
IG	Tamás Erdei	Deputy Chairman	27/04/2012	2026	64,685
IG	Gabriella Balogh	member	16/04/2021	2026	27,393
IG	Mihály Baumstark	member	29/04/1999	2026	63,800
IG	Péter Csányi	member, Deputy CEO	16/04/2021	2026	42,728
IG	dr. István Gresá	member	27/04/2012	2026	195,058
IG	Antal Kovács ³	member	15/04/2016	2026	137,715
IG	György Nagy ⁴	member	16/04/2021	2026	13,000
IG	dr. Márton Gellért Vági	member	16/04/2021	2026	25,400
IG	dr. József Vörös	member	15/05/1992	2026	204,914
IG	László Wolf	member, Deputy CEO	15/04/2016	2026	554,266
FB	Tibor Tolnay	Chairman	15/05/1992	2026	54
FB	dr. Gábor Horváth	Deputy Chairman	19/05/1995	2026	0
FB	Klára Bella	member	12/04/2019	2026	491
FB	dr. Tamás Gudra	member	16/04/2021	2026	0
FB	András Michnai	member	25/04/2008	2026	1,410
FB	Olivier Péqueux	member	13/04/2018	2026	0
SP	András Becsei	Deputy CEO			9,749
SP	László Bencsik	Deputy CEO			16,003
SP	György Kiss-Haypál	Deputy CEO			14,827
SP	Imre Bertalan	MC member			0
SP	Dr. Bálint Csere	MC member			12,331
TOTAL No. of shares held by management					1,441,741

¹ Board Member (IG), Supervisory Board Member (FB), Employee in strategic position (SP)

² Number of OTP shares owned by Dr. Sándor Csányi, Chairman and CEO, directly or indirectly: 5,257,917.

³ Number of OTP shares owned by Antal Kovács, Member of Board of Directors, directly or indirectly: 142,015.

⁴ Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly: 1,009,000.

OFF-BALANCE SHEET ITEMS ACCORDING TO IFRS (consolidated, in HUF million)¹

a) Contingent liabilities

	30/06/2024	30/06/2023
Commitments to extend credit	5,361,235	4,523,521
Guarantees arising from banking activities	1,688,840	1,327,992
Confirmed letters of credit	58,115	72,813
Legal disputes (disputed value)	102,157	80,287
Other	942,268	824,900
TOTAL	8,152,615	6,829,513

¹ Those financial undertakings, which are important from valuation perspectives however not booked within the balance sheet (such as surety, guarantees, pledge related obligations, etc.)

Changes in the headcount (active, FTE-basis) employed by the Bank and the subsidiaries

	End of reference period	Current period opening	Current period closing
Bank ¹	10,387	10,478	10,374
Consolidated ²	41,227	41,547	41,328

¹ OTP Bank Hungary (standalone) employee figures.

² Due to the changes in the scope of consolidation, the historical figures are not comparable.

SECURITY ISSUANCES ON GROUP LEVEL BETWEEN 01/07/2023 AND 30/06/2024

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2024	Outstanding consolidated debt (in HUF million) 30/06/2024
OTP Bank Plc.	Retail bond	OTP_HUF_2024/9	28/07/2023	28/07/2024	HUF	4,115	4,115
OTP Bank Plc.	Retail bond	OTP_HUF_2024/10	07/08/2023	07/08/2024	HUF	1,377	1,377
OTP Bank Plc.	Retail bond	OTP_HUF_2024/11	01/09/2023	01/09/2024	HUF	2,583	2,583
OTP Mortgage Bank	Mortgage bond	OJB2032/A	20/09/2023	24/11/2032	HUF	25,000	25,000
OTP Bank Plc.	Retail bond	OTP_HUF_2024/12	25/09/2023	25/09/2024	HUF	2,675	2,675
OTP Mortgage Bank	Mortgage bond	OMB2029/I	20/12/2023	07/03/2029	EUR	0	0
OTP Bank Plc.	Retail bond	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	HUF	155	155
OTP Bank Plc.	Retail bond	OTP_HUF_2024/13	20/10/2023	20/10/2024	HUF	3,397	3,397
OTP Bank Plc.	Retail bond	OTP_HUF_2024/14	17/11/2023	17/11/2024	HUF	3,424	3,424
OTP Bank Plc.	Retail bond	OTP_HUF_2026/2	15/12/2023	15/12/2026	HUF	647	647
OTP Bank Plc.	Retail bond	OTP_HUF_2024/15	20/12/2023	20/12/2024	HUF	2,887	2,887
OTP Bank Plc.	Retail bond	OTP_HUF_2025/3	12/01/2024	12/01/2025	HUF	1,965	1,965
OTP Bank Plc.	Retail bond	OTP_HUF_2025/4	02/02/2024	02/02/2025	HUF	2,199	2,199
OTP Bank Plc.	Retail bond	OTP_HUF_2025/5	01/03/2024	01/03/2025	HUF	6,062	6,062
OTP Bank Plc.	Retail bond	OTP_HUF_2025/6	28/03/2024	28/03/2025	HUF	5,679	5,679
OTP Mortgage Bank	Mortgage bond	OJB2029/B	10/04/2024	20/06/2029	HUF	70,000	70,000
OTP Bank Plc.	Retail bond	OTP_HUF_2025/7	26/04/2024	26/04/2025	HUF	8,461	8,461
OTP Bank Plc.	Retail bond	OTP_HUF_2025/8	24/05/2024	24/05/2025	HUF	6,048	6,048
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/IV	31/05/2024	31/05/2029	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/IV	31/05/2024	31/05/2030	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2031/III	31/05/2024	31/05/2031	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2032/III	31/05/2024	31/05/2032	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2033/II	31/05/2024	31/05/2033	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2034/I	31/05/2024	31/05/2034	HUF	0	0
OTP Bank Plc.	Retail bond	OTP_HUF_2025/9	07/06/2024	07/06/2025	HUF	5,940	5,940
NKBM	Corporate bond	NOVAKR 4 04/03/28	03/04/2024	03/04/2028	EUR	300,000,000	118,545
IPOTEKA	Corporate bond	IPTBZU 20 04/25/27	22/04/2024	27/04/2027	UZS	1,370,220,000,000	39,145
OTP Bank Plc.	Corporate bond	OTPHB 6 1/8 10/05/27	05/10/2023	05/10/2027	EUR	649,943,000	256,825
OTP Bank Plc.	Corporate bond	OTPHB 8.1 10/13/26	13/10/2023	13/10/2026	RON	170,000,000	13,496
OTP Bank Plc.	Corporate bond	OTPHB 6.1 22/06/26	22/12/2023	22/06/2026	EUR	75,000,000	29,636
OTP Bank Plc.	Corporate bond	OTPHB 5 01/31/29	31/01/2024	31/01/2029	EUR	600,000,000	237,090
OTP Bank Plc.	Corporate bond	OTPHB 4 3/4 06/12/28	12/06/2024	12/06/2028	EUR	697,100,000	275,459
Banka OTP Albania SHA	Retail bond	AL0022100187	26/12/2023	26/12/2030	EUR	7,460,000	2,948

SECURITY REDEMPTIONS ON GROUP LEVEL BETWEEN 01/07/2023 AND 30/06/2024

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2023	Outstanding consolidated debt (in HUF million) 30/06/2023
OTP Mortgage Bank	Mortgage bond	OJB2023_I	05/04/2018	24/11/2023	HUF	44,120	44,120
OTP Mortgage Bank	Mortgage bond	OJB2024_A	17/09/2018	20/05/2024	HUF	49,609	49,609
OTP Bank Plc.	Retail bond	OTP_HUF_24/1	17/02/2023	17/02/2024	HUF	26,698	26,698
OTP Bank Plc.	Retail bond	OTP_HUF_24/2	10/03/2023	10/03/2024	HUF	23,521	23,521
OTP Bank Plc.	Retail bond	OTP_HUF_24/3	31/03/2023	31/03/2024	HUF	17,435	17,435
OTP Bank Plc.	Retail bond	OTP_HUF_24/4	21/04/2023	21/04/2024	HUF	15,125	15,125
OTP Bank Plc.	Retail bond	OTP_HUF_24/5	12/05/2023	12/05/2024	HUF	14,218	14,218
OTP Bank Plc.	Retail bond	OTP_HUF_24/6	02/06/2023	02/06/2024	HUF	17,136	17,136

