OTP Bank Plc.

Half-year Financial Report
First half 2022 result

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

Budapest, 11 August 2022

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

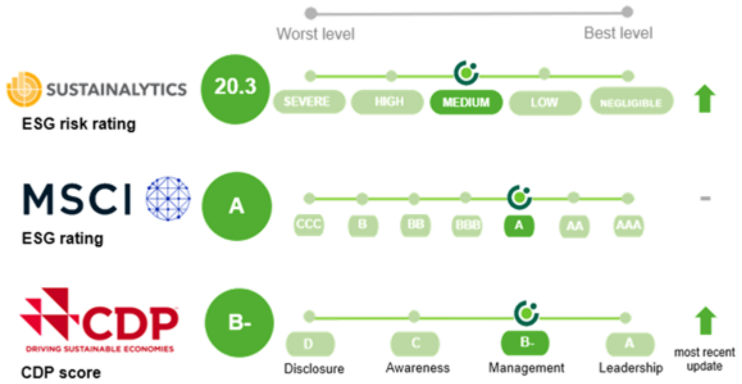
Main components of the adjusted Statement of recognised income, in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Consolidated profit after tax	**215,148**	**42,652**	**-80%**	**121,814**	**456,428**	**-33,405**	**76,057**	**-328%**	**-38%**
Adjustments (total)	-31,138	-208,100	568%	-7,182	-40,474	-122,029	-86,071	-29%	
Consolidated adjusted profit after tax	**246,286**	**250,752**	**2%**	**128,997**	**496,902**	**88,624**	**162,128**	**83%**	**26%**
Pre-tax profit	289,250	293,452	1%	150,850	587,853	118,079	175,374	49%	16%
Operating profit	307,495	398,178	29%	160,553	660,391	190,969	207,209	9%	29%
Total income	617,605	755,139	22%	316,474	1,313,124	361,200	393,939	9%	24%
Net interest income	413,799	506,196	22%	210,573	884,012	239,779	266,417	11%	27%
Net fees and commissions	152,219	181,517	19%	80,320	325,548	85,725	95,792	12%	19%
Other net non-interest income	51,587	67,426	31%	25,582	103,563	35,696	31,730	-11%	24%
Operating expenses	-310,110	-356,961	15%	-155,921	-652,733	-170,231	-186,730	10%	20%
Total risk costs	-18,245	-104,726	474%	-9,703	-72,538	-72,890	-31,836	-56%	228%
Corporate taxes	-42,965	-42,700	-1%	-21,853	-90,951	-29,454	-13,246	-55%	-39%
Main components of the adjusted balance sheet, closing balances in HUF million	2021	1H 2022	YTD	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Total assets	27,553,384	30,822,224	12%	24,550,723	27,553,384	28,790,272	30,822,224	7%	26%
Total customer loans (net, FX-adjusted)	**16,940,843**	**17,886,074**	**6%**	**15,636,041**	**16,940,843**	**17,278,129**	**17,886,074**	**4%**	**14%**
Total customer loans (gross, FX-adjusted)	**17,959,905**	**18,988,181**	**6%**	**16,644,573**	**17,959,905**	**18,369,082**	**18,988,181**	**3%**	**14%**
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	16,982,400	17,979,315	6%	15,699,641	16,982,400	17,383,657	17,979,315	3%	15%
Allowances for possible loan losses (FX-adjusted)	-1,019,062	-1,102,107	8%	-1,008,532	-1,019,062	-1,090,952	-1,102,107	1%	9%
Total customer deposits (FX-adjusted)	**22,341,495**	**23,552,123**	**5%**	**20,049,797**	**22,341,495**	**23,186,915**	**23,552,123**	**2%**	**17%**
Issued securities	436,325	405,398	-7%	497,045	436,325	417,042	405,398	-3%	-18%
Subordinated loans	278,334	302,379	9%	267,378	278,334	282,199	302,379	7%	13%
Total shareholders' equity	3,036,766	3,168,305	4%	2,696,923	3,036,766	2,923,250	3,168,305	8%	17%
Indicators based on adjusted earnings	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
ROE (from profit after tax)	16.7%	2.9%	-13.8%p	18.5%	17.0%	-4.6%	10.2%	14.8%p	-8.3%p
ROE (from adjusted profit after tax)	19.1%	17.0%	-2.1%p	19.6%	18.5%	12.1%	21.7%	9.6%p	2.1%p
ROA (from adjusted profit after tax)	2.1%	1.7%	-0.3%p	2.1%	2.0%	1.3%	2.2%	0.9%p	0.0%p
Operating profit margin	2.58%	2.75%	0.17%p	2.65%	2.62%	2.73%	2.77%	0.04%p	0.13%p
Total income margin	5.18%	5.22%	0.04%p	5.22%	5.21%	5.17%	5.27%	0.11%p	0.06%p
Net interest margin	3.47%	3.50%	0.03%p	3.47%	3.51%	3.43%	3.57%	0.14%p	0.09%p
Cost-to-asset ratio	2.60%	2.47%	-0.13%p	2.57%	2.59%	2.43%	2.50%	0.07%p	-0.07%p
Cost/income ratio	50.2%	47.3%	-2.9%p	49.3%	49.7%	47.1%	47.4%	0.3%p	-1.9%p
Provision for impairment on loan losses-to-average gross loans ratio	0.14%	0.86%	0.72%p	0.02%	0.30%	1.42%	0.36%	-1.06%p	0.34%p
Total risk cost-to-asset ratio	0.15%	0.72%	0.57%p	0.16%	0.29%	1.04%	0.43%	-0.62%p	0.27%p
Effective tax rate	14.9%	14.6%	-0.3%p	14.5%	15.5%	24.9%	7.6%	-17.4%p	-6.9%p
Net loan/(deposit+retail bond) ratio (FX-adjusted)	78%	76%	-2%p	78%	76%	75%	76%	1%p	-2%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	18.1%	17.9%	-0.2%p	18.1%	19.1%	17.8%	17.9%	0.1%p	-0.2%p
Tier 1 ratio - Basel3	15.9%	16.4%	0.6%p	15.9%	17.5%	16.2%	16.4%	0.2%p	0.6%p
Common Equity Tier 1 ('CET1') ratio - Basel3	15.9%	16.4%	0.6%p	15.9%	17.5%	16.2%	16.4%	0.2%p	0.6%p
Share Data	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from profit after tax)	838	160	-81%	474	1,738	-122	282	-331%	-41%
EPS diluted (HUF) (from adjusted profit after tax)	961	932	-3%	503	1,896	329	603	83%	20%
Closing price (HUF)	15,955	8,422	-47%	15,955	16,600	12,145	8,422	-31%	-47%
Highest closing price (HUF)	16,955	18,600	10%	16,955	19,400	18,600	12,330	-34%	-27%
Lowest closing price (HUF)	12,920	8,354	-35%	12,935	12,920	10,005	8,354	-17%	-35%
Market Capitalization (EUR billion)	12.7	5.9	-53%	12.7	12.6	9.2	5.9	-35%	-53%
Book Value Per Share (HUF)	10,440	11,315	8%	9,632	10,846	10,440	11,315	8%	17%
Tangible Book Value Per Share (HUF)	9,829	10,766	10%	9,020	10,190	9,928	10,766	8%	19%
Price/Book Value	1.5	0.7	-51%	1.7	1.5	1.2	0.7	-36%	-55%
Price/Tangible Book Value	1.6	0.8	-52%	1.8	1.6	1.2	0.8	-36%	-56%
P/E (trailing, from profit after tax)	11.2	8.3	-26%	11.2	10.2	10.3	8.3	-19%	-26%
P/E (trailing, from adjusted profit after tax)	10.1	4.7	-53%	10.1	9.4	7.3	4.7	-35%	-53%
Average daily turnover (EUR million)	17	35	104%	18	22	46	25	-46%	36%
Average daily turnover (million share)	0.4	1.1	161%	0.4	0.5	1.3	1.0	-24%	125%

[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.

ACTUAL CREDIT RATINGS

S&P GLOBAL	
OTP Bank and OTP Mortgage Bank – FX long-term issuer credit rating	BBB
MOODY'S	
OTP Bank – FX long term deposits	Baa1
OTP Bank – Dated subordinated FX debt	Ba1
OTP Mortgage Bank – Covered bonds	A1
SCOPE	
OTP Bank – Issuer rating	BBB+
OTP Bank – Dated subordinated FX debt	BB+

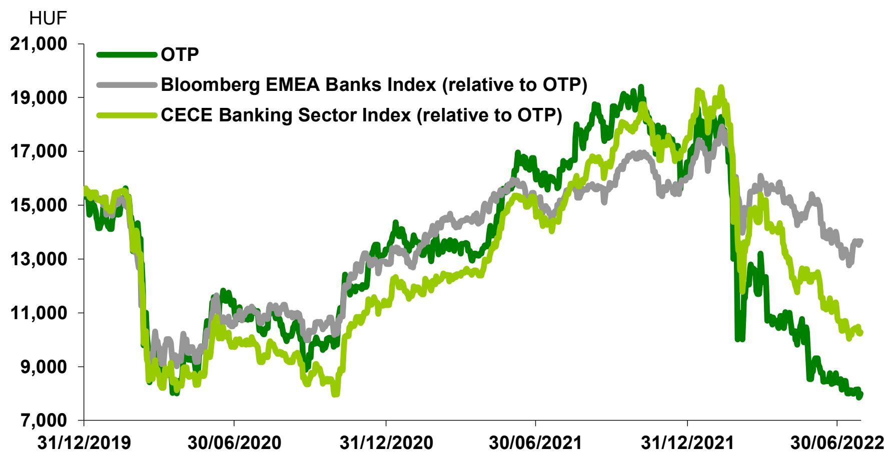
ACTUAL ESG RATINGS



AWARDS

After 2021, **Global Finance** magazine chose OTP Bank as the best bank in Hungary again this year. The OTP Group also received the regional recognition of "Best Bank of Central and Eastern Europe", and the Montenegrin and Slovenian subsidiary banks of the OTP Group also proved to be the best at the local level. In the **Euromoney** Awards for Excellence 2022 competition, OTP Bank received the "Best Bank in Hungary" award. In addition, the Albanian, Bulgarian, Moldovan and Serbian subsidiary banks of the OTP Group also proved to be the best at the local level. In the annual ranking of **The Banker** magazine, which belongs to the Financial Times group, OTP Group became the "best bank in Central and Eastern Europe". In addition, the OTP Group's Hungarian, Montenegrin, Croatian and Slovenian subsidiary banks received the "Bank of the Year" award.

SHARE PRICE PERFORMANCE



HALF-YEAR FINANCIAL REPORT – OTP BANK'S RESULTS FOR FIRST HALF 2022

The Summary of the first half 2022 results of OTP Bank Plc. has been prepared on the basis of its non-audited separate and consolidated IFRS financial statements for 30 June 2022 or derived from that. However, for the purpose of including the group level consolidated profit of the quarter in the regulatory capital and to comply with the provisions of Article 26 (2) of CRR, OTP Bank provides 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 in due time (until the pre-determined deadline).

EXECUTIVE SUMMARY: SUMMARY OF THE FIRST HALF AND SECOND QUARTER 2022

In 1Q 2022 the Hungarian GDP expanded by 8.2% y-o-y and the favourable growth dynamics are expected to remain in place in 2Q, even though signs of obvious moderation appeared. According to the Inflation Report published on 28 June, the National Bank of Hungary (NBH) forecasted an annual growth rate of 4.5-5.5% for 2022 with inflation hovering between 11.0%-12.6%. However, on 26 July at its rate setting meeting the central bank flagged that inflation risks are tilted to the upside. The engine of growth in 2022 is likely to be driven by household consumption and the high level of fixed capital formation to GDP.

The new government formed in May announced series of measures aimed at containing the 2022 budget deficit to GDP below 4.9%. The measures included windfall taxes on certain sectors and affected both the revenue and expenditure sides of the budget. Furthermore, the effect of the payment moratorium and the rate cap on variable rate mortgages was extended until 31 December 2022.

In order to contain inflation the central bank tightened monetary conditions: in 2Q the base rate was hiked by 335 bps and as a result of further hikes on 12 July (+200 bps) and 26 July (+100 bps) the base rate stood at 10.75% at the end of July; this level is identical with the 1 week central bank deposit rate. Alongside those rate hikes all benchmark yields moved upward with the 10 year point hovering around 8.2% and the 3 months BUBOR around 12% on 1 August (1Q 2022 closing level: 6.48%, 2Q: 8.40%). In a regional comparison, the local currency weakened substantially, at the beginning of July the EUR/HUF sank to around 418, however on the back of government and central bank measures there was a positive correction and on the last trading day in July it came back to around 400.

Apart from the Ukraine, all other economies across the Group demonstrated decent GDP figures with 1Q growth hovering between 4.4%-9.8%. However, depending on the weight of commodity and energy import, all countries faced increasing inflation, though central banks were far less stringent than in Hungary (except for Moldova). In July the European Union voted in favour of accepting Croatia's joining to the Eurozone by 1 January 2023; in July Moody's upgraded the sovereign rating to 'Baa2' and Fitch to 'BBB+', respectively.

As a result of the lasting war between Russia and Ukraine, local economies are expected to contract by around 30% and 8%, respectively. The underlying inflation in both countries exceeds 10% and induced rate hikes: at end of July the Ukrainian base rate stood at 25%, whereas in Russia it dropped to 8% after reaching its maximum of 25% in February. Local currencies also demonstrated diverging trends: the UAH remained mainly flat against USD during the course of 2Q (29.25), but on 21 July the central bank devalued it by 25% to 36.6. On the contrary, in Russia partly due to currency control, but also to massive revenues from energy export, the USD/RUB rate dropped to below 60, down from its peak at 135 in early March.

Consolidated earnings: close to HUF 251 billion 1H adjusted profit after tax (2Q: HUF 162 billion), q-o-q improving NIM, significant decrease in risk costs, stable portfolio quality, ytd 8% increase in performing loan volumes (FX adjusted, without the Russian and Ukrainian volumes)

Apart from some major negative one-offs (windfall tax in Hungary, goodwill impairment in Russia) the 1H profit after tax was shaped mainly by risk cost developments and increasing core banking revenues supported by the still dynamic business activity. OTP Group posted HUF 42.7 billion profit after tax in 1H (2Q: HUF 76 billion).

Both the quarterly and semi-annual earnings and balance sheet dynamics were distorted by cross currency moves in a more pronounced manner than in the previous previous periods: in 2Q the HUF weakened against all Group member countries' currencies q-o-q and y-o-y, within that the RUB demonstrated the most glaring moves (the 2Q closing rate of HUF weakened by around 80% q-o-q and y-o-y, but the almost 50% q-o-q depreciation of the average rate was also exceptional).

Out of the already announced acquisitions, the purchase of Alpha Bank Albania was completed on 18 July, whereas the closure of the NKBM transaction in Slovenia is expected to happen in September subject to obtaining all regulatory approvals.

Considering OTP's exposures to Russia and Ukraine at the end of 2Q 2022, it is important to note that while volumes didn't change in RUB/UAH terms or even declined, due to the depreciation of HUF their weight within the Group increased q-o-q. Accordingly:

- the combined weight of Ukrainian and Russian assets out of total consolidated assets comprised 8%;
- the combined weight of net loans in Ukraine and Russia comprised 7.8%;
- the volume of gross intragroup funding towards Ukraine comprised HUF 83 billion and HUF 85 billion towards Russia;
- under an unexpected and extremely negative scenario of deconsolidating the Ukrainian entity and writing down the outstanding gross intragroup funding as well, the effect for the consolidated CET1 ratio would be -1 bp, whereas in the case of Russia the impact would be -128 bps (as for the latter the significant change is explained mainly by the material q-o-q appreciation of RUB against HUF).

In both cases OTP management applies a „going concern" approach, however in Russia the management is considering all potential options that do not meaningfully destroy shareholder value, and can have a positive effect on shareholders' perception including the potential sale of the Russian operation at an acceptable price.

In 1H 2022 the total volume of adjustment items amounted to -HUF 208 billion of which -HUF 86 billion occurred in 2Q. Within the latter the major items were as follows:

- -HUF 68 billion (after tax) windfall tax announced by the Government on 4 June and payable temporarily in 2022 and 2023. The due amount for 2022 was booked in 2Q in one sum;
- -HUF 10 billion (after tax) as a result of the extension until 31 December 2022 of the cap on the Hungarian variable rate mortgages (the 3 months BUBOR rate was frozen at 2.02% effective on 27 October 2021, whereas its current level is around 12%). The rate cap was originally effective for the first six months of 2022 and its negative impact was booked in 4Q 2021 within OTP Core's risk costs;
- -HUF 3.4 billion effect of acquisitions (after tax). Most of this amount was related to the acquisition and integration processes in Slovenia, Serbia, Bulgaria and Croatia;
- -HUF 2.5 billion (after tax) related to the liquidation of Sberbank Hungary. This item consists of two legs: firstly, in 2Q the Hungarian Group members were obliged to pay HUF 28.5 billion extraordinary contribution to the National Deposit Insurance Fund (NDIF). At the same time this amount was offset by the expected recovery from the already completed sale of Sberbank's assets. Based on the available information the Bank expects 100% recovery on its extraordinary contribution into the NDIF. However, due to the uncertainty about the timing of the realization of this recovery, this claim was boked at its expected net present value, thus a 9.57% discount was applied;
- -HUF 1.8 billion related to the extension of the Hungarian payment moratorium until 31 December 2022 (after tax).

The first half consolidated adjusted profit after tax comprised HUF 250.8 billion, +2% y-o-y. Thus the adjusted 1H ROE stood at 17.0% (without the semi-annual results of the Russian and Ukrainian subsidiaries the 1H adjusted ROE would be 23.2%).

Against the significant losses suffered by the Ukrainian and Russian operations in 1Q (-HUF 34 billion and -HUF 24 billion, respectively), in 2Q bottom line earnings turned into positive at both entities. The q-o-q improvement in both case can be explained by substantially lower risk costs; besides, in Russia the deferred tax assets written off in 1Q were written back in 2Q, as a result of this reversal the consolidated effective tax rate declined significantly (1Q 2022: 24.9%, 2Q: 7.6%, 1H 2022: 14.6%).

In 1H 2022 the Group realized HUF 398 billion operating income (+29% y-o-y). Total income for that period advanced by 22% y-o-y, within that 1H net interest income increased by the same magnitude, whereas net fee and commission income grew somewhat slower, by 19% y-o-y and other net non-interest income surged by 31%.

The FX-adjusted semi-annual net interest income increased by 17% y-o-y, similar to previous periods this was mainly due to expanding performing loan volumes. However, the higher interest rate environment also had a positive impact. The consolidated 1H net interest margin (3.50%) grew by 3 bps y-o-y.

1H operating expenses grew by 15% y-o-y in HUF terms and by 11% on an FX-adjusted basis. As a result, the consolidated cost-to-income ratio declined to 47.3% (48% without the Russian and Ukrainian operations).

In 2Q OTP Group posted HUF 162.1 billion adjusted profit after tax, +83% q-o-q. The adjusted ROE stood at 21.7%.

In 2Q all Group members achieved positive earnings, the most remarkable q-o-q improvement was posted by the Russian, Ukrainian, Bulgarian and Moldovan subsidiaries. OTP Core suffered close to HUF 20 billion set back mainly due to q-o-q lower other net non-interest income, higher operating expenses and lower quarterly positive risk costs.

Similar to 1H dynamics, in 2Q both the P&L lines and balance sheet items were distorted by the significant weakening of HUF.

In 2Q OTP Group posted HUF 207.2 billion operating income (+9% q-o-q in HUF terms, +2% FX-adjusted). Total income grew by 9% q-o-q, within that the net interest income advanced by 11% (+4% FX-adjusted) supported by q-o-q improving NIM and leaping performing loan volumes. The consolidated NIM improved by 14 bps q-o-q and reached 3.57%. In 2Q the net interest margin grew q-o-q at OTP Core, but also in Serbia, Romania, Croatia, Montenegro, Moldova and Ukraine. In Hungary the reference rate, as well as the benchmark yields grew sharply, but there was a substantial rate increase in Ukraine, Romania, Moldova and Serbia, too. In Russia, on the contrary, 2Q witnessed significant rate cuts. The consolidated 2Q net fee and commission income advanced by 12% in HUF (+6% FX-adjusted) as a result of strengthening business activity and stronger transaction volumes. Especially in countries with significant weight of tourism in their economies (Croatia, Montenegro, Albania), net F&C advanced in a spectacular way both q-o-q and y-o-y. Other net non-interest income dropped by 11% q-o-q mainly due to the weaker OTP Core.

2Q operating expenses in HUF terms grew by 10% (+3% FX-adjusted). Apart from Ukraine, Slovenia and Romania all other subsidiaries across the Group witnessed q-o-q increase. Within the three major expense items personal costs grew by 8% q-o-q, amortization by 15% and administrative expenses by 10%, respectively.

The consolidated 2Q cost-to-income ratio improved by 1.9% y-o-y and stood at 47.4%.

The FX-adjusted consolidated performing (Stage 1+2) loan volumes increased by 3% q-o-q, following a 2% increase in 1Q. As a result, the organic loan volume growth was close to 6% (HUF 994 billion) in the first six months. Without the Ukrainian and Russian volumes the consolidated loan portfolio advanced by 8% ytd. The loan volumes grew by 15% y-o-y.

Due to the Russian-Ukrainian conflict the loan portfolio kept further eroding in those two countries: ytd there was a 18% and 6% decline (-11% and 10% q-o-q), respectively.

The fastest q-o-q performing loan growth was posted at OTP Core (+6% q-o-q), but the Romanian, Slovenian, Serbian, Bulgarian and Croatian portfolio advanced in a meaningful way, too.

As for the major segments, the performing mortgage and consumer volumes increased by 3% and 1% q-o-q, whereas large corporate volumes expanded by 4%. SME loans demonstrated the fastest quarterly expansion at 7% q-o-q.

While the performing consumer loan volumes declined in 1Q at OTP Core, 2Q already witnessed a bounce-back with the book increasing by 5% q-o-q; the SME and corporate portfolio grew even faster (+9% q-o-q each).

The FX-adjusted deposits grew by 2% q-o-q, as a result for the first six months volumes expanded by 5% (+HUF 1,201 billion). Both in Ukraine and Russia deposit volumes grew by 3% q-o-q, as a result the deposit book in those two countries increased by 5% and 15% ytd, respectively.

The consolidated net loan-to-deposit ratio grew by 1 pp q-o-q, to 76%.

In July the Group issued EUR 400 million MREL-eligible "green" Senior Preferred bonds within the framework of its EMTN Program updated in late May 2022.

The Stage 3 ratio under IFRS 9 was 5.3% at the end of 1Q, underpinning a marginal q-o-q increase. Apart from Russia and Ukraine in all other Group members there was a q-o-q decrease in the Stage 3 ratio. The consolidated Stage 2 ratio stood at 11.7% at the end of 2Q. The own coverage of Stage 3 exposures was 65.4%.

At the end of 2Q 2022 it was only Hungary with significant volumes participating in the payment moratorium, but even there the participation rate was minimal: at OTP Core 3.7% of gross loan volumes were under the moratorium, whereas at Merkantil Group the rate was 1.4%. The Hungarian Government extended the effect of the moratorium until
31 December 2022, the application deadline expired on 31 July 2022.

In 1H 2022 the total volume of credit risk costs reached -HUF 74 billion (2Q: -HUF 16 billion), whereas without the Russian and Ukrainian operations the semi-annual figure would be +HUF 27 billion. As a result the 1H credit risk cost rate stood at 0.86% (2Q: 0.36%).

In 2Q other risk costs grew by HUF 1 billion q-o-q mainly due impairments made for government securities at OTP Core.

Management Guidance for 2022

The management's expectations for the 2022 performance of the Group without the Russian and Ukrainian operations remained unchanged except for the growth outlook of the performing loan portfolio, accordingly:

- ***Performing (Stage 1+2) organic loan volume growth might exceed 10% y-o-y (FX-adjusted) following the 8% ytd expansion;***
- ***The net interest margin may stabilize;***

  (2021: 3.09%, 1Q 2022: 3.05%, 2Q: 3.16%, 1H: 3.11%)

- ***The operating cost efficiency ratio may be similar to 2021;***

  (Cost / income ratio: 2021: 51.1%, 1Q 2022: 47.6%, 2Q: 48.4%, 1H: 48.0%)

- ***The credit risk cost ratio may be around the 2021 level provided the macroeconomic expectations won't deteriorate materially further;***

  (2021: 0.19%, 1Q 2022: -0.41%, 2Q: -0.28%, 1H: -0.34%)

- ***The adjusted profitability indicator (ROE) may be similar to the 2021 level of 18%.***

  (2021: 17.9%, 1Q 2022: 23.4%, 2Q: 23.0%, 1H: 23.2%)

The Russian subsidiary is expected to deliver positive earnings for the rest of 2022, though its magnitude might be smaller than in 2Q. The performance of the Ukrainian subsidiary will be mainly shaped by the evolution of its risk profile.

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of June 2022, the consolidated CET1 ratio under the accounting scope of consolidation according to IFRS was 16.4% (+0.2 pp q-o-q and +0.6 pp y-o-y). This ratio equals to the Tier 1 ratio.

By the end of 2022 the effective regulatory minimum requirement for the consolidated Tier 1 capital adequacy ratio is 10.7% which also incorporates the effective
SREP rate, whereas the minimum CET1 requirement is 8.8%.

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

- According to the decision of NBH, the effective SREP rate is 125% from March 2022.
- Effective from 1 July 2020 the original level of O-SII capital buffer (2%) was modified to 0% by the NBH until 31 December 2021. The gradual rebuilding started on 1 January 2022, its current level is 0.5% and by 31 December 2023 it will gradually reach 2%.
- The effective rate of the anticyclical capital buffer is currently 0% in Hungary. In Bulgaria the local central bank prescribed a 1.0% buffer from 4Q 2022, whereas in Romania the local central bank required a 0.5% buffer, thus on a consolidated anticyclical capital buffer will increase to 0.19%.
- In the course of 2023 the consolidated institution-specific anticyclical capital buffer requirements are expected to increase further, as in Bulgaria the local relevant buffer requirement effective from 1 January 2023 is going to be increased to 1.5%, in Croatia from 31 March to 0.5% and in Hungary from 1 July 2023 to 0.5% as well, respectively. With all these changes taking effect, on consolidated level the anticyclical capital buffer is expected to increase to 0.49%.

The risk weighted assets (RWA) under the accounting scope of consolidation increased by HUF 2,305 billion q-o-q; this expansion to a great extent was explained by the significant HUF depreciation (FX-effect: HUF 1,406 billion). The weaker HUF, however inflated the consolidated regulatory capital, too, mainly as a result of higher revaluation reserves booked in the comprehensive income (+HUF 313 billion). The regulatory capital was also supported by the incorporation of the semi-annual eligible profit (HUF 38 billion after the deduction of the calculated dividend). In the first half HUF 5 billion dividend was deducted from the earnings. However, this amount shall not be considered as an indication from the management for the proposed dividend amount after 2022. The deducted dividend was determined in accordance with the Commission Delegated Regulation (EU) No. 241/2014. Article 2. (7) Paragraph.

All in all, the positive factors elevating the regulatory capital offset the impact the higher RWAs, as a result the consolidated Common Equity Tier 1 (CET1) ratio under the accounting scope of consolidation increased by 0.2 pp q-o-q.

Credit rating, shareholder structure, awards

In 2Q 2022 there was no change in OTP's rating with the major agencies, accordingly OTP Bank Plc.'s long-term issuer credit rating by S&P Global Ratings was 'BBB' with stable outlook. As for Moody's the long-term FX deposit rating of OTP Bank Plc. remained 'Baa1' and the dated subordinated FX debt rating was 'Ba1'. OTP Bank's Counterparty Risk Assessment (CRA) was 'Baa1', OTP Mortgage Bank Ltd.'s CRA was equally 'Baa1', and its mortgage bond rating was 'A1'. OTP Bank Plc' issuer rating at Scope Ratings was 'BBB+' and the subordinated debt rating 'BB+', respectively; both ratings had stable outlook.

Since 23 March 2022 OTP's Russian subsidiary had no rating from Fitch.

Regarding the ownership structure of the Bank, on 4 August 2022 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.59%) and Groupama Group (5.10%).

In 2022 OTP Bank was awarded by Euromoney as the Best Bank in CEE, and also as the Best Bank in Hungary, Bulgaria, Montenegro and Albania.

DISCLAIMER – RISKS RELATING TO THE RUSSIAN-UKRAINIAN ARMED CONFLICT

On 24 February 2022 Russia launched a military operation against Ukraine which is still ongoing at the date of this Report. Until now many countries, as well as the European Union imposed sanctions due to the armed conflict on Russia and Russian businesses and citizens.

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 through 2022 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.

DISCLAIMER – THE COVID-19 PANDEMIC AND THE VOLATILE ECONOMIC ENVIRONMENT IN THE POST-COVID-19 ERA

Since the outbreak of the COVID-19 pandemic, OTP Group has regularly updated its forecasts in light of the pandemic and the impact of the pandemic on the operations of OTP Group. However, the continuance of new waves of the pandemic emerging may require further revision by OTP Group to such macroeconomic scenarios and its estimations of credit impairments.

Over the last 2 years, the COVID-19 pandemic severely impacted the evolution of the global economy. The supply-chain and logistic relationships were disrupted by periodic lockdowns and social distancing requirements and the supply of several key raw materials dropped significantly, leading to a more volatile economic environment compared to previous years. Raw material and energy prices rose steeply, leading to higher inflation and interest rates in some of OTP Group’s operating countries. The conflict between Russian and Ukraine and the subsequent implementation of sanctions on Russia have accelerated supply shortages and resulted in higher energy prices and more broad-based inflation. Several major central banks have already raised or are considering raising interest rates earlier than previously expected. The Hungarian central bank recently hiked rates. The risk of local currency devaluations versus EUR or USD has increased and could lead to a more volatile operating environment for OTP Group.

This volatile environment could cause financial difficulties for OTP Group’s customers. The deteriorating credit quality of OTP Group’s customers may in particular result in increasing defaults and arrears in monthly payments on loans, higher credit impairments on the loan portfolios of OTP Group. Furthermore, lower demand for, and origination of, new loans could have a material adverse effect on the OTP Group’s results of operations.

The OTP Group’s activities and the profitability of its operations are strongly affected by the macroeconomic environment and the domestic and international perception of the economies in which it operates.

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, 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

Hungary

- On 7 July 2022 the National Bank of Hungary hiked the one week deposit rate by 200 bps to 9.75%. On 12 July the central bank raised the base rate by a similar magnitude, to 9.75%.
- OTP Bank Plc. issued "green" notes on 13 July 2022 as value date in the aggregate nominal amount of EUR 400 million. The non-call 2 years senior preferred notes have a three years term and carry an annually paid fixed coupon of 5.5% in the first two years. With respect to the third year, the quarterly coupon is calculated as the sum of the initial margin (of 426.5 basis points) and the 3 month EURIBOR rate.
- In the course of July several measures with positive fiscal effect were taken by the Government. Firstly, on 11 July the details of the previously announced expenditure cuts and budget freeze were revealed, amounting to HUF 568 billion in total. Secondly, on 12 July the Parliament passed the amendments to the small taxpayers' itemized lump sum tax (Hungarian abbreviation: kata). On 13 July the government declared a state of energy emergency, and approved numerous measures to ensure a stable energy supply in Hungary.
- On 19 July 2022 the Parliament passed the 2023 budget bill, with the following cornerstones: GDP growth assumption of 4.1%, 5.2% inflation and 3.5% budget deficit in % of GDP.
- On 26 July 2022 the National Bank of Hungary raised the base rate by 100 bps to 10.75, followed by a similar hike of the one week deposit rate on the 28th of July, to 10.75%.
- On 29 July the Prime Minister announced that the preferential 5% VAT for newly built homes will be extended beyond the end of 2022, the originanly planned deadline, until the end of 2024. Furthermore, at the end of July the Government proclaimed that the baby loans and the family housing subsidy will stay in place in 2023, too.
- On 31 July 2022 the Government made certain steps to mitigate the effects of the draught. Among others, starting from September 2022 to the end of 2023, agricultural companies will be entitled to enjoy a payment moratorium on their working capital and investment loans. Eligible borrowers shall decide whether to join the scheme or not.

