OTP Bank Plc.

Summary of the first quarter 2023 results

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

Budapest, 10 May 2023

CONSOLIDATED FINANCIAL HIGHLIGHTS[1] AND SHARE DATA

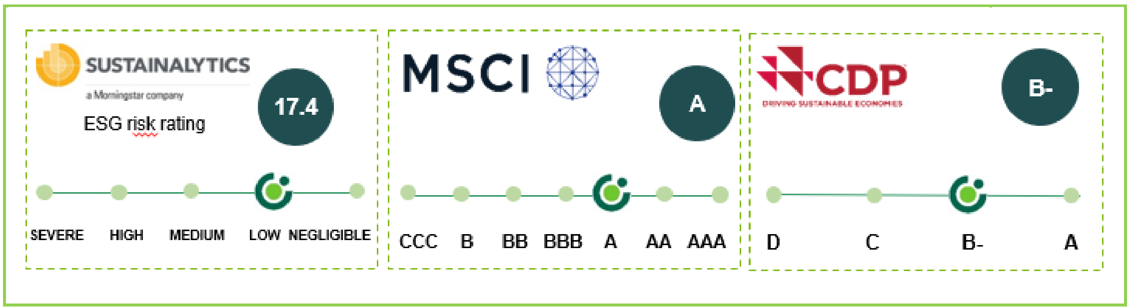
Main components of the adjusted Statement of recognised income, in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	**-33,405**	**115,184**	**194,762**	**69%**	**-683%**
Adjustments (total)	-122,029	-38,237	7,643		
Consolidated adjusted profit after tax	**88,624**	**153,421**	**187,119**	**22%**	**111%**
Pre-tax profit	118,079	181,381	222,663	23%	89%
Operating profit	190,969	223,157	231,861	4%	21%
Total income	361,200	451,147	457,129	1%	27%
Net interest income	239,779	296,499	312,064	5%	30%
Net fees and commissions	85,725	109,527	103,227	-6%	20%
Other net non-interest income	35,696	45,121	41,839	-7%	17%
Operating expenses	-170,231	-227,990	-225,269	-1%	32%
Total risk costs	-72,890	-41,777	-9,198	-78%	-87%
Corporate taxes	-29,454	-27,960	-35,544	27%	21%
Main components of the adjusted balance sheet, closing balances in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Total assets	28,790,272	32,804,210	36,175,001	10%	26%
Total customer loans (net, FX-adjusted)	**16,394,572**	**17,946,526**	**19,852,496**	**11%**	**21%**
Total customer loans (gross, FX-adjusted)	**17,351,557**	**18,896,802**	**20,850,594**	**10%**	**20%**
Performing (Stage 1+2) customer loans (gross, FX-adjusted)	16,450,508	17,970,404	19,873,090	11%	21%
Allowances for possible loan losses (FX-adjusted)	-956,985	-950,277	-998,098	5%	4%
Total customer deposits (FX-adjusted)	**22,245,585**	**24,305,001**	**27,390,195**	**13%**	**23%**
Issued securities	417,042	870,682	1,098,612	26%	163%
Subordinated loans	282,199	301,984	551,492	83%	95%
Total shareholders' equity	2,923,250	3,322,312	3,378,194	2%	16%
Indicators based on adjusted earnings	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
ROE (from profit after tax)	-4.6%	13.4%	24.0%	10.5%p	28.5%p
ROE (from adjusted profit after tax)	12.1%	17.9%	23.0%	5.1%p	10.9%p
ROA (from adjusted profit after tax)	1.3%	1.8%	2.2%	0.4%p	0.9%p
Operating profit margin	2.73%	2.63%	2.72%	0.09%p	-0.01%p
Total income margin	5.17%	5.32%	5.37%	0.05%p	0.20%p
Net interest margin	3.43%	3.50%	3.66%	0.17%p	0.24%p
Cost-to-asset ratio	2.43%	2.69%	2.65%	-0.04%p	0.21%p
Cost/income ratio	47.1%	50.5%	49.3%	-1.3%p	2.1%p
Provision for impairment on loan losses-to-average gross loans ratio	1.42%	0.66%	0.12%	-0.54%p	-1.30%p
Total risk cost-to-asset ratio	1.04%	0.49%	0.11%	-0.38%p	-0.93%p
Effective tax rate	24.9%	15.4%	16.0%	0.5%p	-9.0%p
Net loan/(deposit+retail bond) ratio (FX-adjusted)	74%	74%	72%	-2%p	-1%p
Capital adequacy ratio (consolidated, IFRS) - Basel3	17.8%	17.5%	16.8%	-0.7%p	-1.0%p
Tier1 ratio - Basel3	16.2%	16.1%	14.4%	-1.7%p	-1.8%p
Common Equity Tier 1 ('CET1') ratio - Basel3	16.2%	16.1%	14.4%	-1.7%p	-1.8%p
Share Data	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
EPS diluted (HUF) (from profit after tax)	-122	427	723	69%	-691%
EPS diluted (HUF) (from adjusted profit after tax)	329	571	696	22%	111%
Closing price (HUF)	12,145	10,110	9,982	-1%	-18%
Highest closing price (HUF)	18,600	10,890	11,550	6%	-38%
Lowest closing price (HUF)	10,005	7,944	9,482	19%	-5%
Market Capitalization (EUR billion)	9.2	7.1	7.3	4%	-20%
Book Value Per Share (HUF)	10,440	11,865	12,065	2%	16%
Tangible Book Value Per Share (HUF)	9,928	11,257	11,438	2%	15%
Price/Book Value	1.2	0.9	0.8	-3%	-29%
Price/Tangible Book Value	1.2	0.9	0.9	-3%	-29%
P/E (trailing, from profit after tax)	10.3	8.2	4.9	-40%	-53%
P/E (trailing, from adjusted profit after tax)	7.3	4.8	4.0	-15%	-44%
Average daily turnover (EUR million)	46	13	14	10%	-70%
Average daily turnover (million share)	1.3	0.5	0.5	-3%	-60%

[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-
OTP Bank – Dated subordinated FX debt	BB
MOODY'S	
OTP Bank – FX long term deposits	Baa1
OTP Bank – Dated subordinated FX debt	Ba2
OTP Mortgage Bank – Covered bonds	A1
SCOPE	
OTP Bank – Issuer rating	BBB+
OTP Bank – Dated subordinated FX debt	BB+

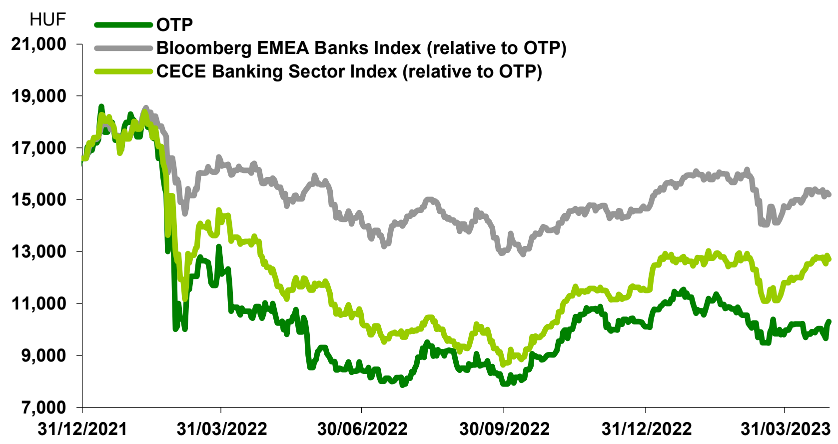
ACTUAL ESG RATINGS



AWARDS

In 2013 Global Finance magazine chose OTP Bank as the best bank in Hungary again, every year since 2012. The OTP Group also received the regional recognition of "Best Bank of Central and Eastern Europe", and the Montenegrin, Slovenian, Croatian and Romanian 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



SUMMARY – OTP BANK'S RESULTS FOR FIRST QUARTER OF 2023

The Summary of the first quarter 2023 results of OTP Bank Plc. has been prepared on the basis of its non-audited separate and consolidated IFRS financial statements for 31 March 2023 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 QUARTER OF 2023

OTP Group's 1Q 2023 earnings showed a peculiar duality: against the customary strong performance at OTP Core during the last couple of years the Hungarian operation posted moderate results, at the same time the profit contribution of the foreign subsidiaries – even without the acquisition impact – improved. In Hungary, despite the high underlying interest rate environment the net interest margin ('NIM') hasn't improved as a result of the balance sheet composition, whereas most of the Group members benefited from the increasing EUR rates through improving net interest income ('NII') and NIM. The consolidated portfolio quality demonstrated a stable picture, the unemployment rate was contained as a result of the tight labor market, whereas in Hungary the rate caps in place prevented delinquency rates from increasing.

On 6 February the financial closure of the purchase of the Slovenian Nova KBM (NKBM) was completed, the consolidated 1Q figures already incorporated from February the bank's balance sheet and P&L data. The deal marks the biggest ever acquisition in OTP Group's history. The Bank managed to acquire NKBM below book value.

On 12 December 2022 the purchase of Ipoteka Bank, Uzbekistan was announced, and the financial closure and consolidation is expected to happen by the end of May/early June 2023, thus the newly acquired entity may add 6 months earnings to the consolidated P&L.

Consolidated earnings: HUF 195 billion 1Q 2023 profit after tax, q-o-q improving NIM, cost efficiency and credit quality, without the acquisition impact of NKBM 1% increase in performing loan volumes q-o-q (FX-adjusted), stable liquidity position

OTP Group posted HUF 194.8 billion profit after tax in 1Q 2023. The significant, q-o-q 69% improvement to a great extent was due to the positive balance of adjustment items. (1Q 2022: -HUF 122 billion, 4Q 2022: -HUF 38.2 billion, 1Q 2023: +7.6 billion, respectively), the moderate volume of total risk cost, as well as the consolidation of NKBM, Slovenia.

In 1Q 2023 adjustment items improved the consolidated profit after tax by HUF 7.6 billion. underpinning a meaningful difference both q-o-q and y-o-y.