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2023	Outstanding consolidated debt (in HUF million) 30/06/2023
OTP Bank Plc.	Retail bond	OTP HUF 24/7	23/06/2023	23/06/2024	HUF	11,484	11,484
OTP Bank Plc.	Retail bond	OTP HUF 24/8	30/06/2023	30/06/2024	HUF	3,761	3,761
OTP Bank Plc.	Corporate bond	OTP DK 24/3	31/05/2021	31/05/2024	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK 24/I	30/05/2019	31/05/2024	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP DK 24/II	29/05/2020	31/05/2024	HUF	0	0
OTP Bank Plc.	Corporate bond	OTPX2024A	18/06/2014	21/06/2024	HUF	241	241
IPOTEKA	Corporate bond	IPTBZU 16 04/16/24	16/04/2021	16/04/2024	UZS	680,320,000,000	20,274
NKBM	Corporate bond	XS2430442868	27/01/2022	27/01/2024	EUR	300,000,000	111,339

SECURITY LISTED ON THE BUDAPEST STOCK EXCHANGE BETWEEN 01/01/2014 AND 30/06/2024

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/II	17/01/2014	31/01/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/I	17/01/2014	17/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/III	31/01/2014	14/02/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/II	31/01/2014	31/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/IV	14/02/2014	28/02/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/III	14/02/2014	14/02/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/V	28/02/2014	14/03/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/IV	28/02/2014	28/02/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/VI	14/03/2014	28/03/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/V	14/03/2014	14/03/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/VII	21/03/2014	04/04/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/VI	21/03/2014	21/03/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/VIII	11/04/2014	25/04/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/VII	11/04/2014	11/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/IX	18/04/2014	02/05/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/VIII	18/04/2014	18/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/X	09/05/2014	23/05/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/IX	09/05/2014	09/05/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XI	23/05/2014	06/06/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/X	23/05/2014	23/05/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XII	06/06/2014	20/06/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XI	06/06/2014	06/06/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XIII	20/06/2014	04/07/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XII	20/06/2014	20/06/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XIV	04/07/2014	18/07/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XIII	04/07/2014	04/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XV	18/07/2014	01/08/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XIV	18/07/2014	18/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XVI	30/07/2014	13/08/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XV	30/07/2014	30/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XVII	08/08/2014	22/08/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XVI	08/08/2014	08/08/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XVIII	29/08/2014	12/09/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XVII	29/08/2014	29/08/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XIX	12/09/2014	26/09/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XVIII	12/09/2014	12/09/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XX	03/10/2014	17/10/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 2 2016/XIX	03/10/2014	03/10/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXI	22/10/2014	05/11/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXII	31/10/2014	14/11/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXIII	14/11/2014	28/11/2015	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXIV	28/11/2014	12/12/2015	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 2 2016/I	28/11/2014	28/11/2016	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXV	19/12/2014	02/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2015/XXVI	09/01/2015	23/01/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/I	30/01/2015	13/02/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/II	20/02/2015	06/03/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/III	20/03/2015	03/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 2 2017/I	10/04/2015	10/04/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/IV	10/04/2015	24/04/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/V	24/04/2015	08/05/2016	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 1 2016/I	24/04/2015	24/04/2016	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/VI	29/05/2015	12/06/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/VII	30/06/2015	14/07/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/VIII	24/07/2015	07/08/2016	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 1 2016/II	24/07/2015	24/07/2016	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2016/III	25/09/2015	25/09/2016	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/IX	25/09/2015	09/10/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/X	30/10/2015	13/11/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/XI	11/11/2015	25/11/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/XII	27/11/2015	11/12/2016	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2016/XIII	30/12/2015	13/01/2017	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/I	29/01/2016	29/01/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/II	29/01/2016	12/02/2017	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/III	12/02/2016	26/02/2017	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/IV	26/02/2016	12/03/2017	EUR

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Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/II	18/03/2016	18/03/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/IV	18/03/2016	01/04/2017	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/V	15/04/2016	29/04/2017	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/III	27/05/2016	27/05/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/VI	27/05/2016	10/06/2017	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/VII	10/06/2016	24/06/2017	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/VIII	01/07/2016	15/07/2017	EUR
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/IX	10/08/2016	24/08/2017	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 1 2017/IV	16/09/2016	16/09/2017	USD
OTP Bank Plc.	Retail bond	OTP EURO 1 2017/X	16/09/2016	30/09/2017	EUR
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/I	20/01/2017	20/01/2018	USD
OTP Mortgage Bank	Mortgage bond	OJB2021/I	15/02/2017	27/10/2021	HUF
OTP Mortgage Bank	Mortgage bond	OJB2020/III	23/02/2017	20/05/2020	HUF
OTP Mortgage Bank	Mortgage bond	OJB2022/I	24/02/2017	24/05/2022	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/II	03/03/2017	03/03/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/III	13/04/2017	13/04/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/IV	02/06/2017	02/06/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/V	14/07/2017	14/07/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/VI	04/08/2017	04/08/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/VII	29/09/2017	29/09/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/VIII	17/11/2017	17/11/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2018/IX	20/12/2017	20/12/2018	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/I	16/02/2018	16/02/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/II	29/03/2018	29/03/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2023/I	05/04/2018	24/11/2023	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/III	18/05/2018	18/05/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/IV	28/06/2018	28/06/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/V	06/08/2018	06/08/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/A	17/09/2018	20/05/2024	HUF
OTP Mortgage Bank	Mortgage bond	OJB2024/B	18/09/2018	24/05/2024	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/VI	04/10/2018	04/10/2019	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/II	10/10/2018	24/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/VII	15/11/2018	15/11/2019	USD
OTP Bank Plc.	Corporate bond	OTP DK HUF 2019/II	15/12/2018	31/05/2019	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2020/I	15/12/2018	31/05/2020	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2021/I	15/12/2018	31/05/2021	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2022/I	15/12/2018	31/05/2022	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2023/I	15/12/2018	31/05/2023	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2019/VIII	20/12/2018	20/12/2019	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/I	21/02/2019	21/02/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/II	04/04/2019	04/04/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/III	16/05/2019	16/05/2020	USD
OTP Bank Plc.	Corporate bond	OTP DK HUF 2024/I	30/05/2019	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2025/I	30/05/2019	31/05/2025	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/IV	27/06/2019	27/06/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/V	15/08/2019	15/08/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/VI	26/09/2019	26/09/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/VII	07/11/2019	07/11/2020	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2020/VIII	19/12/2019	19/12/2020	USD
OTP Mortgage Bank	Mortgage bond	OJB2025/II	03/02/2020	26/11/2025	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/I	20/02/2020	20/02/2021	USD
OTP Mortgage Bank	Mortgage bond	OJB2024/C	24/02/2020	24/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/II	02/04/2020	02/04/2021	USD
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/III	14/05/2020	14/05/2021	USD
OTP Bank Plc.	Corporate bond	OTP DK HUF 2022/II	29/05/2020	31/05/2022	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2023/II	29/05/2020	31/05/2023	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2024/II	29/05/2020	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2025/II	29/05/2020	31/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2026/I	29/05/2020	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2027/I	29/05/2020	31/05/2027	HUF
OTP Bank Plc.	Retail bond	OTP VK USD 1 2021/IV	18/06/2020	18/06/2021	USD
OTP Mortgage Bank	Mortgage bond	OJB2027/I	23/07/2020	27/10/2027	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2025/III	31/05/2021	31/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2024/III	31/05/2021	31/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2027/II	31/05/2021	31/05/2027	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2026/II	31/05/2021	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2028/I	31/05/2021	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2029/I	31/05/2021	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2030/I	31/05/2021	31/05/2030	HUF
OTP Mortgage Bank	Mortgage bond	OJB2031/I	18/08/2021	22/10/2031	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2026/III	31/03/2022	31/05/2026	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2027/III	31/03/2022	31/05/2027	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2028/II	31/03/2022	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2029/II	31/03/2022	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2030/II	31/03/2022	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2031/I	31/03/2022	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP DK HUF 2032/I	31/03/2022	31/05/2032	HUF
OTP Mortgage Bank	Mortgage bond	OJB2029/A	25/07/2022	24/05/2029	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2025/1	18/11/2022	18/11/2025	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2026/1	22/12/2022	05/01/2026	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/1	17/02/2023	17/02/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/2	10/03/2023	10/03/2024	HUF
OTP Bank Plc.	Retail bond	OTP HUF 2024/3	31/03/2023	31/03/2024	HUF