Croatia

- On 12 July 2022 Croatia's Eurozone accession in 2023 received the final approval from the EU.
- On 13 July 2022 Fitch upgraded the sovereign rating to 'BBB+', with stable outlook.
- On 15 July 2022 Moody's upgraded the sovereign rating to 'Baa2', with stable outlook.

Serbia

- On 7 July 2022 the Serbian national bank hiked the base rate by 25 bps to 2.75%.

Russia

- On 22 July 2022 the Russian national bank lowered the base rate by 150 bps to 8%.

Ukraine

- On 21 July 2022 the Ukrainian central bank announced the devaluation of the local currency against the USD by 25%, thus the fixed exchange rate changed from 29.65 to 36.5686.
- On 29 July 2022 S&P Global Ratings downgraded Ukraine's long-term foreign currency sovereign rating from 'CCC+' to 'CC', the outlook is negative.

Albania

- The financial closure of the transaction to purchase 100% shareholding of Alpha Bank Albania SH.A., the Albanian subsidiary of the Alpha Bank Group was completed on 18 July 2022, based on the share sale and purchase agreement dated 6 December 2021 and concluded between OTP Bank and Alpha Bank Group's member, Alpha International Holdings Single Member S.A.

CONSOLIDATED PROFIT AFTER TAX BREAKDOWN BY SUBSIDIARIES (IFRS)[2]

in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Consolidated profit after tax	**215,148**	**42,652**	**-80%**	**121,814**	**456,428**	**-33,405**	**76,057**		**-38%**
Adjustments (total)	**-31,138**	**-208,100**	**568%**	**-7,182**	**-40,474**	**-122,029**	**-86,071**	**-29%**	
Consolidated adjusted profit after tax	**246,286**	**250,752**	**2%**	**128,997**	**496,901**	**88,624**	**162,128**	**83%**	**26%**
Banks total[1]	231,747	230,080	-1%	120,613	468,962	79,078	151,003	91%	25%
OTP Core (Hungary)[2]	107,768	168,887	57%	51,766	213,377	94,038	74,850	-20%	45%
DSK Group (Bulgaria)[3]	41,975	49,585	18%	23,702	76,790	21,064	28,521	35%	20%
OBH (Croatia)[4]	14,297	22,889	60%	9,178	33,448	11,074	11,815	7%	29%
OTP Bank Serbia[5]	14,759	21,780	48%	7,986	32,104	10,860	10,921	1%	37%
SKB Banka (Slovenia)	7,497	9,683	29%	4,434	16,822	4,937	4,746	-4%	7%
OTP Bank Romania[6]	1,776	-992		1,247	4,253	-1,759	768		-38%
OTP Bank Ukraine[7]	17,726	-34,254		8,891	39,024	-34,400	146	-100%	-98%
OTP Bank Russia[8]	17,410	-14,751		9,404	37,624	-27,222	12,470		33%
CKB Group (Montenegro)[9]	3,117	292	-91%	1,095	4,140	-1,230	1,521		39%
OTP Bank Albania	2,369	4,745	100%	1,313	5,522	2,261	2,485	10%	89%
OTP Bank Moldova	3,052	2,215	-27%	1,596	5,858	-545	2,760		73%
Leasing	4,751	5,810	22%	3,125	7,998	4,372	1,438	-67%	-54%
Merkantil Group (Hungary)[10]	4,751	5,810	22%	3,125	7,998	4,372	1,438	-67%	-54%
Asset Management	1,953	2,583	32%	1,076	6,321	1,238	1,344	9%	25%
OTP Asset Management (Hungary)	1,863	2,436	31%	1,028	6,116	1,155	1,280	11%	25%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[11]	90	147	63%	49	205	83	64	-22%	32%
Other Hungarian Subsidiaries	8,895	7,022	-21%	3,990	10,205	1,415	5,607	296%	41%
Other Foreign Subsidiaries[12]	362	30	-92%	-94	50	-12	41		
Corporate Centre[13]	-691	2,940		-264	2,887	1,269	1,672	32%	
Eliminations	-732	2,287		550	479	1,265	1,022	-19%	86%
Profit after tax of the Hungarian operation[14]	125,511	23,118	-82%	83,688	227,013	19,028	4,090	-79%	-95%
Adjusted after tax profit of the Hungarian operation[14]	121,668	187,733	54%	59,557	240,524	102,543	85,189	-17%	43%
Profit after tax of the Foreign operation[15]	89,637	19,534	-78%	38,126	229,414	-52,433	71,967		89%
Adjusted profit after tax of the Foreign operation[15]	124,618	63,019	-49%	69,439	256,377	-13,919	76,938		11%
Share of Hungarian contribution to the adjusted profit after tax	49%	75%	25%p	46%	51%	116%	53%	-63%p	6%p
Share of Foreign contribution to the adjusted profit after tax	51%	25%	-25%p	54%	51%	-16%	47%	63%p	-6%p

[2] Relevant footnotes are in the Supplementary data section of the Report.

CONSOLIDATED, UNAUDITED IFRS REPORTS OF OTP BANK PLC.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME

Main components of the adjusted Statement of recognized income in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Consolidated profit after tax	**215,148**	**42,652**	**-80%**	**121,814**	**456,428**	**-33,405**	**76,057**		**-38%**
Adjustments (total, after corporate income tax)	**-31,138**	**-208,100**	**568%**	**-7,182**	**-40,474**	**-122,029**	**-86,071**	**-29%**	
Dividends and net cash transfers (after tax)	514	190	-63%	433	729	31	159	407%	-63%
Goodwill/investment impairment charges (after tax)	-718	-56,279		-1,375	1,909	-56,279	0	-100%	-100%
Special tax on financial institutions (after tax)	-18,877	-88,102	367%	-4	-18,893	-20,227	-67,875	236%	
Expected one-off negative effect of the debt repayment moratorium in Hungary (after tax)	-5,587	-1,790	-68%	-5,586	-15,040	3	-1,793		-68%
Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary (after tax)	0	-10,141		0	0	0	-10,141		
Effect of the winding up of Sberbank Hungary (after tax)	0	-2,508		0	0	0	-2,508		
Effect of acquisitions (after tax)	-4,191	-5,906	41%	-724	-15,506	-2,531	-3,375	33%	366%
Result of the treasury share swap agreement (after tax)	-2,280	-8,526	274%	74	6,326	-8,502	-23	-100%	-132%
Impairments on Russian government bonds at OTP Core and DSK Bank booked in 1H 2022 (after tax)	0	-35,039		0	0	-34,525	-514	-99%	
Consolidated adjusted profit after tax	**246,286**	**250,752**	**2%**	**128,997**	**496,902**	**88,624**	**162,128**	**83%**	**26%**
Profit before tax	**289,250**	**293,452**	**1%**	**150,850**	**587,853**	**118,079**	**175,374**	**49%**	**16%**
Operating profit	**307,495**	**398,178**	**29%**	**160,553**	**660,391**	**190,969**	**207,209**	**9%**	**29%**
Total income	**617,605**	**755,139**	**22%**	**316,474**	**1,313,124**	**361,200**	**393,939**	**9%**	**24%**
Net interest income	**413,799**	**506,196**	**22%**	**210,573**	**884,012**	**239,779**	**266,417**	**11%**	**27%**
Net fees and commissions	**152,219**	**181,517**	**19%**	**80,320**	**325,548**	**85,725**	**95,792**	**12%**	**19%**
Other net non-interest income	**51,587**	**67,426**	**31%**	**25,582**	**103,563**	**35,696**	**31,730**	**-11%**	**24%**
Foreign exchange result, net	18,167	44,809	147%	7,184	44,251	26,743	18,067	-32%	151%
Gain/loss on securities, net	9,685	1,276	-87%	5,499	9,726	4,131	-2,855	-169%	-152%
Net other non-interest result	23,735	21,340	-10%	12,899	49,586	4,822	16,518	243%	28%
Operating expenses	**-310,110**	**-356,961**	**15%**	**-155,921**	**-652,733**	**-170,231**	**-186,730**	**10%**	**20%**
Personnel expenses	-159,681	-174,301	9%	-80,721	-340,201	-83,830	-90,471	8%	12%
Depreciation	-35,693	-39,416	10%	-17,955	-72,816	-18,297	-21,119	15%	18%
Other expenses	-114,737	-143,244	25%	-57,245	-239,716	-68,105	-75,140	10%	31%
Total risk costs	**-18,245**	**-104,726**	**474%**	**-9,703**	**-72,538**	**-72,890**	**-31,836**	**-56%**	**228%**
Provision for impairment on loan losses	-10,345	-74,224	618%	-573	-46,006	-58,164	-16,060	-72%	
Other provision	-7,901	-30,501	286%	-9,130	-26,532	-14,726	-15,776	7%	73%
Corporate taxes	**-42,965**	**-42,700**	**-1%**	**-21,853**	**-90,951**	**-29,454**	**-13,246**	**-55%**	**-39%**
INDICATORS	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
ROE (from profit after tax)	16.7%	2.9%	-13.8%p	18.5%	17.0%	-4.6%	10.2%	14.8%p	-8.3%p
ROE (from adjusted profit after tax)	19.1%	17.0%	-2.1%p	19.6%	18.5%	12.1%	21.7%	9.6%p	2.1%p
ROA (from adjusted profit after tax)	2.1%	1.7%	-0.3%p	2.1%	2.0%	1.3%	2.2%	0.9%p	0.0%p
Operating profit margin	2.58%	2.75%	0.17%p	2.65%	2.62%	2.73%	2.77%	0.04%p	0.13%p
Total income margin	5.18%	5.22%	0.04%p	5.22%	5.21%	5.17%	5.27%	0.11%p	0.06%p
Net interest margin	3.47%	3.50%	0.03%p	3.47%	3.51%	3.43%	3.57%	0.14%p	0.09%p
Net fee and commission margin	1.28%	1.26%	-0.02%p	1.32%	1.29%	1.23%	1.28%	0.06%p	-0.04%p
Net other non-interest income margin	0.43%	0.47%	0.03%p	0.42%	0.41%	0.51%	0.42%	-0.09%p	0.00%p
Cost-to-asset ratio	2.60%	2.47%	-0.13%p	2.57%	2.59%	2.43%	2.50%	0.07%p	-0.07%p
Cost/income ratio	50.2%	47.3%	-2.9%p	49.3%	49.7%	47.1%	47.4%	0.3%p	-1.9%p
Provision for impairment on loan losses-to-average gross loans ratio	0.14%	0.86%	0.72%p	0.02%	0.30%	1.42%	0.36%	-1.06%p	0.34%p
Total risk cost-to-asset ratio	0.15%	0.72%	0.57%p	0.16%	0.29%	1.04%	0.43%	-0.62%p	0.27%p
Effective tax rate	14.9%	14.6%	-0.3%p	14.5%	15.5%	24.9%	7.6%	-17.4%p	-6.9%p
Non-interest income/total income	33%	33%	0%p	33%	33%	34%	32%	-1%p	-1%p
EPS base (HUF) (from profit after tax)	839	160	-81%	474	1,739	-122	282	-331%	-41%
EPS diluted (HUF) (from profit after tax)	838	160	-81%	474	1,738	-122	282	-331%	-41%
EPS base (HUF) (from adjusted profit after tax)	961	932	-3%	503	1,896	329	603	83%	20%
EPS diluted (HUF) (from adjusted profit after tax)	961	932	-3%	503	1,896	329	603	83%	20%

Comprehensive Income Statement	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Consolidated profit after tax	215,148	42,652	-80%	121,814	456,428	-33,405	76,057		-38%
Fair value changes of financial instruments measured at fair value through other comprehensive income	-5,835	-102,453		-2,479	-44,877	-80,352	-22,101	-72%	792%
Foreign currency translation difference	-54,629	316,500		-60,151	61,729	1,084	315,416		
Change of actuarial costs (IAS 19)	99	-37		99	42	0	-37		
Net comprehensive income	**154,783**	**256,662**	**66%**	**59,283**	**473,322**	**-112,674**	**369,336**		**523%**
o/w Net comprehensive income attributable to equity holders	154,491	255,530	65%	59,156	472,281	-111,550	367,080		521%
Net comprehensive income attributable to non-controlling interest	292	1,132	288%	127	1,041	-1,124	2,256	-301%	

Average exchange rate[1] of the HUF (in HUF)	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
HUF/EUR	358	375	5%	355	359	364	386	6%	9%
HUF/CHF	327	364	11%	323	332	352	376	7%	16%
HUF/USD	297	344	16%	294	303	325	362	12%	23%

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

CONSOLIDATED BALANCE SHEET

Main components of the adjusted balance sheet, in HUF million	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
TOTAL ASSETS	**24,550,723**	**27,553,384**	**28,790,272**	**30,822,224**	**7%**	**26%**	**12%**
Cash, amounts due from Banks and balances with the National Banks	1,983,490	2,556,035	2,396,801	2,312,422	-4%	17%	-10%
Placements with other banks, net of allowance for placement losses	1,727,294	1,584,860	2,297,336	1,765,735	-23%	2%	11%
Financial assets at fair value through profit or loss	235,966	341,397	408,358	462,603	13%	96%	36%
Securities at fair value through other comprehensive income	2,131,583	2,224,510	2,065,330	2,103,518	2%	-1%	-5%
Net customer loans	14,065,940	15,743,922	16,053,843	17,886,074	11%	27%	14%
Net customer loans (FX-adjusted[1])	**15,636,041**	**16,940,843**	**17,278,129**	**17,886,074**	**4%**	**14%**	**6%**
Gross customer loans	14,904,741	16,634,454	16,985,594	18,988,181	12%	27%	14%
Gross customer loans (FX-adjusted[1])	**16,644,573**	**17,959,905**	**18,369,082**	**18,988,181**	**3%**	**14%**	**6%**
Gross performing (Stage 1+2) customer loans (FX-adjusted[1])	**15,699,641**	**16,982,400**	**17,383,657**	**17,979,315**	**3%**	**15%**	**6%**
o/w Retail loans	8,799,763	9,276,118	9,360,459	9,611,125	3%	9%	4%
Retail mortgage loans (incl. home equity)	4,007,291	4,315,068	4,410,467	4,561,661	3%	14%	6%
Retail consumer loans	3,961,567	4,243,694	4,212,729	4,257,166	1%	7%	0%
SME loans	830,905	717,356	737,263	792,298	7%	-5%	10%
Corporate loans	5,703,252	6,470,601	6,770,303	7,065,367	4%	24%	9%
Leasing	1,196,626	1,235,681	1,252,895	1,302,822	4%	9%	5%
Allowances for loan losses	-838,801	-890,532	-931,752	-1,102,107	18%	31%	24%
Allowances for loan losses (FX-adjusted[1])	-1,008,532	-1,019,062	-1,090,952	-1,102,107	1%	9%	8%
Associates and other investments	40,027	67,223	68,486	78,838	15%	97%	17%
Securities at amortized costs	3,233,246	3,891,335	4,314,660	4,802,056	11%	49%	23%
Tangible and intangible assets, net	643,653	689,290	642,985	690,193	7%	7%	0%
o/w Goodwill, net	100,854	105,640	64,833	67,976	5%	-33%	-36%
Tangible and other intangible assets, net	542,799	583,650	578,153	622,218	8%	15%	7%
Other assets	489,524	454,811	542,473	720,784	33%	47%	58%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**24,550,723**	**27,553,384**	**28,790,272**	**30,822,224**	**7%**	**26%**	**12%**
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	1,638,688	1,608,533	1,719,516	1,700,991	-1%	4%	6%
Deposits from customers	18,258,677	21,068,644	21,840,257	23,552,123	8%	29%	12%
Deposits from customers (FX-adjusted[1])	**20,049,797**	**22,341,495**	**23,186,915**	**23,552,123**	**2%**	**17%**	**5%**
o/w Retail deposits	14,341,133	15,198,367	15,395,128	15,562,824	1%	9%	2%
Household deposits	12,009,004	12,670,561	12,902,260	12,972,640	1%	8%	2%
SME deposits	2,332,129	2,527,806	2,492,868	2,590,184	4%	11%	2%
Corporate deposits	5,701,206	7,134,733	7,781,940	7,971,676	2%	40%	12%
Accrued interest payable related to customer deposits	7,458	8,396	9,847	17,622	79%	136%	110%
Liabilities from issued securities	497,045	436,325	417,042	405,398	-3%	-18%	-7%
o/w Retail bonds	0	0	0	0			
Liabilities from issued securities without retail bonds	497,045	436,325	417,042	405,398	-3%	-18%	-7%
Other liabilities	1,192,012	1,124,782	1,608,008	1,693,028	5%	42%	51%
Subordinated bonds and loans[2]	267,378	278,334	282,199	302,379	7%	13%	9%
Total shareholders' equity	**2,696,923**	**3,036,766**	**2,923,250**	**3,168,305**	**8%**	**17%**	**4%**
Indicators	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
Loan/deposit ratio (FX-adjusted[1])	83%	80%	79%	81%	1%p	-2%p	0%p
Net loan/(deposit + retail bond) ratio (FX-adjusted[1])	78%	76%	75%	76%	1%p	-2%p	0%p
Stage 1 loan volume under IFRS 9	12,140,375	13,561,883	13,844,649	15,757,527	14%	30%	16%
Stage 1 loans under IFRS9/gross customer loans	81.5%	81.5%	81.5%	83.0%	1.5%p	1.5%p	1%
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.0%	1.1%	1.1%	0.0%p	0.0%p	0%
Stage 2 loan volume under IFRS 9	1,959,453	2,194,620	2,261,923	2,221,787	-2%	13%	1%
Stage 2 loans under IFRS9/gross customer loans	13.1%	13.2%	13.3%	11.7%	-1.6%p	-1.4%p	-1%
Own coverage of Stage 2 loans under IFRS 9	10.3%	10.0%	10.4%	12.4%	1.9%p	2.1%p	2%
Stage 3 loan volume under IFRS 9	804,913	877,951	879,023	1,008,866	15%	25%	15%
Stage 3 loans under IFRS9/gross customer loans	5.4%	5.3%	5.2%	5.3%	0.1%p	-0.1%p	0%
Own coverage of Stage 3 loans under IFRS 9	63.3%	60.5%	61.9%	65.4%	3.5%p	2.1%p	5%
90+ days past due loan volume	533,121	535,445	542,137	662,967	22%	24%	24%
90+ days past due loans/gross customer loans	3.6%	3.2%	3.2%	3.5%	0.3%p	-0.1%p	0.3%p
Consolidated capital adequacy - Basel3	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
Capital Adequacy Ratio (consolidated, IFRS)	18.1%	19.1%	17.8%	17.9%	0.1%p	-0.2%p	-1.2%p
Tier 1 ratio	15.9%	17.5%	16.2%	16.4%	0.2%p	0.6%p	-1.1%p
Common Equity Tier 1 ('CET1') capital ratio	15.9%	17.5%	16.2%	16.4%	0.2%p	0.6%p	-1.1%p
Regulatory capital (consolidated)	2,766,473	3,191,765	3,078,173	3,515,020	14%	27%	10%
o/w Tier 1 Capital	2,421,671	2,926,882	2,811,517	3,226,731	15%	33%	10%
o/w Common Equity Tier 1 capital	2,421,671	2,926,882	2,811,517	3,226,731	15%	33%	10%
Tier2 Capital	344,802	264,883	266,656	288,289	8%	-16%	9%
o/w Hybrid Tier2	89,935	0	0	0		-100%	
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	15,268,796	16,691,315	17,324,682	19,629,309	13%	29%	18%
o/w RWA (Credit risk)	13,511,024	14,992,797	15,551,854	17,737,686	14%	31%	18%
RWA (Market & Operational risk)	1,757,773	1,698,518	1,772,828	1,891,623	7%	8%	11%

Closing exchange rate of the HUF (in HUF)	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
HUF/EUR	352	369	370	397	7%	13%	8%
HUF/CHF	321	357	359	398	11%	24%	11%
HUF/USD	296	326	332	380	14%	28%	17%

[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.

[2] The ICES bonds were considered as Tier2 debt, but accounting-wise they were treated as part of the shareholders' equity until 2Q 2021, but in 3Q 2021 the ICES bonds were no longer part of the shareholders' equity. In the wake of the redemption of the ICES bonds announced on 14 September 2021, at the end of 3Q the HUF equivalent of ICES bonds (using the FX rate of 14 September) was recognized within the Other liabilities (HUF 179.8 billion) both on OTP Bank standalone and consolidated level, and within the consolidated shareholders' equity the other reserves declined by HUF 89.9 billion and the retained earnings by HUF 89.9 billion. The ICES bonds were redeemed on 29 October 2021.

RESULT OF OTP BANK'S HUNGARIAN OPERATION

Result of the Hungarian operation[3]:

Main components of the Statement of recognised income in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Profit after tax without received dividend	**110,696**	**-68,976**		**69,112**	**200,096**	**-71,182**	**2,205**		**-97%**
Dividend received from subsidiaries	14,815	92,094	522%	14,576	26,917	90,210	1,884	-98%	-87%
Profit after tax	**125,511**	**23,118**	**-82%**	**83,688**	**227,013**	**19,028**	**4,090**	**-79%**	**-95%**
Adjustments (total, after tax)	**3,843**	**-164,615**		**24,131**	**-13,511**	**-83,515**	**-81,100**	**-3%**	
Dividends and net cash transfers (after tax)	15,105	92,362	511%	14,796	27,335	90,332	2,031	-98%	-86%
Of which received dividends and net cash transfers in relation to non-consolidated entities	290	268	-8%	220	418	122	146	20%	-34%
Goodwill/investment impairment charges (after tax)	15,725	-114,512		15,068	-11,507	-114,512	0	-100%	-100%
Special tax on financial institutions (after tax)	-18,877	-88,102	367%	-4	-18,893	-20,227	-67,875	236%	
Expected one-off negative effect of the debt repayment moratorium (after tax)	-5,587	-1,790	-68%	-5,586	-15,040	3	-1,793		-68%
Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary (after tax)	0	-10,141		0	0	0	-10,141		
Effect of the winding up of Sberbank Hungary (after tax)	0	-2,508		0	0	0	-2,508		
Effect of acquisitions (after tax)	-494	-882	78%	-354	-2,169	-212	-669	215%	89%
Result of the treasury share swap agreement (after tax)	-2,280	-8,526	274%	74	6,326	-8,502	-23	-100%	
Impairments on Russian government bonds at OTP Core booked in 1H 2022 (after tax)	0	-30,603		0	0	-30,431	-172	-99%	
Other adjustment items relating to Group members (after tax)	251	86	-66%	136	436	34	52	50%	-62%
Adjusted profit after tax	**121,668**	**187,733**	**54%**	**59,557**	**240,524**	**102,543**	**85,189**	**-17%**	**43%**
OTP Core (Hungarian core business)	107,768	168,887	57%	51,766	213,377	94,038	74,850	-20%	45%
OTP Fund Management	1,863	2,436	31%	1,028	6,116	1,155	1,280	11%	25%
Merkantil Group (Hungarian leasing)	4,751	5,810	22%	3,125	7,998	4,372	1,438	-67%	-54%
Other Hungarian subsidiaries	8,895	7,022	-21%	3,990	10,205	1,415	5,607	296%	41%
Corporate Centre	-691	2,940		-264	2,887	1,269	1,672	32%	
Eliminations allocated onto Hungarian Group members	-919	638		-87	-59	295	343	16%	

[3] The table depicting the result of the Hungarian operation include the Hungarian Group members and Corporate Centre, as well as the eliminations allocated onto these entities.

OTP CORE (OTP BANK'S HUNGARIAN CORE BUSINESS)

OTP Core Statement of recognized income:

Main components of the Statement of recognised income adjusted, in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	**107,768**	**168,887**	**57%**	**51,766**	**213,377**	**94,038**	**74,850**	**-20%**	**45%**
Profit before tax	128,666	192,949	50%	62,235	253,972	106,284	86,665	-18%	39%
Operating profit	121,055	174,204	44%	59,243	257,182	91,067	83,137	-9%	40%
Total income	254,416	331,662	30%	129,445	546,215	165,806	165,857	0%	28%
Net interest income	168,569	215,382	28%	86,779	369,309	103,646	111,736	8%	29%
Net fees and commissions	71,245	85,983	21%	37,750	150,578	41,266	44,717	8%	18%
Other net non-interest income	14,603	30,298	107%	4,916	26,328	20,894	9,404	-55%	91%
Operating expenses	-133,361	-157,458	18%	-70,202	-289,034	-74,738	-82,720	11%	18%
Total risk costs	7,611	18,745	146%	2,992	-3,210	15,217	3,529	-77%	18%
Provision for impairment on loan losses	8,848	29,856	237%	4,716	-1,116	17,074	12,782	-25%	171%
Other provisions	-1,237	-11,111	798%	-1,724	-2,094	-1,857	-9,254	398%	437%
Corporate income tax	-20,898	-24,062	15%	-10,469	-40,594	-12,246	-11,816	-4%	13%
Indicators (adjusted)	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
ROE	11.9%	16.9%	5.0%p	11.2%	11.6%	18.9%	14.9%	-4.0%p	3.7%p
ROA	1.8%	2.2%	0.4%p	1.7%	1.6%	2.5%	1.9%	-0.6%p	0.2%p
Operating profit margin	2.0%	2.3%	0.3%p	1.9%	2.0%	2.4%	2.1%	-0.3%p	0.2%p
Total income margin	4.23%	4.31%	0.08%p	4.18%	4.22%	4.42%	4.22%	-0.20%p	0.04%p
Net interest margin	2.80%	2.80%	0.00%p	2.80%	2.85%	2.76%	2.84%	0.08%p	0.04%p
Net fee and commission margin	1.18%	1.12%	-0.07%p	1.22%	1.16%	1.10%	1.14%	0.04%p	-0.08%p
Net other non-interest income margin	0.24%	0.39%	0.15%p	0.16%	0.20%	0.56%	0.24%	-0.32%p	0.08%p
Operating costs to total assets ratio	2.2%	2.0%	-0.2%p	2.3%	2.2%	2.0%	2.1%	0.1%p	-0.2%p
Cost/income ratio	52.4%	47.5%	-4.9%p	54.2%	52.9%	45.1%	49.9%	4.8%p	-4.4%p
Provision for impairment on loan losses / average gross loans[1]	-0.37%	-1.06%	-0.69%p	-0.39%	0.02%	-1.25%	-0.89%	0.36%p	-0.50%p
Effective tax rate	16.2%	12.5%	-3.8%p	16.8%	16.0%	11.5%	13.6%	2.1%p	-3.2%p

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

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

Main components of balance sheet closing balances in HUF million	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
Total Assets	12,637,289	14,207,399	15,530,986	15,780,401	2%	25%	11%
Net customer loans	4,813,165	5,310,327	5,348,023	5,736,304	7%	19%	8%
Net customer loans (FX-adjusted)	**4,904,052**	**5,379,291**	**5,413,809**	**5,736,304**	**6%**	**17%**	**7%**
Gross customer loans	5,029,480	5,549,248	5,576,299	5,963,029	7%	19%	7%
Gross customer loans (FX-adjusted)	**5,126,869**	**5,622,258**	**5,646,569**	**5,963,029**	**6%**	**16%**	**6%**
Stage 1+2 customer loans (FX-adjusted)	4,946,773	5,365,138	5,382,038	5,692,753	6%	15%	6%
Retail loans	3,151,411	3,320,848	3,316,737	3,432,518	3%	9%	3%
Retail mortgage loans (incl. home equity)	1,531,161	1,613,413	1,623,212	1,639,329	1%	7%	2%
Retail consumer loans	1,160,538	1,246,729	1,218,255	1,275,865	5%	10%	2%
SME loans	459,711	460,706	475,270	517,325	9%	13%	12%
Corporate loans	1,795,362	2,044,289	2,065,301	2,260,235	9%	26%	11%
Provisions	-216,315	-238,921	-228,276	-226,725	-1%	5%	-5%
Provisions (FX-adjusted)	**-222,817**	**-242,967**	**-232,760**	**-226,725**	**-3%**	**2%**	**-7%**
Deposits from customers + retail bonds	8,520,453	10,124,795	10,838,363	11,121,691	3%	31%	10%
Deposits from customers + retail bonds (FX-adjusted)	**8,772,393**	**10,307,133**	**11,028,698**	**11,121,691**	**1%**	**27%**	**8%**
Retail deposits + retail bonds	5,831,490	6,355,161	6,602,002	6,584,719	0%	13%	4%
Household deposits + retail bonds	4,594,404	4,947,786	5,198,669	5,155,068	-1%	12%	4%
o/w: Retail bonds	0	0	0	0			
SME deposits	1,237,087	1,407,375	1,403,332	1,429,651	2%	16%	2%
Corporate deposits	2,940,902	3,951,972	4,426,696	4,536,972	2%	54%	15%
Liabilities to credit institutions	1,370,574	1,117,086	1,453,455	1,407,901	-3%	3%	26%
Issued securities without retail bonds	566,725	531,471	510,906	504,979	-1%	-11%	-5%
Total shareholders' equity	1,893,887	2,011,932	2,103,956	1,981,527	-6%	5%	-2%
Loan Quality	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
Stage 1 loan volume under IFRS 9 (in HUF million)	3,964,082	4,327,232	4,367,829	4,972,140	14%	25%	15%
Stage 1 loans under IFRS 9/gross customer loans	78.8%	78.0%	78.3%	83.4%	5.1%p	4.6%p	5.4%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	1.0%	0.7%	0.7%	0.0%p	-0.2%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	888,258	966,727	945,654	720,614	-24%	-19%	-25%
Stage 2 loans under IFRS 9/gross customer loans	17.7%	17.4%	17.0%	12.1%	-4.9%p	-5.6%p	-5.3%p
Own coverage of Stage 2 loans under IFRS 9	9.3%	8.9%	8.1%	8.9%	0.7%p	-0.5%p	0.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	177,140	255,288	262,816	270,275	3%	53%	5.9%
Stage 3 loans under IFRS 9/gross customer loans	3.5%	4.6%	4.7%	4.5%	-0.2%p	1.0%p	-0.1%p
Own coverage of Stage 3 loans under IFRS 9	54.3%	42.7%	45.9%	46.8%	0.9%p	-7.5%p	4.2%p
90+ days past due loan volume (in HUF million)	131,988	136,003	142,945	158,321	11%	20%	16.4%
90+ days past due loans/gross customer loans	2.6%	2.5%	2.6%	2.7%	0.1%p	0.0%p	0.2%p
Market Share	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
Loans	24.2%	24.4%	24.5%	24.6%	0.2%p	0.5%p	0.2%p
Deposits	26.4%	28.2%	30.1%	29.2%	-0.8%p	2.8%p	1.0%p
Total Assets	26.8%	26.9%	28.3%	27.8%	-0.5%p	1.1%p	0.9%p
Performance Indicators	2Q 2021	4Q 2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y	YTD
Net loans to (deposits + retail bonds) (FX-adjusted)	56%	52%	49%	52%	2%p	-4%p	-1%p
Leverage (closing Shareholder's Equity/Total Assets)	15.0%	14.2%	13.5%	12.6%	-1.0%p	-2.4%p	-1.6%p
Leverage (closing Total Assets/Shareholder's Equity)	6.7x	7.1x	7.4x	8.0x	0.6x	1.3x	0.9x
Capital Adequacy Ratio (OTP Bank, non-consolidated, Basel3, IFRS)	25.4%	25.1%	23.5%	20.9%	-2.7%p	-4.6%p	-4.2%p
Common Equity Tier 1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	21.7%	21.8%	20.3%	17.8%	-2.5%p	-3.8%p	-4.0%p

P&L developments

In the first six months of 2022, **OTP Core** generated HUF 168.9 billion adjusted profit after tax. The 57% y-o-y expansion of the first half-year profit predominantly stemmed from the stronger operating profit: total income was boosted by volume growth with stable net interest margin, while operating cost efficiency indicators improved.