The major items were as follows:

- -HUF 88 billion special taxes on financial institutions (after tax) which incorporates both the banking tax (-HUF 25.2 billion) and the windfall tax (-HUF 62.9 billion). As a result of the modification of the decree on the windfall tax on 24 April 2023, OTP Bank's annual burden will decline to HUF 41 billion (HUF 37.4 billion after tax), the HUF 25.5 billion (after tax) difference will be booked in 2Q within the consolidated adjustment items;
- +HUF 85 billion effect of acquisitions. The badwill impact of the NKBM acquisition comprised HUF 103 billion, whereas other acquisition-related expenses including the ones at NKBM comprised -HUF 15 billion in total (after tax), of which the so called initial risk cost represented -HUF 10 billion;
- +HUF 10.4 billion recovery on the winding up of Sberbank Hungary, as NBH and the Hungarian Deposit Insurance Fund professionally managed the issue. In 2022 a similar negative amount was booked at OTP Bank.

The quarterly profit after tax, as well as the balance sheet items were distorted by the currency moves: the average rate of the Hungarian Forint y-o-y depreciated against all currencies but UAH, the most significant setback (-30.8%) was suffered against RUB. However, in 1Q the HUF was one of the best performing *Emerging Markets* currencies, and q/q strengthened against all currencies, especially against the steadily weakening RUB (+22.9%) hit by sanctions, moderating energy prices and deteriorating budgetary positions.

The weight of exposures towards Russia and Ukraine was shaped partially by FX moves, but also by deliberate or forced business policy measures.

In Russia the profit after tax was RUB 3.9 billion (+29% q-o-q, but -5% in HUF terms); the performing loan portfolio marginally increased q-o-q, within that the corporate exposures decreased by 36% (FX-adjusted). The weight of Russian assets in the consolidated total assets comprised 3.1% by the end of 1Q 2023, while net loans represented 2.7%, respectively. Under an unexpected and extremely negative scenario of deconsolidating the Russian entity and writing down the outstanding gross intragroup exposure as well, the effect for the consolidated CET1 ratio would be -69 bps.

In Ukraine the lending activity suffered a major setback since the outbreak of the war, the performing loan volumes decreased by 10% q-o-q, however the deposit book grew by 2%, on an FX-adjusted basis. The weight of the Ukrainian assets within the Group comprised 2.9%, while net loans represented 1.8% within the consolidated loan book. The volume of gross intragroup funding towards Ukraine represented HUF 80 billion equivalent. In 1Q 2023 the Ukrainian operation posted HUF 12.6 billion profit after tax, thus the subsidiary managed to achieve positive earnings in each consecutive quarter since 2Q 2022. The provision coverage of the gross Ukrainian loan book increased to 24.5% from almost 22% by the end of 2022. 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 -5 bps.

In the case of Ukraine and Russia OTP management applies a "going concern" approach, however in Russia the management is still considering all strategic options, though a Russian presidential decree in October 2022 prohibited the sale of foreign owned banks.

In 1Q 2023 the consolidated adjusted profit after tax was HUF 187.1 billion, of which the 2 months contribution from NKBM comprised HUF 13.5 billion. The 1Q adjusted ROE reached 23% (+5.1 pps q-o-q, +10.9 pps y-o-y).

The bottom line consolidated profit to a smaller extent was shaped by the higher operating results (w/o NKBM it declined by HUF 6 billion q-o-q), but more so by the moderate and declining risk cost volume (4Q 2022: -HUF 42 billion, 1Q 2023: -HUF 9 billion).

The foreign subsidiaries profit contribution reached 69%, out of the individual performances the Serbian and Croatian improved the most q-o-q, whereas the weaker quarterly results at DSK Bank was explained by the amount of supervisory contribution (HUF 11 billion) which was booked in 1Q in one lump sum versus the practice of previous years. In case of OTP Fund Management the base effect explains the weaker quarterly performance (in 4Q 2022 HUF 4.8 billion success fee boosted the earnings). The Ukrainian and Russian operations contributed HUF 12.6 billion and HUF 18 billion profit after tax against a massive loss in the corresponding period of 2022.

Total income increased moderately (+1% q-o-q), but without NKBM there was a decline; within that the NII improved by 5%, however, the net fee and commission income declined by 6% q-o-q, as a result of the success fee booked at OTP Fund Management in 4Q, the decreasing overall business activity, seasonality and calendar effect. The 2 months NII contribution of NKBM comprised HUF 17.2 billion, whereas the fees and commission contribution was HUF 4.7 billion, respectively. Other net non-interest income dropped by 7% q-o-q.

The consolidated 1Q NIM improved by 17 bps q-o-q (3.66%, without NKBM the level was the same). Across the Group the highest underlying 1Q policy rate prevailed still in the Ukraine (25%), followed by the Hungarian reference rate (18%) and the Moldavian one (14%). During the last 3 months ECB hiked the rates by 100 bps which affected four Group members (Slovenia, Croatia, Bulgaria and Montenegro). The underlying rate environment influenced the lending activity and the loan rates and to a lesser extent the deposit pricing. As a result, the NIM improved significantly in countries directly or indirectly affected by ECB monetary policy, while at OTP Core and in Russia margins increased marginally; only the Ukrainian NIM declined q-o-q by a couple of bps.

The nominal quarterly operating expenses came down only marginally q-o-q from the seasonally high 4Q levels, partially due to the consolidation of 2 months costs of HUF 8.7 billion of NKBM, as well as the annual regulatory contributions booked in 1Q in several countries, but also the elevated personnel expenses fueled by wage inflation. The consolidated 1Q cost-to-income ratio improved by 1.3 pps q-o-q to 49.3%.

The amount of consolidated total risk cost remined modest, HUF 9 billion only. Within those provisions for impairment on loan losses comprised HUF 6 billion, 97% of which was related to the Russian and Ukrainian credit costs. As a result, the credit risk cost ratio was 0.12% (1Q 2022: 1.42%, 4Q 2022: 0.66%).

The FX-adjusted consolidated performing (Stage 1+2) loan volumes increased by HUF 1,903 billion, 11% q-o-q (+21% y-o-y) and the total exposure reached close to HUF 19,000 billion. Adjusted for the acquisition of NKBM Slovenia, the organic q-o-q increase was 1% (FX-adjusted). The new acquisition added HUF 1,709 billion to the performing loan volumes (FX-adjusted).

As for the individual performances, the Bulgarian operation posted a decent q-o-q increase (+6%), OTP Core, OBH and OBRu demonstrated a moderate q-o-q growth, while the Romanian and Serbian portfolio melted down by 2% q-o-q. In case of OTP Core and DSK the corporate volumes were elevated by the refinancing of the Slovenian leasing entity that was carved out of the NKBM deal. In 1Q it was the Ukrainian subsidiary that suffered the most significant loan volume drop (-10% q-o-q and -37% y-o-y, FX-adjusted).

As for the major segments, without NKBM impact the performing corporate exposures advanced by 2% q-o-q, other categories either grew marginally or stagnated.

The FX-adjusted deposits grew by 13% q-o-q and their volumes exceeded HUF 27,300 billion. Out of the consolidated total deposit base NKBM comprised HUF 3,106 billion, i.e., without the acquisition impact Group-level volumes stagnated q-o-q.

Apart from OBH where deposit volumes declined (-8% q-o-q FX-adjusted, driven by pricing steps and one-off factors) other Group members didn't experience major deposit withdrawals in 1Q. In case of OTP Core there was a q-o-q 1% decline in deposits (FX-adjusted) including the volume of retail targeted bonds; the outstanding volume of those bonds increased to HUF 99 billion by the end of 1Q 2023, i.e. the retail bond + deposit volumes overall remained stable q-o-q. Besides, the market share of OTP Bank demonstrates a steadily improving trend in the retail segment.

The consolidated net loan/(deposit + retail bonds) ratio declined to 72% (-2 pps q-o-q).

In February 2023 OTP Bank issued USD 650 million MREL-eligible Tier2 bonds. For the rest of the year the Bank is planning to issue further two, maximum three MREL-eligible Senior Preferred bonds.

The credit profile of the consolidated loan book kept further improving in 1Q 2023, the major indicators shaped favorably. The Stage 3 ratio under IFRS 9 comprised 4.7% of the gross loan exposure by the end of 1Q 2023, underpinning a q-o-q 0.2 pp improvement. Without the impact of consolidating NKBM the ratio would have increased slightly q-o-q, from 4.9% to 5.0%. The reason for the latter was that effective from 2023 the presentation of accrued interest on Stage 3 loans changed in the adjusted balance sheet, resulting in a technical increase elevated-o-q in both the volume of Stage 3 loans and provisions (for details see: Supplementary Data).

On the Group level the Ukrainian and Russian operations had the highest Stage 3 ratio (22.6% and 15.8%, respectively). During the course of the previous quarter the Russian Stage 3 ratio increased only marginally, whereas the Ukrainian one grew by more than 4%-points. The own coverage of the Stage 3 exposures increased q-o-q and reached almost 62%.

Modified Management Guidance for 2023

Compared to the management guidance published on 10 March 2023 the current one forecasts the following:

As a result of the NKBM acquisition completed on 6 February 2023 and the pending acquisition of Ipoteka Bank in Uzbekistan expected to be financially closed in 2Q, their 11 and 6 months earnings may substantially contribute to the consolidated profit after tax. The expected positive after tax effect of one-off items to be booked in relation to the consolidation of Ipoteka Bank (presented among the adjustments) might exceed EUR 200 million.

In 2023 the consolidated NIM may primarily be shaped by the NIM development at OTP Core, while further rate hikes by ECB can positively impact the net interest margin at several other Group members. The decrease of the overnight deposit rate in Hungary may start from May/June, and according to the Central Bank's expectation by autumn it may drop to the level of the base rate (13%). Since the currently forecasted rate trajectory differs from the originally anticipated one, the net interest margin of OTP Core may eventually be even lower than the 4Q 2022 level (1.91%), which can also negatively impact the consolidated NIM.