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy
OTP Bank Plc.	Retail bond	OTP_HUF_2024/4	21/04/2023	21/04/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/5	12/05/2023	12/05/2024	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2028/III	01/06/2023	31/05/2028	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/III	01/06/2023	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/III	01/06/2023	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2031/III	01/06/2023	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2032/II	01/06/2023	31/05/2032	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2033/I	01/06/2023	31/05/2033	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/6	02/06/2023	02/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/7	23/06/2023	23/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/8	30/06/2023	30/06/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/2	30/06/2023	30/06/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/9	28/07/2023	28/07/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/10	07/08/2023	07/08/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/11	01/09/2023	01/09/2024	HUF
OTP Mortgage Bank	Mortgage bond	OJB2032/A	20/09/2023	24/11/2032	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/12	25/09/2023	25/09/2024	HUF
OTP Bank Plc.	Retail bond	OTP_TBSZ_HUF_2028/1	13/10/2023	15/12/2028	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/13	20/10/2023	20/10/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/14	17/11/2023	17/11/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2026/2	15/12/2023	15/12/2026	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2024/15	20/12/2023	20/12/2024	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/3	12/01/2024	12/01/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/4	02/02/2024	02/02/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/5	01/03/2024	01/03/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/6	28/03/2024	28/03/2025	HUF
OTP Mortgage Bank	Mortgage bond	OJB2029/B	10/04/2024	20/06/2029	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/7	26/04/2024	26/04/2025	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/8	24/05/2024	24/05/2025	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2029/IV	31/05/2024	31/05/2029	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2030/IV	31/05/2024	31/05/2030	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2031/III	31/05/2024	31/05/2031	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2032/III	31/05/2024	31/05/2032	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2033/II	31/05/2024	31/05/2033	HUF
OTP Bank Plc.	Corporate bond	OTP_DK_HUF_2034/I	31/05/2024	31/05/2034	HUF
OTP Bank Plc.	Retail bond	OTP_HUF_2025/9	07/06/2024	07/06/2025	HUF

RELATED-PARTY TRANSACTIONS

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 (in HUF million) ¹	1H 2023	1H 2024	Y-o-Y	2Q 2023	1Q 2024	2Q 2024	Q-o-Q	Y-o-Y
Total compensation for key management personnel	6,955	8,561	23%	3,631	3,305	5,256	59%	45%
Short-term employee benefits	5,049	6,107	21%	2,805	2,476	3,631	47%	29%
Share-based payment	1,309	1,928	47%	701	709	1,219	72%	74%
Other long-term employee benefits	591	409	-31%	119	120	289	141%	143%
Termination benefits	0	117		0	0	117		
Redundancy payments	6	0	-100%	6	0	0		-100%
Loans to key management individuals and their close family members as well as to entities in which they have an interest	87,350	66,625	-24%	87,350	62,431	66,625	7%	-24%
Credit lines of key management individuals and their close family members as well as entities in which they have an interest	48,437	49,986	3%	48,437	54,135	49,986	-8%	3%
Loans provided to unconsolidated subsidiaries	3,000	2,262	-25%	3,000	2,515	2,262	-10%	-25%

¹ Due to the changes in the definition of key management personnel, figures are not comparable with previously published data.

**Alternative performance measures
pursuant to the National Bank of Hungary 5/2017, (V.24.) recommendation⁹**

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value		
			1H 2023 old methodology	1H 2023 new methodology	1H 2024 new methodology
Leverage, consolidated ¹⁰	The leverage ratio is calculated pursuant to Article 429 CRR. The calculation of the indicator is designed quarterly by the Bank for the prudential consolidation circle.	The leverage ratio shall be calculated as an institution's capital measure divided by that institution's total exposure measure and shall be expressed as a percentage. Example for 1H 2024: $\frac{4,394,792.9}{46,059,523.1} = 9.5\%$ Example for 1H 2023: $\frac{3,551,484.8}{39,645,593.4} = 8.3\%$ new methodology	9.0%	9.0%	9.5%
Liquidity Coverage Ratio (LCR)	According to Article 412 (1) of CRR, the liquidity coverage ratio (LCR) is designed to promote short-term resilience of the Issuer's / Group's liquidity risk profile and aims to ensure that the Issuer / Group has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.	The LCR is expressed as: (stock of HQLA) / (total net cash outflows over the next 30 calendar days) $\geq 100\%$. The numerator of the LCR is the stock of HQLA (High Quality Liquid Assets). In order to qualify as HQLA, assets should be liquid in markets during a time of stress and, in most cases, be eligible for use in central bank operations. The denominator of the LCR is the total net cash outflows, defined as total expected cash outflows minus total expected cash inflow in the specified stress scenario for the subsequent 30 calendar days. Total cash inflows are subject to an aggregate cap of 75% of total expected cash outflows, thereby ensuring a minimum level of HQLA holdings at all times. Example for 1H 2024: $\frac{11,574,068.9}{6,954,895.7 - 2,076,296.1} = 237.2\%$ Example for 1H 2023: $\frac{9,348,675.5}{6,250,816.1 - 1,658,096.3} = 203.6\%$	203.6%	203.6%	237.2%
ROE (accounting), consolidated	The return on equity ratio shall be calculated the consolidated accounting after-tax profit for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated accounting after-tax profit for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. (The definition of average equity: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 1H 2024: $\frac{507,891.1 * 2.0}{4,332,455.7} = 23.6\%$ Example for 1H 2023: $\frac{576,811.7 * 2.0}{3,347,638.6} = 34.7\%$ new methodology Example for 1H 2023: $\frac{576,811.7 * 2.0}{3,347,638.6} = 34.7\%$ old methodology	34.7%	34.7%	23.6%
ROE (adjusted), consolidated	The return on equity ratio shall be calculated the consolidated adjusted after-tax profit for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted after-tax profit for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. Example for 1H 2024: $\frac{507,891.1 * 2.0}{4,332,455.7} = 23.6\%$ Example for 1H 2023: $\frac{397,433.4 * 2.0}{3,347,638.6} = 23.9\%$ new methodology Example for 1H 2023: $\frac{471,059.1 * 2.0}{3,347,638.6} = 28.4\%$ old methodology	28.4%	23.9%	23.6%

⁹ The NBH's recommendation (5/2017, 24 May) on Alternative Performance Measures (APM) came into effect from 1 June 2017, in line with ESMA's guidance (ESMA/2015/1415) on the same matter. The recommendation is aimed at – amongst other things – enhancing the transparency, reliability, clarity and comparability of those APMs within the framework of regulated information and thus facilitating the protection of existing and potential investors.

¹⁰ Based on the prudential consolidation scope, which is different from the consolidation scope used in this report.