The second-quarter adjusted profit amounted to HUF 74.8 billion; most of the 20% q-o-q decline can be attributed to the drop in other income and the lower balance of positive risk costs.

The half-year operating profit surged by 44%, as total income grew much faster than operating expenses. The improvement in net interest income could be attributed to increasing business activity: the deposit inflows provided a stable financing source for both the sustained lending growth and the continued expansion of liquid assets. Despite the rising interest rate environment[4], the semi-annual net interest margin stagnated at 2.8%, partly because most retail loans have fixed interest rate for at least five years, thus the interest on these loans does not change during the fixed interest rate period, even if reference interest rates rise. Moreover, securities' average interest rate level rose only modestly in the second quarter, because long-term Hungarian government bonds, which make up a large part of the securities portfolio, have fixed interest rates until maturity, and this portfolio is repricing slowly, along with the maturing amounts that can be reinvested at higher yield levels.

Net fees and commissions surged by 21% in the first six months, mainly supported by stronger revenues from deposit, transaction, and card-related fees, while income from securities' sales declined.

The semi-annual other income more than doubled, in which a base effect played a role too: a significant negative FX result was recorded in 2Q 2021.

2Q total income stagnated q-o-q, because the contracting other income neutralized the q-o-q higher net interest income and net fees. The NII grew by 8% q-o-q, as average total assets went up by 4%, and net interest margin rose by 8 bps q-o-q. Unlike in the previous quarter, in 2Q the swap result booked within net interest income did not affect materially the q-o-q dynamic of this line.

As to the q-o-q decline in the other income in the second quarter, the stronger figure seen in 1Q largely stemmed from the positive revaluation result on swaps, mostly because ruble yields and basis swap spreads increased. However, this effect reversed in the second quarter, on the back of the normalisation of ruble yields and the FX rate changes, whereas basis swap spreads also moderated.

In the second quarter net fees increased by 8%, or by HUF 3.4 billion. Of that, almost HUF 2.7 billion improvement was explained by one-off items[5]. The first quarter is usually weaker due to seasonality, but this year the stronger transaction volumes owing to the extraordinary PIT refund generated extra income in 1Q 2022, which dampened the seasonal improvement observable in the second quarter.

In the first half-year, operating expenses grew by 18% y-o-y. Personnel expenses rose on account of 4% higher average headcount in the first six month, and the implemented wage increases. In a favourable development, starting from 1 January 2022 the Government reduced employers' contributions by altogether 4 pps (abolishing the 1.5% vocational training contribution and cutting employers' social contributions by 2.5 pps). Amortization increased by 5% in the first half-year. Within other costs, those were mainly hardware, office, other services, real-estate-related costs (partly because of moving into the new office building), and higher supervisory fees (largely due to the increase in deposit protection fee effective from the end of 2021) that increased. Furthermore, the HUF 5 billion support granted to the Special Employee Partial Ownership Plan Organizations in 2022 was boked in one sum in 2Q 2022 amongst other expenses.

In the first six months altogether HUF 18.7 billion positive risk cost emerged. Within that, the positive amount of provision for impairment on loan losses was HUF 29.9 billion, including HUF 17.1 billion in the first quarter. One of the main reasons was the revision of the highly conservative assumptions previously used in the impairment models: as the uncertainty about the pandemic and the moratorium abated, provisions were released. The reason for the HUF 12.8 billion positive credit risk costs recorded in 2Q was that, in accordance with the relevant regulations, provisions were released in the case of borrowers who exited the moratorium more than six months ago, and have been paying according to their contracts. Because of the amended criteria to participate in the moratorium, the volume of exposures under the moratorium fell meaningfully from November 2021. Therefore, in the case of borrowers who exited the moratorium and paid in accordance with their contractual terms, provisions were released in the second quarter of 2022, parallel with the reclassification of those exposures into the Stage 1 basket. Besides, in the first six months of

[4] The 3-month BUBOR jumped from 105 bps at the end of June 2021 to 421 bps by the end of December, to 840 bps by end-June 2022, and drew close to 12% by end-July. The one-week central bank deposit rate grew from 4.0% at the end of 2021, to 7.75% by the end of the second quarter, and to 10.75% by end-July.

[5] Items affecting 1Q 2022: (1) The full amount payable to the Resolution Fund in 2022 (-HUF 1.1 billion), was accounted in the first quarter, in accordance with IFRS rules. (2) The full annual amount of the financial transaction tax to be paid for bank card transactions must be paid in a lump sum, in advance, based on the transaction data of the preceding year (-HUF -1.8 billion). (3) Part of the commission expenses payable to card companies accounted in 4Q 2021 was reversed in 1Q 2022 (+HUF 0.8 billion).
An item affecting 2Q 2022: HUF 0.6 billion deduction from taxes was booked owing to the payment into the Compensation Fund in the previous quarter.

2022 OTP Factoring continued to realize recoveries on retail claims.

The majority of the semi-annual other risk costs incurred in the second quarter; most of them were impairments on government bonds, and a smaller part was related to litigations.

The Bank has been steadily monitoring its exposures using strict principles, under which it regularly reviews its large corporate portfolio in order to assess the exposure to the Russia-Ukraine military conflict, to the jump in energy prices, and other specific risk factors. Therefore, certain corporate exposures were shifted into Stage 2 both in 1Q and 2Q 2022. Borrowers who left the moratorium in November 2021 and pay normally since then, were moved back into Stage 1 from Stage 2, reducing the Stage 2 volume by more than HUF 200 billion in 2Q. The Stage 2 ratio declined by 4.9 pps q-o-q, while the Stage 3 ratio sank 0.2 pp.

Although the provision releases in the first quarter reduced the Stage 1+2 portfolio's cumulative own provision coverage by 0.7 pp ytd, to 1.8%, this is still way above the pre-pandemic level of 1.3% at the end of 2019. The own provision coverage of Stage 3 loans rose by 0.9 pp q-o-q, to 46.8%.

The volume of more than 90 days past due loans grew by HUF 25 billion (1Q: 10, 2Q: 15) in the first six months of 2022 (FX-adjusted, without sales/write-offs and the effect of revaluation of OTP Factoring's claims), after dropping by HUF 1 billion in full year 2021. In the first six months of 2022, HUF 4 billion non-performing loans were sold/written off.

At the end of June 2022, HUF 220 billion worth of loans were subject to the moratorium; this made up 3.7% of OTP Core's total gross loan volume. Eligible borrowers could apply for the extended moratorium until end-July. Based on the preliminary figures, around HUF 150 billion exposures will participate in the moratorium starting from August (2.5% of total gross loans at OTP Core).

Balance sheet trends

OTP Core's total assets grew by 2% q-o-q and 25% y-o-y. On both horizons, this was largely the result of deposit inflows; on the asset side this materialized in the volume growth of both financial and other liquid assets and loans. The Bank held most of its central bank deposits in the one-week instrument; its average monthly amount in 2Q was around HUF 1,430 billion.

In the second quarter, the average ratio of financial assets rose by 5.1 pps y-o-y on OTP Core's asset side, while that of net loans dropped by 2.9 pps, and the ratio of non-interest bearing assets declined by 2.2 pps.

Performing (Stage 1+2) loans grew by 15% y-o-y (FX-adjusted). Again, much of this growth came from the government's and the national bank's subsidized loan programmes (baby loan, CSOK housing loan, green mortgage loan, home renovation loan, Funding for Growth Go, Széchenyi Card scheme). Performing loans increased by 6% in the first six months of the year; within that, they stagnated in 1Q (overdraft loans contracted owing to the PIT refund in February, and lombard loans also dropped), but lending momentum bounced back in 2Q fuelled by the strong corporate dynamics.

Following a weaker first quarter, performing loans to micro and small enterprises, as well as corporate clients grew by an FX-adjusted 9% q-o-q. The expansion of performing corporate loans was also outstanding in y-o-y comparison, at 26%. After the *FGS Go!* phased out, the government introduced subsidized loan facilities for micro and small enterprises through the KAVOSZ Széchenyi Card programme since July 2021. The *Széchenyi Card Go!* came to an end at the end of June 2022. From August till the end of the year, it is the *Széchenyi Card MAX* programme that offers customers preferential rate loans at maximum 3.5% interest rate and a handling fee of fixed 2% payable by the client (on top of these, the Government pays an interest subsidy and 0.5% handling fee to the banks). Since the launch of the Széchenyi Card programme, OTP Bank signed loan agreements worth HUF 435 billion by the end of June.

As to the retail segment, the contracted amount of baby loans was HUF 42 bn in the first quarter and HUF 51 billion in the second quarter; the latter is consistent with 42.8% market share. Baby loan volumes hit almost HUF 740 billion by the end of 2Q.

Performing cash loan volumes rose by 5% q-o-q and 9% y-o-y. The placement of new cash loans jumped by 36% q-o-q, and 14% y-o-y in the April-June period. OTP Bank's share of cash loan placements was 39.0% in 2Q 2022, after 36.5% in the first quarter.

To help borrowers access to the home renovation subsidy, OTP made available both the mortgage-backed subsidized home renovation loan and the Bank's own unsecured home renovation cash loan product. Since its launch in 2021, loan requests for the unsecured product amounted to HUF 24 billion, and those for the secured product hit HUF 53 billion.

Having dropped by almost 40% q-o-q from an all-time high level reached in the first quarter, mortgage loan applications surged by 10% y-o-y in the first half-year. With respect to the structure of demand, the shift toward subsidized loans continued (the share of subsidized loan products jumped to 68% in 1H 2022, from 34% in 1H 2021). Within that, the green housing loans with preferential interest rates, launched under the NBH's Green Home Programme in October 2021, were particularly sought, while demand for market-based mortgage loans halved.

OTP Bank's market share in new mortgage loan contracted amounts was 34.8% in the first six months of 2022 (31.5% in full-year 2021). The volume of mortgage loans expanded by 1% q-o-q, and 7% y-o-y.

The recent months' increase in market-based interest rates for newly disbursed housing loans materially lagged behind the rise in long-term reference yields.

Thus, at OTP Bank the average interest rate of the new flow implied a negative spread compared to the benchmark yields prevailing at the time of disbursement both in March and June, in the case of market-based housing loans with a rate fixation period of both 5 and 10 years.

The increase in deposit volumes continued; they rose by 1% q-o-q and by 27% y-o-y (FX-adjusted). Those were corporate deposits that fuelled growth on both time horizons (+2% q-o-q, +54% y-o-y). The 5% q-o-q increase in retail deposits in the first quarter benefited from the PIT refund in February; then retail deposits dropped by 1% in the second quarter. The net loan/deposit ratio rose by 3 pps q-o-q (to 52%), still it is 4 pps lower than a year ago.

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 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted after tax profit	1.863	2.436	31%	1.028	6.116	1.155	1.280	11%	25%
Income tax	-206	-345	67%	-91	-788	-171	-174	2%	91%
Profit before income tax	2.070	2.780	34%	1.119	6.904	1.326	1.454	10%	30%
Operating profit	2.070	2.849	38%	1.119	6.918	1.401	1.447	3%	29%
Total income	3.494	4.295	23%	1.819	10.044	1.996	2.299	15%	26%
Net fees and commissions	3.446	4.258	24%	1.758	9.799	2.156	2.102	-2%	20%
Other net non-interest income	48	37	-23%	61	245	-160	197	-223%	221%
Operating expenses	-1.424	-1.446	2%	-701	-3.125	-594	-852	43%	22%
Other provisions	0	-68	-100%	0	-14	-75	7	-109%	-100%
Main components of balance sheet closing balances in HUF million	2021	1H 2022	YTD	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Total assets	24.988	20.147	-19%	20.773	24.988	21.470	20.147	-6%	-3%
Total shareholders' equity	12.792	10.013	-22%	8.539	12.792	8.733	10.013	15%	17%
Asset under management in HUF billion	2021	1H 2022	YTD	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Assets under management, total (w/o duplicates)[1]	1.331	1.256	-6%	1.238	1.331	1.229	1.256	2%	1%
Volume of investment funds (closing, w/o duplicates)	942	882	-6%	863	942	849	882	4%	2%
Volume of managed assets (closing)	389	374	-4%	375	389	379	374	-1%	0%
Volume of investment funds (closing, with duplicates)[2]	**1.479**	**1.365**	**-8%**	**1.286**	**1.479**	**1.350**	**1.365**	**1%**	**6%**
bond	444	425	-4%	405	444	413	425	3%	5%
mixed	345	311	-10%	221	345	325	311	-4%	41%
equity	342	284	-17%	289	342	296	284	-4%	-2%
absolute return fund	300	274	-9%	322	300	269	274	2%	-15%
commodity market	37	46	25%	34	37	43	46	6%	33%
money market	4	25	483%	5	4	4	25	475%	449%
guaranteed	5	0	-100%	11	5	0	0		-100%

[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 1H 2022 **OTP Fund Management** generated HUF 2.4 billion profit, 31% more than in the same period of 2021. Out of 1H 2022 profit, HUF 1.3 billion was made in the second quarter (+11% q-o-q).

The 24% growth in first half-year net fees and commissions can explained by the 28% lower sales and custody fees, while fund management fees were stable.

Other income was shaped by the revaluation result of the investment units in the company's own books.

Operating expenses grew by 2% in the first six months of the year. Within that, personnel expenses declined by 16% y-o-y because of lower bonus payments, but other costs surged 33%, as a result of IT and office equipment expenses related to renovations.

Other risk costs in 1H 2022 were predominantly related to the accounting of provisions for future personnel costs.

In 1H 2022, investors faced further accelerating inflation, rising government bond yields owing to central banks' interest rate hikes; moreover, geopolitical developments have rearranged the structure of investments.

The investment funds of OTP Fund Management tracked these developments: the high inflationary environment affected bond funds' performance most of all, while equity funds were driven by the highly volatile market sentiment. Money market funds also gained ground among investment options.

As a result of the above developments, OTP Fund Management's total volume of investment funds (without duplicates) has grown by 6% y-o-y, but it has shrunk 8% compared to the end of last year.

The Company maintained its leading position in the market of securities; its market share stood at 25.0% at the end of June 2022.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	4,751	5,810	22%	3,125	7,998	4,372	1,438	-67%	-54%
Income tax	-598	-809	35%	-423	-918	-517	-292	-44%	-31%
Profit before income tax	5,349	6,619	24%	3,548	8,916	4,888	1,730	-65%	-51%
Operating profit	5,696	5,996	5%	2,866	11,961	2,871	3,126	9%	9%
Total income	11,186	11,093	-1%	5,629	23,291	5,284	5,809	10%	3%
Net interest income	9,928	9,821	-1%	5,190	20,680	4,809	5,011	4%	-3%
Net fees and commissions	37	409		36	116	143	267	87%	631%
Other net non-interest income	1,221	863	-29%	403	2,495	332	531	60%	32%
Operating expenses	-5,490	-5,097	-7%	-2,764	-11,330	-2,413	-2,684	11%	-3%
Total provisions	-347	622		683	-3,045	2,018	-1,395		-304%
Provision for impairment on loan losses	-383	859		622	-3,093	2,050	-1,190		-291%
Other provision	36	-237		60	48	-32	-205		
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	782,222	804,518	3%	789,092	782,222	770,398	804,518	4%	2%
Gross customer loans	444,549	513,282	15%	444,595	444,549	446,015	513,282	15%	15%
Gross customer loans (FX-adjusted)	446,230	513,282	15%	448,292	446,230	447,717	513,282	15%	14%
Stage 1+2 customer loans (FX-adjusted)	433,272	497,208	15%	437,115	433,272	436,678	497,208	14%	14%
Retail loans	4,867	3,879	-20%	6,054	4,867	4,379	3,879	-11%	-36%
Corporate loans	46,894	102,225	118%	60,431	46,894	49,451	102,225	107%	69%
Leasing	381,511	391,105	3%	370,630	381,511	382,849	391,105	2%	6%
Allowances for possible loan losses	-14,230	-11,038	-22%	-12,389	-14,230	-9,905	-11,038	11%	-11%
Allowances for possible loan losses (FX-adjusted)	-14,279	-11,038	-23%	-12,477	-14,279	-9,943	-11,038	11%	-12%
Deposits from customers	8,198	7,423	-9%	8,995	8,198	7,709	7,423	-4%	-17%
Deposits from customer (FX-adjusted)	8,198	7,423	-9%	8,995	8,198	7,709	7,423	-4%	-17%
Retail deposits	5,166	4,474	-13%	5,535	5,166	4,751	4,474	-6%	-19%
Corporate deposits	3,032	2,948	-3%	3,460	3,032	2,958	2,948	0%	-15%
Liabilities to credit institutions	688,675	709,467	3%	702,117	688,675	673,620	709,467	5%	1%
Total shareholders' equity	59,246	55,970	-6%	56,066	59,246	54,591	55,970	3%	0%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	348,678	454,530	30%	348,678	334,732	368,964	454,530	23%	30%
Stage 1 loans under IFRS 9/gross customer loans	78.4%	88.6%	10.1%p	78.4%	75.3%	82.7%	88.6%	5.8%p	10.1%p
Own coverage of Stage 1 loans under IFRS 9	0.2%	0.3%	0.1%p	0.2%	0.4%	0.4%	0.3%	-0.1%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	84,843	42,679	-50%	84,843	96,982	66,106	42,679	-35%	-50%
Stage 2 loans under IFRS 9/gross customer loans	19.1%	8.3%	-10.8%p	19.1%	21.8%	14.8%	8.3%	-6.5%p	-10.8%p
Own coverage of Stage 2 loans under IFRS 9	4.3%	5.4%	1.1%p	4.3%	5.3%	4.9%	5.4%	0.4%p	1.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	11,074	16,074	45%	11,074	12,836	10,946	16,074	47%	45%
Stage 3 loans under IFRS 9/gross customer loans	2.5%	3.1%	0.6%p	2.5%	2.9%	2.5%	3.1%	0.7%p	0.6%p
Own coverage of Stage 3 loans under IFRS 9	71.6%	45.9%	-25.7%p	71.6%	60.0%	48.7%	45.9%	-2.8%p	-25.7%p
Provision for impairment on loan losses/average gross loans	0.18%	-0.37%	-0.55%p	-0.57%	0.71%	-1.87%	0.97%	2.84%p	1.54%p
90+ days past due loan volume (in HUF million)	6,669	3,563	-47%	6,669	5,852	3,480	3,563	-39%	-47%
90+ days past due loans/gross customer loans	1.5%	0.7%	-0.8%p	1.5%	1.3%	0.8%	0.7%	-0.1%p	-0.8%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.3%	1.5%	0.2%p	1.6%	1.0%	2.3%	0.7%	-1.6%p	-0.9%p
ROE	17.8%	20.4%	2.6%p	23.0%	14.3%	29.9%	10.4%	-19.5%p	-12.6%p
Total income margin	3.07%	2.88%	-0.20%p	2.97%	3.05%	2.78%	2.97%	0.18%p	0.00%p
Net interest margin	2.73%	2.55%	-0.18%p	2.74%	2.71%	2.53%	2.56%	0.02%p	-0.18%p
Operating costs / Average assets	1.5%	1.3%	-0.2%p	1.5%	1.5%	1.3%	1.4%	0.1%p	-0.1%p
Cost/income ratio	49.1%	45.9%	-3.1%p	49.1%	48.6%	45.7%	46.2%	0.5%p	-2.9%p

In the first half-year of 2022, **Merkantil Group** posted HUF 5.8 billion adjusted after-tax profit (+22% y-o-y), which brought its half-year ROE to 20.4%. Its profit shrank by 67% q-o-q, predominantly because of the base effect of the provisions released in the first quarter, while operating profit improved by 9%.

In the second quarter, net interest income expanded by 4% compared to the previous quarter, in line with the growth in volumes, while the margin was stable.

Net fees and commissions have increased y-o-y over the half-year, owing to technical reasons relating to Merkantil Bank.

In the first half-year operating expenses contracted by 7% y-o-y, but grew 11% q-o-q in the second quarter. The dynamic of the first half-year was driven by the drop in costs relating to vehicles, real estates, hardware and office equipment, while the second quarter was shaped by higher personnel expenses, marketing costs, and supervisory fees.

After the release of provisions in relation to the revision of risk model parameters in the first quarter, HUF 1.4 billion total risk cost was set aside in the second quarter, because of the new forborne guidelines launched in May 2022, as a result of which volumes subject to the moratorium were reclassified as Stage 3, from Stage 2.

The volume of 90 days past due loans grew by HUF 0.9 billion in the first half-year (FX-adjusted, without sales/write-offs).

The ratio of Stage 3 loans rose by 0.7 pp q-o q, to 3.1%, and the share of Stage 2 loans sank 6.5 pps q-o-q. The own provision coverage of Stage 3 loans fell to 45.9%. The own provision coverage of Stage 2 loans stood at 5.4% (+1.1 pps y-o-y, +0.4 pp q-o-q).

The loan dynamic in the second quarter was materially influenced by an intergroup deal, which increased Merkantil Group’s loan volumes, but was filtered out at consolidated level: in relation to the M12 office building, Merkantil Leasing disbursed loan to another group member, which is filed under corporate loans. Without this amount, the FX-adjusted performing (Stage 1+2) loans grew by 3% q-o-q, particularly corporate loans (by 9%). In the first half-year, the volume of newly extended car loans grew by 10%, and the financing of production equipment and machinery surged by 44%.

After the FGS Go! phased out, the government introduced the preferential, subsidized funding for micro and small enterprises through the KAVOSZ Széchenyi Card system in July 2021. Under the programme, Merkantil Bank signed loan agreements worth more than HUF 65 billion by the end of June (1Q: HUF 49 billion; 2Q: HUF 16 billion).

IFRS REPORTS OF THE MAIN SUBSIDIARIES

In the following parts of the report the foreign subsidiaries' adjusted financial data are presented. The calculation method of performance indices can be found in the Supplementary data annex.

DSK GROUP (BULGARIA)

Performance of DSK Group:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	41,975	49,585	18%	23,702	76,790	21,064	28,521	35%	20%
Income tax	-4,337	-5,381	24%	-2,460	-8,454	-2,375	-3,006	27%	22%
Profit before income tax	46,313	54,967	19%	26,163	85,244	23,439	31,528	35%	21%
Operating profit	51,604	60,362	17%	26,901	106,241	28,888	31,474	9%	17%
Total income	86,315	101,295	17%	43,491	178,470	47,777	53,518	12%	23%
Net interest income	55,070	62,450	13%	27,459	112,869	29,892	32,558	9%	19%
Net fees and commissions	25,711	32,491	26%	13,497	54,508	15,374	17,118	11%	27%
Other net non-interest income	5,534	6,353	15%	2,536	11,093	2,511	3,842	53%	51%
Operating expenses	-34,711	-40,933	18%	-16,591	-72,230	-18,888	-22,044	17%	33%
Total provisions	-5,291	-5,395	2%	-738	-20,997	-5,449	54	-101%	-107%
Provision for impairment on loan losses	-5,116	-5,810	14%	-560	-18,938	-5,637	-173	-97%	-69%
Other provision	-175	414	-337%	-178	-2,059	188	226	20%	-227%
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	4,627,132	5,131,234	11%	4,262,136	4,627,132	4,769,003	5,131,234	8%	20%
Gross customer loans	2,922,886	3,440,373	18%	2,641,882	2,922,886	3,084,365	3,440,373	12%	30%
Gross customer loans (FX-adjusted)	3,143,490	3,440,373	9%	2,979,520	3,143,490	3,311,195	3,440,373	4%	15%
Stage 1+2 customer loans (FX-adjusted)	2,948,960	3,252,763	10%	2,766,165	2,948,960	3,113,850	3,252,763	4%	18%
Retail loans	1,730,259	1,860,968	8%	1,559,414	1,730,259	1,782,850	1,860,968	4%	19%
Corporate loans	997,994	1,145,131	15%	1,001,678	997,994	1,101,281	1,145,131	4%	14%
Leasing	220,707	246,665	12%	205,072	220,707	229,719	246,665	7%	20%
Allowances for possible loan losses	-193,180	-205,926	7%	-185,048	-193,180	-198,373	-205,926	4%	11%
Allowances for possible loan losses (FX-adjusted)	-207,720	-205,926	-1%	-208,654	-207,720	-212,939	-205,926	-3%	-1%
Deposits from customers	3,785,300	4,260,004	13%	3,524,836	3,785,300	3,876,138	4,260,004	10%	21%
Deposits from customers (FX-adjusted)	4,086,680	4,260,004	4%	4,001,023	4,086,680	4,175,634	4,260,004	2%	6%
Retail deposits	3,605,058	3,680,439	2%	3,373,913	3,605,058	3,615,252	3,680,439	2%	9%
Corporate deposits	481,623	579,564	20%	627,109	481,623	560,382	579,564	3%	-8%
Liabilities to credit institutions	86,606	97,696	13%	39,264	86,606	106,413	97,696	-8%	149%
Total shareholders' equity	699,375	704,528	1%	637,038	699,375	638,352	704,528	10%	11%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	2,199,088	2,973,580	35%	2,199,088	2,454,806	2,629,722	2,973,580	13%	35%
Stage 1 loans under IFRS 9/gross customer loans	83.2%	86.4%	3.2%p	83.2%	84.0%	85.3%	86.4%	1.2%p	3.2%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.0%	0.0%p	1.0%	1.0%	1.0%	1.0%	0.0%p	0.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	253,564	279,183	10%	253,564	287,157	270,793	279,183	3%	10%
Stage 2 loans under IFRS 9/gross customer loans	9.6%	8.1%	-1.5%p	9.6%	9.8%	8.8%	8.1%	-0.7%p	-1.5%p
Own coverage of Stage 2 loans under IFRS 9	14.4%	16.7%	2.3%p	14.4%	15.5%	16.7%	16.7%	0.0%p	2.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	189,230	187,610	-1%	189,230	180,922	183,851	187,610	2%	-1%
Stage 3 loans under IFRS 9/gross customer loans	7.2%	5.5%	-1.7%p	7.2%	6.2%	6.0%	5.5%	-0.5%p	-1.7%p
Own coverage of Stage 3 loans under IFRS 9	67.4%	69.0%	1.6%p	67.4%	68.2%	69.0%	69.0%	0.0%p	1.6%p
Provision for impairment on loan losses/average gross loans	0.39%	0.37%	-0.02%p	0.09%	0.70%	0.77%	0.02%	-0.75%p	-0.06%p
90+ days past due loan volume (HUF million)	120,978	119,860	-1%	120,978	114,362	117,853	119,860	2%	-1%
90+ days past due loans/gross customer loans	4.6%	3.5%	-1.1%p	4.6%	3.9%	3.8%	3.5%	-0.3%p	-1.1%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	2.0%	2.1%	0.1%p	2.2%	1.8%	1.8%	2.3%	0.4%p	0.1%p
ROE	13.5%	14.7%	1.1%p	15.1%	11.8%	12.4%	17.0%	4.6%p	1.9%p
Total income margin	4.04%	4.25%	0.22%p	4.06%	4.07%	4.19%	4.31%	0.12%p	0.25%p
Net interest margin	2.57%	2.62%	0.05%p	2.56%	2.58%	2.62%	2.62%	0.00%p	0.06%p
Operating costs / Average assets	1.62%	1.72%	0.10%p	1.55%	1.65%	1.66%	1.78%	0.12%p	0.23%p
Cost/income ratio	40.2%	40.4%	0.2%p	38.1%	40.5%	39.5%	41.2%	1.7%p	3.0%p
Net loans to deposits (FX-adjusted)	69%	76%	7%p	69%	72%	74%	76%	2%p	7%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	179.9	202.9	13%	179.9	188.7	189.0	202.9	7%	13%
HUF/BGN (average)	183.0	191.8	5%	181.5	186.2	183.3	197.1	8%	9%

In the first half-year of 2022, **DSK Group** posted HUF 50 billion profit after tax, 18% more than a year earlier. Its second-quarter profit amounted to HUF 28.5 billion, which is consistent with 35% q-o-q growth. The bank's profitability (2022 1H ROE: 14.7%, +1.1 pps y-o-y) was outstanding in the second quarter (2Q ROE: 17.0%, +4.6 pps q-o-q), thanks to the strengthening operating profit and positive risk cost.

Operating profit in Bulgaria grew by 17% y-o-y in HUF (by 12% in BGN) in the first six months of 2022, propelled by a 17% (+12% in BGN) increase in total income. The income realized in the second quarter increased by 12% q-o-q, with all revenue lines representing gains. The half-year net interest income surged by 8% y-o-y in local currency, supported by dynamic volume growth, as well a 5 bps y-o-y improvement in the interest margin; the margin stagnated in the second quarter. In the first half-year, net fees and commissions grew by 20% y-o-y in BGN, owing to the intensifying business activity, and the service fees related to loans and accounts; they increased by 5% q-o-q in the second quarter. Other net income rose by 10% y-o-y in local currency in the first six months, predominantly driven by higher income from swaps and currency conversion.

Half-year operating expenses increased by 12% y-o-y in local currency, partly because of higher personnel expenses in the high-inflation environment. Furthermore, operating expenses rose by 10% q-o-q in the second quarter because the payment of the first half-year part of the increased annual fee (HUF 8.4 billion in 2022) to the deposit insurance fund was recorded in April. Cost effectiveness indicators remained stable y-o-y, the first half-year cost/income ratio sank to nearly 40%.

In the first six months of the year, HUF 5.4 billion total risk cost weighed on profit, 2% more than in the base period. The first half-year's credit risk costs can be largely ascribed to the risk model parameter revisions made in the first quarter. The near-zero credit risk cost in the second quarter was caused by the release of corporate and mortgage loan provisions, as a result of the improving portfolio quality and the strong debt collection activity, which could offset the risk costs created for retail consumer loans. As an institution directly supervised by the ECB, in line with the requirements, DSK Bank set the goal of bringing down the non-performing loan ratio to less than 5% by the end of 2023. As a result of the comprehensive action plan to develop debt collection processes, the NPL ratio supervised by the ECB sank to 5% by the end of 2Q 2022 (2020: 6.6%).

As to loan quality, the volume of 90 days past due loans dropped by HUF 1.1 billion (-1% y-o-y) in the first half-year (FX-adjusted, without sales/write-offs). The Stage 1 loan ratio's increase (+3.2 pps y-o-y, +1.4 pps q-o-q) in the first half year, and the declining trend of Stage 2 and Stage 3 volumes also reflect in the improvement of loan quality. In the first half-year of 2022, HUF 7.2 billion worth of non-performing loans were sold/written off (including HUF 5.7 billion in the second quarter). The own provision coverage of Stage 2 and Stage 3 loans both increased y-o-y.