Similarly to 2022, in 2023 the gross volume of the Hungarian banking tax (HUF 28 billion) and the windfall tax (HUF 41 billion) puts a significant burden on the Bank's profitability. The calculation of the windfall tax was amended on 24 April, as a result the full-year burden for 2023 will be HUF 28 billion lower versus the originally calculated HUF 69 billion booked in 1Q. The above difference is going to be recognized in 2Q 2023.

As for other financial indicators and expectations (credit risk profile, cost efficiency indicator, performing loan volume growth) currently the management sees no reason to modify them, and still believes that it is realistic to achieve a consolidated adjusted ROE similar to the 2022 level.

Consolidated capital adequacy ratio (in accordance with BASEL III)

At the end of March 2023, the consolidated CET1 ratio under the accounting scope of consolidation according to IFRS was 14.4% (-1.7 pps q-o-q). This equals to the Tier 1 ratio. Consolidated CAR stood at 16.8%.

At the end of March 2023, the effective regulatory minimum requirement for the consolidated Tier 1 capital adequacy ratio was 11.3% which also incorporated the effective SREP rate, whereas the minimum CET1 requirement was 9.5%.

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

- According to the decision of NBH, the effective SREP rate remained unchanged at 125% for 2023 which induces an additional 2% increase in consolidated CAR ratio.
- 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 level was determined at 0.5% at year-end 2022, 1% in 2023 and on 1 January 2024 it will reach the original 2%.
- The effective rate of the countercyclical capital buffer is currently 0% in Hungary. However, in Bulgaria the local Central Bank prescribed a 1.5% buffer from January 2023, whereas in Romania the local Central Bank still requires a 0.5% buffer, thus on the consolidated base the institution-specific countercyclical capital buffer increased to 0.34%. During 2H 2023, the consolidated institution-specific countercyclical capital buffer requirements are expected to increase further, since in Hungary the relevant buffer requirement will go to 0.5% effective from 1 July 2023, in Bulgaria to 2.0% (in 3Q 2023), in Romania to 1% (in 4Q 2023) while in Slovenia to 0.5% (in 4Q 2023), respectively. With all these changes taking effect, on consolidated level the countercyclical capital buffer is expected to increase to 0.68%.

The risk weighted assets (RWA) under the accounting scope of consolidation grew by HUF 1,390 billion q-o-q. The increase is mainly explained by the inclusion of the Slovenian NKBM in the balance sheet of the OTP Group, which increased the group-level RWA by a total of HUF 2,096 billion. The stronger HUF reduced the RWA by HUF 760 billion, whereas the FX-adjusted organic loan growth impact and other non-credit risk factors boosted the RWA by HUF 54 billion.

The consolidated common equity Tier 1 (CET1) capital eroded by HUF 141 billion q-o-q, partly as a result of the stronger HUF. The revaluation reserves booked in the other comprehensive income declined by HUF 162 billion due to FX impact. Furthermore, as a result of a regulatory change, the transition impact linked to the sovereign AFS portfolio and previously boosting the regulatory capital can no longer be incorporated from 1 January 2023. The transition impact induced by the introduction of IFRS 9 also decreased as a result of lower transitionary rates. The overall negative impact of those two changes comprised HUF 163 billion.

At the same time the consolidated regulatory capital incorporated the quarterly eligible profit of HUF 170.8 billion after the deduction of the dividend which comprised HUF 23.6 billion. The latter, however, shall not be considered as an indication from the management for the proposed dividend amount after 2023.

Despite the decline in CET1, the total amount of the regulatory capital increased by HUF 95 billion q-o-q as a result of the issuance of Tier2 bonds in February 2023 with a notional amount of USD 650 million (+HUF 228 billion impact on the regulatory capital).

Credit rating, shareholder structure

On 30 January 2023 S&P Global Ratings downgraded OTP Bank's long-term issuer credit rating from 'BBB' to 'BBB-', the outlook is stable; the credit rating of the dated Tier2 instrument issued in February 2023 is 'BB'.

On 6 February 2023 Moody's changed the dated subordinated FX debt rating to 'Ba2.' Simultaneously, OTP Mortgage Bank Ltd.'s long-term issuer rating was downgraded from 'Baa2' to 'Baa3'. Its mortgage bond rating remained 'A1'. The long term FX deposit rating of OTP Bank Plc. remained unchanged at 'Baa1'.

OTP Bank Plc' issuer rating at Scope Ratings was 'BBB+' and the subordinated debt rating 'BB+', respectively; in December the outlook changed from stable to negative.

Regarding the ownership structure of the Bank, on 31 March 2023 the following investors had more than 5% influence (voting rights) in the Company: MOL (the Hungarian Oil and Gas Company, 8.61%), T. Rowe Price Group (5.20%) and Groupama Group (5.11%).

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. Russia responded to these sanctions with similar measures.

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

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

It remains unclear how this will evolve 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.

POST-BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 2 May 2023.

Hungary

- On 24 April 2023 Government Decree No. 144/2023 was published amending the previously laid down methodology of windfall tax calculation concerning the second half of 2023. According to the new rules, the gross amount of the windfall tax for the year 2023 changed to HUF 41 billion in the case of OTP Bank.
- On 25 April 2023 the National Bank of Hungary cut the upper end of the rate corridor, i.e. overnight collateralised lending rate from 25% to 20.5%. The central bank will take into account the persistence of improvements in risk perceptions at the following policy meetings before making a decision to setting the interest rate conditions of overnight instruments.

Serbia

- At its meeting on 6 April 2023, the National Bank of Serbia raised the key policy rate by 25 bps to 6%.

Ukraine

- On 6 April 2023 S&P Global rating agency downgraded Ukraine’s rating to ’CCC’.
- On 7 April 2023 the National Bank of Ukraine cut the overnight deposit rate from 23% to 20%, while the base rate (25%) remained unchanged.

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

Methodological note: starting from 1Q 2023 the segmentation of the Hungarian operation has been changed: in contrast to the previous practice, starting from 1Q 2023 Corporate Centre is no longer carved out of the OTP Core segment. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions. The q-o-q and y-o-y changes presented in the affected tables are calculated from the restated figures. For details, see chapter 'Methodological note: change in the segmentation of OTP Core and Corporate Centre' in the 'Supplementary Data' section.