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value		
			1H 2023 old methodology	1H 2023 new methodology	1H 2024 new methodology
ROA (adjusted), consolidated	The return on asset ratio shall be calculated the consolidated adjusted net profit for the given period divided by the average total asset, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted net profit for the given period, the denominator is the average consolidated total asset. (The definition of average asset: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 9M, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 1H 2024: $\frac{507,891.1 * 2.0}{41,184,695.5} = 2.5\%$ Example for 1H 2023: new methodology $\frac{397,433.4 * 2.0}{35,399,291.9} = 2.3\%$ Example for 1H 2023: old methodology $\frac{471,059.1 * 2.0}{35,399,291.9} = 2.7\%$	2.7%	2.3%	2.5%
Operating profit margin (adjusted, without one-off items), consolidated	The operating profit margin shall be calculated the consolidated adjusted net operating profit without one-off items for the given period divided by the average total assets, thus shows the effectiveness of the operating profit generation on total assets.	The numerator of the indicator is the consolidated adjusted net operating profit without one-off items for the given period, the denominator is the average consolidated total assets. Example for 1H 2024: $\frac{721,569.1 * 2.0}{41,184,695.5} = 3.52\%$ Example for 1H 2023: new methodology $\frac{567,326.8 * 2.0}{35,399,291.9} = 3.23\%$ Example for 1H 2023: old methodology $\frac{557,067.4 * 2.0}{35,399,291.9} = 3.17\%$	3.17%	3.23%	3.52%
Total income margin (adjusted, without one-off items), consolidated	The total income margin shall be calculated the consolidated adjusted total income without one-off items for the given period divided by the average total assets, thus shows the effectiveness of income generation on total assets.	The numerator of the indicator is the consolidated adjusted total income without one-off items for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 1H 2024: $\frac{1,251,923.4 * 2.0}{41,184,695.5} = 6.11\%$ Example for 1H 2023: new methodology $\frac{1,021,162.0 * 2.0}{35,399,291.9} = 5.82\%$ Example for 1H 2023: old methodology $\frac{1,004,583.5 * 2.0}{35,399,291.9} = 5.72\%$	5.72%	5.82%	6.11%
Net interest margin (adjusted), consolidated	The net interest margin shall be calculated the consolidated adjusted net interest income for the given period divided by the average total assets, thus shows the effectiveness of net interest income generation on total assets.	The numerator of the indicator is the consolidated adjusted net interest income for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 1H 2024: $\frac{877,649.5 * 2.0}{41,184,695.5} = 4.29\%$ Example for 1H 2023: new methodology $\frac{650,501.8 * 2.0}{35,399,291.9} = 3.71\%$ Example for 1H 2023: old methodology $\frac{652,872.0 * 2.0}{35,399,291.9} = 3.72\%$	3.72%	3.71%	4.29%
Operating cost (adjusted)/ total assets, consolidated	The indicator shows the operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets. Example for 1H 2024: $\frac{530,354.3 * 2.0}{41,184,695.5} = 2.59\%$ Example for 1H 2023: new methodology $\frac{453,835.2 * 2.0}{35,399,291.9} = 2.59\%$ Example for 1H 2023: old methodology $\frac{447,516.1 * 2.0}{35,399,291.9} = 2.55\%$	2.55%	2.59%	2.59%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value		
			1H 2023 old methodology	1H 2023 new methodology	1H 2024 new methodology
Cost/income ratio (adjusted, without one-off items), consolidated	The indicator is another measure of operational efficiency.	The numerator of the indicator is the consolidated adjusted operating cost for the given period, the denominator is the adjusted operating income (without one-off items) for the given period. Example for 1H 2024: $\frac{530,354.3}{1,251,923.4} = 42.4\%$ Example for 1H 2023: new methodology $\frac{453,835.2}{1,021,162.0} = 44.4\%$ Example for 1H 2023: old methodology $\frac{447,516.1}{1,004,583.5} = 44.5\%$	44.5%	44.4%	42.4%
Provision for impairment on loan and placement losses (adjusted)/ average (adjusted) gross loans, consolidated	The indicator provides information on the amount of impairment on loan and placement losses relative to gross customer loans.	The numerator of the indicator is the consolidated adjusted provision for impairment on loan and placement losses for the given period (annualized for periods less than one year), the denominator is the adjusted consolidated gross customer loans for the given period. (The definition of average (adjusted) gross customer loans: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 1H 2024: $\frac{16,864.7 * 2.0}{23,215,741.1} = 0.15\%$ Example for 1H 2023: new methodology $\frac{22,384.7 * 2.0}{20,467,649.2} = 0.22\%$ Example for 1H 2023: old methodology $\frac{3,016.1 * 2.0}{20,467,649.2} = 0.03\%$	0.03%	0.22%	0.15%
Total risk cost (adjusted)/ total asset ratio, consolidated	The indicator shows the amount of total risk cost relative to the balance sheet total.	The numerator of the indicator is consolidated adjusted total risk cost for the given period (annualized for periods less than one year), the denominator is the average consolidated total assets for the given period. Example for 1H 2024: $\frac{39,216.2 * 2.0}{41,184,695.5} = 0.19\%$ Example for 1H 2023: new methodology $\frac{21,458.5 * 2.0}{35,399,291.9} = 0.12\%$ Example for 1H 2023: old methodology $\frac{-275.5 * 2.0}{35,399,291.9} = 0.00\%$	0.00%	0.12%	0.19%
Effective tax rate (adjusted), consolidated	The indicator shows the amount of corporate income tax accounted on pre-tax profit.	The numerator of the indicator is consolidated adjusted corporate income tax for the given period, the denominator is the consolidated adjusted pre-tax profit for the given period. Example for 1H 2024: $\frac{174,461.8}{682,352.9} = 25.6\%$ Example for 1H 2023: new methodology $\frac{148,434.9}{545,868.3} = 27.2\%$ Example for 1H 2023: old methodology $\frac{86,283.7}{557,342.9} = 15.5\%$	15.5%	27.2%	25.6%
Net loan/(deposit+retail bonds) ratio (FX-adjusted), consolidated	The net loan to deposit+retail bonds ratio is the indicator for assessing the bank's liquidity position.	The numerator of the indicator is the consolidated net consumer loan volume (gross loan reduced the amount of provision), the denominator is the end of period consolidated consumer FX-adjusted deposit volume plus the end of period retail bond volume (issued by OTP Bank). Example for 1H 2024: $\frac{22,965,060.1}{31,037,063.1 + 107,238.8} = 74\%$ Example for 1H 2023: new methodology $\frac{21,545,437.7}{28,138,453.4 + 173,694.9} = 76\%$ Example for 1H 2023: old methodology $\frac{21,545,437.7}{28,138,453.4 + 173,694.9} = 76\%$	76%	76%	74%

SUPPLEMENTARY DATA

METHODOLOGICAL SUMMARY OF THE CHANGE IN THE SCOPE OF ADJUSTMENT ITEMS

In accordance with the management's decision, the scope of adjustment items presented in the stock exchange report on consolidated level changed from 1Q 2024.

According to the methodology applied until the end of 2023 (hereinafter: **old methodology**), in 2023 the following adjustment items were carved out of the regular P&L accounts of individual segments, with after tax amount: dividends and net cash transfers, goodwill/investment impairment charges, special tax on financial institutions, expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia, effect of the winding up of Sberbank Hungary, effect of acquisitions, result of the treasury share swap agreement, and impairments on Russian government bonds at OTP Core and DSK Bank.

According to the methodology applied from 2024 onwards (hereinafter: **new methodology**), only the following adjustment items are carved out and presented on consolidated level, with after tax amount: goodwill impairment, and the direct effect of acquisitions. Starting from 2024, the direct effect of acquisitions includes only three items: badwill and initial risk cost related to acquisitions, and the gain or loss on the sale of a subsidiary. Under the old methodology, the effect of acquisitions line included further acquisition-related items, such as integration costs, and customer base value amortization.

Under the new methodology, items previously presented as adjustments are now presented in the relevant geographical or business segment where they occurred (e.g. the special banking taxes in Hungary are presented partly within OTP Core and partly within Merkantil Group segment).

For the sake of comparability, in the semi-annual report the relevant consolidated tables are presented in accordance with both the old and the new methodologies, including data for 2024 under the old methodology¹¹.

This change in methodology does not affect the consolidated and separate balance sheets, as, according to both the old and the new methodologies, the adjustment items affect only the profit and loss statement and the relevant performance indicators calculated from the profit and loss lines concerned, but not the balance sheet.

¹¹ For the actual period, under the old methodology the *Dividends and net cash transfers* adjustment line is zero, as taking into account its magnitude, this item is presented on the *Other net non-interest income* line.

FOOTNOTES OF THE TABLE ‘CONSOLIDATED PROFIT AFTER TAX BREAKDOWN BY SUBSIDIARIES (IFRS)’

General note: regarding OTP Core and other subsidiaries, the adjusted profit after tax is calculated without the effect of adjustment items according to the old and new methodology.

(1) Aggregated adjusted profit after tax of OTP Core and foreign banks.

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of certain companies engaged in OTP Group’s operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Leasing Ltd. were included from 1Q 2017 (from 1Q 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc. and OTP Ingatlanpont Llc. were included from 1Q 2019; OTP Ecosystem Ltd. (previous name: OTP eBIZ Ltd., it was eliminated from 1Q 2023) was included from 1Q 2020; OTP OTP Home Solutions was included from 2Q 2021; Bajor-Polár Center Real Estate Management Ltd., CIL Babér Ltd., BANK CENTER No. 1. Ltd. and MFM Project Investment and Development Ltd. were included from 1Q 2024.

(3) The result and balance sheet of OTP Factoring Bulgaria EAD and DSK Leasing AD is included.

(4) The statement of recognised income and balance sheet of SKB Banka d.d. Ljubljana, SKB Leasing d.o.o., SKB Leasing Select d.o.o. and from February 2023 Nova Kreditna Banka Maribor d.d. is included.

(5) The statement of recognised income and balance sheet of OTP Leasing d.d. and SB Leasing d.o.o. was included.

(6) The financial performance of OTP Factoring Serbia d.o.o, OTP Lizing d.o.o. and OTP Services d.o.o. is included.

(7) The balance sheet of Ipoteka Bank in Uzbekistan was consolidated from June 2023, whereas the adjusted profit of

Ipoteka Bank was recognized in the consolidated P&L from 3Q 2023.