As to lending activity, performing (Stage 1+2) loans grew by 10% y-o-y and by 4% q-o-q (FX-adjusted). The volume growth was dominated by the 15% y-o-y increase in the corporate loan book. The retail performing loan volume's 8% y-o-y rise, and 4% q-o-q increase were supported by the dynamic growth of new cash loans and mortgage loans (1H: +24% and +27% y-o-y, 2Q: +13% and +27% q-o-q). The bank's consumer loan market share has stabilized; it remained near 40% in the second quarter.

The expanding retail and corporate loan volumes helped the first-half-year net interest income grow by 13% y-o-y (2Q: +9% q-o-q).

The digital transformation of the bank's operations and services has been proceeding according to the planned schedule; the new developments that are available or are under implementation offer customized, end-to-end digital solutions to retail and MSE customers. These developments help Mobilbank's user base constantly expand: the number of users increased by 11% in the first six months of this year.

The Bulgarian operation's liquidity position is stable. The net loan/deposit ratio was 76% at the end of June. The deposit volume grew by an FX-adjusted 4% y-o-y (+2% q-o-q).

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	14,297	22,889	60%	9,178	33,448	11,074	11,815	7%	29%
Income tax	-2,957	-5,019	70%	-1,988	-7,618	-2,350	-2,669	14%	34%
Profit before income tax	17,254	27,908	62%	11,166	41,065	13,424	14,484	8%	30%
Operating profit	20,876	22,419	7%	12,522	43,422	9,933	12,486	26%	0%
Total income	43,081	46,670	8%	23,584	88,736	21,704	24,966	15%	6%
Net interest income	29,806	32,405	9%	15,192	60,933	15,408	16,997	10%	12%
Net fees and commissions	8,326	10,792	30%	4,396	18,183	4,822	5,970	24%	36%
Other net non-interest income	4,949	3,474	-30%	3,997	9,619	1,474	1,999	36%	-50%
Operating expenses	-22,205	-24,251	9%	-11,062	-45,313	-11,771	-12,480	6%	13%
Total provisions	-3,623	5,489	-252%	-1,356	-2,357	3,491	1,998	-43%	-247%
Provision for impairment on loan losses	-2,347	6,730	-387%	-323	1,767	3,786	2,944	-22%	
Other provision	-1,276	-1,241	-3%	-1,033	-4,124	-295	-945	220%	-8%
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	2,576,445	2,915,357	13%	2,354,934	2,576,445	2,577,310	2,915,357	13%	24%
Gross customer loans	1,811,376	2,077,630	15%	1,653,915	1,811,376	1,871,442	2,077,630	11%	26%
Gross customer loans (FX-adjusted)	1,946,761	2,077,630	7%	1,863,404	1,946,761	2,014,690	2,077,630	3%	11%
Stage 1+2 customer loans (FX-adjusted)	1,791,503	1,938,225	8%	1,689,841	1,791,503	1,863,864	1,938,225	4%	15%
Retail loans	940,896	1,019,263	8%	876,935	940,896	965,627	1,019,263	6%	16%
Corporate loans	726,594	772,860	6%	688,004	726,594	768,822	772,860	1%	12%
Leasing	124,013	146,103	18%	124,902	124,013	129,415	146,103	13%	17%
Allowances for possible loan losses	-109,575	-111,110	1%	-109,261	-109,575	-106,262	-111,110	5%	2%
Allowances for possible loan losses (FX-adjusted)	-117,727	-111,110	-6%	-122,949	-117,727	-114,487	-111,110	-3%	-10%
Deposits from customers	1,899,671	2,142,403	13%	1,652,245	1,899,671	1,860,216	2,142,403	15%	30%
Deposits from customers (FX-adjusted)	2,051,482	2,142,403	4%	1,874,893	2,051,482	2,010,795	2,142,403	7%	14%
Retail deposits	1,531,640	1,566,956	2%	1,416,020	1,531,640	1,515,137	1,566,956	3%	11%
Corporate deposits	519,842	575,447	11%	458,873	519,842	495,659	575,447	16%	25%
Liabilities to credit institutions	228,733	232,795	2%	291,662	228,733	278,346	232,795	-16%	-20%
Total shareholders' equity	351,023	373,623	6%	330,657	351,023	340,162	373,623	10%	13%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,306,580	1,693,876	30%	1,306,580	1,448,458	1,511,747	1,693,876	12%	30%
Stage 1 loans under IFRS 9/gross customer loans	79.0%	81.5%	2.5%p	79.0%	80.0%	80.8%	81.5%	0.7%p	2.5%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.5%	-0.3%p	0.8%	0.6%	0.5%	0.5%	0.0%p	-0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	193,600	244,349	26%	193,600	218,754	219,848	244,349	11%	26%
Stage 2 loans under IFRS 9/gross customer loans	11.7%	11.8%	0.1%p	11.7%	12.1%	11.7%	11.8%	0.0%p	0.1%p
Own coverage of Stage 2 loans under IFRS 9	5.5%	5.2%	-0.3%p	5.5%	5.9%	5.4%	5.2%	-0.2%p	-0.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	153,735	139,405	-9%	153,735	144,163	139,847	139,405	0%	-9%
Stage 3 loans under IFRS 9/gross customer loans	9.3%	6.7%	-2.6%p	9.3%	8.0%	7.5%	6.7%	-0.8%p	-2.6%p
Own coverage of Stage 3 loans under IFRS 9	57.4%	64.9%	7.6%p	57.4%	61.4%	62.4%	64.9%	2.5%p	7.6%p
Provision for impairment on loan losses/average gross loans	0.29%	-0.72%	-1.01%p	0.08%	-0.11%	-0.85%	-0.60%	0.25%p	-0.68%p
90+ days past due loan volume (in HUF million)	76,669	78,791	3%	76,669	73,826	73,077	78,791	8%	3%
90+ days past due loans/gross customer loans	4.6%	3.8%	-0.8%p	4.6%	4.1%	3.9%	3.8%	-0.1%p	-0.8%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.2%	1.7%	0.5%p	1.6%	1.4%	1.8%	1.7%	0.0%p	0.1%p
ROE	8.8%	13.1%	4.3%p	11.3%	10.0%	13.0%	13.2%	0.3%p	2.0%p
Total income margin	3.76%	3.56%	-0.20%p	4.06%	3.73%	3.47%	3.64%	0.17%p	-0.42%p
Net interest margin	2.60%	2.47%	-0.13%p	2.62%	2.56%	2.46%	2.48%	0.02%p	-0.14%p
Operating costs / Average assets	1.94%	1.85%	-0.09%p	1.91%	1.90%	1.88%	1.82%	-0.06%p	-0.08%p
Cost/income ratio	51.5%	52.0%	0.4%p	46.9%	51.1%	54.2%	50.0%	-4.2%p	3.1%p
Net loans to deposits (FX-adjusted)	93%	92%	-1%p	93%	89%	95%	92%	-3%p	-1%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/HRK (closing)	47.0	52.7	12%	47.0	49.1	48.8	52.7	8%	12%
HUF/HRK (average)	47.4	49.7	5%	47.1	47.6	48.4	51.1	6%	8%

The **Croatian bank** realized almost HUF 23 billion adjusted profit after tax (+60% y-o-y) in the first half-year of 2022, including nearly HUF 12 billion (+7% q-o-q) in 2Q 2022. It represented a semi-annual ROE above 13%.

The 1H 2022 was basically shaped by positive credit risk costs, but the 7% y-o-y growth in operating profit also helped. On the income side, net interest income grew by 9% in the first six months. The FX-adjusted increase in performing (Stage 1+2) volumes continued (+4% q-o-q, and +15% y-o-y), but net interest margin narrowed (-13 bps y-o-y) in the first half-year.

Net fees and commissions grew by 30% in the first six months, mainly because the pandemic allowed economic activity and tourism to bounce back, starting from the second quarter of 2021. The q-o-q expansion in April-June can be linked to higher merchant commission on card transactions, mostly owing to the summer season.

Other income fell by 30% y-o-y, partly because of the high basis owing to the positive revaluation result realized on Visa shares, and partly because of the lower result from foreign currency exchange.

The half-year operating expense level increased by 9% y-o-y (+4% in local currency) as the number of employees rose by 2% y-o-y, IT expenses grew, as did supervisory fees. Meanwhile, there were savings on marketing costs. This brought the first-half-year cost/income ratio to 52.0% (+0.4 pp y-o-y).

In 1H 2022, HUF 5.5 billion positive risk cost contributed to the profit, including HUF 2.0 billion in the second quarter. The latter is related to the decline in Stage 3 mortgage and consumer loans, the drop in corporate loans classified as Stage 2, and to off-balance-sheet items.

During the first half-year, the share of Stage 3 loans within the portfolio declined further, to 6.7% by the end of June. Their own provision coverage rose to 64.9% (+7.6 pps y-o-y, and +2.5 pps q-o-q). In 1H 2022, HUF 0.3 billion (FX-adjusted) non-performing loans were sold/written off. Without these effects, the FX-adjusted volumes remained flat q-o-q.

Performing (Stage 1+2) loans expanded by 8% y-o-y, and by 4% q-o-q (FX-adjusted). Within that, the engine of mortgage loan growth in 2Q was the strong disbursement dynamic of subsidized housing loans for first-home-buyers, in a scheme resumed on 21 March 2022. Cash loan disbursement volumes shrank by 5% q-o-q in the second quarter, but grew at double-digit rate y-o-y over the past six months. Owing to the favourable development of corporate lending, performing (Stage 1+2) volumes signify more than 10% expansion, both y-o-y and q-o-q.

The FX-adjusted deposit book increased by 14% y-o-y and 7% q-o-q, driven by retail demand deposits and corporate deposits. The Croatian bank's liquidity position remained stable; the net loan/deposit ratio stood at 92% at the end of June.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	14,759	21,780	48%	7,986	32,104	10,860	10,921	1%	37%
Income tax	-1,946	-3,219	65%	-1,360	-3,610	-1,541	-1,678	9%	23%
Profit before income tax	16,705	24,999	50%	9,346	35,714	12,401	12,598	2%	35%
Operating profit	20,101	23,699	18%	10,148	40,754	10,954	12,745	16%	26%
Total income	40,903	45,616	12%	20,395	83,494	21,480	24,137	12%	18%
Net interest income	31,026	33,318	7%	15,296	62,497	15,788	17,530	11%	15%
Net fees and commissions	6,844	8,080	18%	3,509	14,410	3,695	4,385	19%	25%
Other net non-interest income	3,033	4,219	39%	1,591	6,586	1,997	2,222	11%	40%
Operating expenses	-20,802	-21,918	5%	-10,247	-42,740	-10,526	-11,392	8%	11%
Total provisions	-3,396	1,301	-138%	-802	-5,040	1,447	-146	-110%	-82%
Provision for impairment on loan losses	-355	1,481	-518%	1,986	-387	1,588	-107	-107%	-105%
Other provision	-3,041	-180	-94%	-2,788	-4,653	-141	-39	-72%	-99%
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	2,224,715	2,532,691	14%	2,000,218	2,224,715	2,265,173	2,532,691	12%	27%
Gross customer loans	1,715,347	2,012,888	17%	1,518,955	1,715,347	1,782,049	2,012,888	13%	33%
Gross customer loans (FX-adjusted)	1,845,177	2,012,888	9%	1,714,349	1,845,177	1,914,722	2,012,888	5%	17%
Stage 1+2 customer loans (FX-adjusted)	1,791,964	1,955,993	9%	1,660,882	1,791,964	1,858,590	1,955,993	5%	18%
Retail loans	846,640	887,013	5%	801,251	846,640	863,033	887,013	3%	11%
Corporate loans	854,051	973,708	14%	767,125	854,051	906,064	973,708	7%	27%
Leasing	91,273	95,271	4%	92,507	91,273	89,494	95,271	6%	3%
Allowances for possible loan losses	-44,587	-48,731	9%	-42,692	-44,587	-43,759	-48,731	11%	14%
Allowances for possible loan losses (FX-adjusted)	-47,986	-48,731	2%	-48,240	-47,986	-47,056	-48,731	4%	1%
Deposits from customers	1,238,864	1,327,031	7%	1,104,451	1,238,864	1,227,780	1,327,031	8%	20%
Deposits from customers (FX-adjusted)	1,336,455	1,327,031	-1%	1,254,116	1,336,455	1,322,987	1,327,031	0%	6%
Retail deposits	809,921	809,150	0%	761,227	809,921	794,512	809,150	2%	6%
Corporate deposits	526,534	517,882	-2%	492,889	526,534	528,475	517,882	-2%	5%
Liabilities to credit institutions	584,453	762,635	30%	531,764	584,453	627,269	762,635	22%	43%
Total shareholders' equity	306,630	341,316	11%	277,495	306,630	309,928	341,316	10%	23%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	1,355,369	1,843,294	36%	1,355,369	1,542,170	1,620,924	1,843,294	14%	36%
Stage 1 loans under IFRS 9/gross customer loans	89.2%	91.6%	2.3%p	89.2%	89.9%	91.0%	91.6%	0.6%p	2.3%p
Own coverage of Stage 1 loans under IFRS 9	0.8%	0.6%	-0.2%p	0.8%	0.7%	0.6%	0.6%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	116,300	112,699	-3%	116,300	123,754	108,948	112,699	3%	-3%
Stage 2 loans under IFRS 9/gross customer loans	7.7%	5.6%	-2.1%p	7.7%	7.2%	6.1%	5.6%	-0.5%p	-2.1%p
Own coverage of Stage 2 loans under IFRS 9	7.0%	5.7%	-1.2%p	7.0%	6.1%	5.8%	5.7%	0.0%p	-1.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	47,286	56,895	20%	47,286	49,423	52,177	56,895	9%	20%
Stage 3 loans under IFRS 9/gross customer loans	3.1%	2.8%	-0.3%p	3.1%	2.9%	2.9%	2.8%	-0.1%p	-0.3%p
Own coverage of Stage 3 loans under IFRS 9	49.6%	55.7%	6.1%p	49.6%	53.6%	53.8%	55.7%	1.8%p	6.1%p
Provision for impairment on loan losses/average gross loans	0.05%	-0.16%	-0.21%p	-0.52%	0.02%	-0.37%	0.02%	0.40%p	0.54%p
90+ days past due loan volume (in HUF million)	30,110	39,966	33%	30,110	33,405	35,502	39,966	13%	33%
90+ days past due loans/gross customer loans	2.0%	2.0%	0.0%p	2.0%	1.9%	2.0%	2.0%	0.0%p	0.0%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.5%	1.9%	0.4%p	1.6%	1.6%	2.0%	1.8%	-0.2%p	0.2%p
ROE	10.9%	13.9%	3.1%p	11.6%	11.4%	14.5%	13.4%	-1.0%p	1.8%p
Total income margin	4.09%	3.94%	-0.15%p	4.08%	4.07%	3.91%	3.98%	0.07%p	-0.10%p
Net interest margin	3.11%	2.88%	-0.22%p	3.06%	3.05%	2.87%	2.89%	0.02%p	-0.17%p
Operating costs / Average assets	2.08%	1.90%	-0.19%p	2.05%	2.09%	1.91%	1.88%	-0.04%p	-0.17%p
Cost/income ratio	50.9%	48.0%	-2.8%p	50.2%	51.2%	49.0%	47.2%	-1.8%p	-3.0%p
Net loans to deposits (FX-adjusted)	133%	148%	15%p	133%	134%	141%	148%	7%p	15%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/RSD (closing)	3.0	3.4	13%	3.0	3.1	3.1	3.4	8%	13%
HUF/RSD (average)	3.0	3.2	5%	3.0	3.0	3.1	3.3	6%	9%

Based on its closing exchange rate, the RSD has appreciated against the HUF, both y-o-y and q-o-q (+13% and +8%). The RSD's average exchange rate strengthened by 5% y-o-y in the first half-year, and by 6% q-o-q in the second quarter. Therefore, the balance sheet and P&L dynamics in HUF terms differ from the ones expressed in local currency.

In 1H 2022, the **Serbian banking group** posted nearly HUF 22 billion adjusted profit after tax, as operating profit improved (+18% y-o-y), and HUF 1.3 billion positive risk cost was created.

The integration was successfully completed on 30 April 2021, ending a 19-month-long process. During the merger, the network was rationalized, thus the number of branches dropped by 72 (including 16 branches in the second quarter of 2022) and by 55 ATMs since the end of September 2019. At the end of June, the integrated bank had a network of 168 branches and 287 ATMs. The network had 2,662 employees at the end of June 2022; this is 570 (or 18%) less than at the beginning of integration (-2% YTD). The new bank continues to have the largest share of the lending market. Based on total assets at the end of March, it was the second largest market player, with 13% market share.

Operating expenses stagnated both q-o-q and y-o-y in local currency. Within that, the savings on personnel expenses offset the effects of the q-o-q rise in IT costs, postal services, and expert fees in the second quarter. The cost synergies resulting from the acquisition were steadily realized, the cost effectiveness indicators have further improved both q-o-q and y-o-y. The cost/income ratio declined by 2.8% y-o-y, to 48% in 1H 2022.

Net interest income grew by 7% y-o-y. Without the exchange rate effect, it increased by 2% y-o-y as a result of a rise in the average volume of cash loans, housing loans, and corporate loans, which counterbalanced the effect of higher lending costs.

The 18% y-o-y increase net fees and commissions (12% y-o-y in local currency) stemmed from higher transaction fees on corporate accounts, as well as from an overall surge in business activity.

The change in after-tax profit was largely shaped by the risk cost level. In the first quarter of 2022, the positive risk costs, which were predominantly related to the revision of the IFRS 9 impairment model parameters, supported profit. However, a small amount (HUF 0.1 billion) was set aside for provisions in 2Q 2022.

As regards loan quality, the ratio of Stage 3 loans in the portfolio has dropped to 2.8% (-0.3 pp y-o-y). The DPD90+ volume grew by HUF 2.3 billion in the second quarter (FX-adjusted, without sales/write-offs). Accordingly, the DPD90+ ratio remained at 2.0% by the end of June.

Performing (Stage 1+2) loan volumes grew further (+5% q-o-q, and +18% y-o-y; FX-adjusted) in April-June, driven by a housing loan programme supported by a marketing campaign, the strong disbursement of cash loans, and an increase in the large corporate loan book.

Deposits' decline (-1% q-o-q FX-adjusted) continued in the second quarter, largely because of retail demand deposits and corporate deposits. The bank's net loan/deposit ratio rose both q-o-q and y-o-y (+7 pps q-o-q, and +15 pps y-o-y), hitting 148%. The loan book's expansion was supported by the continued growth (+7% q-o-q) of interbank funds.

SKB BANKA (SLOVENIA)

Performance of SKB Banka (Slovenia):

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	7,497	9,683	29%	4,434	16,822	4,937	4,746	-4%	7%
Income tax	-1,676	-2,274	36%	-975	-3,838	-1,246	-1,028	-18%	5%
Profit before income tax	9,173	11,957	30%	5,409	20,660	6,184	5,774	-7%	7%
Operating profit	8,763	9,817	12%	4,908	19,595	4,145	5,672	37%	16%
Total income	20,641	23,274	13%	10,558	42,354	11,060	12,214	10%	16%
Net interest income	13,755	14,405	5%	6,882	27,673	6,931	7,475	8%	9%
Net fees and commissions	6,184	7,893	28%	3,236	13,258	3,690	4,203	14%	30%
Other net non-interest income	702	976	39%	441	1,423	440	537	22%	22%
Operating expenses	-11,879	-13,457	13%	-5,649	-22,759	-6,915	-6,543	-5%	16%
Total provisions	410	2,140	422%	500	1,065	2,038	102	-95%	-80%
Provision for impairment on loan losses	408	2,293	463%	545	1,819	2,093	199	-90%	-63%
Other provision	2	-152		-45	-754	-55	-97	76%	117%
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	1,433,206	1,570,887	17%	1,338,170	1,433,206	1,441,088	1,570,887	9%	17%
Gross customer loans	984,605	1,162,360	26%	923,263	984,605	1,030,595	1,162,360	13%	26%
Gross customer loans (FX-adjusted)	1,058,833	1,162,360	12%	1,041,463	1,058,833	1,106,392	1,162,360	5%	12%
Stage 1+2 customer loans (FX-adjusted)	1,044,817	1,149,431	10%	1,027,515	1,044,817	1,092,870	1,149,431	5%	12%
Retail loans	511,934	536,526	5%	499,765	511,934	518,566	536,526	3%	7%
Corporate loans	353,415	429,445	22%	345,439	353,415	392,913	429,445	9%	24%
Leasing	179,468	183,459	2%	182,311	179,468	181,391	183,459	1%	1%
Allowances for possible loan losses	-16,271	-16,839	9%	-15,470	-16,271	-15,484	-16,839	9%	9%
Allowances for possible loan losses (FX-adjusted)	-17,501	-16,839	-4%	-17,456	-17,501	-16,626	-16,839	1%	-4%
Deposits from customers	1,213,698	1,342,965	21%	1,113,069	1,213,698	1,225,875	1,342,965	10%	21%
Deposits from customers (FX-adjusted)	1,306,808	1,342,965	7%	1,258,184	1,306,808	1,317,327	1,342,965	2%	7%
Retail deposits	964,460	1,001,366	2%	986,109	964,460	964,706	1,001,366	4%	2%
Corporate deposits	342,347	341,599	26%	272,076	342,347	352,621	341,599	-3%	26%
Liabilities to credit institutions	15,565	1,986	-94%	31,948	15,565	10,073	1,986	-80%	-94%
Total shareholders' equity	179,515	185,640	12%	165,382	179,515	176,647	185,640	5%	12%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	777,935	1,029,769	32%	777,935	846,646	907,327	1,029,769	13%	32%
Stage 1 loans under IFRS 9/gross customer loans	84.3%	88.6%	4.3%p	84.3%	86.0%	88.0%	88.6%	0.6%p	4.3%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.3%	-0.2%p	0.5%	0.3%	0.3%	0.3%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	132,979	119,662	-10%	132,979	124,932	110,679	119,662	8%	-10%
Stage 2 loans under IFRS 9/gross customer loans	14.4%	10.3%	-4.1%p	14.4%	12.7%	10.7%	10.3%	-0.4%p	-4.1%p
Own coverage of Stage 2 loans under IFRS 9	4.3%	4.8%	0.5%p	4.3%	5.0%	4.9%	4.8%	-0.1%p	0.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	12,349	12,929	5%	12,349	13,027	12,590	12,929	3%	5%
Stage 3 loans under IFRS 9/gross customer loans	1.3%	1.1%	-0.2%p	1.3%	1.3%	1.2%	1.1%	-0.1%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	49.2%	62.9%	13.6%p	49.2%	56.1%	59.8%	62.9%	3.0%p	13.6%p
Provision for impairment on loan losses/average gross loans	-0.09%	-0.44%	-0.35%p	-0.24%	-0.20%	-0.84%	-0.07%	0.77%p	0.17%p
90+ days past due loan volume (in HUF million)	3,687	4,938	34%	3,687	4,353	4,595	4,938	7%	34%
90+ days past due loans/gross customer loans	0.4%	0.4%	0.0%p	0.4%	0.4%	0.4%	0.4%	0.0%p	0.0%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.1%	1.3%	0.2%p	1.3%	1.2%	1.4%	1.3%	-0.2%p	-0.1%p
ROE	9.2%	10.9%	1.8%p	10.8%	10.0%	11.4%	10.5%	-0.9%p	-0.3%p
Total income margin	3.11%	3.22%	0.11%p	3.20%	3.13%	3.18%	3.25%	0.07%p	0.05%p
Net interest margin	2.07%	1.99%	-0.08%p	2.08%	2.04%	1.99%	1.99%	0.00%p	-0.10%p
Operating costs / Average assets	1.79%	1.86%	0.07%p	1.71%	1.68%	1.99%	1.74%	-0.25%p	0.03%p
Cost/income ratio	57.5%	57.8%	0.3%p	53.5%	53.7%	62.5%	53.6%	-9.0%p	0.1%p
Net loans to deposits (FX-adjusted)	81%	85%	4%p	81%	80%	83%	85%	3%p	4%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	351.9	396.8	13%	351.9	369.0	369.6	396.8	7%	13%
HUF/EUR (average)	357.9	375.1	5%	355.0	358.5	364.8	385.5	6%	9%

The balance sheet and P/L figures of OTP's Slovenian operation do not yet include data for Nova KBM d.d. Its acquisition is likely to be closed in 3Q 2022, depending on obtaining the *supervisory licences.*

OTP Group's **Slovenian subsidiary** recorded almost HUF 9.7 billion adjusted profit after tax in the first half-year of 2022, 29% more than in the base period. In addition to the significant y-o-y growth in positive credit risk costs, it was the increase in operating profit that drove profit higher. In the second quarter, profit after tax hit HUF 4.7 billion, slightly dropping from the previous quarter (-4% q-o-q).

What distorts the profit dynamic is that the HUF's half-year average exchange rate weakened by 5% y-o-y versus the EUR.

The 12% y-o-y improvement in half-year operating profit stemmed from the 13% increase in total income; operating expenses grew by 14%. ROE was 10.9% in the first six months (+1.8 pps y-o-y).

Net interest income improved by 5% y-o-y, as a result of the increase in performing loan volumes, despite the lower interest rate level in all loan categories due to strong competition. However, interest rates on mortgage loans increased in April, and those on cash loans were raised in June, too. For the first six months net interest margin sank by 8 bps y-o-y, to 1.99%, yet it remained above the average for the sector.

Most of the robust growth (28% y-o-y) in half-year net fees and commissions can be attributed to the improving transaction fee income (transfers, ATMs, safe deposit services), as well as to the increase in the fees on deposits above a certain threshold, to be paid by retail clients, starting from April 2021, and later also by corporate ones. Fees on securities transactions and related to card use have also risen.

Within the 13% (or 8% in EUR) y-o-y increase in operating expenses, personnel costs grew as a result of wage inflation and the nearly stagnant headcount, while administrative expenses were mostly driven by higher annual supervisory fees, as well as rising IT and utilities bills.

The quality of the portfolio remained stable: the ratio of Stage 3 loans sank to 1.1% (-0.1 pp q-o-q, -0.2 pp y-o-y), while the Stage 2 ratio also dropped. The own provision coverage of Stage 3 loans increased meaningfully both q-o-q and y-o-y nearing 63%. Similarly to the previous quarter, credit risk costs remained in positive territory in the second quarter, even if their volume decreased to a tenth (+HUF 0.2 billion). The additional risk costs that had been set aside for the pandemic were partly released in the first half-year, but extra provision was made for the expected macroeconomic effect of the Russia-Ukraine conflict.

The FX-adjusted volume of Stage 1+2 loans grew by 5% q-o-q and 12% y-o-y, including a 3% q-o-q rise in retail loans and a 9% jump in corporate ones. Mortgage loans and corporate exposures grew by double-digit rates year on year. The Bank's market share in cash and mortgage loans has marginally declined, but markedly improved in the corporate segment.

As the FX-adjusted deposit stock's growth rate (2% q-o-q and 7% y-o-y) lagged behind loans' dynamics, the net loan/deposit ratio rose to 85% (+4 pps y-o-y). In the second quarter of 2022, retail (including demand deposit) volumes increased, while corporate deposits dropped by 3%.

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	1,776	-992		1,247	4,253	-1,759	768		-38%
Income tax	-593	-553	-7%	-228	-1,444	-1	-553		142%
Profit before income tax	2,369	-438		1,475	5,697	-1,759	1,320		-10%
Operating profit	3,099	6,553	111%	2,487	8,937	2,547	4,006	57%	61%
Total income	22,297	28,310	27%	11,366	46,699	14,067	14,243	1%	25%
Net interest income	16,957	23,817	40%	8,632	36,270	10,840	12,976	20%	50%
Net fees and commissions	2,068	2,336	13%	1,074	4,143	1,155	1,181	2%	10%
Other net non-interest income	3,273	2,158	-34%	1,661	6,285	2,072	86	-96%	-95%
Operating expenses	-19,198	-21,757	13%	-8,879	-37,762	-11,520	-10,237	-11%	15%
Total provisions	-730	-6,991	858%	-1,012	-3,240	-4,306	-2,685	-38%	165%
Provision for impairment on loan losses	-2,615	-4,482	71%	-1,193	-6,821	-1,838	-2,644	44%	122%
Other provision	1,886	-2,509		181	3,581	-2,468	-41	-98%	
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	1,438,484	1,658,507	15%	1,191,337	1,438,484	1,435,490	1,658,507	16%	39%
Gross customer loans	1,035,400	1,223,443	18%	890,363	1,035,400	1,075,099	1,223,443	14%	37%
Gross customer loans (FX-adjusted)	1,115,395	1,223,443	10%	1,004,938	1,115,395	1,155,554	1,223,443	6%	22%
Stage 1+2 customer loans (FX-adjusted)	1,051,849	1,162,186	10%	944,640	1,051,849	1,094,265	1,162,186	6%	23%
Retail loans	539,563	580,440	8%	649,242	539,563	562,864	580,440	3%	-11%
Corporate loans	462,266	525,494	14%	248,635	462,266	479,338	525,494	10%	111%
Leasing	50,021	56,251	12%	46,763	50,021	52,063	56,251	8%	20%
Allowances for possible loan losses	-54,780	-61,399	12%	-47,483	-54,780	-55,181	-61,399	11%	29%
Allowances for possible loan losses (FX-adjusted)	-59,156	-61,399	4%	-53,959	-59,156	-59,424	-61,399	3%	14%
Deposits from customers	830,717	848,353	2%	739,884	830,717	819,737	848,353	3%	15%
Deposits from customers (FX-adjusted)	892,608	848,353	-5%	831,136	892,608	879,987	848,353	-4%	2%
Retail deposits	471,001	483,479	3%	611,932	471,001	474,697	483,479	2%	-21%
Corporate deposits	421,607	364,875	-13%	219,204	421,607	405,290	364,875	-10%	66%
Liabilities to credit institutions	402,553	584,784	45%	274,829	402,553	410,855	584,784	42%	113%
Total shareholders' equity	164,914	174,665	6%	141,320	164,914	163,344	174,665	7%	24%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	749,038	1,003,304	34%	749,038	826,518	866,471	1,003,304	16%	34%
Stage 1 loans under IFRS 9/gross customer loans	84.1%	82.0%	-2.1%p	84.1%	79.8%	80.6%	82.0%	1.4%p	-2.1%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.1%	0.1%p	1.0%	1.0%	1.0%	1.1%	0.1%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	88,324	158,882	80%	88,324	150,038	151,725	158,882	5%	80%
Stage 2 loans under IFRS 9/gross customer loans	9.9%	13.0%	3.1%p	9.9%	14.5%	14.1%	13.0%	-1.1%p	3.1%p
Own coverage of Stage 2 loans under IFRS 9	10.3%	8.8%	-1.5%p	10.3%	8.4%	8.8%	8.8%	0.0%p	-1.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	53,001	61,257	16%	53,001	58,844	56,904	61,257	8%	16%
Stage 3 loans under IFRS 9/gross customer loans	6.0%	5.0%	-0.9%p	6.0%	5.7%	5.3%	5.0%	-0.3%p	-0.9%p
Own coverage of Stage 3 loans under IFRS 9	57.8%	59.5%	1.7%p	57.8%	57.5%	58.6%	59.5%	0.8%p	1.7%p
Provision for impairment on loan losses/average gross loans	0.61%	0.83%	0.22%	0.55%	0.74%	0.72%	0.92%	0.21%	0.38%
90+ days past due loan volume (in HUF million)	34,603	39,837	15%	34,603	35,921	35,674	39,837	12%	15%
90+ days past due loans/gross customer loans	3.9%	3.3%	-0.6%p	3.9%	3.5%	3.3%	3.3%	-0.1%p	-0.6%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	0.3%	-0.1%	-0.4%p	0.4%	0.3%	-0.5%	0.2%	0.7%p	-0.2%p
ROE	2.7%	-1.2%	-3.9%p	3.5%	3.0%	-4.4%	1.8%	6.2%p	-1.7%p
Total income margin	3.79%	3.85%	0.06%p	3.83%	3.75%	4.02%	3.70%	-0.31%p	-0.13%p
Net interest margin	2.88%	3.24%	0.36%p	2.91%	2.92%	3.09%	3.37%	0.28%p	0.46%p
Operating costs / Average assets	3.27%	2.96%	-0.31%p	2.99%	3.04%	3.29%	2.66%	-0.63%p	-0.33%p
Cost/income ratio	86.1%	76.9%	-9.2%p	78.1%	80.9%	81.9%	71.9%	-10.0%p	-6.2%p
Net loans to deposits (FX-adjusted)	114%	137%	23%p	114%	118%	125%	137%	12%p	23%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	71.4	80.2	12%	71.4	74.6	74.7	80.2	7%	12%
HUF/RON (average)	73.0	75.8	4%	72.1	72.8	73.7	77.9	6%	8%

OTP Bank Romania realized HUF 1.0 billion loss in the first half of 2022. In the second quarter of 2022, it generated HUF 0.8 billion profit after tax, after making loss in the previous quarter.