in HUF million	1Q 2022 as previously reported	1Q 2022 restated	4Q 2022 as previously reported	3Q 2022 restated	1Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	**-33,405**	**-33,405**	**115,184**	**115,184**	**194,762**	**69%**	
Adjustments (total)	**-122,029**	**-122,029**	**-38,237**	**-38,237**	**7,643**		
Consolidated adjusted profit after tax	**88,624**	**88,624**	**153,421**	**153,421**	**187,119**	**22%**	**111%**
Banks total[1]	79,078	80,346	138,595	139,234	172,698	24%	115%
OTP Core (Hungary)[2]	94,038	95,306	35,413	36,052	43,055	19%	-55%
DSK Group (Bulgaria)[3]	21,064	21,064	43,407	43,407	35,601	-18%	69%
OTP Bank Slovenia[4]	4,937	4,937	5,348	5,348	20,265	279%	310%
OBH (Croatia)[5]	11,074	11,074	4,990	4,990	12,801	157%	16%
OTP Bank Serbia[6]	10,860	10,860	4,421	4,421	16,429	272%	51%
OTP Bank Albania[7]	2,261	2,261	2,954	2,954	3,812	29%	69%
CKB Group (Montenegro)[8]	-1,230	-1,230	5,268	5,268	4,393	-17%	
OTP Bank Romania[9]	-1,759	-1,759	4,121	4,121	1,250	-70%	
OTP Bank Russia[10]	-27,222	-27,222	18,826	18,826	17,956	-5%	
OTP Bank Ukraine[11]	-34,400	-34,400	10,046	10,046	12,640	26%	
OTP Bank Moldova	-545	-545	3,801	3,801	4,497	18%	
Leasing	4,372	4,372	3,462	3,462	4,524	31%	3%
Merkantil Group (Hungary)[12]	4,372	4,372	3,462	3,462	4,524	31%	3%
Asset Management	1,238	1,238	5,662	5,662	2,530	-55%	104%
OTP Asset Management (Hungary)	1,155	1,155	5,598	5,598	2,439	-56%	111%
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)[13]	83	83	64	64	92	43%	11%
Other Hungarian Subsidiaries	1,415	1,415	2,601	2,601	7,409	185%	424%
Other Foreign Subsidiaries[14]	-12	-12	-158	-158	-138	-13%	
Corporate Centre[15]	1,269	-	639	-	-		
Eliminations	1,265	1,265	2,621	2,621	95	-96%	-92%
Profit after tax of the Hungarian operation[16]	19,254	19,254	69,110	69,110	56,820	-18%	195%
Adjusted profit after tax of the Hungarian operation[16]	102,269	102,269	47,404	47,404	57,603	22%	-44%
Profit after tax of the Foreign operation[17]	-52,659	-52,659	46,074	46,074	137,942	199%	
Adjusted profit after tax of the Foreign operation[17]	-13,645	-13,645	106,016	106,016	129,516	22%	
Share of Hungarian contribution to the adjusted profit after tax	115%	115%	31%	31%	31%	0%p	-85%p
Share of Foreign contribution to the adjusted profit after tax	-15%	-15%	69%	69%	69%	0%p	85%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	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	**-33,405**	**115,184**	**194,762**	**69%**	
Adjustments (total, after corporate income tax)	**-122,029**	**-38,237**	**7,643**		
Dividends and net cash transfers (after tax)	31	719	157	-78%	401%
Goodwill/investment impairment charges (after tax)	-56,279	-4,740	0	-100%	-100%
Special tax on financial institutions (after tax)	-20,227	-3,173	-88,131		336%
Expected one-off negative effect of the debt repayment moratorium in Hungary (after tax)	3	15	0	-100%	-99%
Expected one-off effect of the interest rate cap for certain loans in Hungary (after tax)	0	-26,444	318	-101%	
Effect of the winding up of Sberbank Hungary (after tax)	0	301	10,389		
Effect of acquisitions (after tax)	-2,531	-6,019	84,929		
Result of the treasury share swap agreement (after tax)	-8,502	76	-20		-100%
Impairments on Russian government bonds at OTP Core and DSK Bank booked from 2022 (after tax)	-34,525	1,026	0	-100%	-100%
Consolidated adjusted profit after tax	**88,624**	**153,421**	**187,119**	**22%**	**111%**
Profit before tax	**118,079**	**181,381**	**222,663**	**23%**	**89%**
Operating profit	**190,969**	**223,157**	**231,861**	**4%**	**21%**
Total income	**361,200**	**451,147**	**457,129**	**1%**	**27%**
Net interest income	**239,779**	**296,499**	**312,064**	**5%**	**30%**
Net fees and commissions	**85,725**	**109,527**	**103,227**	**-6%**	**20%**
Other net non-interest income	**35,696**	**45,121**	**41,839**	**-7%**	**17%**
Foreign exchange result, net	26,743	25,253	50,905	102%	90%
Gain/loss on securities, net	4,131	2,072	1,466	-29%	-65%
Net other non-interest result	4,822	17,796	-10,533		
Operating expenses	**-170,231**	**-227,990**	**-225,269**	**-1%**	**32%**
Personnel expenses	-83,830	-117,747	-107,708	-9%	28%
Depreciation	-18,297	-22,825	-23,475	3%	28%
Other expenses	-68,105	-87,417	-94,085	8%	38%
Total risk costs	**-72,890**	**-41,777**	**-9,198**	**-78%**	**-87%**
Provision for impairment on loan losses	-58,164	-33,719	-6,044	-82%	-90%
Other provision	-14,726	-8,058	-3,154	-61%	-79%
Corporate taxes	**-29,454**	**-27,960**	**-35,544**	**27%**	**21%**
INDICATORS	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
ROE (from profit after tax)	-4.6%	13.4%	24.0%	10.5%p	28.5%p
ROE (from adjusted profit after tax)	12.1%	17.9%	23.0%	5.1%p	10.9%p
ROA (from adjusted profit after tax)	1.3%	1.8%	2.2%	0.4%p	0.9%p
Operating profit margin	2.73%	2.63%	2.72%	0.09%p	-0.01%p
Total income margin	5.17%	5.32%	5.37%	0.05%p	0.20%p
Net interest margin	3.43%	3.50%	3.66%	0.17%p	0.24%p
Net fee and commission margin	1.23%	1.29%	1.21%	-0.08%p	-0.01%p
Net other non-interest income margin	0.51%	0.53%	0.49%	-0.04%p	-0.02%p
Cost-to-asset ratio	2.43%	2.69%	2.65%	-0.04%p	0.21%p
Cost/income ratio	47.1%	50.5%	49.3%	-1.3%p	2.1%p
Provision for impairment on loan losses-to-average gross loans ratio	1.42%	0.66%	0.12%	-0.54%p	-1.30%p
Total risk cost-to-asset ratio	1.04%	0.49%	0.11%	-0.38%p	-0.93%p
Effective tax rate	24.9%	15.4%	16.0%	0.5%p	-9.0%p
Non-interest income/total income	34%	34%	32%	-3%p	-2%p
EPS base (HUF) (from profit after tax)	-122	428	723	69%	-691%
EPS diluted (HUF) (from profit after tax)	-122	427	723	69%	-691%
EPS base (HUF) (from adjusted profit after tax)	329	571	697	22%	111%
EPS diluted (HUF) (from adjusted profit after tax)	329	571	696	22%	111%
Comprehensive Income Statement	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Consolidated profit after tax	-33,405	115,183	194,762	69%	-683%
Fair value changes of financial instruments measured at fair value through other comprehensive income	-80,352	19,525	27,880	43%	-135%
Foreign currency translation difference	1,084	-266,758	-162,245	-39%	
Change of actuarial costs (IAS 19)	0	1,084	-43		
Net comprehensive income	**-112,674**	**-130,966**	**62,389**		
o/w Net comprehensive income attributable to equity holders	-111,550	-129,542	62,633		
Net comprehensive income attributable to non-controlling interest	-1,124	-1,424	-244	-83%	-78%
Average exchange rate[1] of the HUF (in HUF)	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
HUF/EUR	364	411	389	-5%	7%
HUF/CHF	352	418	392	-6%	11%
HUF/USD	325	403	362	-10%	12%

[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	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
TOTAL ASSETS	**28,790,272**	**32,804,210**	**36,175,001**	**10%**	**26%**
Cash, amounts due from Banks and balances with the National Banks	2,396,801	4,221,392	5,745,644	36%	140%
Placements with other banks, net of allowance for placement losses	2,297,336	1,351,081	1,132,875	-16%	-51%
Securities at fair value through profit or loss	408,358	436,387	381,704	-13%	-7%
Securities at fair value through other comprehensive income	2,065,330	1,739,603	1,800,172	3%	-13%
Net customer loans	16,053,843	18,640,624	19,852,496	7%	24%
Net customer loans (FX-adjusted[1])	**16,394,572**	**17,946,526**	**19,852,496**	**11%**	**21%**
Gross customer loans	16,985,594	19,643,558	20,850,594	6%	23%
Gross customer loans (FX-adjusted[1])	**17,351,557**	**18,896,802**	**20,850,594**	**10%**	**20%**
Gross performing (Stage 1+2) customer loans (FX-adjusted[1])	**16,450,508**	**17,970,404**	**19,873,090**	**11%**	**21%**
o/w Retail loans	8,808,704	9,343,832	10,367,945	11%	18%
Retail mortgage loans (incl. home equity)	4,299,458	4,637,479	5,122,702	10%	19%
Retail consumer loans	3,782,515	3,915,165	4,214,500	8%	11%
SME loans	726,731	791,188	1,030,743	30%	42%
Corporate loans	6,441,454	7,383,345	8,250,348	12%	28%
Leasing	1,200,350	1,243,227	1,254,797	1%	5%
Allowances for loan losses	-931,752	-1,002,933	-998,098	0%	7%
Allowances for loan losses (FX-adjusted[1])	-956,985	-950,277	-998,098	5%	4%
Associates and other investments	68,486	73,849	80,870	10%	18%
Securities at amortized costs	4,314,660	4,891,938	5,433,407	11%	26%
Tangible and intangible assets, net	642,985	738,105	752,517	2%	17%
o/w Goodwill, net	64,833	68,319	66,428	-3%	2%
Tangible and other intangible assets, net	578,153	669,786	686,088	2%	19%
Other assets	542,473	711,230	995,315	40%	83%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**28,790,272**	**32,804,210**	**36,175,001**	**10%**	**26%**
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	1,719,516	1,517,349	1,675,310	10%	-3%
Deposits from customers	21,840,257	25,188,805	27,390,195	9%	25%
Deposits from customers (FX-adjusted[1])	**22,245,585**	**24,305,001**	**27,390,195**	**13%**	**23%**
o/w Retail deposits	14,795,985	15,734,311	18,496,388	18%	25%
Household deposits	12,388,207	13,139,673	15,406,500	17%	24%
SME deposits	2,407,778	2,594,638	3,089,887	19%	28%
Corporate deposits	7,439,752	8,540,443	8,856,626	4%	19%
Accrued interest payable related to customer deposits	9,847	30,247	37,182	23%	278%
Liabilities from issued securities	417,042	870,682	1,098,612	26%	163%
o/w Retail bonds	0	35,766	98,959	177%	
Liabilities from issued securities without retail bonds	417,042	834,916	999,652	20%	140%
Other liabilities	1,608,008	1,603,078	2,081,198	30%	29%
Subordinated bonds and loans	282,199	301,984	551,492	83%	95%
Total shareholders' equity	**2,923,250**	**3,322,312**	**3,378,194**	**2%**	**16%**
Indicators	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Loan/deposit ratio (FX-adjusted[1])	78%	78%	76%	-2%p	-2%p
Net loan/(deposit + retail bond) ratio (FX-adjusted[1])	74%	74%	72%	-2%p	-1%p
Stage 1 loan volume under IFRS 9	13,844,649	16,387,792	17,705,285	8%	28%
Stage 1 loans under IFRS 9/gross customer loans	81.5%	83.4%	84.9%	1.5%p	3.4%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.0%	0.9%	-0.1%p	-0.1%p
Stage 2 loan volume under IFRS 9	2,261,923	2,286,597	2,167,805	-5%	-4%
Stage 2 loans under IFRS 9/gross customer loans	13.3%	11.6%	10.4%	-1.2%p	-2.9%p
Own coverage of Stage 2 loans under IFRS 9	10.4%	10.7%	10.4%	-0.3%p	0.0%p
Stage 3 loan volume under IFRS 9	879,023	969,169	977,504	1%	11%
Stage 3 loans under IFRS 9/gross customer loans	5.2%	4.9%	4.7%	-0.2%p	-0.5%p
Own coverage of Stage 3 loans under IFRS 9	61.9%	61.0%	61.8%	0.8%p	0.0%p
90+ days past due loan volume	542,137	601,268	628,863	5%	16%
90+ days past due loans/gross customer loans	3.2%	3.1%	3.0%	0.0%p	-0.2%p
Consolidated capital adequacy - Basel3	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Capital adequacy ratio (consolidated, IFRS)	17.8%	17.5%	16.8%	-0.7%p	-1.0%p
Tier 1 ratio	16.2%	16.1%	14.4%	-1.7%p	-1.8%p
Common Equity Tier 1 ('CET1') capital ratio	16.2%	16.1%	14.4%	-1.7%p	-1.8%p
Regulatory capital (consolidated)	3,078,173	3,565,932	3,661,078	3%	19%
o/w Tier1 Capital	2,811,517	3,277,984	3,136,729	-4%	12%
o/w Common Equity Tier 1 capital	2,811,517	3,277,984	3,136,729	-4%	12%
Tier2 Capital	266,656	287,949	524,349	82%	97%
Consolidated risk weighted assets (RWA) (Credit&Market&Operational risk)	17,324,682	20,405,328	21,795,586	7%	26%
o/w RWA (Credit risk)	15,551,854	18,477,102	19,746,475	7%	27%
RWA (Market & Operational risk)	1,772,828	1,928,226	2,049,111	6%	16%
Closing exchange rate of the HUF (in HUF)	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
HUF/EUR	370	400	381	-5%	3%
HUF/CHF	359	407	382	-6%	6%
HUF/USD	332	376	350	-7%	5%

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

OTP CORE (OTP BANK'S HUNGARIAN CORE BUSINESS)

Methodological note: starting from 1Q 2023 the segmentation of the Hungarian operation has been changed: in contrast to the previous practice, starting from 1Q 2023 Corporate Centre is no longer carved out of the OTP Core segment. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions. The q-o-q and y-o-y changes presented in the affected tables are calculated from the restated figures. For details, see chapter 'Methodological note: change in the segmentation of OTP Core and Corporate Centre' in the 'Supplementary Data' section.