(8) Figures are based on the aggregated financial statements of OTP Bank JSC, LLC OTP Leasing, and OTP Factoring Ukraine LLC.

(9) The statement of recognised income and balance sheet of the acquired Podgoricka banka was included, which merged into the Montenegrin bank in 4Q 2020.

(10) The balance sheet of the newly acquired Alpha Bank Albania was included from July 2022, its statement of recognised income from August 2022. Alpha Bank Albania merged with OTP Bank Albania in December 2022.

(11) The statement of recognised income and balance sheet of LLC MFO “OTP Finance” is included.

(12) The statement of recognised income and balance sheet of OTP Faktoring SRL and OTP Leasing Romania IFN S.A. was included.

(13) The subconsolidated adjusted profit after tax of Merkantil Group (Merkantil Bank Ltd., Merkantil Bérlet Ltd., OTP Real Estate Leasing Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd.) was presented.

(14) LLC AMC OTP Capital, DSK Asset Management EAD (Bulgaria), ILIRIKA DZU a.d. Belgrade (Serbia), OTP Asset Management SAI S.A. (Romania).

(15) Velvin Ventures Ltd. (Belize), SC Aloha Buzz SRL, SC Favo Consultanta SRL, SC Tezaur Cont SRL (Romania), OTP Solution Fund (Ukraine), Mendota Invest d.o.o. (Slovenia), R.E. Four d.o.o., Novi Sad (Serbia).

(16) The adjusted profit after tax of the Hungarian operation line includes the adjusted profit after tax of the Hungarian subsidiaries, as well as the eliminations allocated onto these entities.

(17) The adjusted profit after tax of the Foreign operation line includes the adjusted profit after tax of the Foreign subsidiaries, as well as the eliminations allocated onto these entities.

CALCULATION OF THE ADJUSTED LINES OF IFRS PROFIT AND LOSS STATEMENTS, AS WELL AS THE ADJUSTED BALANCE SHEET LINES PRESENTED IN THE REPORT, AND THE METHODOLOGY FOR CALCULATING THE FX-ADJUSTED BALANCE SHEET AND P&L DYNAMICS

In order to present Group performance reflecting the underlying business trends, the presented consolidated and separate / sub-consolidated profit and loss statements of this report were adjusted, among others, in the following ways, and the adjusted P&Ls are shown and analysed in the Report (unless otherwise stated). Consolidated financial statements together with separate figures of OTP Bank are disclosed in the *Financial Data* section.

The details of the methodology change affecting adjustment items can be found in the *Methodological summary of the change in the scope of adjustment items* section.

Adjustments affecting the income statement:

- The after tax effect of adjustment items (certain, typically one-off items from banking operations' point of view) are shown and analysed separately in the Statement of Recognised Income.
- The components of the new *Gain from derecognition of financial assets at amortized cost* line in the P&L were shifted back in the adjusted P&L structure to the lines on which they were presented previously.
- Due to the introduction of IFRS16, certain items previously presented on the Other non-interest expenses line (rental fees) were moved to the interest expenses and depreciation lines in the income statement. These items were shifted back to the Other non-interest expenses line in the adjusted P&L structure.
- Performance indicators (such as cost/income ratio, net interest margin, risk cost to average gross loans as well as ROA and ROE ratios, etc.) presented in this report are calculated on the basis of the adjusted profit and loss statement excluding adjustment items (unless otherwise indicated). Starting from 2022, the Provision for impairment on loan losses line is in the numerator of the Provision for impairment on loan losses-to-average gross loans ratio, which, as opposed to previous periods, does not include the provision for impairment on placement losses.
- Starting from 2Q 2023 and applied also for the base periods, in the *Consolidated financial highlights and share data* table the *Book Value Per Share* and the *Tangible Book Value Per Share*, as well as indicators derived from these are calculated based on the consolidated diluted share count used for EPS calculation.
- Within the report, FX-adjusted statistics for business volume developments and their product breakdown, as well as the FX-adjusted stock of allowances for loan losses are

disclosed, too. For FX-adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods. Thus the FX-adjusted volumes will be different from those published earlier.

- In the tables of the report, the segmental breakdown of loans and deposits has been retroactively revised.
- The *FX-adjusted* changes of certain consolidated or sub-consolidated P&L lines in HUF terms may be presented in this Report. According to the applied methodology in the case of the P&L lines, the FX effect is filtered out only in relation to the currency of the given country, irrespective of the transactional currency mix in which the given P&L line materialized. Thus, for instance, as for the consolidated FX-adjusted operating cost development, the effect of the Hungarian Forint rate changes against the given currency is not eliminated in the case of the cost items arising in FX within the Hungarian cost base.

Adjustments affecting the balance sheet:

- On 9 February 2024 OTP Bank announced the signing of the share sale and purchase agreement to sell its Romanian operation. As a result of this, according to IFRS 5, starting from the end of 2023 the Romanian operation was presented as an asset classified as held for sale in the consolidated balance sheet, and as discontinued operation in the income statement. With regards to the consolidated balance sheet, from 4Q 2023 all Romanian assets and liabilities were shown on a separate line in the balance sheet. As for the consolidated income statement, in 4Q 2023 for full-year 2023, and in 1H 2024 the Romanian contribution was shown separately from the result of continuing operation, on the *Net loss / gain from discontinued operation* line, i.e. from 4Q 2023 the particular P&L lines in the 'continuing operations' section of the P&L don't incorporate the contribution from the Romanian subsidiaries. As opposed to this, in the adjusted financial statements presented in the Stock Exchange Report – in line with the structure of the financial statements monitored by the management – the Romanian operation was presented in a way as if it was still classified as continuing operation, i.e. its net interest income contribution was presented on the net interest income line in the consolidated adjusted income statement.
- In the adjusted balance sheet, net customer loans include the stock of loans at amortized cost, loans mandatorily at fair value through profit or loss, and finance lease receivables.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 24	2Q 24	1H 24
	old methodology	old methodology	old methodology	old methodology	Audited old methodology	Audited old methodology	new methodology	new methodology	new methodology	new methodology	Audited new methodology	Audited new methodology	new methodology	new methodology	new methodology
Net interest income	310,098	339,082	649,180	384,859	352,666	1,386,706	310,098	339,082	649,180	384,859	352,666	1,386,706	417,494	424,589	842,083
(-) Direct effect of acquisitions	-1,297	-1,073	-2,370	3,936	-3,432	-1,867	0	0	0	0	-4,023	-4,023	0	0	0
(-) Reclassification due to the introduction of IFRS16	-669	-653	-1,322	-855	-793	-2,970	-669	-653	-1,322	-855	-793	-2,970	-923	-946	-1,869
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	68,151	68,151	0	0	0	0	68,151	68,151	16,928	16,769	33,697
Net interest income (adj.)	312,064	340,808	652,872	381,778	425,043	1,459,694	310,767	339,735	650,502	385,714	425,634	1,461,850	435,345	442,305	877,650
Net fees and commissions	149,915	174,828	324,743	189,397	177,854	691,994	149,915	174,828	324,743	189,397	177,854	691,994	177,775	199,991	377,766
(+) Financial Transaction Tax	-25,899	-23,827	-49,726	-23,955	-24,790	-98,472	-25,899	-23,827	-49,726	-23,955	-24,790	-98,472	-25,634	-25,012	-50,646
(-) Direct effect of acquisitions	-7	-2	-9	9	220	220	0	0	0	0	247	247	0	0	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	5,537	5,537	0	0	0	0	5,537	5,537	1,672	1,700	3,372
(-) Structural shift of income from currency exchange from net fees to the FX result	20,796	33,322	54,117	40,261	26,315	120,693	20,796	33,322	54,117	40,261	26,315	120,693	32,651	37,989	70,641
Net fees and commissions (adj.)	103,227	117,681	220,908	125,172	132,066	478,146	103,220	117,679	220,899	125,181	132,039	478,119	121,161	138,690	259,852
Foreign exchange result	30,109	10,741	40,850	-47,819	20,795	13,827	30,109	10,741	40,850	-47,819	20,795	13,827	-2,776	4,638	1,862
(-) Direct effect of acquisitions	0	-1	-1	-209	19	-191	0	0	0	-209	19	-190	0	0	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	-11,397	-11,397	0	0	0	0	-11,397	-11,397	-2,072	367	-1,705
(+) Structural shift of income from currency exchange from net fees to the FX result	20,796	33,322	54,117	40,261	26,315	120,693	20,796	33,322	54,117	40,261	26,315	120,693	32,651	37,989	70,641
Foreign exchange result (adj.)	50,905	44,064	94,969	-7,349	35,694	123,314	50,904	44,063	94,968	-7,349	35,694	123,313	27,803	42,994	70,797
Gain/loss on securities, net	7,317	11,539	18,856	-9,056	-2,517	7,283	7,317	11,539	18,856	-9,056	-2,517	7,283	-484	5,655	5,171
(-) Direct effect of acquisitions	-220	0	-220	-905	0	-1,125	-	-	-	-	-	-	-	-	-
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	194	194	0	0	0	0	194	194	57	-32	25
(-) Revaluation result of the treasury share swap agreement	-22	7,120	7,098	-10,877	-89	-3,868	-	-	-	-	-	-	-	-	-
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	-7,761	4	-7,756	-2,767	-8,193	-18,716	-7,761	4	-7,756	-2,767	-8,193	-18,716	-1,930	-2,816	-4,745
(+) Shifting of the Gains and losses on non-trading securities mandatorily at fair value through profit or loss line from the Net other non-interest income to the Gains or losses from securities line	1,668	1,482	3,150	770	4,321	8,240	1,668	1,482	3,150	770	4,321	8,240	2,116	-357	1,759
Gain/loss on securities, net (adj.)	1,466	5,906	7,372	728	-6,106	1,994	1,224	13,025	14,250	-11,053	-6,195	-2,999	-240	2,450	2,210
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale	0	0	0	0	-21,246	-21,246	0	0	0	0	-21,246	-21,246	3,676	5,196	8,872
(-) Direct effect of acquisitions	0	0	0	0	-55,913	-55,913	0	0	0	0	-55,913	-55,913	0	0	0
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	0	0	0	0	34,667	34,667	0	0	0	0	34,667	34,667	3,676	5,196	8,872