The 1H loss was mainly the result of the higher total provisions. These totalled to HUF 7 billion in 1H, out of which 2.7 billion emerged in 2Q mostly in relation to the quarterly revision of the IFRS 9 impairment model parameters.

The effect of higher risk cost was partly offset by the y-o-y nearly doubling operating profit in the first half-year, thanks to the dynamic 27% surge in total revenues. Within that, net interest income grew by 40% y-o-y, and net fees and commissions increased by 13%. The semi-annual net interest income benefited from the expansion in performing (Stage 1+2) loan volumes, and from the 36 bps improvement in net interest margin, fuelled largely by the rising trend of the three-month interbank lending rate (which is the base rate for corporate loans). Net interest margin rose by 28 bps q-o-q to 3.37%.

In 2Q 2022 operating profit jumped by nearly 50% q-o-q, mainly because operating expenses declined due to base effect. Total income stagnated q-o-q, as the rise in net interest income was offset by the q-o-q drop in other income.

Operating expenses increased by 13% y-o-y in the first six months (+10% in local currency terms). The higher personnel expenses stemmed from wage hikes and from the 2% y-o-y rise in the average headcount in the first half-year. The stronger depreciation was linked to the developments implemented in line with the growth strategy. Within material expenses, supervisory fees grew at the strongest rate (+HUF 0.5 billion y-o-y).

In the second quarter, total operating expenses declined by 11% q-o-q, because within supervisory fees, the full annual fee payable to the Deposit Protection Fund was booked in the first quarter.

In the development of the cost-to-income ratio, which used to be higher in the recent past, there are positive signs in 1H 2022: the ratio improved by 9.2 pps to 76.9% y-o-y.

As to loan quality, the ratio of Stage 3 loans to total loans sank by 0.3 pps q-o-q to 5.0% (-0.9 pp y-o-y); their own provision coverage improved to 59.5% by the end of 2Q (+1.7pps y-o-y, +0.8 pp q-o-q. In the first half-year, a total of HUF 2.4 billion worth of loans were sold or written off, including HUF 0.9 billion in the second quarter. The FX-adjusted volume of 90+ days past due loans grew more in 2Q than in the preceding quarter (+HUF 2.3 billion, without sales/write-offs).

As to business activity, both placements and volumes grew dynamically, in accordance with the Bank's strategy. In the first half-year of 2022, mortgage lending grew by 28% y-o-y, and loans to large corporations jumped by 59%. Regarding disbursements in the second quarter, corporate lending was the strongest (+25% q-o-q), which boosted the performing volume by 10% q-o-q. FX-adjusted performing loan volumes grew by 23% y-o-y. Within that, the combined +31% growth of corporate and MSE loans was outstanding, but mortgage loans also increased by 17%.

Assets' growth in the second quarter was largely supported by intrabank funding, while deposits from customers shrank by an FX-adjusted 4% q-o-q (+2% y-o-y), mainly because corporate deposits fell by 10%. The net loan/deposit ratio rose by 23 pps y-o-y, and by 12 pps q-o-q, to 137%.

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	17,726	-34,254	-293%	8,891	39,024	-34,400	146	-100%	-98%
Income tax	-3,459	315	-109%	-1,626	-8,242	-340	655	-293%	-140%
Profit before income tax	21,186	-34,569	-263%	10,517	47,266	-34,060	-509	-99%	-105%
Operating profit	23,542	36,359	54%	12,630	54,760	15,251	21,108	38%	67%
Total income	36,307	51,055	41%	19,108	83,567	23,032	28,023	22%	47%
Net interest income	27,178	40,247	48%	14,300	62,051	18,814	21,433	14%	50%
Net fees and commissions	6,723	5,314	-21%	3,481	14,494	3,031	2,284	-25%	-34%
Other net non-interest income	2,406	5,494	128%	1,327	7,022	1,188	4,306	263%	225%
Operating expenses	-12,765	-14,696	15%	-6,477	-28,806	-7,781	-6,915	-11%	7%
Total provisions	-2,356	-70,928		-2,113	-7,494	-49,312	-21,617	-56%	923%
Provision for impairment on loan losses	-1,312	-65,459		-1,497	-5,827	-47,043	-18,416	-61%	
Other provision	-1,044	-5,470	424%	-616	-1,667	-2,269	-3,201	41%	420%
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	983,557	1,087,940	11%	794,297	983,557	959,169	1,087,940	13%	37%
Gross customer loans	662,173	710,203	7%	524,169	662,173	671,971	710,203	6%	35%
Gross customer loans (FX-adjusted)	726,971	710,203	-2%	628,150	726,971	763,456	710,203	-7%	13%
Stage 1 + 2 customer loans (FX-adjusted)	681,192	641,939	-6%	575,226	681,192	713,266	641,939	-10%	12%
Retail loans	124,311	105,159	-15%	105,398	124,311	120,564	105,159	-13%	0%
Corporate loans	376,400	361,115	-4%	302,909	376,400	413,030	361,115	-13%	19%
Leasing	180,481	175,665	-3%	166,919	180,481	179,671	175,665	-2%	5%
Allowances for possible loan losses	-47,830	-118,332	147%	-44,652	-47,830	-88,715	-118,332	33%	165%
Allowances for possible loan losses (FX-adjusted)	-52,665	-118,332	125%	-54,061	-52,665	-101,198	-118,332	17%	119%
Deposits from customers	671,002	776,317	16%	518,590	671,002	665,572	776,317	17%	50%
Deposits from customers (FX-adjusted)	738,663	776,317	5%	623,716	738,663	757,011	776,317	3%	24%
Retail deposits	304,202	318,362	5%	281,996	304,202	320,900	318,362	-1%	13%
Corporate deposits	434,461	457,956	5%	341,720	434,461	436,111	457,956	5%	34%
Liabilities to credit institutions	115,714	122,698	6%	104,807	115,714	135,240	122,698	-9%	17%
Total shareholders' equity	159,756	133,905	-16%	126,265	159,756	114,678	133,905	17%	6%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	441,359	335,665	-24%	441,359	576,876	418,136	335,665	-20%	-24%
Stage 1 loans under IFRS 9/gross customer loans	84.2%	47.3%	-36.9%p	84.2%	87.1%	62.2%	47.3%	-15.0%p	-36.9%p
Own coverage of Stage 1 loans under IFRS 9	1.8%	2.7%	0.9%p	1.8%	1.9%	6.5%	2.7%	-3.7%p	0.9%p
Stage 2 loan volume under IFRS 9 (in HUF million)	39,001	306,274	685%	39,001	43,707	209,802	306,274	46%	685%
Stage 2 loans under IFRS 9/gross customer loans	7.4%	43.1%	35.7%p	7.4%	6.6%	31.2%	43.1%	11.9%p	35.7%p
Own coverage of Stage 2 loans under IFRS 9	15.4%	18.7%	3.3%p	15.4%	18.5%	14.1%	18.7%	4.6%p	3.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	43,809	68,264	56%	43,809	41,590	44,032	68,264	55%	56%
Stage 3 loans under IFRS 9/gross customer loans	8.4%	9.6%	1.3%p	8.4%	6.3%	6.6%	9.6%	3.1%p	1.3%p
Own coverage of Stage 3 loans under IFRS 9	69.7%	76.3%	6.6%p	69.7%	69.6%	73.1%	76.3%	3.2%p	6.6%p
Provision for impairment on loan losses/average gross loans	0.56%	19.47%	18,91%p	1.23%	1.09%	28.75%	10.67%	-18.08%p	9.45%p
90+ days past due loan volume (in HUF million)	25,270	34,528	37%	25,270	21,914	24,241	34,528	42%	37%
90+ days past due loans/gross customer loans	4.8%	4.9%	0.0%p	4.8%	3.3%	3.6%	4.9%	1.3%p	0.0%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	4.6%	-7.0%	-11.7%p	4.5%	4.7%	-14.8%	0.1%	14.9%p	-4.5%p
ROE	28.2%	-51.4%	-79.6%p	27.3%	28.8%	-94.1%	0.5%	94.6%p	-26.8%p
Total income margin	9.50%	10.46%	0.96%p	9.75%	10.06%	9.91%	10.95%	1.04%p	1.20%p
Net interest margin	7.11%	8.24%	1.14%p	7.30%	7.47%	8.10%	8.38%	0.28%p	1.08%p
Operating costs / Average assets	3.3%	3.0%	-0.3%	3.3%	3.5%	3.3%	2.7%	-0.6%	-0.6%
Cost/income ratio	35.2%	28.8%	-6.4%p	33.9%	34.5%	33.8%	24.7%	-9.1%p	-9.2%p
Net loans to deposits (FX-adjusted)	92%	76%	-16%p	92%	91%	87%	76%	-11%p	-16%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/UAH (closing)	10.9	12.9	18%	10.9	11.9	11.3	12.9	14%	18%
HUF/UAH (average)	10.7	11.8	10%	10.7	11.9	11.3	12.2	8%	14%

OTP Bank Ukraine's financial figures in HUF terms were affected by the UAH/HUF exchange rate's moves: In the first half-year, the UAH's average exchange rate appreciated by 10% year over year, and the average rate in the second quarter firmed by 8% q-o-q. The hryvnia's closing exchange rate vs the HUF appreciated by 18% y-o-y, and by 14% q-o-q in the second quarter of 2022. Therefore, the balance sheet and P&L dynamics in HUF terms differ from the ones calculated in local currency.

OTP Bank Ukraine has been maintaining its operation even amid the extraordinary situation caused by the armed conflict that broke out on 24 February 2022; it continues to provide key banking services, while focusing on the safety and security of its staff and customers. In order to secure uninterrupted and full-scale services, the Bank has made preparations to use cloud computing. The bank's capital and liquidity positions are strong; its capital adequacy ratios were steadily above the regulatory minimum requirements at the end of the first half-year: its CAR stood at 20.2% (+0.7 pp q-o-q, vs. the regulatory minimum of 10.0%).

As a result of the economic uncertainty and risks caused by the armed conflict, the bank made HUF 34.3 billion loss in the first half-year of 2022, mostly because of loan loss provisions; meanwhile, it could significantly improve its operating profit.

Since the beginning of the armed conflict, retail and corporate lending activity fell sharply. As a result, performing (Stage 1+2) loan volumes dropped by 6% ytd (FX-adjusted). Within that, retail volumes contracted by 15% YTD: for the first time since 24 February, consumer loans restarted in June, with small amounts, tighter conditions, and higher pricing. In the first half-year of 2022, the disbursement of cash loans dropped by 55%, and that of POS loans fell by 65% from the base period. In the second quarter, consumer loan sales declined by 97% q-o-q. Performing corporate loans shrank by 4% ytd (FX-adjusted), including the 13% q-o-q drop in the second quarter. Corporate lending was mostly suspended after 24 February – except for the use of existing overdraft loans (e.g. for wages), and agricultural loans to finance agricultural activities in the spring, utilizing the guarantees from the state and from international financial institutions.

A total of HUF 71 billion risk cost weighed on the first half-year profit; reasons include provision creation as a result of the macroparameter revision, and a growth in Stage 2 and Stage 3 loan volumes, while these portfolios' own provision coverage also increased. The risks caused by the conflict were assessed from multiple aspects, as a result of which, the Stage 2 loan volume increased by almost eight times in one year, while the volume of Stage 3 loans grew by more than 50% in three months' time. The share of Stage 2 loans increased to 43.1% (+35.7 pps y-o-y, +11.9 pps q-o-q). The coverage of Stage 2 loans reached 18.7% (+4.6 pps q-o-q) at the end of the second quarter. The Stage 3 ratio stood at 9.6% at end of the second quarter, with 76.3% own coverage ratio (+3.2 pps q-o-q).

Following the National Bank of Ukraine's 24 February resolution, which allowed borrowers to postpone interest and principal payments without defaulting, the Bank granted a grace period for all debtors until 30 April 2022. After expiration of the grace period, the bank offered restructuring facilities to borrowers who faced payment difficulties.

In the first half-year of 2022, operating profit grew by 54% (+40% in UAH) compared to the base period; it surged by 38% q-o-q (+28% in UAH) in the second quarter, owing to the increase in net interest income (in UAH: +35% y-o-y in 1H, and +5% q-o-q in 2Q), largely influenced by rising interest rates on the asset side. Within that, the average interest rate on the loan portfolio increased, and the interest rate on deposits held at the central bank also grew steeply as the NBU's base rate jumped from 10% to 25% on 2 June. On the deposit side, the bank adjusted the deposit interest rates in accordance with the actual market conditions and the bank's improving liquidity position. Accordingly, the rising trend in net interest margin was sustained; NIM improved by 1.14 pps, to 8.24% y-o-y in the first half-year (2Q: 8.38%, +0.28 pp q-o-q).

One reason for the contraction in net fees and commissions in local currency (1H: -28% y-o-y, 2Q: -30% q-o-q) was the lower fee income on large companies' transactions and exports, and lower fee income from card- as well as POS and ATM transactions after 24 February.

The growth in other income benefited mainly from the increase in currency conversion commissions related to card transactions.

Operating expenses rose by 5% y-o-y in the first half-year, mostly because of the aid and allowances provided to employees in March. In the second quarter, costs declined by 18% q-o-q, largely because of the sharply decreasing number of agents as a result of the shrunken consumer loan placements.

The total deposit book has increased by an FX-adjusted 5% YTD (3% q-o-q in 2Q). The Ukrainian operation's liquidity position was stable in the second quarter; the net loan/deposit ratio was 76% (-11% q-o-q; -16% y-o-y).

OTP BANK RUSSIA

Performance of OTP Bank Russia:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	17,410	-14,751	-185%	9,404	37,624	-27,222	12,470	-146%	33%
Income tax	-4,691	2,463	-153%	-2,481	-9,690	-6,843	9,306	-236%	-475%
Profit before income tax	22,101	-17,214	-178%	11,885	47,313	-20,378	3,164	-116%	-73%
Operating profit	28,309	26,939	-5%	14,805	62,368	12,383	14,556	18%	-2%
Total income	55,642	59,980	8%	27,772	118,158	26,273	33,707	28%	21%
Net interest income	43,455	45,650	5%	21,650	91,364	20,567	25,083	22%	16%
Net fees and commissions	11,861	12,317	4%	5,972	25,728	5,085	7,232	42%	21%
Other net non-interest income	326	2,013	517%	150	1,066	621	1,392	124%	831%
Operating expenses	-27,333	-33,041	21%	-12,966	-55,790	-13,890	-19,151	38%	48%
Total provisions	-6,208	-44,153	611%	-2,920	-15,055	-32,761	-11,392	-65%	290%
Provision for impairment on loan losses	-6,014	-35,928	497%	-3,038	-13,075	-26,605	-9,323	-65%	207%
Other provision	-194	-8,225		118	-1,979	-6,156	-2,068	-66%	
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	799,965	1,379,769	72%	657,922	799,965	782,884	1,379,769	76%	110%
Gross customer loans	753,373	1,058,852	41%	608,615	753,373	659,594	1,058,852	61%	74%
Gross customer loans (FX-adjusted)	1,242,505	1,058,852	-15%	1,078,624	1,242,505	1,159,489	1,058,852	-9%	-2%
Stage 1+2 customer loans (FX-adjusted)	1,100,038	900,479	-18%	932,363	1,100,038	1,016,981	900,479	-11%	-3%
Retail loans	901,626	812,521	-10%	801,413	901,626	861,932	812,521	-6%	1%
Corporate loans	198,411	87,958	-56%	130,949	198,411	155,049	87,958	-43%	-33%
Allowances for possible loan losses	-131,878	-255,523	94%	-127,812	-131,878	-142,750	-255,523	79%	100%
Allowances for possible loan losses (FX-adjusted)	-217,654	-255,523	17%	-226,446	-217,654	-251,086	-255,523	2%	13%
Deposits from customers	411,633	751,925	83%	328,495	411,633	435,915	751,925	72%	129%
Deposits from customers (FX-adjusted)	656,174	751,925	15%	565,971	656,174	730,985	751,925	3%	33%
Retail deposits	495,154	456,092	-8%	467,249	495,154	462,788	456,092	-1%	-2%
Corporate deposits	161,020	295,833	84%	98,722	161,020	268,197	295,833	10%	200%
Liabilities to credit institutions	85,485	100,156	17%	82,027	85,485	60,131	100,156	67%	22%
Total shareholders' equity	240,724	365,923	52%	204,770	240,724	192,405	365,923	90%	79%
Loan Quality	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	456,041	738,689	62%	456,041	576,404	484,319	738,689	53%	62%
Stage 1 loans under IFRS 9/gross customer loans	74.9%	69.8%	-5.2%p	74.9%	76.5%	73.4%	69.8%	-3.7%p	-5.2%p
Own coverage of Stage 1 loans under IFRS 9	4.4%	6.4%	1.9%p	4.4%	3.8%	5.9%	6.4%	0.5%p	1.9%p
Stage 2 loan volume under IFRS 9 (in HUF million)	70,344	161,791	130%	70,344	90,944	94,720	161,791	71%	130%
Stage 2 loans under IFRS 9/gross customer loans	11.6%	15.3%	3.7%p	11.6%	12.1%	14.4%	15.3%	0.9%p	3.7%p
Own coverage of Stage 2 loans under IFRS 9	42.8%	35.0%	-7.8%p	42.8%	31.1%	37.6%	35.0%	-2.5%p	-7.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	82,230	158,372	93%	82,230	86,025	80,554	158,372	97%	93%
Stage 3 loans under IFRS 9/gross customer loans	13.5%	15.0%	1.4%p	13.5%	11.4%	12.2%	15.0%	2.7%p	1.4%p
Own coverage of Stage 3 loans under IFRS 9	94.2%	95.8%	1.6%p	94.2%	95.1%	97.5%	95.8%	-1.6%p	1.6%p
Provision for impairment on loan losses/average gross loans	2.03%	9.63%	7.60%p	2.05%	2.05%	16.33%	4.44%	-11,90%p	2.39%p
90+ days past due loan volume (in HUF million)	82,173	158,909	93%	82,173	87,550	82,265	158,909	93%	93%
90+ days past due loans/gross customer loans	13.5%	15.0%	1.5%p	13.5%	11.6%	12.5%	15.0%	2.5%p	1.5%p
Performance Indicators	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	5.3%	-3.3%	-8.6%p	5.8%	5.4%	-14.4%	4.8%	19.2%p	-1.0%p
ROE	18.3%	-12.5%	-30.8%p	19.2%	18.2%	-53.3%	18.6%	72.0%p	-0.6%p
Total income margin	16.89%	13.33%	-3.56%p	17.05%	17.02%	13.88%	12.94%	-0.94%p	-4.11%p
Net interest margin	13.19%	10.15%	-3.05%p	13.29%	13.16%	10.86%	9.63%	-1.24%p	-3.66%p
Operating costs / Average assets	8.3%	7.3%	-1.0%	8.0%	8.0%	7.3%	7.4%	0.0%	-0.6%
Cost/income ratio	49.1%	55.1%	6.0%p	46.7%	47.2%	52.9%	56.8%	3.9%p	10.1%p
Net loans to deposits (FX-adjusted)	151%	107%	-44%p	151%	156%	124%	107%	-17%p	-44%p
FX rates (in HUF)	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.0	7.2	79%	4.0	4.4	4.1	7.2	78%	79%
HUF/RUB (average)	4.0	4.7	18%	4.0	4.4	3.8	5.6	46%	40%

OTP Bank Russia's financial figures in HUF terms were strongly affected by the forint/rouble exchange rate's moves: In the first half-year of 2022, the forint's average exchange rate depreciated by 18% y-o-y against the rouble, and the forint weakened by 46% q-o-q against the RUB in the second quarter. The RUB's closing exchange rate firmed by 78% q-o-q (79% y-o-y) against the HUF in the second quarter of 2022. Therefore, changes expressed in local currency provide a more accurate picture of balance sheet and P&L developments.

OTP Bank Russia realized almost RUB 5 billion (HUF 14.8 billion) loss in the first half-year of 2022, basically the jump in risk costs caused the P&L turn into negative.

The second-quarter profit before income tax has predominantly improved because of the drop in risk costs. The RUB 1.9 billion (HUF 12.5 billion) after-tax profit made in the second quarter was supported by the fact that in the first quarter, due to the management's conservative approach, a deferred tax asset in the amount of HUF 6.4 billion was written off, however, since this is expected to be enforced in the future, it was re-entered in the books in 2Q in the same ruble amount, which, due to the roubel appreciation, was recorded in HUF amount as +9.3 billion.

The Bank's capital adequacy ratios remained steadily above the regulatory minimum levels. The Bank's CAR was at 16.4% at the end of the half-year (2021: 11.7% vs the regulatory minimum: 10.5%).

As a result of the armed conflict, which erupted on 24 February 2022, the bank temporarily suspended lending in all customer segments. Then, with conservative conditions and low volumes, it resumed the sale of POS loans and cash loans. In the corporate segment, the bank only extends existing maturities in a limited number of cases, to preserve portfolio quality, but it does not provide new loans for corporate clients.

The FX-adjusted gross performing (Stage 1+2) loan volumes declined by 18% in the first half of the year, primarily because the corporate loan book contracted (-56%). At the same time, the FX-adjusted volume of performing retail loans dropped by 10%, as a result of subdued sales: in the first half-year new consumer loans' sales were 32% less than in the base period. In the second quarter, it contracted by 26% q-o-q, mostly in connection with the shrunken sales of new cash loans and car loans.

Deposits from customers, the primary source of RUB liquidity, expanded by an FX-adjusted 15% y-o-y, and 3% q-o-q, largely owing to the volume growth of the corporate segment (+84% y-o-y, +10% q-o-q). On the other hand, the retail deposit book contracted by 8% y-o-y (-1% q-o-q). The Russian bank's liquidity is stable, the FX-adjusted net loan/deposit ratio improved to 107% by the end of June (-17 pps q-o-q, -44% pps y-o-y; FX-adjusted).

The Russian operation's net intra-group financing amounted to HUF 84 billion at the end of June (the growth from the HUF 75 billion at the end of 2021 was caused only by the strengthening of the roubel exchange rate against the forint, the amount has declined in RUB).

The 5% y-o-y decline in the first-half-year operating profit in HUF (-18% in RUB) was mainly caused by the drop in interest income, as the loan book contracted. In the first six months of 2022, the income calculated in HUF grew in all lines y-o-y, owing to the RUB's appreciation versus the forint; in rouble terms, income dropped compared to the base period both in the first half-yar and in the second quarter.

Net interest income dropped by 8% y-o-y in RUB in the first half-year, and fell by 17% q-o-q in the second quarter. The contraction in the interest income in RUB terms was caused by the shrinking performing loan volume, as well as by the eroding net interest margin (-2.72 pps y-o-y, and -1.4 pps q-o-q), as a combined result of the increase in term deposits' average interest rate level (which grew along with the yield environment) and deposit volume, as well as the typically fixed-interest-rate loan portfolio, which declined owing to the subdued lending activity. As the base rate was gradually reduced from 20% in March to 9.5% in June, the bank could materially lower the interest rates on term deposits.

In the first half-year net fees and commissions declined by 11% (-3% q-o-q) in local currency, largely because of the modest business activity and less fee income from loan placements.

First-half-year operating expenses rose by 4% y-o-y in RUB, primarily as a result of the double-digit inflation rate (inflation jumped to 17.8% in April, and it was 15.9% in June).

In the first six months, credit risk cost amounted to HUF 36 billion, owing on one hand to higher provisions created with a view on worse macroeconomic outlook for Russia and geopolitical uncertainties, primarily related to the revision of the IFRS 9 macroparameters, and on the other hand to the increase in coverage levels. Furthermore, the higher risk of the bond portfolio necessitated provisions in other risk cost.

There was a slight deterioration in the quality of the loan portfolio, Stage 1 performing loans proportion shrank within the portfolio as a result of decreased lending. The ratio of Stage 3 loans increased q-o-q by 2.7 pps to 15%, the Stage 2 ratio by 0.9 pp to 15.3%. The own coverage of Stage 2 and Stage 3 loans both decreased q-o-q.

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	3,117	292	-91%	1,095	4,140	-1,230	1,521		39%
Income tax	-276	-522	89%	-84	-817	-60	-462	671%	450%
Profit before income tax	3,393	814	-76%	1,179	4,957	-1,170	1,984		68%
Operating profit	4,768	5,931	24%	2,509	10,240	2,462	3,469	41%	38%
Total income	10,687	12,385	16%	5,447	22,046	5,604	6,781	21%	24%
Net interest income	8,187	9,189	12%	4,103	16,553	4,305	4,884	13%	19%
Net fees and commissions	2,171	2,954	36%	1,191	4,880	1,239	1,715	38%	44%
Other net non-interest income	329	241	-27%	153	613	60	181	204%	18%
Operating expenses	-5,919	-6,454	9%	-2,938	-11,805	-3,142	-3,311	5%	13%
Total provisions	-1,375	-5,117	272%	-1,330	-5,283	-3,632	-1,486	-59%	12%
Provision for impairment on loan losses	-1,171	-1,567	34%	-1,220	647	-1,644	77		
Other provision	-205	-3,550		-110	-5,930	-1,988	-1,562	-21%	
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	513,522	589,651	15%	450,041	513,522	511,418	589,651	15%	31%
Gross customer loans	366,369	425,044	16%	349,532	366,369	386,795	425,044	10%	22%
Gross customer loans (FX-adjusted)	393,921	425,044	8%	394,080	393,921	415,186	425,044	2%	8%
Stage 1+2 customer loans (FX-adjusted)	366,404	398,485	9%	365,165	366,404	388,215	398,485	3%	9%
Retail loans	174,202	184,288	6%	173,128	174,202	178,650	184,288	3%	6%
Corporate loans	192,201	214,196	11%	192,037	192,201	209,565	214,196	2%	12%
Allowances for possible loan losses	-23,504	-26,917	15%	-24,323	-23,504	-25,309	-26,917	6%	11%
Allowances for possible loan losses (FX-adjusted)	-25,272	-26,917	7%	-27,423	-25,272	-27,167	-26,917	-1%	-2%
Deposits from customers	386,572	437,011	13%	325,302	386,572	388,194	437,011	13%	34%
Deposits from customers (FX-adjusted)	416,793	437,011	5%	368,510	416,793	417,520	437,011	5%	19%
Retail deposits	253,933	258,345	2%	233,488	253,933	248,565	258,345	4%	11%
Corporate deposits	162,861	178,666	10%	135,021	162,861	168,955	178,666	6%	32%
Liabilities to credit institutions	19,698	40,611	106%	31,563	19,698	19,469	40,611	109%	29%
Total shareholders' equity	82,029	88,469	8%	77,311	82,029	80,851	88,469	9%	14%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	261,025	353,677	35%	261,025	280,910	304,349	353,677	16%	35%
Stage 1 loans under IFRS 9/gross customer loans	74.7%	83.2%	8.5%p	74.7%	76.7%	78.7%	83.2%	4.5%p	8.5%p
Own coverage of Stage 1 loans under IFRS 9	1.4%	1.2%	-0.2%p	1.4%	1.0%	1.2%	1.2%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	62,860	44,808	-29%	62,860	59,866	57,319	44,808	-22%	-29%
Stage 2 loans under IFRS 9/gross customer loans	18.0%	10.5%	-7.4%p	18.0%	16.3%	14.8%	10.5%	-4.3%p	-7.4%p
Own coverage of Stage 2 loans under IFRS 9	7.1%	9.5%	2.4%p	7.1%	6.5%	8.1%	9.5%	1.4%p	2.4%p
Stage 3 loan volume under IFRS 9 (in HUF million)	25,647	26,560	4%	25,647	25,593	25,126	26,560	6%	4%
Stage 3 loans under IFRS 9/gross customer loans	7.3%	6.2%	-1.1%p	7.3%	7.0%	6.5%	6.2%	-0.2%p	-1.1%p
Own coverage of Stage 3 loans under IFRS 9	62.9%	69.5%	6.5%p	62.9%	66.0%	67.4%	69.5%	2.0%p	6.5%p
Provision for impairment on loan losses/average gross loans	0.67%	0.81%	0.14%p	1.39%	-0.18%	1.80%	-0.08%	-1.87%p	-1.47%p
90+ days past due loan volume (in HUF million)	16,373	17,640	8%	16,373	16,472	16,624	17,640	6%	8%
90+ days past due loans/gross customer loans	4.7%	4.2%	-0.5%p	4.7%	4.5%	4.3%	4.2%	-0.1%p	-0.5%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.3%	0.1%	-1.2%p	1.0%	0.9%	-1.0%	1.1%	2.1%p	0.1%p
ROE	8.2%	0.7%	-7.5%p	5.7%	5.2%	-6.0%	7.2%	13.2%p	1.5%p
Total income margin	4.62%	4.64%	0.02%p	4.79%	4.62%	4.43%	4.83%	0.40%p	0.04%p
Net interest margin	3.54%	3.44%	-0.10%p	3.61%	3.47%	3.40%	3.48%	0.08%p	-0.13%p
Operating costs / Average assets	2.56%	2.42%	-0.14%p	2.58%	2.48%	2.48%	2.36%	-0.12%p	-0.23%p
Cost/income ratio	55.4%	52.1%	-3.3%p	53.9%	53.5%	56.1%	48.8%	-7.2%p	-5.1%p
Net loans to deposits (FX-adjusted)	99%	91%	-8%p	99%	88%	93%	91%	-2%p	-8%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	351.9	396.8	13%	351.9	369.0	369.6	396.8	7%	13%
HUF/EUR (average)	357.9	375.1	5%	355.0	358.5	364.8	385.5	6%	9%

In the first half-year of 2022, the Montenegrin **CKB Group** generated HUF 0.3 billion profit, including HUF 1.5 billion profit after tax in the second quarter. The considerable drop in the half-year profit was caused by higher risk costs. However, half-year operating profit also grew steeply, by 24%, and the bank's cost efficiency has improved, too (the cost/income ratio declined by 3.3 pps, to 52.1%).