Starting from 1Q 2023 OTP Ecosystem Ltd. was eliminated from OTP Core.

OTP Core Statement of recognized income:

Main components of the Statement of recognised income in HUF million	1Q 2022 as previously reported	1Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	1Q 2023	Q-o-Q	Y-o-Y
Profit after tax without received dividend	**-78,346**	**-77,078**	**59,459**	**60,098**	**-36,596**	**-161%**	**-53%**
Dividend received from subsidiaries	106,149	106,149	0	0	92,679		-13%
Profit after tax	27,803	29,072	59,459	60,098	56,083	-7%	93%
Adjustments (total, after tax)	-66,235	-66,235	24,047	24,047	13,028	-46%	-120%
Adjusted profit after tax	**94,038**	**95,306**	**35,413**	**36,052**	**43,055**	**19%**	**-55%**
Profit before tax	106,284	107,703	44,635	45,398	54,831	21%	-49%
Operating profit	91,067	92,486	41,190	41,954	55,815	33%	-40%
Total income	165,806	167,471	140,529	141,913	149,705	5%	-11%
Net interest income	103,646	105,311	87,841	89,225	89,783	1%	-15%
Net fees and commissions	41,266	41,266	45,561	45,561	43,952	-4%	7%
Other net non-interest income	20,894	20,894	7,127	7,127	15,969	124%	-24%
Operating expenses	-74,738	-74,985	-99,339	-99,959	-93,889	-6%	25%
Total risk costs	15,217	15,217	3,444	3,444	-985	-129%	-106%
Provision for impairment on loan losses	17,074	17,074	13,881	13,881	-2,316	-117%	-114%
Other provisions	-1,857	-1,857	-10,437	-10,437	1,331	-113%	-172%
Corporate income tax	-12,246	-12,396	-9,222	-9,346	-11,775	26%	-5%
Indicators (adjusted)	1Q 2022 as previously reported	1Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	1Q 2023	Q-o-Q	Y-o-Y
ROE	18.9%p	19.2%	7.0%p	7.1%	8.8%	1.7%p	-10.4%p
ROA	2.5%p	2.4%	0.8%p	0.8%	0.9%	0.2%p	-1.5%p
Operating profit margin	2.4%p	2.3%	1.0%p	0.9%	1.2%	0.3%p	-1.1%p
Total income margin	4.42%p	4.25%	3.37%p	3.03%	3.24%	0.20%p	-1.02%p
Net interest margin	2.76%p	2.67%	2.11%p	1.91%	1.94%	0.03%p	-0.73%p
Net fee and commission margin	1.10%p	1.05%	1.09%p	0.97%	0.95%	-0.02%p	-0.10%p
Net other non-interest income margin	0.56%p	0.53%	0.17%p	0.15%	0.35%	0.19%p	-0.19%p
Operating costs to total assets ratio	2.0%p	1.9%	2.4%p	2.1%	2.0%	-0.1%p	0.1%p
Cost/income ratio	45.1%p	44.8%	70.7%p	70.4%	62.7%	-7.7%p	17.9%p
Provision for impairment on loan losses / average gross loans[1]	-1.25%p	-1.25%	-0.85%p	-0.85%	0.14%	0.99%p	1.39%p
Effective tax rate	11.5%p	11.5%	20.7%p	20.6%	21.5%	0.9%p	10.0%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	1Q 2022 as previously reported	1Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	1Q 2023	Q-o-Q	Y-o-Y
Total Assets	15,530,986	16,317,284	15,758,292	17,596,229	18,726,491	6%	15%
Net customer loans	5,348,023	5,348,023	6,278,620	6,278,620	6,276,681	0%	17%
Net customer loans (FX-adjusted)	5,375,522	5,375,522	6,207,376	6,207,376	6,276,681	1%	17%
Gross customer loans	5,576,299	5,576,299	6,528,001	6,528,001	6,548,251	0%	17%
Gross customer loans (FX-adjusted)	5,605,565	5,605,565	6,453,788	6,453,788	6,548,251	1%	17%
Stage 1+2 customer loans (FX-adjusted)	**5,342,049**	**5,342,049**	**6,132,661**	**6,132,661**	**6,212,665**	**1%**	**16%**
Retail loans	3,316,568	3,316,568	3,482,791	3,482,791	3,489,946	0%	5%
Retail mortgage loans (incl. home equity)	1,623,194	1,623,194	1,656,961	1,656,961	1,643,893	-1%	1%
Retail consumer loans	1,218,252	1,218,252	1,306,916	1,306,916	1,322,717	1%	9%
SME loans	475,123	475,123	518,914	518,914	523,335	1%	10%
Corporate loans	2,025,482	2,025,482	2,649,871	2,649,871	2,722,719	3%	34%
Provisions	-228,276	-228,276	-249,381	-249,381	-271,570	9%	19%
Provisions (FX adjusted)	-230,043	-230,043	-246,412	-246,412	-271,570	10%	18%
Deposits from customers + retail bonds	10,838,363	10,838,363	11,246,795	11,246,795	10,981,449	-2%	1%
Deposits from customers + retail bonds (FX adjusted)	**10,914,766**	**10,914,766**	**11,087,410**	**11,087,410**	**10,981,449**	**-1%**	**1%**
Retail deposits + retail bonds	6,545,150	6,545,150	6,410,699	6,410,699	6,346,128	-1%	-3%
Household deposits + retail bonds	5,151,750	5,151,750	5,007,110	5,007,110	5,001,426	0%	-3%
o/w: Retail bonds	0	0	35,766	35,766	98,959	177%	
SME deposits	1,393,400	1,393,400	1,403,589	1,403,589	1,344,702	-4%	-3%
Corporate deposits	4,369,616	4,369,616	4,676,710	4,676,710	4,635,321	-1%	6%
Liabilities to credit institutions	1,453,455	1,965,971	1,251,653	2,313,832	3,184,136	38%	62%
Issued securities without retail bonds	510,906	510,906	471,773	949,421	942,188	-1%	84%
Subordinated bonds and loans	0	273,519	0	294,186	511,615	74%	87%
Total shareholders' equity	2,103,956	2,103,956	2,016,019	2,016,019	2,073,382	3%	-1%
Loan Quality	1Q 2022 as previously reported	1Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	1Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	4,367,829	4,367,829	5,457,140	5,457,140	5,433,019	0%	24%
Stage 1 loans under IFRS 9/gross customer loans	78.3%	78.3%	83.6%	83.6%	83.0%	-0.6%p	4.6%p
Own coverage of Stage 1 loans under IFRS 9	0.7%	0.7%	0.8%	0.8%	0.8%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	945,654	945,654	747,905	747,905	779,646	4%	-18%
Stage 2 loans under IFRS 9/gross customer loans	17.0%	17.0%	11.5%	11.5%	11.9%	0.4%p	-5.1%p
Own coverage of Stage 2 loans under IFRS 9	8.1%	8.1%	8.6%	8.6%	8.5%	-0.1%p	0.4%p
Stage 3 loan volume under IFRS 9 (in HUF million)	262,816	262,816	322,956	322,956	335,586	4%	28%
Stage 3 loans under IFRS 9/gross customer loans	4.7%	4.7%	4.9%	4.9%	5.1%	0.2%p	0.4%p
Own coverage of Stage 3 loans under IFRS 9	45.9%	45.9%	43.2%	43.2%	47.5%	4.3%p	1.6%p
90+ days past due loan volume (in HUF million)	142,945	142,945	189,870	189,870	216,665	14%	52%
90+ days past due loans/gross customer loans	2.6%	2.6%	2.9%	2.9%	3.3%	0.4%p	0.7%p
Market Share	1Q 2022 as previously reported	1Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	1Q 2023	Q-o-Q	Y-o-Y
Loans	24.5%	24.5%	25.5%	25.5%	25.2%	-0.4%p	0.7%p
Deposits	30.0%	30.0%	29.1%	29.1%	29.0%	-0.1%p	-0.9%p
Total Assets	28.3%	28.3%	27.5%	27.5%	28.2%	0.7%p	-0.1%p
Performance Indicators	1Q 2022 as previously reported	1Q 2022 restated	4Q 2022 as previously reported	4Q 2022 restated	1Q 2023	Q-o-Q	Y-o-Y
Net loans to (deposits + retail bonds) (FX-adjusted)	49%	49%	56%	56%	57%	1%p	8%p
Leverage (closing Shareholder's Equity/Total Assets)	13.5%	12.9%	12.8%	11.5%	11.1%	-0.4%p	-1.8%p
Leverage (closing Total Assets/Shareholder's Equity)	7.4x	7.8x	7.8x	8.7x	9.0x	0.3x	1.3x
Capital adequacy ratio (OTP Bank, non-consolidated, Basel3, IFRS)	23.5%	23.5%	19.2%	19.2%	23.1%	3.9%p	-0.4%p
Common Equity Tier1 ratio (OTP Bank, non-consolidated, Basel3, IFRS)	20.3%	20.3%	16.3%	16.3%	17.7%	1.4%p	-2.6%p

In 1Q 2023 **OTP Core** suffered an after tax loss of HUF 36.6 billion without dividends received from subsidiaries, against the HUF 30.7 billion profit realized in 2022.