HALF-YEAR FINANCIAL REPORT – FIRST HALF 2024 RESULT

in HUF million	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 24	2Q 24	1H 24
	old methodology	old methodology	old methodology	old methodology	old methodology	old methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology
Gains and losses on real estate transactions	899	3,118	4,016	1,065	2,113	7,195	899	3,118	4,016	1,065	2,113	7,195	2,346	1,861	4,207
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adjusted)	0	0	0	0	34,667	34,667	0	0	0	0	34,667	34,667	3,676	5,196	8,872
(+) Other non-interest income	141,373	147,899	289,272	16,256	9,627	315,155	141,373	147,899	289,272	16,256	9,627	315,155	24,851	35,202	60,053
(+) Net results on derivative instruments and hedge relationships	-28,673	-12,347	-41,020	55,909	-27,649	-12,760	-28,673	-12,347	-41,020	55,909	-27,649	-12,760	1,113	-2,254	-1,141
(+) Net insurance result	334	480	814	513	588	1,915	334	480	814	513	588	1,915	380	749	1,129
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	6,225	37,618	43,843	23,573	27,197	94,613	6,225	37,618	43,843	23,573	27,197	94,613	-4,987	4,900	-87
(+) Profit from associates	-	-	-	-	-	-	598	1,147	1,745	16,880	-3,858	14,766	1,650	8,183	9,832
<i>(-) Shifting of the Gains and losses on non-trading securities mandatorily at fair value through profit or loss line from the Net other non-interest income to the Gains or losses from securities line</i>	<i>1,668</i>	<i>1,482</i>	<i>3,150</i>	<i>770</i>	<i>4,321</i>	<i>8,240</i>	<i>1,668</i>	<i>1,482</i>	<i>3,150</i>	<i>770</i>	<i>4,321</i>	<i>8,240</i>	<i>2,116</i>	<i>-357</i>	<i>1,759</i>
<i>(-) Received cash transfers</i>	<i>73</i>	<i>49</i>	<i>122</i>	<i>290</i>	<i>119</i>	<i>531</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>(+) Other other non-interest expenses</i>	<i>-18,046</i>	<i>-11,442</i>	<i>-29,489</i>	<i>-18,744</i>	<i>-6,258</i>	<i>-54,490</i>	<i>-18,046</i>	<i>-11,442</i>	<i>-29,489</i>	<i>-18,744</i>	<i>-6,258</i>	<i>-54,490</i>	<i>-12,872</i>	<i>-22,153</i>	<i>-35,025</i>
<i>(+) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion</i>	<i>492</i>	<i>711</i>	<i>1,203</i>	<i>2,507</i>	<i>-972</i>	<i>2,738</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>(-) Direct effect of acquisitions</i>	<i>99,458</i>	<i>124,906</i>	<i>224,365</i>	<i>-17,613</i>	<i>-14,969</i>	<i>191,783</i>	<i>99,470</i>	<i>124,895</i>	<i>224,365</i>	<i>-13,006</i>	<i>-19,566</i>	<i>191,793</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-13,697</i>	<i>-13,697</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-13,676</i>	<i>-13,676</i>	<i>96</i>	<i>-3,527</i>	<i>-3,431</i>
<i>(+) Shifting of the costs of mediated services at Merkantil Bérelt Ltd. to the net other non-interest result line</i>	<i>-427</i>	<i>-473</i>	<i>-900</i>	<i>-557</i>	<i>-662</i>	<i>-2,119</i>	<i>-427</i>	<i>-473</i>	<i>-900</i>	<i>-557</i>	<i>-662</i>	<i>-2,119</i>	<i>-543</i>	<i>-633</i>	<i>-1,176</i>
<i>(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)</i>	<i>-94</i>	<i>-130</i>	<i>-224</i>	<i>401</i>	<i>15</i>	<i>191</i>	<i>-94</i>	<i>-130</i>	<i>-224</i>	<i>401</i>	<i>15</i>	<i>191</i>	<i>-49</i>	<i>-11</i>	<i>-59</i>
<i>(-) Effect of the winding up of Sberbank Hungary (recovery leg)</i>	<i>11,416</i>	<i>0</i>	<i>11,416</i>	<i>0</i>	<i>0</i>	<i>11,416</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net other non-interest result (adj.)	-10,533	38,995	28,462	97,475	35,498	161,436	1,052	39,492	40,543	107,532	37,348	185,423	13,546	27,870	41,415
Gain from derecognition of financial assets at amortized cost	-6,442	7,010	568	-2,855	-14,895	-17,182	-6,442	7,010	568	-2,855	-14,895	-17,182	-3,777	-6,952	-10,729
<i>(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)</i>	<i>-7,761</i>	<i>4</i>	<i>-7,756</i>	<i>-2,767</i>	<i>-8,193</i>	<i>-18,716</i>	<i>-7,761</i>	<i>4</i>	<i>-7,756</i>	<i>-2,767</i>	<i>-8,193</i>	<i>-18,716</i>	<i>-1,930</i>	<i>-2,816</i>	<i>-4,745</i>
<i>(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)</i>	<i>1,412</i>	<i>7,136</i>	<i>8,548</i>	<i>-489</i>	<i>-6,716</i>	<i>1,343</i>	<i>1,412</i>	<i>7,136</i>	<i>8,548</i>	<i>-489</i>	<i>-6,716</i>	<i>1,343</i>	<i>-1,798</i>	<i>-4,126</i>	<i>-5,924</i>
<i>(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)</i>	<i>-94</i>	<i>-130</i>	<i>-224</i>	<i>401</i>	<i>15</i>	<i>191</i>	<i>-94</i>	<i>-130</i>	<i>-224</i>	<i>401</i>	<i>15</i>	<i>191</i>	<i>-49</i>	<i>-11</i>	<i>-59</i>
Gain from derecognition of financial assets at amortized cost (adj.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provision for impairment on loan and placement losses	-17,300	-42,943	-60,243	-6,175	-42,805	-109,223	-17,300	-42,943	-60,243	-6,175	-42,805	-109,223	10,372	-15,438	-5,066
(+) Modification gains or losses	298	-19,584	-19,286	-9,780	-9,076	-38,141	298	-19,584	-19,286	-9,780	-9,076	-38,141	-25	-5,631	-5,657
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	76	-1,577	-1,501	63	1,347	-91	76	-1,577	-1,501	63	1,347	-91	2,318	-718	1,600
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-1,499	6,631	5,133	3,215	484	8,831	-1,499	6,631	5,133	3,215	484	8,831	715	-17,364	-16,649
(+) Provision for commitments and guarantees given	-2,997	2,515	-483	5,616	14,737	19,870	-2,997	2,515	-483	5,616	14,737	19,870	600	621	1,221
(+) Impairment of assets subject to operating lease and of investment properties	4	2	6	1,387	-60	1,333	4	2	6	1,387	-60	1,333	7	-2	4
<i>(-) Direct effect of acquisitions</i>	<i>-11,813</i>	<i>-40,060</i>	<i>-51,873</i>	<i>0</i>	<i>0</i>	<i>-51,873</i>	<i>-11,813</i>	<i>-40,060</i>	<i>-51,873</i>	<i>0</i>	<i>0</i>	<i>-51,873</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>(-) Structural correction between Provision for loan losses and Other provisions</i>	<i>-1,495</i>	<i>6,633</i>	<i>5,138</i>	<i>4,602</i>	<i>424</i>	<i>10,164</i>	<i>-1,495</i>	<i>6,633</i>	<i>5,138</i>	<i>4,602</i>	<i>424</i>	<i>10,164</i>	<i>722</i>	<i>-17,366</i>	<i>-16,645</i>
<i>(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,758</i>	<i>2,758</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,758</i>	<i>2,758</i>	<i>-2,384</i>	<i>-2,329</i>	<i>-4,714</i>
<i>(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)</i>	<i>1,412</i>	<i>7,136</i>	<i>8,548</i>	<i>-489</i>	<i>-6,716</i>	<i>1,343</i>	<i>1,412</i>	<i>7,136</i>	<i>8,548</i>	<i>-489</i>	<i>-6,716</i>	<i>1,343</i>	<i>-1,798</i>	<i>-4,126</i>	<i>-5,924</i>
<i>(-) Shifting of provision for impairment on placement losses to the other provisions line</i>	<i>-887</i>	<i>2,181</i>	<i>1,294</i>	<i>77</i>	<i>-1,292</i>	<i>79</i>	<i>-887</i>	<i>2,181</i>	<i>1,294</i>	<i>77</i>	<i>-1,292</i>	<i>79</i>	<i>-398</i>	<i>-1,276</i>	<i>-1,674</i>
<i>(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia</i>	<i>232</i>	<i>-19,601</i>	<i>-19,369</i>	<i>-8,429</i>	<i>-9,112</i>	<i>-36,909</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Provision for impairment on loan losses (adj.)	-6,044	3,027	-3,016	-2,414	-29,351	-34,781	-5,811	-16,573	-22,385	-10,842	-38,463	-71,690	9,480	-26,344	-16,865
Profit from associates	598	1,147	1,745	16,880	-3,858	14,766	-	-	-	-	-	-	-	-	-
(+) Received cash transfers	73	49	122	290	119	531	-	-	-	-	-	-	-	-	-
(+) Paid cash transfers	-14,257	-206	-14,462	-357	-540	-15,360	-	-	-	-	-	-	-	-	-