Core banking income changed favourably, thanks to stronger business activity. In the first half-year, total income expanded by 16% (in local currency: +10%), owing to a 12% surge in net interest income, as well as a 36% jump in net fees and commissions. The interest income's growth was fuelled by the rise in performing loan volumes, while net interest margin dropped by 10 bps in the first six months.

In the second quarter of 2022, operating profit grew by 41% q-o-q (by +33% in EUR) as a result of a 21% increase in total income and a 5% rise in operating expenses. Net interest margin improved by 8 bps q-o-q, the performing loan volume (FX-adjusted) rose by 3%, which shaped the development of net interest income (+7% in EUR). Net fees and commissions surged by 38% q-o-q, owing to a seasonal growth in income.

In the second quarter, operating expenses contracted q-o-q in local currency, despite the higher material costs, particularly those paid to supervisory authorities. The cost/income ratio improved by 7.2 pps q-o-q (to 48.8%) in the second quarter.

In the first half-year, risk costs amounted to HUF 5.1 billion, including HUF 3.6 billion in the first quarter, and HUF 1.5 billion in the second.

Performing (Stage 1+2) loans rose by 9% y-o-y, and 3% q-o-q (FX-adjusted). Newly disbursed cash loan volumes surged by 6% q-o-q, and those of mortgage loans grew by 35%.

In the first half-year of 2022, the volume of 90+ days past due loans rose by HUF 0.6 billion (FX-adjusted, without sales and write-offs), including a HUF 0.2 billion rise in the second quarter. The ratio of Stage 2 loans (10.5%) dropped by 4.3 pps q-o-q as the Stage classification criteria for certain retail loan products have changed. As a result, some retail loans were reclassified from Stage 2 to Stage 1 in April. By the end of the second quarter of 2022, the ratio of Stage 3 loans declined to 6.2% (-1.1 pps y-o-y, -0.2 pp q-o-q); their own provision coverage has improved to 69.5% (+6.5 pps y-o-y, +2 pps q-o-q).

The FX-adjusted deposit volume expanded by 19% y-o-y, and by 5% q-o-q. The net loan/deposit ratio stood at 91% at the end of the second quarter (-8 pps y-o-y, -2 pps q-o-q).

OTP BANK ALBANIA

Performance of OTP Bank Albania:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	2,369	4,745	100%	1,313	5,522	2,261	2,485	10%	89%
Income tax	-413	-874	112%	-242	-986	-379	-495	31%	105%
Profit before income tax	2,782	5,619	102%	1,555	6,508	2,639	2,979	13%	92%
Operating profit	3,222	4,266	32%	1,674	7,213	1,969	2,297	17%	37%
Total income	6,185	7,781	26%	3,148	13,398	3,638	4,143	14%	32%
Net interest income	4,968	6,249	26%	2,559	10,619	3,026	3,223	7%	26%
Net fees and commissions	881	998	13%	479	1,843	449	549	22%	15%
Other net non-interest income	336	533	58%	110	936	163	370	127%	238%
Operating expenses	-2,963	-3,514	19%	-1,475	-6,186	-1,669	-1,846	11%	25%
Total provisions	-440	1,352		-119	-705	670	682	2%	
Provision for impairment on loan losses	-503	1,118		-195	-880	666	452	-32%	
Other provision	63	235	274%	76	175	4	230		202%
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	350,848	391,543	12%	292,197	350,848	357,914	391,543	9%	34%
Gross customer loans	219,890	255,065	16%	185,980	219,890	231,336	255,065	10%	37%
Gross customer loans (FX-adjusted)	238,488	255,065	7%	213,322	238,488	251,261	255,065	2%	20%
Stage 1+2 customer loans (FX-adjusted)	230,706	247,270	7%	206,477	230,706	243,578	247,270	2%	20%
Retail loans	91,291	99,291	9%	95,104	91,291	95,023	99,291	4%	4%
Corporate loans	135,324	143,979	6%	107,785	135,324	144,338	143,979	0%	34%
Leasing	4,091	3,999	-2%	3,589	4,091	4,217	3,999	-5%	11%
Allowances for possible loan losses	-10,096	-10,123	0%	-8,581	-10,096	-9,670	-10,123	5%	18%
Allowances for possible loan losses (FX-adjusted)	-10,930	-10,123	-7%	-9,833	-10,930	-10,495	-10,123	-4%	3%
Deposits from customers	251,270	280,502	12%	218,315	251,270	258,960	280,502	8%	28%
Deposits from customers (FX-adjusted)	272,452	280,502	3%	250,680	272,452	281,659	280,502	0%	12%
Retail deposits	227,953	233,550	2%	212,230	227,953	229,237	233,550	2%	10%
Corporate deposits	44,499	46,951	6%	38,450	44,499	52,422	46,951	-10%	22%
Liabilities to credit institutions	53,257	65,159	22%	36,701	53,257	56,921	65,159	14%	78%
Total shareholders' equity	35,134	38,537	10%	30,834	35,134	35,702	38,537	8%	25%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	158,158	230,848	46%	158,158	191,308	208,866	230,848	11%	46%
Stage 1 loans under IFRS 9/gross customer loans	85.0%	90.5%	5.5%p	85.0%	87.0%	90.3%	90.5%	0.2%p	5.5%p
Own coverage of Stage 1 loans under IFRS 9	1.3%	1.1%	-0.2%p	1.3%	1.2%	1.1%	1.1%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	21,851	16,422	-25%	21,851	21,391	15,392	16,422	7%	-25%
Stage 2 loans under IFRS 9/gross customer loans	11.7%	6.4%	-5.3%p	11.7%	9.7%	6.7%	6.4%	-0.2%p	-5.3%p
Own coverage of Stage 2 loans under IFRS 9	14.0%	12.7%	-1.3%p	14.0%	11.4%	13.4%	12.7%	-0.7%p	-1.3%p
Stage 3 loan volume under IFRS 9 (in HUF million)	5,971	7,796	31%	5,971	7,190	7,078	7,796	10%	31%
Stage 3 loans under IFRS 9/gross customer loans	3.2%	3.1%	-0.2%p	3.2%	3.3%	3.1%	3.1%	0.0%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	58.6%	70.1%	11.4%p	58.6%	73.3%	74.5%	70.1%	-4.4%p	11.4%p
Provision for impairment on loan losses/average gross loans	0.57%	-0.97%	-1.53%p	0.43%	0.46%	-1.21%	-0.74%	0.47%p	-1.18%p
90+ days past due loan volume (in HUF million)	2,749	4,019	46%	2,749	3,624	3,611	4,019	11%	46%
90+ days past due loans/gross customer loans	1.5%	1.6%	0.1%p	1.5%	1.6%	1.6%	1.6%	0.0%p	0.1%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	1.7%	2.6%	1.0%p	1.8%	1.8%	2.6%	2.7%	0.1%p	0.8%p
ROE	16.1%	26.3%	10.2%p	17.4%	17.6%	26.0%	26.5%	0.5%p	9.2%p
Total income margin	4.37%	4.32%	-0.04%p	4.39%	4.43%	4.19%	4.45%	0.27%p	0.06%p
Net interest margin	3.51%	3.47%	-0.03%p	3.57%	3.51%	3.48%	3.46%	-0.02%p	-0.11%p
Operating costs / Average assets	2.1%	2.0%	-0.1%p	2.1%	2.0%	1.9%	2.0%	0.1%p	-0.1%p
Cost/income ratio	47.9%	45.2%	-2.7%p	46.8%	46.2%	45.9%	44.6%	-1.3%p	-2.3%p
Net loans to deposits (FX-adjusted)	81%	87%	6%p	81%	84%	85%	87%	2%p	6%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	2.9	3.3	16%	2.9	3.1	3.0	3.3	10%	16%
HUF/ALL (average)	2.9	3.1	7%	2.9	3.0	3.0	3.2	7%	11%

In accordance with the purchase agreement signed by and between OTP Bank and Alpha International Holdings Single Member S.A. on 6 December 2021, the transaction's financial closure was completed on 18 July 2022. As a result, OTP Bank became the 100% owner of Alpha Bank Albania SH.A., Alpha Bank Group's Albanian subsidiary. The first half-year financial statements do not include the acquired bank's contribution to profit. The integration of OTP Bank Albania and Alpha Bank Albania is expected to be concluded in 2023.

In the first half-year of 2022, **OTP Bank Albania** generated HUF 4.7 billion profit after tax, the double of the profit made in the base period. This is consistent with 26% ROE, the best return on equity in the Group. The HUF 2.5 billion profit realized in the second quarter has improved by 10% q-o-q.

In the first half-year, operating profit in local currency jumped by 24% y-o-y, as total income grew by 18%, while operating expenses rose by 11%. Operating profit increased by 9% q-o-q in local currency.

In the first six months of the year, net interest income expanded by 18% y-o-y in local currency, in line with the growth in volumes, while the margin was stable.

The 11% increase in half-year operating expenses in local currency can be attributed to higher personnel, hardware and office equipment expenses, as well as to fees paid to supervisory authorities.

HUF 1.4 billion total risk cost was released in the first half-year of 2022, as loan quality indicators improved. Just like in the first three months of 2022, the DPD90+ loan portfolio stagnated in the second quarter (FX-adjusted, without the impact of sales and write-offs). At the end of the second quarter of 2022, Stage 3 loans made up 3.1% of gross loan volumes (-0.2 pp ytd). The own provision coverage of Stage 3 loans stood at 70.1% at the end of June.

The FX-adjusted performing (Stage 1+2) loan volume expanded by 20% y-o-y and by 2% q-o-q. In the second quarter, new loan disbursements grew by 32% (mortgages), and 27% (consumer loans) q-o-q.

The FX-adjusted deposit volume grew by 12% y-o-y. The net loan/deposit ratio stood at 87% at the end of June 2022 (+6 pps y-o-y, +2 pps q-o-q).

Based on total assets, the market share of OTP's Albanian operation was 6.5% at the end of June 2022. This ranks it the fifth biggest bank in the country.

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	1H 2021	1H 2022	Y-o-Y	2Q 2021	2021	1Q 2022	2Q 2022	Q-o-Q	Y-o-Y
Adjusted profit after tax	3,052	2,215	-27%	1,596	5,858	-545	2,760	-606%	73%
Income tax	-319	-261	-18%	-163	-802	-194	-67	-65%	-59%
Profit before income tax	3,371	2,476	-27%	1,759	6,660	-351	2,827	-905%	61%
Operating profit	3,425	6,174	80%	1,885	7,835	2,735	3,439	26%	82%
Total income	6,969	10,549	51%	3,633	15,271	4,849	5,700	18%	57%
Net interest income	4,439	7,007	58%	2,249	9,698	3,170	3,837	21%	71%
Net fees and commissions	1,099	1,251	14%	583	2,344	563	688	22%	18%
Other net non-interest income	1,430	2,290	60%	801	3,230	1,116	1,175	5%	47%
Operating expenses	-3,543	-4,375	23%	-1,748	-7,437	-2,114	-2,261	7%	29%
Total provisions	-54	-3,698		-125	-1,175	-3,086	-612	-80%	388%
Provision for impairment on loan losses	163	-3,281		92	-663	-2,781	-500	-82%	-641%
Other provision	-218	-417	91%	-218	-512	-305	-111	-63%	-49%
Main components of balance sheet closing balances in HUF million	**2021**	**1H 2022**	**YTD**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Total assets	310,511	339,909	9%	248,280	310,511	299,373	339,909	14%	37%
Gross customer loans	166,573	190,679	14%	137,211	166,573	166,814	190,679	14%	39%
Gross customer loans (FX-adjusted)	180,806	190,679	5%	163,066	180,806	182,378	190,679	5%	17%
Stage 1+2 customer loans (FX-adjusted)	177,488	187,250	6%	158,981	177,488	178,988	187,250	5%	18%
Retail loans	97,980	98,893	1%	89,150	97,980	98,400	98,893	1%	11%
Corporate loans	75,391	84,053	11%	65,898	75,391	76,512	84,053	10%	28%
Leasing	4,117	4,305	5%	3,933	4,117	4,076	4,305	6%	9%
Allowances for possible loan losses	-5,020	-8,785	75%	-4,118	-5,020	-7,368	-8,785	19%	113%
Allowances for possible loan losses (FX-adjusted)	-5,451	-8,785	61%	-4,873	-5,451	-8,049	-8,785	9%	80%
Deposits from customers	247,610	248,606	0%	196,007	247,610	232,652	248,606	7%	27%
Deposits from customers (FX-adjusted)	270,341	248,606	-8%	232,962	270,341	255,118	248,606	-3%	7%
Retail deposits	174,721	165,892	-5%	160,073	174,721	162,582	165,892	2%	4%
Corporate deposits	95,621	82,714	-13%	72,889	95,621	92,536	82,714	-11%	13%
Liabilities to credit institutions	15,886	38,318	141%	10,472	15,886	20,762	38,318	85%	266%
Total shareholders' equity	42,701	47,770	12%	36,483	42,701	41,239	47,770	16%	31%
Loan Quality	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	126,240	172,825	37%	126,240	153,157	152,775	172,825	13%	37%
Stage 1 loans under IFRS 9/gross customer loans	92.0%	90.6%	-1.4%p	92.0%	91.9%	91.6%	90.6%	-0.9%p	-1.4%p
Own coverage of Stage 1 loans under IFRS 9	0.9%	2.3%	1.4%p	0.9%	1.3%	2.3%	2.3%	0.0%p	1.4%p
Stage 2 loan volume under IFRS 9 (in HUF million)	7,529	14,425	92%	7,529	10,368	10,937	14,425	32%	92%
Stage 2 loans under IFRS 9/gross customer loans	5.5%	7.6%	2.1%p	5.5%	6.2%	6.6%	7.6%	1.0%p	2.1%p
Own coverage of Stage 2 loans under IFRS 9	14.6%	19.4%	4.8%p	14.6%	13.6%	19.7%	19.4%	-0.3%p	4.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	3,443	3,429	0%	3,443	3,048	3,102	3,429	11%	0%
Stage 3 loans under IFRS 9/gross customer loans	2.5%	1.8%	-0.7%p	2.5%	1.8%	1.9%	1.8%	-0.1%p	-0.7%p
Own coverage of Stage 3 loans under IFRS 9	54.1%	58.0%	3.9%p	54.1%	54.3%	56.1%	58.0%	1.9%p	3.9%p
Provision for impairment on loan losses/average gross loans	-0.25%	3.84%	4.09%p	-0.27%	0.46%	6.89%	1.11%	-5.77%p	1.39%p
90+ days past due loan volume (in HUF million)	1,850	2,595	40%	1,850	2,164	2,271	2,595	14%	40%
90+ days past due loans/gross customer loans	1.3%	1.4%	0.0%p	1.3%	1.3%	1.4%	1.4%	0.0%p	0.0%p
Performance Indicators	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
ROA	2.5%	1.4%	-1.1%p	2.6%	2.2%	-0.7%	3.5%	4.2%p	0.9%p
ROE	16.4%	10.2%	-6.2%p	17.2%	15.2%	-5.2%	24.7%	29.9%p	7.5%p
Total income margin	5.73%	6.87%	1.14%p	5.95%	5.86%	6.52%	7.21%	0.69%p	1.26%p
Net interest margin	3.65%	4.57%	0.91%p	3.68%	3.72%	4.26%	4.85%	0.59%p	1.17%p
Operating costs / Average assets	2.91%	2.85%	-0.06%p	2.86%	2.85%	2.84%	2.86%	0.02%p	0.00%p
Cost/income ratio	50.8%	41.5%	-9.4%p	48.1%	48.7%	43.6%	39.7%	-3.9%p	-8.4%p
Net loans to deposits (FX-adjusted)	68%	73%	5%p	68%	65%	68%	73%	5%p	5%p
FX rates (in HUF)	**1H 2021**	**1H 2022**	**Y-o-Y**	**2Q 2021**	**2021**	**1Q 2022**	**2Q 2022**	**Q-o-Q**	**Y-o-Y**
HUF/MDL (closing)	16.5	19.9	21%	16.5	18.4	18.1	19.9	10%	21%
HUF/MDL (average)	16.8	18.6	11%	16.5	18.1	17.9	19.3	8%	17%

In the first half-year of 2022, **OTP Bank Moldova** contributed to OTP Group's adjusted profit by HUF 2.2 billion. The 27% decline was a result of higher risk costs, despite the stronger income.

The 80% y-o-y jump in operating profit in the first half-year stems from the 51% surge of total income, largely boosted by the 58% y-o-y increase (42% in local currency) in net interest income. In the rising interest rate environment, net interest margin improved by 91 bps y-o-y, to 4.57%. The National Bank of Moldova raised its base rate from 6.5% to 18.5% in multiple steps in the first half-year of 2022. Accordingly, the repricing of new placements and related volumes began. The increase in interest income was supported by the rise in the interest rate on the central bank's required reserves. In the first half of the year, other net non-interest income expanded by 60% y-o-y, primarily driven by higher income from currency exchange, which declined q-o-q in the second quarter.

Operating expenses rose by 23% (HUF 832 million) y-o-y in the first half-year, mostly as a combined result of higher personnel costs, marketing expenses, and supervisory fees. Nevertheless, the cost effectiveness indicator improved, the cost/income ratio stood at 41.5% (-9.4 pps) y-o-y at the end of the first half-year.

In the first six months, total risk cost amounted to HUF -3.7 billion, largely because of the revision of the IFRS 9 parameters in the first quarter. It was mainly corporate loans that necessitated loan loss provisions, contributing to the growth in Stage 2 volumes and the increase in the Stage 2 coverage ratio. In the other risk costs line, HUF 0.4 billion loan loss provision was set aside, primarily because loan loss provisions for interbank loans and deposits, which have been presented under credit risk costs so far, are presented under other risk costs, starting from 2022.

At the end of the first half-year of 2022, the ratio of Stage 3 loans dropped to 1.8%, declining both y-o-y and q-o-q. The own provision coverage of Stage 3 loans was 58% (+3.9 pps y-o-y).

The FX-adjusted volume of performing (Stage 1+2) loans grew by 6% in the first half-year, boosted by a 11% increase in corporate loans. Because of the decline in new retail loan disbursements, retail performing loan volumes rose only slightly, by 1% ytd.

The FX-adjusted deposit book contracted by 8% y-o-y and 3% q-o-q, mainly as a result of the decline in retail sight deposit volumes. The net loan/deposit ratio stood at 73% at the end of June, in a 5.3 pps y-o-y increase.

At the end of June 2022, the market share of OTP Group's Moldovan operation by total assets was 14.1%, thus it maintained its position as the third largest bank in Moldova.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2021				30/06/2022			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	**356**	**1,906**	**135,901**	**10,523**	**355**	**1,877**	**136,481**	**10,669**
DSK Group (Bulgaria)	311	1,046	15,580	5,539	309	1,023	16,162	5,417
OBH (Croatia)	114	467	11,384	2,279	113	427	11,161	2,268
OTP Bank Serbia	187	298	15,038	2,707	168	287	16,386	2,662
SKB Banka (Slovenia)	49	82	4,940	864	49	81	5,047	861
OTP Bank Romania	95	148	7,843	1,740	95	148	8,983	1,786
OTP Bank Ukraine (w/o employed agents)	85	176	293	2,341	85	176	293	2,244
OTP Bank Russia (w/o employed agents)	134	220	607	4,992	115	216	552	4,570
CKB Group (Montenegro)	34	117	7,251	517	33	116	7,701	503
OTP Bank Albania	39	86	0	454	39	80	0	459
Mobiasbanca (Moldova)	51	151	0	899	53	155	0	877
Foreign subsidiaries, total	**1,099**	**2,791**	**62,936**	**22,332**	**1,059**	**2,709**	**66,285**	**21,648**
Other Hungarian and foreign subsidiaries				568				603
OTP Group (w/o employed agents)				**33,424**				**32,921**
OTP Bank Russia - employed agents				3,783				2,393
OTP Bank Ukraine - employed agents				657				56
OTP Group (aggregated)	**1,455**	**4,697**	**198,837**	**37,864**	**1,414**	**4,586**	**202,766**	**35,370**

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 13 April 2022, concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2022, the Annual General Meeting elected Ernst & Young Ltd. as the Company's auditor from 1 May 2022 until 30 April 2023.

ASSET-LIABILITY MANAGEMENT

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

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

Refinancing sources of the European Central Bank are available for OTP (ECB repo eligible security portfolio on Group level exceeded EUR 1.9 billion).

Total liquidity reserves of OTP Bank remained steadily and substantially above the safety level. As of 30 June 2022 the gross liquidity buffer was around EUR 5.55 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 of 30 June 2022 OTP Group's consolidated liquidity coverage ratio (LCR) was 170% (4Q 2020: 224%, 4Q 2021: 180%), while the compliance with the NSFR requirement remained comfortable (2Q 2022: 128%, 4Q 2021: 139%).

The volume of issued securities decreased on a consolidated basis by HUF 92 billion y-o-y, mainly because of the change of net volume of mortgage bonds issued by OTP Mortgage Bank and the redemption of corporate and retail bonds issued by OTP Bank in the total amount of approximately HUF 14 billion. The remaining amount can partly be attributed to the net change in the balance of OTP Mortgage Bank's mortgage bonds; as well as the book value of existing mortgage bonds decreased by HUF 63 billion y-o-y due to the fair value hedging of interest rate risk hedging transactions established at group level (in part due to the increase in the portfolio included in hedging and in part due to the increase in HUF interest rates), which compensates for the periodical increase in the fair value of hedging interest rate swap transactions .

On 13 July 2022, OTP Bank issued a "green" bond with a total face value of EUR 400 million, the impact of which on the Bank Group's liquidity will be captured in the third quarter.

…and kept its interest-rate risk exposures low

Interest-rate risk exposure of OTP Group is determined primarily by the positions of OTP Bank Plc. and OTP Mortgage Bank Ltd. Due to the forint liabilities on OTP Bank's balance sheet, 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. Consequently, it has been reducing its interest-rate risk exposure through the purchase of fixed-rate government securities in order to offset the this exposure's impact on net interest income.

The increase of BUBOR is almost completely reflected in the interest rate of the variable rate forint assets of the Bank within 6 months: the loans get repriced typically in 3 months, the interest rate swaps (IRS) in 6 months, and other liquid assets within 1-3 months. On the deposit side the repricing is not automatic, its extent and speed depends on the level of interest rates and the liquidity postition of the Bank.

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 46.3 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.

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. 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 an 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 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 and the Board of Directors, 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.

General meeting

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

Committees[6]

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

Members of the Supervisory Board
Mr. Tibor Tolnay – Chairman
Dr. József Gábor Horváth – Deputy Chairman
Mrs. 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

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

Operation of the executive boards

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

In order to assist the performance of the governance functions the Board of Directors founded and operates, as permanent or other committees, such as the Management Committee, the 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 meetings in 1H 2022. In addition, resolutions were passed by the Board of Directors on 65, by the Supervisory Board on 31 and by the Audit Committee on 11 occasions by written vote.

ENVIRONMENTAL POLICY, ENVIRONMENTAL PROJECTS

OTP Group is committed to the protection of the environment, the combating of climate change and its impacts, and the preservation and low-impact use of natural resources. OTP Bank's environmental activities are regulated in its Environmental Regulation, which is revised annually. The Regulation ensures legal compliance and the consideration and integration of environmental criteria into the Bank's business operations in order to minimise the environmental impacts of operating and maintaining the Bank's organisation. It also sets out the rules on implementing the principles of sustainable procurement. OTP Group members operate in full compliance with environmental legislation and received no fines in 1H 2022.

In CDP's Climate Change Questionnaire, OTP Group was rated at "B-" in 2021, thus retaining its previous rating.

The environmental impacts of the OTP Group are related to the provision of financial services and directly from its operations. In connection with the provision of financial services, the management of environmental risks and the exploitation of environmental opportunities take place within the framework of the Environmental, Social and Governance (ESG) strategy.

In 2022 OTP Bank committed to net carbon neutrality in our own operation, we procures electricity from 100% renewable sources.

Our efforts to reduce the direct environmental impact of OTP Group's operations are centred around improving energy efficiency and reducing paper usage. The environmental risks associated with our operations are analysed and managed within our operational risk management process. Potential risks are identified during the annual process-based self-assessment, and the assessment of climate change risks is also included in the scenario analysis of risks with low probability but high impact.

Energy consumption and business travel

OTP Group uses state-of-the-art technology in new construction and renovation projects; we are also continually expanding our use of LED lighting technology. We are constantly seeking opportunities to increase energy efficiency, by analysing the energy efficiency and consumption characteristics of our buildings. As part of our renovation process, we are replacing air conditioning units, always ensuring that the new units use environmentally-friendly coolants. Thanks to its energy efficiency investments in 2021, OTP Bank consumed 1,400 GJ less energy.

Whenever a branch of the parent bank is renovated, we always examine the possibility of installing solar panels and heat pumps. In 2021, we installed solar panels at two branches and a holiday resort. Our systems generated a total of 842 GJ energy from solar power. Moreover, our central archives facility has been using geothermal energy for several years, amounting to 3,499 GJ in 2021. The solar panels of our subsidiaries generated a total of 893 GJ of solar power. We are committed to using green electricity. One of DSK Bank's data centres in Sofia procures electricity from 100% renewable sources, and from 2022, we will cover 100% of the electricity demand of the parent bank and our Serbian and Croatian subsidiaries in the same way.

The number of business trips and the size of the vehicle fleet are determined by the needs of the business. Our Group's vehicle policy sets carbon limits; moreover, the choice of cars includes environmentally-friendly vehicles in all vehicle categories. In 2021, our Romanian subsidiary purchased two electric cars, our Bulgarian bank seven and our Croatian bank three hybrid cars. The number of kilometres travelled also decreased at group level and for OTP Bank, partly due to the measures related to the pandemic and partly due to business reasons. The amount of business travel has been reduced significantly by the use of online meetings, which has become common practice due to hybrid work.

Our existing bicycle storage facilities continued to be available to both customers and employees in 1H 2022. OTP Bank provided new storage facilities at three branches and the new Record Office, our Bulgarian and Ukrainian subsidiaries have each created new bicycle storage spaces at two locations, while the Albanian bank provided bicycle storage at five locations at the capital's branches.

Energy consumption figures are presented for OTP Bank:

Volume of energy consumption OTP Bank	2020	2021
Total energy consumption (GJ)	251,730[1]	263,228
Per capita energy consumption (GJ)	26.75[1]	26.73

Energy consumption data are derived from readings; the measured consumption volumes are converted to energy using local average calorific values

The projection of the per capita value is the average number of full-time employees (TMD).

[1] Data adjusted for the consumption of Monicomp merged into OTP Bank, which was not available at the time of the previous year's statement.

Efforts to reduce paper use

OTP Group has been consistently endeavouring to reduce paper use and printing. OTP Bank reduced its office paper usage by 17% over 2020, with the pandemic and increased rates of working from home playing a significant role in this development. Thanks to a change in printing technology, paper consumption decreased by 6.5%; however, at the group level, there was no further decrease compared to the drop in 2020. At our Romanian, Ukrainian and Russian subsidiaries, the use of paper has decreased with the expansion of digital processes.

OTP Bank and its Romanian subsidiary increased its share of recycled paper in paper use. OTP Bank uses FSC-certified paper for its invoices and marketing flyers, as well as recycled paper for DM letters. Our Serbian subsidiary also uses FSC-certified paper and our Slovenian subsidiary PEFC-certified paper.

Paper usage quantities OTP Bank	2020	2021
Total amount of paper used (t) (office, packaging, indirect)	1,137	978
Per capita paper use (kg)[1]	121	99

[1] The projection is based on the average number of full-time employees (TMD).

Sustainable use and waste management

We follow the principle of using all our equipment, devices and machines for the longest time reasonably possible. We explicitly aim to use furniture until the end of its lifecycle, reusing it multiple times and ensuring the compatibility of replacements. OTP Bank, DSK Bank, OTP Bank Romania and OTP banka Srbija all follow the practice of making charitable donations of any furniture no longer used but in good condition, as well as functioning IT equipment (mostly computers and laptops), to institutions and organisations in need.

OTP Bank was the first bank in Hungary to issue a bank card made largely (85%) of recycled plastic. The card was available to junior customers, and we issued 50,000 recycled cards to our customers over the year.

In 2021, our Serbian subsidiary reduced its purchases of plastic packaging products and began using paper cups for water dispensers. Our Romanian, Croatian, Serbian, Montenegrin and Moldovan subsidiaries also use refilled toners to reduce waste from the use of toners and ink cartridges.

All members of OTP Group collect and manage hazardous waste and paper containing business secrets selectively, in compliance with the relevant laws and regulations. The selective collection of non-confidential paper waste, PET bottles and glass is available in the head office buildings of OTP Bank, while the collection of packaging metal has also been available since 2021. During the year, we also set up selective waste collection in ten bank branches. Our Ukrainian subsidiary operates selective paper collection at its head office building. Our Serbian subsidiary collects paper waste selectively in its branches and head office buildings. Our Albanian subsidiary collects paper waste selectively. Our Romanian subsidiary collects all paper, metal, glass and plastic selectively. Our Slovenian subsidiary also collects communal waste selectively (including biodegradable food waste). Our Croatian subsidiary has collected paper and plastic waste selectively for years, and from 2021, metal and glass waste will also be collected separately. DSK Bank operates selective waste collection at its sites in Sofia and Varna and has expanded the selective collection of paper waste during the year. Our Montenegrin subsidiary has introduced selective paper waste collection at its head office and its archives facility.

Attitude shaping

Most members of our Banking Group have a tradition of raising awareness and taking joint action to protect environmental and natural resources. In 2021, we supported several environmental initiatives and encouraged the environmentally conscious behaviour of our employees.

OTP Bank and OTP Bank Serbia have joined the Mastercard Priceless Planet Coalition, launched in 2020, and are participating in a campaign that encourages consumers to protect the environment and actively contribute to this goal themselves. The Priceless Planet Coalition aims to preserve the environment through the restoration of 100 million trees over five years and to help mitigate the adverse effects of climate change. By 2022, three afforestation sites have been selected in Kenya, Brazil and Australia, but more will be added later. OTP Bank has supported the Priceless Planet Coalition with a donation of 100,000 euros, while our Serbian subsidiary has committed to planting a tree for each bank account opened.

DSK Bank was the first bank in Bulgaria to join the Mastercard Wildlife Impact Card programme. The bank and Mastercard support the issuance of all Mastercard Wildlife Impact cards with one dollar spent on protecting and restoring natural habitats. The credit card is made of environmentally friendly material.

DSK Bank also supported the One Tree Initiative, which aims to create an interactive map of Sofia's tree stock. The tree survey was conducted by volunteers, registering a total of more than 12,000 trees. The bank also supported the initiative of the Hungarian Cultural Institute, within the framework of which bicycle storage spaces will be installed in front of cultural institutions. The aim of the project was to ensure the environmentally friendly accessibility of cultural institutions.

Our Croatian subsidiary also supported the "Drop into the Sea" ecological action of the Telašćica Nature Reserve, which drew attention to the threat to marine ecosystems and fish stocks due to increasing amounts of waste. The bank also supported Ekotlon, the biggest plogging competition. In addition to collecting litter, the event also supported a kindergarten with eco-equipment purchased from its registration fees.