Concerning the larger adjustment items in the period under review, at OTP Core HUF 85.2 billion (after tax) was related to the special tax on financial institutions and the windfall tax on extra profits[3], partly offset by the recovery on the extraordinary payment made last year into the Deposit Insurance Fund in the wake of the winding up of Sberbank Hungary (+HUF 10.4 billion). In 1Q 2023 OTP Core received dividends from subsidiaries in the amount of HUF 92.7 billion.

1Q operating profit dropped 40% y-o-y on the back of lower revenues and increasing costs. Total income declined by 11% y-o-y, primarily attributable to the 15% contraction in net interest income in the wake of the 73 bps erosion of net interest margin, despite the 17% y-o-y increase in quarterly average total assets. In the steeply increasing rate environment, the margin erosion was explained mainly by the significant fixed rate asset surplus of OTP Core; also, the mandatory reserve requirement went up from 1% to 5% effective from last October and since October the central bank paid the 13% base rate on compulsory reserves, thus this it was diverted from the 18% overnight rate. From April the minimum reserve requirement was further increased to 10%, and the effective rate paid on those reserves was reduced to 9.75% from the previous 13%, since for the first 2.5% reserve requirement the national bank doesn't pay any interest.

Net interest income grew 1% q-o-q, whereas the net interest margin remained close to its all-time low level hit in the previous quarter (1.94%, +3 bps q-o-q), despite the fact that variable rate corporate loans have repriced gradually, but with a certain time delay, compared to the faster repricing of corporate deposits following the steep rise in the rate environment last autumn. The q-o-q dynamics of interest expenditures was primarily shaped by the accrued interest expenditures on senior and subordinated bonds issued by the Bank in the last several months.

Net fees and commissions went up by 7% y-o-y, mainly supported by stronger income from deposit-, transaction-, and card-related fees. The 4% q-o-q setback was attributable to seasonality and negative one-offs[4] booked in 1Q, whereas within securities commissions those were the investment units-related ones that showed particularly strong dynamics.

Other net non-interest income declined by one-fourth y-o-y, but jumped to two-fold q-o-q, latter was primarily due to higher FX gains and better result on derivative instruments.

Operating costs moderated by 6% q-o-q from the seasonally higher 4Q base, but expanded by 25% y-o-y. Within that, personnel expenses increased 28%, driven by the joint effect of 4% higher average quarterly headcount and the salary increases implemented in the course of 2022 and in March 2023. Amortization increased by 16%. Other costs grew by 25%, driven by, among others, the higher cost of real-estate (partly related to the new M12 head office building completed in April 2022), energy costs and supervisory fees (latter largely due to the increase in deposit and insurance protection fee rates effective from the end of 2022).

In 1Q 2023 altogether HUF 1 billion total risk costs emerged. Within that, the provision for impairment on loan losses reached -HUF 2.3 billion, whereas the positive amount of other risk costs came in at HUF 1.3 billion.

The Stage 3 ratio increased 20 bps q-o-q to 5.1%, which, similar to the previous quarter's change, was driven by a technical factor. Starting from 2023, the amount of accrued interest receivables on Stage 3 loans under IFRS 9 are no longer netted with the provisions created in relation to the total exposure toward those particular clients. The Stage 3 volumes grew q-o-q primarily because, against the previous practice of netting out the accrued interest receivables on these loans with provisions, the unadjusted *gross* Stage 3 volumes and stock of provisions are presented for 1Q 2023. For details, see the methodological note in the Supplementary Data annex. Without this technical one-off effect, the declining trend in the Stage 3 ratio would have continued.

The Stage 1+2 portfolio's cumulative own provision coverage ratio stayed unchanged q-o-q at 1.8%, which is still way above the pre-pandemic level of 1.3% at the end of 2019.

The total assets of OTP Core expanded by 15% y-o-y, including 6% growth over the first quarter.

Performing (Stage 1+2) loans grew by 16% y-o-y (FX-adjusted), mainly due to the government's and the national bank's subsidized loan programmes (baby loan, CSOK housing loan, green mortgage loan, home renovation loan, Széchenyi Card scheme, Gábor Baross Reindustrialization Loan Program). In the higher rate environment the pace of lending

[3] The full-year amount of the windfall tax was booked in one sum in 1Q 2023 based on Government Decree No. 197/2022 (VI. 4.) and Government Decree No. 257/2022. (VII. 18.). However, Government Decree No. 144/2023 published on 24 April amended the previous calculation method of windfall tax, according to which the windfall tax burden for 2023 will be lower than previously calculated. The difference between the two numbers will be booked in 2Q.

[4] One-off items affecting 1Q 2023 (a total of -HUF 2.6 billion): the full annual amount of the financial transaction tax to be paid for bank card transactions, in a lump sum and in advance, based on the transaction data of the preceding year (-HUF 1.8 billion). Secondly, the -HUF 0.8 billion payment to the Resolution Fund for the whole year was already recorded in 1Q, in accordance with IFRS rules. The actual payments are deductible from the nominal amount of the financial transaction tax, the banking tax, or the corporate tax, therefore the accounted amount, as well as deductions are presented in the financial transaction tax in the adjusted P&L structure.

growth decelerated meaningfully: in 1Q performing loans increased by 1% q-o-q, followed by the 2% growth over the previous quarter.

Over both time horizons, loan growth was driven by the corporate segment (+34% y-o-y, +3% q-o-q), within that especially the Széchenyi Card MAX+ scheme and the Gábor Baross program generated new volumes. Under the Széchenyi Card MAX+ scheme, in 1Q 2023 OTP Bank signed loan agreements worth HUF 77 billion, whereas contractual amounts under the Gábor Baross program reached HUF 100 billion till the end of April. The micro- and small enterprises loan volumes expanded 1% q-o-q.

As for the retail segment, performing consumer loans grew 1% q-o-q, within that cash loans showed 2% dynamics and baby loans also expanded moderately further, despite their contracted amount dropping from HUF 50 billion in 4Q to HUF 15 billion in 1Q.

The volume of performing mortgage loans declined by 1% q-o-q, thus the y-o-y growth rate melted down to 1%. Mortgage loan applications registered in 1Q fell to their lowest level since 2Q 2015, after eroding by 19% q-o-q; the y-o-y dynamics of -79% was to a great extent shaped by the huge demand for green mortgages in the base period. Demand for market-based mortgage loans declined by 47% y-o-y.

The quarterly average volume of assets held with the central bank increased q-o-q, within that overnight deposits grew, but longer term deposits declined, whereas mandatory reserves remained pretty stable q-o-q.

Customer deposits (together with retail bonds) eroded by 1% q-o-q, but showed a 1% increase y-o-y on an FX-adjusted basis. Retail deposits (including retail bonds) remained stable in the first quarter, thanks to the significant pick-up in the volume of outstanding retail bonds. The outflow from large corporate deposits was partly offset by the seasonally higher municipal deposits. The net loan to (deposit + retail bonds) ratio went up by 8 pps y-o-y to 57% (FX-adjusted).

As for international bond issuances, there were 2 transactions in 3Q and one in 4Q 2022, in the total notional of EUR 1,050 million and USD 60 million. Furthermore, in the middle of February 2023 subordinated (Tier2) bonds were issued with notional of USD 650 million.

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	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	1,155	5,598	2,439	-56%	111%
Income tax	-171	-695	-285	-59%	67%
Profit before income tax	1,326	6,293	2,724	-57%	105%
Operating profit	1,401	6,221	2,724	-56%	94%
Total income	1,996	7,683	3,760	-51%	88%
Net fees and commissions	2,156	7,519	3,583	-52%	66%
Other net non-interest income	-160	164	176	7%	
Operating expenses	-594	-1,462	-1,037	-29%	74%
Other provisions	-75	72	0	-100%	-100%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	21,470	27,718	27,948	1%	30%
Total shareholders' equity	8,733	16,993	11,506	-32%	32%
Asset under management in HUF billion	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Assets under management, total (w/o duplicates)[1]	**1,229**	**1,782**	**2,068**	**16%**	**68%**
Volume of investment funds (closing, w/o duplicates)	849	1,388	1,666	20%	96%
Volume of managed assets (closing)	379	393	403	2%	6%
Volume of investment funds (closing, with duplicates)[2]	**1,350**	**1,869**	**2,150**	**15%**	**59%**
bond	413	665	917	38%	122%
equity	296	296	287	-3%	-3%
absolute return fund	269	288	299	4%	11%
money market	4	287	307	7%	
mixed	325	285	282	-1%	-13%
commodity market	43	49	53	8%	22%
guaranteed	0	0	5		

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

In the first quarter of 2023, **OTP Fund Management** generated HUF 2.4 billion profit after tax, thereby doubling the earnings of the same period of the previous year. The q-o-q drop is attributable to the HUF 4.8 billion success fee income in 4Q 2022.

Within first-quarter net fees and commissions, the income from assets under management has surged by 40% q-o-q after adjustment for the success fee earned in 4Q 2022. This can be explained by the expansion in managed volumes (with duplications), as well as by the increase in the rate of average fund management fee (1Q 2023: 1.3%, +30 bps y-o-y). The y-o-y change in income from commissions (+66%) was in line with the annual growth dynamics (+68%) of managed volumes.

Quarterly operating expenses fell by 29% q-o-q, owing to the base effect of bonus payments in the previous quarter, and because of the seasonality of administrative costs. The 74% y-o-y growth was a technical one, as the release of provisions for personnel expenses for the previous year had been recorded in 1Q 2022.

In the first months of 2023, Hungary's investment funds saw an uninterrupted inflow of wealth; in particular, bond funds increased, driven by high yields on government securities. Likewise, OTP Fund Management saw its bond funds expanding at the fastest rate (+38% q-o-q). Overall, the volume of investment funds managed by OTP Fund Management exceeded HUF 2,000 billion (15% q-o-q, and 59% y-o-y) by the end of March – this is a milestone in the Company's history and is exceptional in Hungary's fund management market.

Thus, the Company reinforced its leading position in the market of securities; its market share rose by 1.1 pps, to 28.2% by the end of March 2023.