HALF-YEAR FINANCIAL REPORT – FIRST HALF 2024 RESULT

in HUF million	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 24	2Q 24	1H 24
	old methodology	old methodology	old methodology	old methodology	old methodology	old methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology
(-) Film subsidies and cash transfers to public benefit organisations	-14,234	-164	-14,398	-274	-395	-15,067	-	-	-	-	-	-	-	-	-
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	0	0	14,200	0	14,200	-	-	-	-	-	-	-	-	-
(-) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion	492	711	1,203	2,507	-972	2,738	-	-	-	-	-	-	-	-	-
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	22	22	-	-	-	-	-	-	-	-	-
After tax dividends and net cash transfers	157	443	600	380	-2,891	-1,911	-	-	-	-	-	-	-	-	-
Depreciation	-29,113	-28,072	-57,186	-29,359	-25,452	-111,996	-29,113	-28,072	-57,186	-29,359	-25,452	-111,996	-30,076	-33,154	-63,230
(-) Direct effect of acquisitions	-1,127	-1,045	-2,172	-1,503	-1,225	-4,900	0	0	0	0	-3	-3	0	0	0
(-) Reclassification due to the introduction of IFRS16	-4,657	-4,150	-8,807	-3,928	-2,841	-15,575	-4,657	-4,150	-8,807	-3,928	-2,841	-15,575	-4,058	-4,350	-8,408
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	-4,040	-4,040	0	0	0	0	-4,040	-4,040	-814	-875	-1,689
(+) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line	-145	306	160	96	-256	0	-145	306	160	96	-256	0	0	0	0
Depreciation (adj.)	-23,475	-22,571	-46,047	-23,832	-25,682	-95,561	-24,602	-23,616	-48,219	-25,335	-26,904	-100,458	-26,832	-29,680	-56,511
Personnel expenses	-108,236	-120,733	-228,970	-124,561	-125,165	-478,695	-108,236	-120,733	-228,970	-124,561	-125,165	-478,695	-122,944	-136,323	-259,267
(-) Direct effect of acquisitions	-528	-715	-1,243	-452	387	-1,307	0	0	0	0	1,199	1,199	0	0	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	-26,571	-26,571	0	0	0	0	-26,571	-26,571	-7,465	-6,668	-14,133
Personnel expenses (adj.)	-107,708	-120,019	-227,727	-124,109	-152,123	-503,959	-108,236	-120,733	-228,970	-124,561	-152,935	-506,465	-130,409	-142,991	-273,399
Income taxes	-24,556	-46,370	-70,926	-49,236	-69,316	-189,477	-24,556	-46,370	-70,926	-49,236	-69,316	-189,477	-53,110	-68,945	-122,054
(-) Corporate tax impact of goodwill/investment impairment charges	0	-518	-518	0	-3,402	-3,919	0	0	0	0	0	0	0	0	0
(-) Corporate tax impact of the special tax on financial institutions	8,611	-2,532	6,079	0	0	6,079	-	-	-	-	-	-	-	-	-
(+) Tax deductible transfers to spectator sports (offset against corporate taxes)	0	-62	-62	0	-11	-73	-12,058	-62	-12,120	0	-11	-12,131	-12,092	0	-12,092
(-) Corporate tax impact of the direct effect of acquisitions	3,433	6,231	9,664	1,177	-1,467	9,375	2,823	6,009	8,832	0	-1,940	6,892	0	0	0
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	-3,575	-3,575	0	0	0	0	-3,575	-3,575	-698	-1,944	-2,643
(-) Corporate tax impact of the result of the treasury share swap agreement	2	-641	-639	979	8	348	-	-	-	-	-	-	-	-	-
(-) Corporate tax impact of the impairments on Russian government bonds booked at OTP Core and DSK Bank	0	0	0	0	311	311	-	-	-	-	-	-	-	-	-
(-) Corporate tax impact of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)	-1,027	0	-1,027	0	0	-1,027	-	-	-	-	-	-	-	-	-
(-) Corporate tax impact of the expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia	-31	1,768	1,736	1,267	826	3,830	-	-	-	-	-	-	-	-	-
(+) Structural reclassification between Corporate income tax and Other non-interest expenses	-	-	-	-	-5,624	-5,624	0	0	0	0	-5,624	-5,624	-1,276	-996	-2,272
(+) Special taxes on financial institutions	-	-	-	-	-	-	-84,684	28,127	-56,557	-114	99	-56,572	-34,094	-1,307	-35,401
Corporate income tax (adj.)	-35,544	-50,740	-86,284	-52,659	-74,803	-213,746	-124,121	-24,314	-148,435	-49,349	-76,487	-274,272	-101,270	-73,192	-174,462
Other operating expense	-36,587	-17,827	-54,414	-33,143	-23,013	-110,569	-36,587	-17,827	-54,414	-33,143	-23,013	-110,569	-32,186	-27,634	-59,820
(-) Other costs and expenses	-1,340	-1,039	-2,379	-2,224	-5,540	-10,143	-1,340	-1,039	-2,379	-2,224	-5,540	-10,143	-2,275	-2,343	-4,618
(-) Other non-interest expenses	-32,303	-11,648	-43,951	-19,101	-6,798	-69,850	-32,303	-11,648	-43,951	-19,101	-6,798	-69,850	-26,663	-24,171	-50,834
(-) Direct effect of acquisitions	-1,945	-2,442	-4,387	-6,058	-2,067	-12,511	-1,945	-1,945	-1,945	0	-2,241	-4,186	0	0	0
(+) Structural correction between Provision for loan losses and Other provisions	-1,495	6,633	5,138	4,602	424	10,164	-1,495	6,633	5,138	4,602	424	10,164	722	-17,366	-16,645
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	-98	-98	0	0	0	0	-98	-98	92	-278	-186
(-) Impairments on Russian government bonds booked at OTP Core and DSK Bank	0	0	0	0	-3,110	-3,110	-	-	-	-	-	-	-	-	-
(+) Shifting of provision for impairment on placement losses to the other provisions line	-887	2,181	1,294	77	-1,292	79	-887	2,181	1,294	77	-1,292	79	-398	-1,276	-1,674
(-) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-345	-288	-633	-341	-277	-1,252	-345	-288	-633	-341	-277	-1,252	-254	-267	-521
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia	118	-41	76	92	12	181	-	-	-	-	-	-	-	-	-
Other provisions (adj.)	-3,154	6,446	3,292	-832	-6,200	-3,741	-3,036	3,962	926	-6,798	-9,124	-14,995	-2,578	-19,774	-22,352
Other general expenses	-197,079	-71,108	-268,187	-105,685	-109,774	-483,646	-197,079	-71,108	-268,187	-105,685	-109,774	-483,646	-152,972	-109,240	-262,211
(+) Other costs and expenses	-1,340	-1,039	-2,379	-2,224	-5,540	-10,143	-1,340	-1,039	-2,379	-2,224	-5,540	-10,143	-2,275	-2,343	-4,618
(+) Other non-interest expenses	-32,303	-11,648	-43,951	-19,101	-6,798	-69,850	-32,303	-11,648	-43,951	-19,101	-6,798	-69,850	-26,663	-24,171	-50,834
(-) Paid cash transfers	-14,257	-206	-14,462	-357	-540	-15,360	-	-	-	-	-	-	-	-	-