Generator (Gamechanger), our Serbian subsidiary's local start-up programme, launched the Generator Zero competition in 2021, specifically seeking and rewarding innovative solutions to reduce its carbon footprint. Organisations had until the end of the year to apply for the competition, and the winner will receive mentoring for further development and promotion in addition to the cash prize. Ten finalists were selected from the 72 projects nominated.

We are also extending the scope of our employee involvement programmes:

- To promote environmental awareness, we wrote about the reduction in paper use and disposable plastics in the OTP Bank's online magazine.
- Our Croatian subsidiary has reduced its use of plastics and implemented even more responsible waste management in three cities under the "Green Way to Green" programme.
- Our Serbian bank has launched an awareness-raising initiative among employees to increase environmentally and business-friendly behaviour and reduce CO_2 emissions. The bank also supported the Green Serbia 2021 campaign, which planted trees in ten cities.
- In order to make employees more sensitive to the environment, our Slovenian subsidiary bank organised a workshop and presentation for managers and e-learning for employees. In 2021, the Bank joined the Slovenian Green Network, which brings together more than 400 companies, educational institutions, institutes and other organisations with a variety of projects for sustainable development and social responsibility.
- Our Ukrainian subsidiary has joined the "Batteries, inward" campaign, in which used batteries are collected and delivered to a recycling plant in Romania. The bank sent more than 200 kg of batteries to be recycled.
- Following its energy renovations, our Montenegrin subsidiary will also train its employees in the energy-conscious use of the systems.

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

SEPARATE IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/06/2022	31/12/2021	30/06/2021	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Bank of Hungary	445,285	474,945	392,632	-6%	13%
Placements with other banks, net of allowance for placement losses	3,148,794	2,567,212	2,272,209	23%	39%
Repo receivables	27,646	33,638	47,144	-18%	-41%
Financial assets at fair value through profit or loss	463,282	246,462	181,675	88%	155%
Financial assets at fair value through other comprehensive income	740,995	641,939	857,351	15%	-14%
Securities at amortised cost	3,695,491	3,071,038	2,588,668	20%	43%
Loans at amortised cost	4,441,803	4,032,465	3,561,904	10%	25%
Loans mandatorily measured at fair value through profit or loss	752,196	662,012	582,204	14%	29%
Investments in subsidiaries	1,473,089	1,573,008	1,586,180	-6%	-7%
Property and equipment	83,065	81,817	79,205	2%	5%
Intangible assets	60,815	62,161	54,410	-2%	12%
Right of use assets	36,976	17,231	11,521	115%	221%
Investments properties	4,262	4,328	1,912	-2%	123%
Current tax assets	448	0	0		
Deferred tax asset	21,578	0	0		
Derivative financial assets designated as hedge accounting relationships	34,269	17,727	12,883	93%	166%
Other assets	331,418	224,488	225,560	48%	47%
TOTAL ASSETS	**15,761,412**	**13,710,471**	**12,455,458**	**15%**	**27%**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,495,427	1,051,203	1,223,842	42%	22%
Repo liabilities	460,281	86,580	315,260	432%	46%
Deposits from customers	10,959,373	9,948,532	8,379,970	10%	31%
Leasing liabilities	38,586	17,932	12,002	115%	221%
Liabilities from issued securities	16,394	22,153	31,003	-26%	-47%
Financial liabilities at fair value through profit or loss	17,810	20,133	23,529	-12%	-24%
Derivative financial liabilities designated as held for trading	375,606	192,261	83,259	95%	351%
Derivative financial liabilities designated as hedge accounting relationships	61,677	18,690	144	230%	
Deferred tax liabilities	0	1,507	3,653	-100%	-100%
Current tax assets	2,003	4,776	2,588	-58%	-23%
Other liabilities	305,693	238,437	230,562	28%	33%
Subordinated bonds and loans	294,683	271,776	295,592	8%	0%
Provisions	22,128	21,527	25,530	3%	-13%
TOTAL LIABILITIES	**14,049,661**	**11,895,507**	**10,626,934**	**18%**	**32%**
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	1,669,824	1,720,497	1,681,461	-3%	-1%
Profit after tax	17,675	125,339	127,333	-86%	-86%
Treasury shares	-3,748	-58,872	-8,270	-94%	-55%
TOTAL SHAREHOLDERS' EQUITY	**1,711,751**	**1,814,964**	**1,828,524**	**-6%**	**-6%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**15,761,412**	**13,710,471**	**12,455,458**	**15%**	**27%**

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	30/06/2022	31/12/2021	30/06/2021	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Banks	2,312,423	2,556,035	1,983,486	-10%	17%
Placements with other banks, net of loss allowance for placements	1,765,735	1,584,861	1,727,059	11%	2%
Repo receivables	32,650	61,052	107,849	-47%	-70%
Financial assets at fair value through profit or loss	462,602	341,397	234,797	36%	97%
Securities at fair value through other comprehensive income	2,103,518	2,224,510	2,128,320	-5%	-1%
Loans at amortized cost	15,405,467	13,493,183	12,017,606	14%	28%
Loans mandatorily at fair value through profit or loss	1,177,408	1,068,111	941,322	10%	25%
Finance lease receivables	1,303,199	1,182,628	1,107,012	10%	18%
Associates and other investments	78,838	67,222	40,028	17%	97%
Securities at amortized cost	4,802,056	3,891,335	3,232,248	23%	49%
Property and equipment	434,972	411,136	388,331	6%	12%
Intangible assets and goodwill	221,776	248,631	230,446	-11%	-4%
Right-of-use assets	55,375	50,726	42,697	9%	30%
Investment properties	30,248	29,882	40,766	1%	-26%
Derivative financial assets designated as hedge accounting	35,218	18,757	13,034	88%	170%
Deferred tax assets	59,107	15,109	21,605	291%	174%
Current income tax receivable	32,875	29,978	35,218	10%	-7%
Other assets	508,757	276,785	253,078	84%	101%
Assets classified as held for sale / discontinued operations	0	2,046	5,821	-100%	-100%
TOTAL ASSETS	**30,822,224**	**27,553,384**	**24,550,723**	**12%**	**26%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,658,429	1,567,348	1,606,883	6%	3%
Repo liabilities	303,435	79,047	275,942	284%	10%
Financial liabilities at fair value through profit or loss	42,562	41,184	31,804	3%	34%
Deposits from customers	23,552,122	21,068,644	18,258,676	12%	29%
Liabilities from issued securities	405,399	436,325	497,045	-7%	-18%
Derivative financial liabilities held for trading	383,245	202,716	84,389	89%	354%
Derivative financial liabilities designated as hedge accounting	39,328	11,228	2,193	250%	
Leasing liabilities	61,200	53,286	44,817	15%	37%
Deferred tax liabilities	26,399	24,045	22,356	10%	18%
Current income tax payable	118,742	36,581	42,144	225%	182%
Other liabilities	760,679	717,880	714,905	6%	6%
Subordinated bonds and loans	302,379	278,334	267,378	9%	13%
Liabilities directly associated with assets classified as held-for-sale / discontinued operation	0	0	5,268		-100%
TOTAL LIABILITIES	**27,653,919**	**24,516,618**	**21,853,800**	**13%**	**27%**
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	3,242,096	3,109,509	2,768,248	4%	17%
Treasury shares	-108,606	-106,941	-104,055	2%	4%
Non-controlling interest	6,815	6,198	4,730	10%	44%
TOTAL SHARHOLDERS' EQUITY	**3,168,305**	**3,036,766**	**2,696,923**	**4%**	**17%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**30,822,224**	**27,553,384**	**24,550,723**	**12%**	**26%**

SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	1H 2022	1H 2021	change
Interest income calculated using the effective interest method	265,113	136,991	94%
Income similar to interest income	127,901	43,685	193%
Total Interest Income	393,014	180,676	118%
Total Interest Expense	-254,475	-47,812	432%
NET INTEREST INCOME	**138,539**	**132,864**	**4%**
Risk cost total	-41,577	-22,184	87%
NET INTEREST INCOME AFTER RISK COST	**96,962**	**110,680**	**-12%**
Losses arising fom derecognitionof financial assets measured at amortised cost	**-7,680**	**382**	
Modification loss	**-2,705**	**0**	
Income from fees and commissions	166,243	137,807	21%
Expenses from fees and commissions	-27,648	-22,118	25%
Net profit from fees and commissions	**138,595**	**115,689**	**20%**
Foreign exchange gains (+)/ loss (-)	6,969	-3,297	-311%
Gains (+) or loss (-) on securities, net	-8,379	-816	927%
Losses on financial instruments at fair value through profit or loss	3,530	-381	
Gains on derivative instruments, net	-5,620	1,910	-394%
Dividend income	182,276	81,549	124%
Other operating income	7,676	5,085	51%
Net other operating expenses	-143,279	-563	
Net operating income	**43,173**	**83,487**	**-48%**
Personnel expenses	-64,803	-61,791	5%
Depreciation and amortization	-22,085	-20,026	10%
Other administrative expenses	-175,034	-89,081	96%
Other administrative expenses	**-261,922**	**-170,898**	**53%**
PROFIT BEFORE INCOME TAX	**6,423**	**139,340**	**-95%**
Income tax expense	11,252	-12,007	-194%
PROFIT AFTER TAX FOR THE PERIOD	**17,675**	**127,333**	**-86%**

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	1H 2022	1H 2021	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	612,346	433,971	41%
Income similar to interest income	209,021	68,535	205%
Interest incomes	821,367	502,506	63%
Interest expenses	-316,094	-89,998	251%
NET INTEREST INCOME	**505,273**	**412,508**	**22%**
Risk cost total	**-128,678**	**-15,378**	**737%**
Loss allowance / Release of loss allowance on loans, placements and repo receivables	-88,587	-1,584	
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	14,987	-7,532	-299%
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-49,211	-5,154	855%
Provision for commitments and guarantees given	-5,934	-1,449	310%
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	67	341	-80%
NET INTEREST INCOME AFTER LOSS ALLOWANCE, IMPAIRMENT AND PROVISIONS	**376,595**	**397,130**	**-5%**
Income from fees and commissions	325,955	253,695	28%
Expense from fees and commissions	-60,504	-48,113	26%
Net profit from fees and commissions	**265,451**	**205,582**	**29%**
Modification gain or loss	**-13,074**	**-389**	
Foreign exchange gains / losses, net	-119	203	-159%
Foreign exchange result	951	-1,436	-166%
Gains and losses on derivative instruments	-1,070	1,639	-165%
Gains / Losses on securities, net	-7,861	1,574	-599%
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	4,956	1,191	316%
Gain from derecognition of financial assets at amortized cost	1,978	552	258%
Dividend income and gain / loss from associated companies	1,257	6,528	-81%
Other operating income	45,670	38,192	20%
Gains and losses on real estate transactions	1,592	4,611	-65%
Other non-interest income	43,473	33,295	31%
Net insurance result	605	286	112%
Other operating expense	-62,928	-37,188	69%
Net operating income	**-17,047**	**11,052**	**-254%**
Personnel expenses	-174,752	-159,559	10%
Depreciation and amortization	-118,187	-46,705	153%
Other administrative expenses	-262,825	-157,583	67%
Other administrative expenses	**-555,764**	**-363,847**	**53%**
PROFIT BEFORE INCOME TAX	**56,161**	**249,528**	**-77%**
Income tax expense	-14,495	-34,619	-58%
PROFIT AFTER TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**41,666**	**214,909**	**-81%**
From this, attributable to:			
Non-controlling interest	-277	361	-177%
Owners of the company	41,943	214,548	-80%
DISCONTINUED OPERATIONS	**0**	**0**	
Gains from disposal of subsidiaries classified as held for sale			
Loss from discontinued operation	986	239	313%
PROFIT FROM CONTINUING AND DISCOUNTINUED OPERATION	**42,652**	**215,148**	**-80%**

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 2021	**28,000**	**52**	**2,629,024**	**-124,080**	**4,116**	**2,537,112**
Profit after tax for the year	--	--	214,787	--	361	215,148
Other comprehensive income	--	--	-60,296	--	-69	-60,365
Increase due to business combinations	--	--	--	--	322	322
Purchase of non-controlling interests	--	--	--	--	--	
Decrease due to discontinued operations	--	--	--	--	--	
Share-based payment	--	--	1,691	--	--	1,691
Dividend	--	--	--	--	--	
Correction due to ESOP	--	--	--	--	--	
Adjustments to previous years' reserves	--	--	458	--	--	458
Treasury shares	--	--	--	--	--	
– sale	--	--	--	30,514	--	30,514
– loss on sale	--	--	-15,235	--	--	-15,235
– volume change	--	--	--	-10,489	--	-10,489
Payment to ICES holders	--	--	-2,233	--	--	-2,233
Balance as at 30 June 2021	**28,000**	**52**	**2,768,196**	**-104,055**	**4,730**	**2,696,923**

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2022	**28,000**	**52**	**3,109,457**	**-106,941**	**6,198**	**3,036,766**
Pofit after tax for the year	--	--	42,929	--	-277	42,652
Other comprehensive income	--	--	212,601	--	1,409	214,010
Increase due to business combinations	--	--	--	--	-515	-515
Purchase of non-controlling interests	--	--	-1,321	--		-1,321
Decrease due to discontinued operations	--	--	--	--	--	
Share-based payment	--	--	1,474	--	--	1,474
Dividend	--	--	-120,248	--	--	-120,248
Correction due to ESOP	--	--	4,066	--	--	4,066
Adjustments to previous years' reserves	--	--	--	--	--	
Treasury shares	--	--	--	--	--	
– sale	--	--	--	13,259	--	13,259
– loss on sale	--	--	-6,914	--	--	-6,914
– volume change	--	--	--	-14,924	--	-14,924
Balance as at 30 June 2022	**28,000**	**52**	**3,242,044**	**-108,606**	**6,815**	**3,168,305**

[1]The deduction related to repurchased treasury shares (2Q 2022: HUF 108,606 million) includes the book value of OTP shares held by ESOP (2Q 2022: 11,022,982 shares).

SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	30/06/2022	30/06/2021	change
OPERATING ACTIVITIES			
Profit before income tax	6,423	139,340	-95%
Net accrued interest	-6,040	-30,803	-80%
Income tax paid	-11,115	-1,207	821%
Depreciation and amortization	22,152	20,048	10%
Loss allowance / (Release of loss allowance)	185,935	9,474	
Share-based payment	1,474	1,691	-13%
Exchange rate gains on securities	8,167	0	
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	-14,262	7,978	-279%
Unrealised losses on fair value adjustment of derivative financial instruments	18,825	-11,882	-258%
Interest expense from leasing liabilities	-393	-111	254%
Effect of currency revaluation	29,673	12,143	144%
Result from the sale of property, plant and equipment and intangible assets	-90	-5	
Net change in assets and liabilities in operating activities	384,883	134,923	185%
Net cash provided by operating activities	**625,632**	**281,589**	**122%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-576,342**	**-509,119**	**13%**
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	**-92,696**	**30,559**	**-403%**
Net decrease in cash and cash equivalents	**-43,406**	**-196,971**	**-78%**
Cash and cash equivalents at the beginning of the year	**375,642**	**503,087**	**-25%**
Cash and cash equivalents at the end of the year	**332,236**	**306,116**	**9%**
Cash, amounts due from banks and balances with the National Bank of Hungary	474,945	579,120	-18%
Cash and cash equivalents at the beginning of the year	**474,945**	**579,120**	**-18%**
Cash, amounts due from banks and balances with the National Bank of Hungary	445,285	392,632	13%
Cash and cash equivalents at the end of the year	**445,285**	**392,632**	**13%**

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	30/06/2022	30/06/2021	change
OPERATING ACTIVITIES			
Net profit for the period	42,929	214,787	-80%
Net changes in assets and liabilities in operating activities			
Income tax paid	-26,703	-14,434	85%
Depreciation and amortization	53,112	49,318	8%
Goodwill impairment	67,715	0	
Loss allowance	162,575	23,836	582%
Net accrued interest	44,877	18,140	147%
Share-based payment	1,474	1,691	-13%
Unrealized (gain) / losses on fair value adjustment of securities valued at fair value	-110,076	11,964	
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	61,430	33,433	84%
Other changes in assets and liabilities in operating activities	285,665	-135,642	-311%
Net change in assets and liabilities in operating activities	**582,998**	**203,093**	**187%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-1,007,658**	**-1,204,293**	**-16%**
FINANCING ACTIVITIES			
Net cash used in financing activities	**87,727**	**539,950**	**-84%**
Net increase (+) / decrease (-) of cash	**-336,933**	**-461,250**	**-27%**
Cash and cash equivalents at the beginning of the year	1,701,564	1,674,777	2%
Cash and cash equivalents at the end of the year	**1,364,631**	**1,213,524**	**12%**
Adjustment due to discontinuing activity	**0**	**3**	**-100%**

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	Air-Invest Ltd.		630,000,000	100.00	100.00	L
2	AppSense Ltd.		3,000,000	100.00	100.00	L
3	Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
4	Balansz Real Estate Institute Fund		30,931,279,011	100.00	100.00	L
5	BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
6	Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
7	CIL Babér Ltd.		71,890,330	100.00	100.00	L
8	CRESCO d.o.o.	HRK	39,000	100.00	100.00	L
9	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	100.00	100.00	L
11	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
12	DSK DOM EAD	BGN	100,000	100.00	100.00	L
13	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
14	DSK Mobile EAD	BGN	250,000	100.00	100.00	L
15	DSK Operating lease EOOD	BGN	1,000	100.00	100.00	L
16	DSK Tours EOOD	BGN	8,491,000	100.00	100.00	L
17	DSK Trans Security EAD	BGN	2,225,000	100.00	100.00	L
18	EiSYS Ltd.		3,000,000	100.00	100.00	L
19	INGA KETTŐ Ltd.		8,000,000,000	100.00	100.00	L
20	Limited Liability Company Asset Management Company " OTP Capital"	UAH	10,000,000	100.00	100.00	L
21	LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
22	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
23	Merkantil Bank Ltd.		2,000,000,000	100.00	100.00	L
24	Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
25	MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L
26	MONICOMP Ltd.		100,000,000	100.00	100.00	L
27	NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
28	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
29	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
30	Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
31	OTP Bank Romania S.A.	RON	2,279,253,360	100.00	100.00	L
32	OTP banka dioničko društvo	HRK	3,993,754,800	100.00	100.00	L
33	OTP banka Srbija, joint-stock company, Novi Sad)	RSD	56,830,752,260	100.00	100.00	L
34	OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
35	OTP eBIZ Kft.		281,000,000	100.00	100.00	L
36	OTP Life Annuity Real Estate Investment Plc.		2,000,000,000	100.00	100.00	L
37	OTP Factoring Bulgaria JSCo.	BGN	1,000,000	100.00	100.00	L
38	OTP Factoring Serbia Ltd.	RSD	782,902,282	100.00	100.00	L
39	OTP Factoring Romania Llc.	RON	600,405	100.00	100.00	L
40	OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
41	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
42	OTP Factoring Management Ltd.		3,100,000	100.00	100.00	L
43	OTP Financing Malta Company Limited	EUR	105,000,000	100.00	100.00	L
44	OTP Financing Netherlands	EUR	18,000	100.00	100.00	L
45	OTP Financing Solutions	EUR	18,000	100.00	100.00	L
46	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
47	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
48	OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
49	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
50	OTP Real Estate Ltd.		1,000,000,000	100.00	100.00	L
51	OTP Ingatlankezelő Ltd.		50,000,000	100.00	100.00	L
52	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
53	OTP Ingatlanpont Ltd.		7,500,000	100.00	100.00	L
54	OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
55	OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
56	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	HRK	18,211,300	100.00	100.00	L
57	OTP Investments d.o.o. Novi Sad	RSD	203,783,061	100.00	100.00	L
58	OTP Mortgage Bank Ltd.		57,000,000,000	100.00	100.00	L
59	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
60	OTP Close Building Society		2,000,000,000	100.00	100.00	L
61	OTP Leasing d.d.	HRK	8,212,000	100.00	100.00	L
62	OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
63	OTP Leasing Romania IFN S.A.	RON	28,556,300	100.00	100.00	L
64	OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,580	100.00	100.00	L
65	OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
66	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
67	OTP Mobile Service Ltd.		1,210,000,000	100.00	100.00	L
68	OTP Nekretnine d.o.o.	HRK	259,828,100	100.00	100.00	L
69	OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	RSD	412,606,208	100.00	100.00	L
70	OTP Home Solutions Limited Liability Company		3,000,000	100.00	100.00	L
71	OTP Funds Servicing and Consulting Company Limited		2,351,000,000	100.00	100.00	L
72	OTP Financial point Ltd.		51,000,000	100.00	100.00	L
73	OTP Services Ltd.	RSD	40,028	100.00	100.00	L
74	Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH	43,347,201	100.00	100.00	L
75	OTP Travel Limited		27,000,000	100.00	100.00	L
76	PEVEC d.o.o. Beograd	RSD	812,844,640	100.00	100.00	L
77	PortfoLion Digital Ltd.		101,000,000	100.00	100.00	L
78	PortfoLion Digitális Magántőkealap I.		6,365,000,000	100.00	100.00	L
79	PortfoLion Digitális Magántőkealap II.		650,000,000	100.00	100.00	L
80	PortfoLion Venture Capital Fund Management Ltd.		39,500,000	100.00	100.00	L
81	Portfolion Zöld Fund		18,700,000,000	100.00	100.00	L
82	Project 01 Consulting, s. r. o.	EUR	22,540,000	100.00	100.00	L
83	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
84	SB Leasing d.o.o.	HRK	23,332,000	100.00	100.00	L
85	SC Aloha Buzz SRL	RON	10,200	100.00	100.00	L
86	SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
87	SC Tezaur Cont SRL	RON	10,200	100.00	100.00	L
88	ShiwaForce.com Inc.		105,321,000	100.00	100.00	L
89	SKB Leasing d.o.o.	EUR	16,809,031	100.00	100.00	L
90	SKB Leasing Select d.o.o.	EUR	5,000,000	100.00	100.00	L
91	SPLC Ltd.		10,000,000	100.00	100.00	L
92	SPLC-P Ltd.		15,000,000	100.00	100.00	L
93	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
94	ZA-Invest Béta Ltd.		5,000,000	100.00	100.00	L
95	SKB Banka d.d. Ljubljana	EUR	52,784,176	100.00	100.00	L
96	Nemesszalóki Ltd.		242,124,000	100.00	100.00	L
97	Nádudvari Ltd.		1,954,680,000	99.96	99.96	L
98	DSK Bank EAD	BGN	1,328,659,920	99.91	99.91	L
99	POK DSK-Rodina AD	BGN	10,010,198	99.85	99.85	L
100	HAGE Ltd.		2,689,000,000	99.61	99.61	L
101	NAGISZ Mezőgazdasági Termelő és Szolgáltató Ltd.		3,802,080,000	99.35	99.35	L
102	OTP Bank S.A.	MDL	100,000,000	98.26	98.31	L
103	JSC "OTP Bank" (Russia	RUB	4,423,768,142	97.92	97.92	L
104	Georg d.o.o	HRK	20,000	76.00	76.00	L
105	Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
106	Portfolion Regionális Fund		9,375,800,000	50.00	50.00	L
107	PortfoLion Regionális Fund II.		5,609,200,000	49.90	49.90	L
108	Portfolion Partner Fund		26,802,720,000	30.56	30.56	L
109	AFP Private Equity Invest Ltd.	EUR	452,000	29.14	29.14	L
110	OTP ESOP		125,419,724,941	0.00	0.00	L

[1] Full consolidated - L

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2022			30 June 2022		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights[1]	Quantity
Domestic institution/company	26.66%	26.97%	74,637,180	30.59%	30.64%	85,640,596
Foreign institution/company	66.69%	67.47%	186,733,858	51.11%	51.20%	143,119,419
Domestic individual	4.79%	4.84%	13,405,389	16.37%	16.39%	45,822,406
Foreign individual	0.11%	0.12%	319,712	0.67%	0.67%	1,866,905
Employees, senior officers[2]	0.48%	0.48%	1,341,018	0.54%	0.54%	1,513,036
Treasury shares[3]	1.16%	0.00%	3,251,484	0.17%	0.00%	467,880
Government held owner	0.07%	0.07%	188,326	0.05%	0.05%	139,946
International Development Institutions	0.04%	0.04%	120,871	0.00%	0.00%	9,529
Other[4]	0.00%	0.00%	2,172	0.51%	0.51%	1,420,293
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] The shares indirectly owned by György Nagy, a member of the Board of Directors, were reclassified to the domestic individual category as of 31 December 2021.
[3] 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 2022 ESOP owned 11,022,982 OTP shares.
[4] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2022)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	3,251,484	691,233	467,880		
Subsidiaries	0	0	0		
TOTAL	3,251,484	691,233	467,880		

Shareholders with over/around 5% stake as at 30 June 2022

Name	Number of shares	Ownership[1]	Voting rights[1,2]
MOL (Hungarian Oil and Gas Company Plc.)	**24,000,000**	**8.57%**	**8.59%**
KAFIJAT Group[3]	**19,701,128**	**7.04%**	**7.05%**
KAFIJAT Ltd.	9,867,918	3.52%	3.53%
MGTR Alliance Ltd.	9,833,210	3.51%	3.52%
Groupama Group	**14,259,336**	**5.09%**	**5.10%**
Groupama Gan Vie SA	14,140,000	5.05%	5.06%
Groupama Biztosító Ltd.	119,336	0.04%	0.04%

[1] Rounded to two decimals
[2] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[3] The shareholder group has been terminated based on the announcement of 3 August 2022.

Senior officers, strategic employees and their shareholding of OTP shares as at 30 June 2022

Type[1]	Name	Position	Commencement date of the term	Expiration/termination of the term	Number of shares
IT	dr. Sándor Csányi [2]	Chairman and CEO	15/05/1992	2026	312,841
IT	Tamás Erdei	Deputy Chairman	27/04/2012	2026	43,085
IT	Gabriella Balogh	member	16/04/2021	2026	8,193
IT	Mihály Baumstark	member	29/04/1999	2026	53,600
IT	Péter Csányi	member, Deputy CEO	16/04/2021	2026	7,484
IT	dr. István Gresa	member	27/04/2012	2026	182,858
IT	Antal Kovács	member, Deputy CEO	15/04/2016	2026	111,127
IT	György Nagy[3]	member	16/04/2021	2026	34,800
IT	dr. Márton Gellért Vági	member	16/04/2021	2026	8,500
IT	dr. József Vörös	member	15/05/1992	2026	186,714
IT	László Wolf	member, Deputy CEO	15/04/2016	2026	541,743
FB	Tibor Tolnay	Chairman	15/05/1992	2023	54
FB	dr. Gábor Horváth	Deputy Chairman	19/05/1995	2023	0
FB	Klára Bella	member	12/04/2019	2023	688
FB	dr. Tamás Gudra	member	16/04/2021	2023	0
FB	András Michnai	member	25/04/2008	2023	100
FB	Olivier Péqueux	member	13/04/2018	2023	0
SP	László Bencsik	Deputy CEO			12,244
SP	György Kiss-Haypál	Deputy CEO			9,005
TOTAL No. of shares held by management:					**1,513,036**

[1] Employee in strategic position (SP), Board Member (IT), Supervisory Board Member (FB)
[2] Number of OTP shares owned by Dr. Sándor Csányi, Chairman and CEO, directly or indirectly: 4,589,968
[3] Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly: 1,019,800

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

a) Contingent liabilities

	30/06/2022	30/06/2021
Commitments to extend credit	4,635,837	3,681,034
Guarantees arising from banking activities	1,375,945	1,162,158
Confirmed letters of credit	75,039	44,858
Legal disputes (disputed value)	89,936	54,429
Other	530,827	388,111
Total:	**6,707,584**	**5,330,590**

[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]	9,705	9,842	9,976
Consolidated[2]	37,806	37,864	35,370

[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 01/07/2021 and 30/06/2022

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2022	Outstanding consolidated debt (in HUF million) 30/06/2022
OTP Bank Plc.	Corporate bond	OTP_DK_26/3	31/03/2022	31/05/2026	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_27/3	31/03/2022	31/05/2027	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_28/II	31/03/2022	31/05/2028	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_29/II	31/03/2022	31/05/2029	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_30/II	31/03/2022	31/05/2030	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_31/I	31/03/2022	31/05/2031	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_32/I	31/03/2022	31/05/2032	HUF	0	0
OTP Mortgage Bank	Mortgage bond	OJB3031_I	18/08/2021	22/10/2031	HUF	82,000	82,000

Security redemptions on Group level between 01/07/2021 and 30/06/2022

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 30/06/2021	Outstanding consolidated debt (in HUF million) 30/06/2021
OTP Bank Plc.	Corporate bond	OTP_DK_22/I	14/12/2018	31/05/2022	HUF	0	0
OTP Bank Plc.	Corporate bond	OTP_DK_22/II	29/05/2020	31/05/2022	HUF	0	0
OTP Bank Plc.	Corporate bond	OTPRF2021A	05/07/2011	13/07/2021	HUF	2,760	2,760
OTP Bank Plc.	Corporate bond	OTPRF2021B	20/10/2011	25/10/2021	HUF	3,063	3,063
OTP Bank Plc.	Corporate bond	OTPRF2021C	21/12/2011	30/12/2021	HUF	559	559
OTP Bank Plc.	Corporate bond	OTPRF2021D	21/12/2011	30/12/2021	HUF	394	394
OTP Bank Plc.	Corporate bond	OTPRF2021E	21/12/2011	30/12/2021	HUF	80	80
OTP Bank Plc.	Corporate bond	OTPRF2022A	22/03/2012	23/03/2022	HUF	2,193	2,193
OTP Bank Plc.	Corporate bond	OTPRF2022B	22/03/2012	23/03/2022	HUF	882	882
OTP Bank Plc.	Corporate bond	OTPRF2022C	28/06/2012	28/06/2022	HUF	199	199
OTP Bank Plc.	Corporate bond	OTPRF2022D	28/06/2012	28/06/2022	HUF	273	273
OTP Bank Plc.	Corporate bond	OTPX2021C	19/09/2011	24/09/2021	HUF	231	231
OTP Bank Plc.	Corporate bond	OTPX2021D	21/12/2011	27/12/2021	HUF	249	249
OTP Bank Plc.	Corporate bond	OTPX2022A	22/03/2012	23/03/2022	HUF	175	175
OTP Mortgage Bank	Mortgage bond	OJB2021_I	15/02/2017	27/10/2021	HUF	114,000	114,000
OPUS Securities	Corporate bond	ICES	2006.10.29.	2021.10.29	EUR	496,209,000	181,181

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]	2021	1Q 2022	2Q 2022	Q-o-Q
Total compensation for key management personnel	**12,846**	**3,162**	**3,698**	**17%**
Short-term employee benefits	8,881	2,184	2,687	23%
Share-based payment	3,110	726	538	-26%
Other long-term employee benefits	743	237	465	96%
Termination benefits	0	15	8	-47%
Redundancy payments	112	0	0	
Loans to key management individuals and their close family members as well as to entities in which they have an interest	108,332	68,875	80,360	17%
Credit lines of key management individuals and their close family members as well as entities in which they have an interest	30,369	19,350	33,407	73%
Loans provided to unconsolidated subsidiaries	1,792	2,408	2,952	23%

[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,) recommendation[7]