MERKANTIL GROUP (HUNGARY)

Performance of Merkantil Group:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	4,372	3,462	4,524	31%	3%
Income tax	-517	-574	-477	-17%	-8%
Profit before income tax	4,888	4,035	5,001	24%	2%
Operating profit	2,871	4,496	4,398	-2%	53%
Total income	5,284	7,537	7,289	-3%	38%
Net interest income	4,809	7,141	6,921	-3%	44%
Net fees and commissions	143	298	200	-33%	41%
Other net non-interest income	332	98	168	70%	-50%
Operating expenses	-2,413	-3,041	-2,890	-5%	20%
Total provisions	2,018	-461	602		-70%
Provision for impairment on loan losses	2,050	-1,237	650		-68%
Other provision	-32	776	-48		49%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	770,398	948,735	934,619	-1%	21%
Gross customer loans	446,015	532,054	538,589	1%	21%
Gross customer loans (FX-adjusted)	446,743	530,160	538,589	2%	21%
Stage 1+2 customer loans (FX-adjusted)	435,755	516,096	524,676	2%	20%
Retail loans	4,379	3,145	3,018	-4%	-31%
Corporate loans	49,432	130,644	139,790	7%	183%
Leasing	381,944	382,308	381,862	0%	0%
Allowances for possible loan losses	-9,905	-12,436	-11,925	-4%	20%
Allowances for possible loan losses (FX-adjusted)	-9,922	-12,397	-11,925	-4%	20%
Deposits from customers	7,709	6,151	5,609	-9%	-27%
Deposits from customers (FX-adjusted)	7,709	6,151	5,609	-9%	-27%
Retail deposits	4,751	3,713	3,290	-11%	-31%
Corporate deposits	2,958	2,438	2,319	-5%	-22%
Liabilities to credit institutions	673,620	852,738	838,328	-2%	24%
Total shareholders' equity	54,591	57,591	56,156	-2%	3%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	368,964	453,307	461,965	2%	25%
Stage 1 loans under IFRS 9/gross customer loans	82.7%	85.2%	85.8%	0.6%p	3.0%p
Own coverage of Stage 1 loans under IFRS 9	0.4%	0.4%	0.5%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	66,106	64,627	62,704	-3%	-5%
Stage 2 loans under IFRS 9/gross customer loans	14.8%	12.1%	11.6%	-0.5%p	-3.2%p
Own coverage of Stage 2 loans under IFRS 9	4.9%	4.5%	4.3%	-0.1%p	-0.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	10,946	14,120	13,920	-1%	27%
Stage 3 loans under IFRS 9/gross customer loans	2.5%	2.7%	2.6%	-0.1%p	0.1%p
Own coverage of Stage 3 loans under IFRS 9	48.7%	53.1%	51.0%	-2.1%p	2.3%p
Provision for impairment on loan losses/average gross loans	-1.87%	0.93%	-0.49%	-1.42%p	1.38%p
90+ days past due loan volume (in HUF million)	3,480	3,655	4,118	13%	18%
90+ days past due loans/gross customer loans	0.8%	0.7%	0.8%	0.1%p	0.0%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	2.3%	1.4%	1.9%	0.5%p	-0.4%p
ROE	29.9%	23.9%	32.3%	8.4%p	2.3%p
Total income margin	2.78%	3.15%	3.13%	-0.02%p	0.35%p
Net interest margin	2.53%	2.99%	2.97%	-0.01%p	0.44%p
Operating costs / Average assets	1.3%	1.3%	1.2%	0.0%p	0.0%p
Cost/income ratio	45.7%	40.4%	39.7%	-0.7%p	-6.0%p

In the first quarter of 2023, **Merkantil Group** posted HUF 4.5 billion adjusted profit after tax (+3% y-o-y, +31% q-o-q); its ROE was 32.3%.

The operating profit jumped by 53% y-o-y, driven by a 38% surge in total income. Net interest income grew by 44% y-o-y, on the strength of increased volumes and a 44 bps improvement of net interest margin. In 1Q net interest income declined by 3% q-o-q.

Operating expenses dropped by 5% compared to the previous quarter (+20% y-o-y), but the cost/income ratio fell below 40%. The year-on-year growth was attributable to higher personnel expenses and marketing costs.

In the first quarter, HUF 0.6 billion loan-loss-related provision was released on the total risk cost line, owing to the improvement in portfolio quality indicators and because of a release on an individually assessed bigger deal.

The ratio of Stage 3 loans declined by 0.1 pp y-o-y, to 2.6%, while that of Stage 2 loans fell to 11.6%.

The y-o-y loan dynamics was materially influenced by an intragroup deal relating to the M12 office building, which increased Merkantil Group’s corporate loan volumes, but was eliminated at consolidated level. Without this amount, the FX-adjusted performing (Stage 1+2) loans grew by 9% y-o-y, mostly driven by corporate loan volumes’ 79% expansion, while leasing exposures stagnated.

In July 2021, Hungary introduced preferential, subsidized funding for micro and small enterprises through the KAVOSZ Széchenyi Card system. Under the programme, Merkantil Bank has signed loan agreements worth HUF 94 billion (2022: HUF 84 billion; 1Q 2023: HUF 10 billion).

The volume of newly extended car loans surged 33% q-o-q in the first three months of the year.

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	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	21,064	43,407	35,601	-18%	69%
Income tax	-2,375	-4,756	-3,696	-22%	56%
Profit before income tax	23,439	48,163	39,298	-18%	68%
Operating profit	28,888	45,077	39,586	-12%	37%
Total income	47,777	70,314	70,847	1%	48%
Net interest income	29,892	44,722	49,512	11%	66%
Net fees and commissions	15,374	17,854	17,224	-4%	12%
Other net non-interest income	2,511	7,738	4,110	-47%	64%
Operating expenses	-18,888	-25,237	-31,261	24%	66%
Total provisions	-5,449	3,086	-288	-109%	-95%
Provision for impairment on loan losses	-5,637	816	-390	-148%	-93%
Other provision	188	2,270	102	-96%	-46%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	4,769,003	5,946,815	5,934,895	0%	24%
Gross customer loans	3,084,365	3,584,751	3,598,556	0%	17%
Gross customer loans (FX-adjusted)	3,179,350	3,412,084	3,598,556	5%	13%
Stage 1+2 customer loans (FX-adjusted)	2,989,846	3,291,802	3,481,351	6%	16%
Retail loans	1,712,007	1,907,050	1,954,621	2%	14%
Corporate loans	1,057,245	1,119,338	1,248,303	12%	18%
Leasing	220,594	265,414	278,427	5%	26%
Allowances for possible loan losses	-198,373	-154,361	-146,356	-5%	-26%
Allowances for possible loan losses (FX-adjusted)	-204,475	-146,929	-146,356	0%	-28%
Deposits from customers	3,876,138	4,893,078	4,794,097	-2%	24%
Deposits from customers (FX-adjusted)	3,999,425	4,652,783	4,794,097	3%	20%
Retail deposits	3,465,237	3,816,001	3,902,008	2%	13%
Corporate deposits	534,188	836,782	892,089	7%	67%
Liabilities to credit institutions	106,413	152,193	183,444	21%	72%
Total shareholders' equity	638,352	779,095	730,253	-6%	14%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	2,629,722	3,177,291	3,229,760	2%	23%
Stage 1 loans under IFRS 9/gross customer loans	85.3%	88.6%	89.8%	1.1%p	4.5%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.1%	1.1%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	270,793	281,096	251,591	-10%	-7%
Stage 2 loans under IFRS 9/gross customer loans	8.8%	7.8%	7.0%	-0.8%p	-1.8%p
Own coverage of Stage 2 loans under IFRS 9	16.7%	16.0%	15.9%	-0.1%p	-0.8%p
Stage 3 loan volume under IFRS 9 (in HUF million)	183,851	126,364	117,205	-7%	-36%
Stage 3 loans under IFRS 9/gross customer loans	6.0%	3.5%	3.3%	-0.3%p	-2.7%p
Own coverage of Stage 3 loans under IFRS 9	69.0%	60.2%	61.1%	1.0%p	-7.8%p
Provision for impairment on loan losses/average gross loans	0.77%	-0.09%	0.04%	0.13%p	-0.72%p
90+ days past due loan volume (in HUF million)	117,853	65,240	63,739	-2%	-46%
90+ days past due loans/gross customer loans	3.8%	1.8%	1.8%	0.0%p	-2.0%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	1.8%	2.9%	2.5%	-0.5%p	0.6%p
ROE	12.4%	22.2%	19.0%	-3.2%p	6.6%p
Total income margin	4.19%	4.75%	4.88%	0.13%p	0.69%p
Net interest margin	2.62%	3.02%	3.41%	0.39%p	0.79%p
Operating costs / Average assets	1.66%	1.71%	2.15%	0.45%p	0.50%p
Cost/income ratio	39.5%	35.9%	44.1%	8.2%p	4.6%p
Net loans to deposits (FX-adjusted)	74%	70%	72%	2%p	-2%p
FX rates (in HUF)	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/BGN (closing)	189.0	204.6	194.8	-5%	3%
HUF/BGN (average)	186.5	210.1	198.8	-5%	7%

In the first quarter of 2023, **DSK Group** posted HUF 35.6 billion adjusted profit after tax (-18% q-o-q, +69% y-o-y). First-quarter ROE reached 19%.

The improving total income (in BGN: +6% q-o-q, +39% y-o-y) was driven by the expansion of the net interest income: in local currency, net interest income was 55% higher y-o-y, and grew by 17% q-o-q. The better result is attributable to the loan books, particularly to the dynamically expanding and typically EURIBOR-linked corporate portfolios with variable interest rates, as well as to the increasing returns realized on financial instruments. The slower increase in the average interest rate on deposits supported the improvement of the quarterly net interest margin (by 39 bps q-o-q and 79 bps y-o-y), to 3.41%.

Net fee income grew by 2% q-o-q in local currency (in HUF: -4%), which was primarily due to rising fee income related to corporate loans and accounts.

The 47% q-o-q decline in other net non-interest income is explained on one hand by the outstanding 4Q base that was mainly due to incomes related to real estate sale, and on the other hand by the revaluation effect of repo and swap transactions related to intragroup placements.