HALF-YEAR FINANCIAL REPORT – FIRST HALF 2024 RESULT

in HUF million	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 23	2Q 23	1H 23	3Q 23	4Q 23	2023	1Q 24	2Q 24	1H 24
	old methodology	old methodology	old methodology	old methodology	old methodology	old methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology	new methodology
(+) Film subsidies and cash transfers to public benefit organisations	-14,234	-164	-14,398	-274	-395	-15,067	-	-	-	-	-	-	-	-	-
(-) Other other non-interest expenses	-18,046	-11,442	-29,489	-18,744	-6,258	-54,490	-18,046	-11,442	-29,489	-18,744	-6,258	-54,490	-12,872	-22,153	-35,025
(-) Special taxes on financial institutions	-96,742	28,127	-68,615	-8	-8	-68,630	-84,684	28,127	-56,557	-114	99	-56,572	-34,094	-1,307	-35,401
(-) Tax deductible transfers to spectator sports (offset against corporate taxes)	0	-62	-62	0	-11	-73	-12,058	-62	-12,120	0	-11	-12,131	-12,092	0	-12,092
(-) Financial Transaction Tax	-25,899	-23,827	-49,726	-23,955	-24,790	-98,472	-25,899	-23,827	-49,726	-23,955	-24,790	-98,472	-25,634	-25,012	-50,646
(-) Direct effect of acquisitions	-1,025	-1,814	-2,840	-2,460	-1,504	-6,803	0	0	0	0	1,563	1,563	0	0	0
(+) Reclassification due to the introduction of IFRS16	-5,326	-4,803	-10,128	-4,783	-3,634	-18,545	-5,326	-4,803	-10,128	-4,783	-3,634	-18,545	-4,981	-5,296	-10,277
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	0	0	0	0	-17,284	-17,284	0	0	0	0	-17,284	-17,284	-5,411	-3,183	-8,594
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	-427	-473	-900	-557	-662	-2,119	-427	-473	-900	-557	-662	-2,119	-543	-633	-1,176
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-345	-288	-633	-341	-277	-1,252	-345	-288	-633	-341	-277	-1,252	-254	-267	-521
(-) Structural shift of right of use asset depreciation between other non-interest expenses and depreciation line	-145	306	160	96	-256	0	-145	306	160	96	-256	0	0	0	0
(-) Structural reclassification between Corporate income tax and Other non-interest expenses					-5,624	-5,624	0	0	0	0	-5,624	-5,624	-1,276	-996	-2,272
Other non-interest expenses (adj.)	-94,085	-79,658	-173,743	-86,422	-104,050	-364,215	-95,133	-81,514	-176,647	-88,859	-107,368	-372,874	-106,046	-94,398	-200,444

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Cash, amounts due from Banks and balances with the National Banks	5,745,644	5,582,622	6,557,052	7,125,050	5,926,151	6,188,609
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	199,587	298,936	355,426
Cash, amounts due from Banks and balances with the National Banks (adjusted)	5,745,644	5,582,622	6,557,052	7,324,636	6,225,087	6,544,035
Placements with other banks, net of allowance for placement losses	1,132,875	1,305,309	1,500,795	1,567,777	1,624,456	1,733,546
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	8,147	5,661	13,809
Placements with other banks, net of allowance for placement losses (adjusted)	1,132,875	1,305,309	1,500,795	1,575,924	1,630,117	1,747,356
Securities at fair value through profit and loss	381,704	474,949	528,080	288,884	305,171	330,542
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	2,091	2,202	2,407
Securities at fair value through profit or loss (adjusted)	381,704	474,949	528,080	290,975	307,373	332,949
Securities at fair value through other comprehensive income	1,800,172	1,853,513	1,664,591	1,601,461	1,596,318	1,587,551
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	39,430	33,915	22,404
Securities at fair value through other comprehensive income (adjusted)	1,800,172	1,853,513	1,664,591	1,640,891	1,630,233	1,609,955
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	20,850,594	21,563,617	22,554,157	21,329,908	22,200,463	22,887,643
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	1,136,507	1,147,918	1,127,121
Gross customer loans (adjusted)	20,850,594	21,563,617	22,554,157	22,466,415	23,348,380	24,014,764
Allowances for loan losses (incl. impairment of finance lease receivables)	-998,098	-987,532	-1,020,654	-963,179	-968,462	-989,117
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	-55,856	-59,377	-60,587
Allowances for loan losses (adjusted)	-998,098	-987,532	-1,020,654	-1,019,035	-1,027,839	-1,049,704
Associates and other investments	80,870	88,140	93,834	96,110	109,539	105,427
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	236	288	189
Associates and other investments (adjusted)	80,870	88,140	93,834	96,346	109,827	105,616
Securities at amortized costs	5,433,407	5,370,001	5,596,136	5,249,490	7,178,311	7,204,766
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	226,427	175,050	86,941
Securities at amortized costs (adjusted)	5,433,407	5,370,001	5,596,136	5,475,917	7,353,361	7,291,707
Tangible and intangible assets, net	752,517	774,704	828,055	860,449	876,485	912,174
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	18,500	18,205	16,904
Tangible and intangible assets, net (adjusted)	752,517	774,704	828,055	878,949	894,690	929,078
Other assets	995,315	841,338	1,271,986	2,455,664	2,633,555	2,562,462
(+) Allocation of <i>Assets classified as held for sale</i> among balance sheet lines	0	0	0	-1,575,068	-1,622,797	-1,564,614
Other assets (adjusted)	995,315	841,338	1,271,986	880,596	1,010,758	997,848
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss	1,675,310	2,162,700	2,191,090	2,011,569	2,119,065	2,158,957
(+) Allocation of <i>Liabilities directly associated with assets classified as held-for-sale</i> among balance sheet lines	0	0	0	1,764	22,016	12,725
Amounts due to banks, the National Governments, deposits from the National Banks and other banks, and Financial liabilities designated at fair value through profit or loss (adjusted)	1,675,310	2,162,700	2,191,090	2,013,333	2,141,081	2,171,682
Deposits from customers	27,390,195	26,903,983	28,968,037	28,332,431	29,317,460	29,968,256
(+) Allocation of <i>Liabilities directly associated with assets classified as held-for-sale</i> among balance sheet lines	0	0	0	1,095,852	1,115,369	1,068,808
Deposits from customers (adjusted)	27,390,195	26,903,983	28,968,037	29,428,284	30,432,829	31,037,065
Other liabilities	2,081,198	1,924,207	1,741,486	2,514,876	2,808,225	2,681,631
(+) Allocation of <i>Liabilities directly associated with assets classified as held-for-sale</i> among balance sheet lines	0	0	0	-1,097,617	-1,137,385	-1,081,533
Other liabilities (adjusted)	2,081,198	1,924,207	1,741,486	1,417,260	1,670,840	1,600,097



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