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 1H 2021	Measures value 1H 2022
Leverage, consolidated[8]	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 2022: $\frac{3,347,374.6}{33,358,336.7} = 10.0\%$ Example for 1H 2021: $\frac{2,490,860.3}{26,850,483.3} = 9.3\%$	9.3%	10.0%
Liquidity Coverage Ratio (LCR)	According to Article 412 (1) of CRR, the liquidity coverage ratio (LCR) is designed to promote short-term resilience of the Issuer's / Group's liquidity risk profile and aims to ensure that the Issuer / Group has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to meet its liquidity needs for a 30 calendar day liquidity stress scenario.	The LCR is expressed as: (stock of HQLA) / (total net cash outflows over the next 30 calendar days) ≥ 100%. The numerator of the LCR is the stock of HQLA (High Quality Liquid Assets). In order to qualify as HQLA, assets should be liquid in markets during a time of stress and, in most cases, be eligible for use in central bank operations. The denominator of the LCR is the total net cash outflows, defined as total expected cash outflows minus total expected cash inflow in the specified stress scenario for the subsequent 30 calendar days. Total cash inflows are subject to an aggregate cap of 75% of total expected cash outflows, thereby ensuring a minimum level of HQLA holdings at all times. Example for 1H 2022: $\frac{6,101,751.7}{5,784,195.6 - 2,200,149.8} = 170.2\%$ Example for 1H 2021: $\frac{5,062,272.9}{4,077,416.1 - 1,689,952.4} = 212.0\%$	212.0%	170.2%
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 2022: $\frac{42,651.9 * 2.0}{2,979,901.3} = 2.9\%$ Example for 1H 2021: $\frac{215,148.0 * 2.0}{2,599,855.6} = 16.7\%$	16.7%	2.9%

[7] 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.
[8] 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 2021	Measures value 1H 2022
ROE (adjusted), consolidated	The return on equity ratio shall be calculated the consolidated adjusted profit after tax for the given period divided by the average equity, thus shows the effectiveness of the use of equity.	The numerator of the indicator is the consolidated adjusted profit after tax for the given period (annualized for periods less than one year), the denominator is the average consolidated equity. Example for 1H 2022: $\frac{250{,}752.0 \quad * \quad 2.0}{2{,}979{,}901.3} = 17.0\%$ Example for 1H 2021: $\frac{246{,}285.5 \quad * \quad 2.0}{2{,}599{,}855.6} = 19.1\%$	19.1%	17.0%
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 2022: $\frac{250{,}752.0 \quad * \quad 2.0}{29{,}165{,}612.9} = 1.7\%$ Example for 1H 2021: $\frac{246{,}285.5 \quad * \quad 2.0}{24{,}033{,}647.6} = 2.1\%$	2.1%	1.7%
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 2022: $\frac{398{,}177.8 \quad * \quad 2.0}{29{,}165{,}612.9} = 2.75\%$ Example for 1H 2021: $\frac{307{,}495.3 \quad * \quad 2.0}{24{,}033{,}647.6} = 2.58\%$	2.58%	2.75%
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 2022: $\frac{755{,}139.1 \quad * \quad 2.0}{29{,}165{,}612.9} = 5.22\%$ Example for 1H 2021: $\frac{617{,}605.2 \quad * \quad 2.0}{24{,}033{,}647.6} = 5.18\%$	5.18%	5.22%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 1H 2021	Measures value 1H 2022
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 2022: $\frac{506,196.4 \quad * \quad 2.0}{29,165,612.9} = 3.50\%$ Example for 1H 2021: $\frac{413,799.1 \quad * \quad 2.0}{24,033,647.6} = 3.47\%$	3.47%	3.50%
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 2022: $\frac{356,961.3 \quad * \quad 2.0}{29,165,612.9} = 2.47\%$ Example for 1H 2021: $\frac{310,109.9 \quad * \quad 2.0}{24,033,647.6} = 2.60\%$	2.60%	2.47%
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 2022: $\frac{356,961.3}{755,139.1} = 47.3\%$ Example for 1H 2021: $\frac{310,109.9}{617,605.2} = 50.2\%$	50.2%	47.3%
Provision for impairment on loan and placement losses (adjusted)/ average (adjusted) gross loans, consolidated	The indicator provides information on the amount of impairment on loan and placement losses relative to gross customer loans.	The numerator of the indicator is the consolidated adjusted provision for impairment on loan and placement losses for the given period (annualized for periods less than one year), the denominator is the adjusted consolidated gross customer loans for the given period. (The definition of average (adjusted) gross customer loans: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.) Example for 1H 2022: $\frac{74,224.3 \quad * \quad 2.0}{17,323,236.6} = 0.86\%$ Example for 1H 2021: $\frac{10,344.7 \quad * \quad 2.0}{14,509,027.9} = 0.14\%$	0.14%	0.86%
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 2022: $\frac{104,725.6 \quad * \quad 2.0}{29,165,612.9} = 0.72\%$ Example for 1H 2021: $\frac{18,245.3 \quad * \quad 2.0}{24,033,647.6} = 0.15\%$	0.15%	0.72%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 1H 2021	Measures value 1H 2022
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 2022: $\frac{42{,}700.2}{293{,}452.2} = 14.6\%$ Example for 1H 2021: $\frac{42{,}964.5}{289{,}250.0} = 14.9\%$	14.9%	14.6%
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 2022: $\frac{17{,}886{,}074.2}{23{,}534{,}500.7 + 0.0} = 76\%$ Example for 1H 2021: $\frac{15{,}636{,}041.4}{20{,}042{,}339.0 + 0.0} = 78\%$	78%	76%

SUPPLEMENTARY DATA

FOOTNOTES OF THE TABLE 'CONSOLIDATED AFTER TAX PROFIT 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.

(1) Aggregated adjusted after tax profit 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 eBIZ Ltd. was included from 1Q 2020; OTP OTP Home Solutions was included from 2Q 2021. The consolidated results of these companies are segmented into OTP Core and Corporate Centre. Latter is a virtual entity.

(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 OTP Leasing d.d. and SB Leasing d.o.o. was included.

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

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

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

(8) The statement of recognised income and balance sheet of LLC MFO "OTP Finance" is included.

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

(11) LLC AMC OTP Capital, OTP Asset Management SAI S.A. (Romania), DSK Asset Management EAD (Bulgaria).

(12) OTP Buildings s.r.o. (Slovakia), Velvin Ventures Ltd. (Belize), R.E. Four d.o.o., Novi Sad (Serbia), SC Aloha Buzz SRL, SC Favo Consultanta SRL, SC Tezaur Cont SRL (Romania), OTP Osiguranje d.d. (Croatia), OTP Solution Fund (Ukraine).

(13) Within OTP Group, the Corporate Centre acts as a virtual entity established by the equity investment of OTP Core for managing the wholesale financing activity for all the subsidiaries within OTP Group but outside OTP Core. Therefore the balance sheet of the Corporate Centre is funded by the equity and intragroup lending received from OTP Core, the intragroup lending received from other subsidiaries, and the subordinated debt and senior notes issued by OTP Bank. From this funding pool, the Corporate Centre is to provide intragroup lending to, and hold equity stakes in OTP subsidiaries outside OTP Core. Main subsidiaries financed by Corporate Centre are as follows: Hungarians: Merkantil Bank Ltd, Merkantil Leasing Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

(14) The after tax profit of the Hungarian operation lines include the after tax profit or adjusted after tax profit of the Hungarian subsidiaries and Corporate Centre, as well as the eliminations allocated onto these entities. According to the new methodology applied retrospectively from 1Q 2021, the eliminations were also allocated amongst the Hungarian and Foreign segments in an appropriate manner.

(15) The after tax profit of the Foreign operation lines include the after tax profit or adjusted after tax profit of the Foreign subsidiaries, as well as the eliminations allocated onto these entities. According to the new methodology applied retrospectively from 1Q 2021, the eliminations were also allocated amongst the Hungarian and Foreign segments in an appropriate manner.

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 VOLUME CHANGES

In order to present Group level trends in a comprehensive way in the Report, the presented consolidated and separate profit and loss statements of this report were adjusted in the following way, 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.

Adjustments affecting the income statement:

- The after tax effect of adjustment items (certain, typically non-recurring items from banking operations' point of view) are shown separately in the Statement of Recognised Income. The following adjustment items emerged in the period under review and the previous year: received dividends, received and paid cash transfers, the effect of goodwill/investment impairment charges, special tax on financial institutions (including the Hungarian windfall tax), the expected one-off negative effect of the debt repayment moratorium in Hungary, the expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary, the effect of the winding up of Sberbank Hungary, the effect of acquisitions, from 1Q 2021 the result of the treasury share swap agreement (latter was presented earlier amongst the one-off revenue items in the adjusted P&L structure), and the impairments on Russian government bonds at OTP Core and DSK Bank booked in 1H 2022.
- The following items have been moved from the Other operating expenses line among the Net interest income after loss allowance, impairment and provisions line: *Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost*, *Provision for commitments and guarantees given*, *Release of impairment of assets subject to operating lease and of investment properties*. In the adjusted P&L structure these items are presented amongst the *Other provisions (adj.)* line (through the *Structural correction between Provision for impairment on loan losses and Other provisions* adjustment line). From 1Q 2021 the *Provision for commitments and guarantees given* line contains lending activity-related amounts, therefore this line is no longer shifted from 1Q 2021. In 3Q 2021 (retrospectively from 3Q 2020) 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. From 1Q 2022 the provision for impairment on placement losses is presented on the *Other provisions* line, instead of the previously applied *Provision for impairment lon loan losses* line.
- Other non-interest income is shown together with Gains and losses on real estate transactions, Net insurance result, Gains and losses on derivative instruments, but without the income from the release of pre-acquisition provisions and without received cash transfers. However other non-interest expenses stemming from non-financial activities are added to the adjusted net other non-interest income line, therefore the latter incorporates the net amount of other non-interest income from non-financial activities.
- OTP Bank's share in the change in the shareholders' equity of companies consolidated with equity method is reclassified from the After tax dividends and net cash transfers line to the Net other non-interest result (adj.) without one-offs line. In the addition to this, OTP Bank has changed the way how private equity funds managed by PortfoLion are recorded. As a result of this, as opposed to the previous method of recording the funds at book value (initial book value less impairments), starting from 3Q 2019 the funds are evaluated based on their net asset value. The change in the carrying value was reclassified to the Net other non-interest result (adj.) without one-offs line in the adjusted P&L structure.
- Other provisions are separated from other expenses and shown on a separate line in the adjusted profit or loss statement.
- Other administrative expenses have been adjusted in the following way in order to create a category comprising administrative cost items exclusively. Other costs and expenses and other non-interest expenses were included into the adjusted Other non-interest expenses. At the same time, the following cost items were excluded from adjusted other non-interest expenses: paid cash transfers (except for movie subsidies and cash transfers to public benefit organisations), Other other non-interest expenses stemming from non-financial activities, and special tax on financial institutions.
- Tax deductible transfers (offset against corporate taxes) paid by Hungarian group members were reclassified from Other non-interest expenses to Corporate income tax. As a result, the net P&L effect of these transfers (i.e. the paid transfer less the related corporate tax allowances) is recognised in the corporate income tax line of the adjusted P&L.
- The financial transaction tax paid in Hungary is reclassified from other (administrative) expenses to net fee and commission income, both on consolidated and OTP Core level.
- The Compensation Fund contributions are recognized on the Other administrative expenses line of the income statement, and are presented on the financial transaction tax and/or Special tax on financial institutions line the in the adjusted P&L structure (due to the tax deductibility).
- 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.
- The currency exchange result was shifted in the P&L structure from the FX result to the net fees and commissions line. In the adjusted P&L structure this item is moved to the FX result line.
- In 4Q 2021 the *Modification gains or losses* line (one of the components of the *Provision for impairment on loan and placement losses*) was presented on a separate line in the P&L structure, retroactively from 1Q 2020. In the adjusted P&L this line was shifted back to the *Provision for*

impairment on loan and placement losses line. Secondly, in 4Q 2021 the *Gains and losses on non-trading securities mandatorily at fair value through profit or loss* line was moved from the *Gains / losses on securities* to the *Fair value adjustment on financial instruments measured at fair value through profit or loss* line in the P&L structure, retroactively from 1Q 2020. In the adjusted P&L this item remained part of the *Gains / losses on securities*. Thirdly, from 1Q 2021 the local business taxes and the innovation contribution payable by Hungarian Group members were booked on the *Income tax expenses* line, whereas these items were recognised amongst the *Other general expenses*.

- *The expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary* line contains the expected effect of the extended rate cap in the second half of 2022. The expected effect of the rate cap effective in 1H 2022 was booked in 4Q 2021 amongst the risk costs of OTP Core.
- *The effect of the winding up of Sberbank Hungary* line represents the combined impact of the extraordinary contribution payable into the Deposit Protection Fund in relation to the compensation of depositors, and the net present value of the expected recovery from the sale of Sberbank assets.
- 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 1Q 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.
- 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. Regarding the FX-adjusted volume change of DPD90+ loans (adjusted for sales and write-offs), instead of the previously applied 3Q 2009 FX rates, from 4Q 2020 onwards the actual end of period FX rates are used for calculating the FX-adjusted figures.

Adjustments affecting the balance sheet:

- From the end of 2020, OTP Osiguranje d.d. was presented as asset classified as held for sale in the financial statements. Accordingly, from end-2020 until its deconsolidation, i.e. until 2Q 2021 its assets and liabilities were shown on a separate line in the consolidated balance sheet. Regarding the 2020 and 2021 statement of recognized income, the entity's result was presented on the *Gains from held for trading operations* line, therefore the particular P&L lines in the 'continuing operations' section of the P&L don't incorporate the contribution from this entity.

  As opposed to this, the adjusted financial statements presented in the Stock Exchange Report incorporated the company's balance sheet and P&L contribution in the relevant respective lines, in line with the structure of the financial statements monitored by the management.
- In the adjusted balance sheet, net customer loans include the stock of finance lease receivables.
- In the adjusted balance sheets presented in the analytical section of the report, the total amount of accrued interest receivables related to Stage 3 loans under IFRS 9 were netted with the provisions created in relation to the total exposure toward those particular clients, in case of the affected Group members. Therefore, this adjustment made on the balance sheet has an impact on the consolidated gross customer loans and allowances for loan losses.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 21	2Q 21	1H 21	3Q 21	4Q 21 Audited	2021 Audited	1Q 22	2Q 22	1H 22
Net interest income	**202,833**	**209,676**	**412,509**	**221,962**	**239,839**	**874,310**	**240,794**	**264,479**	**505,274**
(-) Revaluation result of FX provisions	0	0	0	0	0	0	0	0	0
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	77	258	335	125	165	625	552	831	1,384
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	674	250	925	676	-471	1,131	2,679	205	2,884
(-) Effect of acquisitions	-573	-492	-1,065	-889	-726	-2,680	-728	-731	-1,460
(-) Initial NPV gain on the monetary policy interest rate swap (MIRS) deals	0	0	0	0	0	0	0	0	0
(-) Reclassification due to the introduction of IFRS16	-399	-376	-776	-379	-402	-1,556	-383	-580	-963
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	20	20	40	7	0	46	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	0	0	0	-5,925	-5,925	0	0	0
Net interest income (adj.)	**203,227**	**210,573**	**413,799**	**222,685**	**247,528**	**884,012**	**239,779**	**266,417**	**506,196**
Net fees and commissions	**98,575**	**107,006**	**205,581**	**116,397**	**120,199**	**442,177**	**127,595**	**137,856**	**265,451**
(+) Financial Transaction Tax	-17,353	-15,423	-32,776	-16,854	-19,187	-68,818	-21,465	-19,153	-40,619
(-) Effect of acquisitions	-15	-55	-70	38	-1	-33	-1	0	-1
(-) Structural shift of income from currency exchange from net fees to the FX result	9,337	11,318	20,655	13,488	13,700	47,843	20,406	22,911	43,317
Net fees and commissions (adj.)	**71,899**	**80,320**	**152,219**	**86,016**	**87,313**	**325,548**	**85,725**	**95,792**	**181,517**
Foreign exchange result	**1,281**	**-2,718**	**-1,436**	**2,998**	**-5,636**	**-4,075**	**11,910**	**-10,959**	**951**
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	-354	1,393	1,039	-1,142	-389	-492	5,571	-6,110	-539
(-) Effect of acquisitions	0	0	0	0	0	0	2	-5	-2
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	11	-24	-13	3	0	-10	0	0	0
(+) Structural shift of income from currency exchange from net fees to the FX result	9,337	11,318	20,655	13,488	13,700	47,843	20,406	22,911	43,317
Foreign exchange result (adj.)	**10,983**	**7,184**	**18,167**	**17,631**	**8,452**	**44,251**	**26,743**	**18,067**	**44,809**
Gain/loss on securities, net	**-121**	**1,695**	**1,573**	**3,402**	**583**	**5,559**	**-5,744**	**-2,116**	**-7,860**
(-) Effect of acquisitions	0	-221	-221	-506	-350	-1,077	-91	-466	-556
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	11	2	13	1	0	14	0	0	0
(-) Revaluation result of the treasury share swap agreement	-2,586	81	-2,505	2,851	2,421	2,766	-9,343	-26	-9,369
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	682	325	1,007	57	-33	1,031	41	0	41
(+) 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	1,028	3,338	4,365	346	101	4,812	400	-1,229	-829
Gain/loss on securities, net (adj.)	**4,187**	**5,499**	**9,685**	**1,460**	**-1,419**	**9,726**	**4,131**	**-2,855**	**1,276**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale	**144**	**95**	**239**	**-62**	**-60**	**116**	**986**	**0**	**986**
(-) Effect of acquisitions	0	0	0	-105	-60	-165	0	0	0
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**144**	**95**	**239**	**43**	**0**	**282**	**986**	**0**	**986**

in HUF million	1Q 21	2Q 21	1H 21	3Q 21	4Q 21 Audited	2021 Audited	1Q 22	2Q 22	1H 22
Gains and losses on real estate transactions	**2,031**	**2,581**	**4,611**	**823**	**989**	**6,424**	**701**	**891**	**1,592**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**144**	**95**	**239**	**43**	**0**	**282**	**986**	**0**	**986**
(+) Other non-interest income	**19,760**	**13,535**	**33,295**	**15,555**	**25,396**	**74,246**	**18,288**	**25,184**	**43,473**
(+) Gains and losses on derivative instruments	**880**	**759**	**1,639**	**-1,475**	**6,633**	**6,797**	**-8,586**	**7,516**	**-1,070**
(+) Net insurance result	**143**	**143**	**286**	**213**	**158**	**657**	**165**	**440**	**605**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**-699**	**1,890**	**1,191**	**735**	**-2,458**	**-532**	**636**	**4,320**	**4,956**
(-) 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	1,028	3,338	4,365	346	101	4,812	400	**-1,229**	**-829**
(-) Received cash transfers	36	15	51	10	104	165	83	-6	78
(+) Other other non-interest expenses	-12,264	-8,614	-20,877	-10,749	-13,255	-44,882	-12,266	-16,394	-28,660
(+) 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	1,847	4,213	6,060	1,444	3,652	11,155	401	603	1,003
(-) Effect of acquisitions	0	0	0	-2	-2	-4	0	0	0
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian and Slovakian operations	431	-1,134	-704	1,267	555	1,117	-5,018	6,941	1,923
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-259	-292	-552	-235	-161	-948	-279	-130	-408
(-) Impact of fines imposed by the Hungarian Competition Authority	0	0	0	0	0	0	0	0	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	-77	-40	-118	-48	-29	-194	-76	-65	-141
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	151	183	334	54	0	387	0	0	0
(+) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line							-393	-531	-923
Net other non-interest result (adj.)	**10,836**	**12,899**	**23,735**	**5,304**	**20,547**	**49,586**	**4,822**	**16,518**	**21,340**
Gain from derecognition of financial assets at amortized cost	**10**	**543**	**553**	**-385**	**1,716**	**1,884**	**949**	**1,030**	**1,979**
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	682	325	1,007	57	-33	1,031	41	0	41
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)	-672	218	-454	-441	1,749	854	908	1,030	1,938
Gain from derecognition of financial assets at amortized cost (adj.)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Provision for impairment on loan and placement losses	**-4,915**	**3,330**	**-1,585**	**-12,454**	**-13,683**	**-27,723**	**-72,680**	**-15,908**	**-88,588**
(+) Modification gains or losses	**-17**	**-372**	**-389**	**-8,763**	**-4,519**	**-13,672**	**-15**	**-13,059**	**-13,074**
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	**-4,915**	**-2,617**	**-7,532**	**-779**	**-7,978**	**-16,289**	**13,758**	**1,229**	**14,987**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**-2,378**	**-2,776**	**-5,154**	**1,145**	**36**	**-3,974**	**-43,123**	**-6,087**	**-49,211**
(+) Provision for commitments and guarantees given	**185**	**-1,634**	**-1,449**	**-1,514**	**2,864**	**-99**	**-3,734**	**-2,200**	**-5,934**
(+) Impairment of assets subject to operating lease and of investment properties	**337**	**4**	**341**	**80**	**16**	**438**	**26**	**40**	**66**
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	113	94	206	44	89	339	96	55	151
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB	674	250	925	676	-471	1,131	2,679	205	2,884
(-) Structural correction between Provision for loan losses and Other provisions	-2,041	-2,772	-4,813	1,225	52	-3,536	-43,097	-6,047	-49,144
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-1	-346	-347	-8,757	-1,027	-10,131	6	-522	-516
(+) Structural adjustment due to the *Gain from derecognition of financial assets at amortized cost* line (against *Provision for impairment on loan losses*)	-672	218	-454	-441	1,749	854	908	1,030	1,938
(-) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022							-1,023	-1,031	-2,054
(-) Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary								-11,144	-11,144
Provision for impairment on loan losses (adj.)	**-9,772**	**-573**	**-10,345**	**-14,560**	**-21,101**	**-46,006**	**-58,164**	**-16,060**	**-74,224**
Dividend income	**1,896**	**4,632**	**6,528**	**5,542**	**3,578**	**15,648**	**462**	**794**	**1,256**
(+) Received cash transfers	36	15	51	10	104	165	83	-6	78
(+) Paid cash transfers	-2,043	-3,022	-5,066	-350	-6,577	-11,992	-3,564	-5,483	-9,048
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-2,039	-3,022	-5,061	-349	-6,463	-11,873	-3,451	-5,456	-8,907
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	0	0	3,809	0	3,809	0	0	0
(-) 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	1,847	4,213	6,060	1,444	3,652	11,155	401	603	1,003
After tax dividends and net cash transfers	**82**	**433**	**514**	**299**	**-84**	**729**	**31**	**159**	**190**

in HUF million	1Q 21	2Q 21	1H 21	3Q 21	4Q 21 Audited	2021 Audited	1Q 22	2Q 22	1H 22
Depreciation	**-23,424**	**-23,280**	**-46,705**	**-23,578**	**-24,713**	**-94,995**	**-91,354**	**-26,832**	**-118,186**
(-) Goodwill impairment charges	0	0	0	0	0	0	-67,715	0	-67,715
(-) Effect of acquisitions	-1,662	-1,465	-3,127	-1,350	-1,657	-6,134	-1,252	-1,227	-2,480
(-) Reclassification due to the introduction of IFRS16	-4,033	-3,868	-7,901	-3,973	-4,191	-16,064	-4,090	-4,485	-8,575
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-8	-9	-16	-3	0	-20	0	0	0
Depreciation (adj.)	**-17,737**	**-17,955**	**-35,693**	**-18,258**	**-18,865**	**-72,816**	**-18,297**	**-21,119**	**-39,416**
Personnel expenses	**-78,739**	**-80,819**	**-159,559**	**-81,584**	**-99,542**	**-340,684**	**-84,061**	**-90,691**	**-174,752**
(-) Effect of acquisitions	95	-228	-134	-413	-235	-781	-232	-219	-451
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-126	-130	-255	-43	0	-298	0	0	0
Personnel expenses (adj.)	**-78,960**	**-80,721**	**-159,681**	**-81,213**	**-99,307**	**-340,201**	**-83,830**	**-90,471**	**-174,301**
Income taxes	**-17,998**	**-16,622**	**-34,620**	**-22,129**	**-15,374**	**-72,123**	**-9,952**	**-4,542**	**-14,495**
(-) Corporate tax impact of goodwill/investment impairment charges	657	-1,375	-718	0	2,628	1,909	11,435	0	11,435
(-) Corporate tax impact of the special tax on financial institutions	1,785	0	1,785	2	1	1,787	1,902	6,713	8,614
(+) Tax deductible transfers (offset against corporate taxes)	-334	-1,993	-2,327	-5	-5,805	-8,137	-1,669	-193	-1,862
(-) Corporate tax impact of the effect of acquisitions	89	4,068	4,157	938	642	5,738	192	312	504
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-15	-1	-16	-2	0	-18	0	0	0
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	552	553	910	25	1,487	-1	177	177
(-) Corporate tax impact of the result of the treasury share swap agreement	233	-7	225	-257	-218	-249	841	2	843
(-) Corporate tax impact of the impairments on Russian government bonds booked at OTP Core and DSK Bank in 1H 2022							3,465	55	3,520
(-) Corporate tax impact of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)								248	248
(-) Corporate tax impact of the expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary								1,003	1,003
Corporate income tax (adj.)	**-21,111**	**-21,853**	**-42,965**	**-23,730**	**-24,257**	**-90,951**	**-29,454**	**-13,246**	**-42,700**
Other operating expense	**-11,991**	**-25,197**	**-37,189**	**-25,440**	**-23,105**	**-85,733**	**-25,896**	**-37,032**	**-62,929**
(-) Other costs and expenses	-1,179	-1,646	-2,825	-1,577	-2,106	-6,508	-1,547	-4,403	-5,950
(-) Other non-interest expenses	-14,307	-11,636	-25,943	-11,099	-19,832	-56,874	-15,831	-21,877	-37,708
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	147	199	345	191	72	609	182	75	258
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania	77	40	118	48	29	194	76	65	141
(+) Structural correction between *Provision for loan losses* and *Other provisions*	-2,041	-2,772	-4,813	1,225	52	-3,536	-43,097	-6,047	-49,144
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	0	3	4	1	0	4	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	-5,793	-5,793	-1,350	6,989	-153	0	-1,448	-1,448
(-) Impairments on Russian government bonds booked at OTP Core and DSK Bank in 1H 2022							-37,989	-569	-38,558
(+) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022							-1,023	-1,031	-2,054
(-) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line							-183	-178	-360
Other provisions (adj.)	**1,229**	**-9,130**	**-7,901**	**-10,427**	**-8,204**	**-26,532**	**-14,726**	**-15,776**	**-30,501**
Other administrative expenses	**-89,543**	**-68,038**	**-157,581**	**-70,518**	**-83,833**	**-311,931**	**-104,529**	**-158,296**	**-262,826**
(+) Other costs and expenses	-1,179	-1,646	-2,825	-1,577	-2,106	-6,508	-1,547	-4,403	-5,950
(+) Other non-interest expenses	-14,307	-11,636	-25,943	-11,099	-19,832	-56,874	-15,831	-21,877	-37,708
(-) Paid cash transfers	-2,043	-3,022	-5,066	-350	-6,577	-11,992	-3,564	-5,483	-9,048
(+) Film subsidies and cash transfers to public benefit organisations	-2,039	-3,022	-5,061	-349	-6,463	-11,873	-3,451	-5,456	-8,907
(-) Other other non-interest expenses	-12,264	-8,614	-20,877	-10,749	-13,255	-44,882	-12,266	-16,394	-28,660
(-) Special tax on financial institutions (recognised as other administrative expenses)	-20,658	-4	-20,662	-7	-12	-20,680	-22,128	-74,588	-96,716
(-) Tax deductible transfers (offset against corporate taxes)	-334	-1,993	-2,327	-5	-5,805	-8,137	-1,669	-193	-1,862
(-) Financial Transaction Tax	-17,353	-15,423	-32,776	-16,854	-19,187	-68,818	-21,465	-19,153	-40,619
(-) Effect of acquisitions	-1,401	-2,330	-3,731	-2,331	-4,308	-10,370	-420	-1,039	-1,459
(+) Reclassification due to the introduction of IFRS16	-4,432	-4,245	-8,677	-4,351	-4,593	-17,620	-4,473	-5,065	-9,539
(+) Presentation of the contribution from discontinued operation on the adjusted P&L lines	-44	-45	-89	-17	0	-106	0	0	0
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia					-318	-318	-3	0	-3
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line							-393	-531	-923
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line							-183	-178	-360
(-) Effect of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)								-2,756	-2,756
Other non-interest expenses (adj.)	**-57,491**	**-57,245**	**-114,737**	**-57,615**	**-67,364**	**-239,716**	**-68,105**	**-75,140**	**-143,244**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Cash, amounts due from Banks and balances with the National Banks	2,342,423	1,983,486	2,241,691	2,556,035	2,396,801	2,312,422
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	3	4	0	0	0	0
Cash, amounts due from Banks and balances with the National Banks (adjusted)	2,342,426	1,983,490	2,241,691	2,556,035	2,396,801	2,312,422
Placements with other banks, net of allowance for placement losses	1,601,813	1,727,059	1,896,258	1,584,860	2,297,336	1,765,735
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	243	235	0	0	0	0
Placements with other banks, net of allowance for placement losses (adjusted)	1,602,056	1,727,294	1,896,258	1,584,860	2,297,336	1,765,735
Financial assets at fair value through profit or loss	258,432	234,797	305,830	341,397	408,358	462,603
(+) Allocation of Assets classified as held for sale among balance sheet lines	1,192	1,169	0	0	0	0
Financial assets at fair value through profit or loss (adjusted)	259,625	235,966	305,830	341,397	408,358	462,603
Securities at fair value through other comprehensive income	2,171,807	2,128,322	2,196,056	2,224,510	2,065,330	2,103,518
(+) Allocation of Assets classified as held for sale among balance sheet lines	3,359	3,261	0	0	0	0
Securities at fair value through other comprehensive income (adjusted)	2,175,165	2,131,583	2,196,056	2,224,510	2,065,330	2,103,518
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	14,642,446	14,944,035	15,782,701	16,670,469	17,023,639	19,031,165
(-) Accrued interest receivables related to DPD90+ / Stage 3 loans	39,144	39,294	40,530	36,015	38,045	42,983
Gross customer loans (adjusted)	14,603,302	14,904,741	15,742,171	16,634,454	16,985,594	18,988,181
Allowances for loan losses (incl. impairment of finance lease receivables)	-891,191	-878,095	-914,664	-926,547	-969,797	-1,145,091
(-) Allocated provision on accrued interest receivables related to DPD90+ / Stage 3 loans	-39,144	-39,294	-40,530	-36,015	-38,045	-42,983
Allowances for loan losses (adjusted)	-852,047	-838,801	-874,134	-890,532	-931,752	-1,102,107
Securities at amortized costs	2,959,925	3,232,248	3,466,531	3,891,335	4,314,660	4,802,056
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	1,030	998	0	0	0	0
Securities at amortized costs (adjusted)	2,960,955	3,233,246	3,466,531	3,891,335	4,314,660	4,802,056
Tangible and intangible assets, net	639,144	643,541	664,204	689,290	642,985	690,193
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	125	112	0	0	0	0
Tangible and intangible assets, net (adjusted)	639,269	643,653	664,204	689,290	642,985	690,193
Other assets	544,239	495,303	493,538	454,811	542,473	720,784
(+) Allocation of *Assets classified as held for sale* among balance sheet lines	-5,953	-5,779	0	0	0	0
Other assets (adjusted)	538,287	489,524	493,538	454,811	542,473	720,784

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