Operating expenses in local currency jumped by 55% year-on-year, mainly as a result of the increase in supervisory fees (+9 billion HUF y-o-y), excluding this item, the cost increase was below 10% y-o-y. The 31% increase in operating costs q-o-q was the result of the lump sum payment of the annual supervision fees (almost HUF 11 billion) in January, without which there was a cost reduction q-o-q. The decrease in the number of employees (-328) was due to the fact that the Group sold its subsidiary providing security and ATM services (Trans Security) in January.

In the first quarter, loan loss provisions were created mainly on consumer loans due to the increase of the Stage 3 portfolios. In case of mortgage loans, provisions were released due to the improved portfolio quality, which was partially offset by the reserve created for the growth of the Stage 1 portfolio. In the first quarter, release was made on other risk costs, in line with the decrease in interbank placement volumes.

Overall, loan quality improved; the ratio of Stage 1 loans rose to 89.8% (+4.5 pps y-o-y, +1.1 pps q-o-q). As a result of a comprehensive programme launched in 2022 to improve the collection procedures and to reduce the share of non-performing loans, the volume of Stage 3 loans dropped by 7% in the first quarter (-36% y-o-y). The ratio of Stage 2 and Stage 3 loans contracted both y-o-y and q-o-q.

Performing (Stage 1+2) loans grew by 16% y-o-y and 6% q-o-q (FX-adjusted); the latter was bolstered by the outstanding increase in corporate volumes (+12% q-o-q). The bank’s performing retail loan volume increased by 14% y-o-y, and 2% q-o-q (FX-adjusted). New leasing deals continued to expand in the first quarter, the performing stock increased both on an annual and a quarterly base, volumes were elevated by the refinancing of the Slovenian leasing entity that was carved out of the NKBM deal.

Deposit volumes have declined since the end of last year in the Bulgarian market, yet DSK Bank could grow in both its retail and corporate segments. The FX-adjusted deposit book increased by 20% y-o-y, and 3% q-o-q.

The Bulgarian operation's capital and liquidity position is stable. The net loan/deposit ratio was 72% at the end of March.

OTP BANK SLOVENIA

Performance of OTP Bank Slovenia:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	4,937	5,348	20,265	279%	310%
Income tax	-1,246	-1,321	-2,382	80%	91%
Profit before income tax	6,184	6,669	22,647	240%	266%
Operating profit	4,145	7,644	22,247	191%	437%
Total income	11,060	15,050	38,955	159%	252%
Net interest income	6,931	10,598	29,611	179%	327%
Net fees and commissions	3,690	3,659	8,416	130%	128%
Other net non-interest income	440	793	928	17%	111%
Operating expenses	-6,915	-7,406	-16,708	126%	142%
Total provisions	2,038	-974	400	-141%	-80%
Provision for impairment on loan losses	2,093	140	883	529%	-58%
Other provision	-55	-1,115	-484	-57%	778%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	1,441,088	1,790,944	5,531,731	209%	284%
Gross customer loans	1,030,595	1,204,641	2,867,528	138%	178%
Gross customer loans (FX-adjusted)	1,062,442	1,146,617	2,867,528	150%	170%
Stage 1+2 customer loans (FX-adjusted)	1,049,457	1,133,114	2,839,114	151%	171%
Retail loans	497,968	526,089	1,512,755	188%	204%
Corporate loans	377,303	429,807	1,148,070	167%	204%
Leasing	174,186	177,218	178,289	1%	2%
Allowances for possible loan losses	-15,484	-14,637	-24,933	70%	61%
Allowances for possible loan losses (FX-adjusted)	-15,965	-13,930	-24,933	79%	56%
Deposits from customers	1,225,875	1,466,625	4,481,966	206%	266%
Deposits from customers (FX-adjusted)	1,264,131	1,395,398	4,481,964	221%	255%
Retail deposits	925,711	1,002,619	3,808,391	280%	311%
Corporate deposits	338,421	392,779	673,573	71%	99%
Liabilities to credit institutions	10,073	68,172	142,024	108%	
Total shareholders' equity	176,647	194,843	588,896	202%	233%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	907,327	1,062,588	2,707,407	155%	198%
Stage 1 loans under IFRS 9/gross customer loans	88.0%	88.2%	94.4%	6.2%p	6.4%p
Own coverage of Stage 1 loans under IFRS 9	0.3%	0.2%	0.4%	0.2%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	110,679	127,866	131,706	3%	19%
Stage 2 loans under IFRS 9/gross customer loans	10.7%	10.6%	4.6%	-6.0%p	-6.1%p
Own coverage of Stage 2 loans under IFRS 9	4.9%	2.4%	2.7%	0.3%p	-2.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	12,590	14,188	28,414	100%	126%
Stage 3 loans under IFRS 9/gross customer loans	1.2%	1.2%	1.0%	-0.2%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	59.8%	68.4%	38.8%	-29.6%p	-21.1%p
Provision for impairment on loan losses/average gross loans	-0.84%	-0.04%	-0.18%	-0.13%p	0.67%p
90+ days past due loan volume (in HUF million)	4,595	5,831	10,413	79%	127%
90+ days past due loans/gross customer loans	0.4%	0.5%	0.4%	-0.1%p	-0.1%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	1.4%	1.2%	2.2%	1.0%p	0.8%p
ROE	11.4%	10.8%	21.2%	10.5%p	9.9%p
Total income margin	3.18%	3.40%	4.32%	0.92%p	1.14%p
Net interest margin	1.99%	2.40%	3.28%	0.89%p	1.29%p
Operating costs / Average assets	1.99%	1.67%	1.85%	0.18%p	-0.14%p
Cost/income ratio	62.5%	49.2%	42.9%	-6.3%p	-19.6%p
Net loans to deposits (FX-adjusted)	83%	81%	63%	-18%p	-19%p
FX rates (in HUF)	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	369.6	400.3	381.0	-5%	3%
HUF/EUR (average)	364.8	410.9	388.7	-5%	7%

On 31 January 2023, Slovenia's competition authority approved the purchase of Nova KBM d.d. ('NKBM'), and the financial closure of the transaction was completed on 6 February 2023. The balance sheet and P/L figures of the purchased bank are included into OTP Group's consolidated figures from February 2023. By acquiring NKBM, the Slovenian operation became a major member of OTP Group, beside Bulgaria's DSK Bank, both in terms of size and profit contribution.

OTP's **Slovenian subsidiaries** realized HUF 20.3 billion total adjusted profit after tax in the first quarter of 2023, including SKB's HUF 6.8 billion quarterly earnings, and the newly acquired NKBM's two-month profit of HUF 13.5 billion. What distorts the profit dynamic is that the first-quarter profit made in Slovenia includes two months' contribution from NKBM, and the average exchange rate of the HUF appreciated by 5% q-o-q versus the EUR.

The earnings predominantly stemmed from the strong operating profit: net interest income made up 75% of the HUF 39 billion total income (including NKBM's two-month contribution of HUF 23 billion): the 100 bps interest rate hike by the ECB in the first quarter had a positive effect on interest income, which was near HUF 30 billion in the first quarter (NKBM: HUF 17.7 billion). However, net fee and commission income rose modestly, as a result of the subdued lending activity. NKBM contributed HUF 4.8 billion to the HUF 8.4 billion fee and commission income. The weight of other net non-interest income within income was modest (HUF 0.9 billion).

Quarterly operating expenses made up HUF 16.7 billion; almost half of that was at NBKM.

The most important financial indicators of the Slovenian operation played out positively in the first quarter: NIM was at 3.28%, and the cost/income ratio was at 42.9%. As a result of the consolidation, the so called initial risk costs comprised around HUF 10 billion; that was booked within consolidated adjustment items.

In the first quarter of 2023, the Slovenian operation's ROE was 21.2%, one of the highest ratios in the Group.

Loan portfolio quality was stable: the ratio of Stage 3 and Stage 2 loans was 1% and 4.6%, respectively. The own provision coverage of Stage 3 loans was 38.8%, lower than the Group average. Stage 3 loans were netted with the respective provisions upon NKBM's consolidation.

The volume of Stage 1+2 loans exceeded HUF 2,800 billion, which makes up 14.3% of the consolidated volume. As a result of NKBM's consolidation, the performing loan volume grew by 1.709 billion. Within the portfolio, corporate exposures have the largest share (40.4%), followed by mortgage loans (almost 32%), and consumer loans (13%). The SME exposure's weight is 9%, and that of leasing is 6%. The aggregate market share of OTP's Slovenian operation by end of March 2023 within net loans was 28%, and 30% of deposits, respectively.

The consolidated bank's net loan/deposit ratio of 61% is much lower than SKB's 88% level. NKBM increased the consolidated deposit volumes by HUF 3.106 billion. Retail volumes make up 69% of total deposits.

Unlike SKB, NKBM is not part of OTP's Resolution Group. Accordingly, it manages its issuances for MREL requirements independently, and is likely to enter the market with a EUR 400 million Senior Preferred debt issue in 2023.

The legal and organizational integration of SKB and NKBM began in February 2023, and the management expects it to be completed in 2H 2024. Upon the completion of the integration the management assumes material cost synergy benefits.

OTP BANK CROATIA

Performance of OTP Bank Croatia:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	11,074	4,990	12,801	157%	16%
Income tax	-2,350	-947	-2,312	144%	-2%
Profit before income tax	13,424	5,937	15,113	155%	13%
Operating profit	9,933	12,196	13,809	13%	39%
Total income	21,704	27,376	27,278	0%	26%
Net interest income	15,408	19,258	20,354	6%	32%
Net fees and commissions	4,822	6,353	5,453	-14%	13%
Other net non-interest income	1,474	1,765	1,471	-17%	0%
Operating expenses	-11,771	-15,180	-13,469	-11%	14%
Total provisions	3,491	-6,259	1,304	-121%	-63%
Provision for impairment on loan losses	3,786	-4,041	2,031	-150%	-46%
Other provision	-295	-2,219	-728	-67%	146%
Main components of balance sheet closing balances in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Total assets	2,577,310	3,224,955	2,885,799	-11%	12%
Gross customer loans	1,871,442	2,263,825	2,173,864	-4%	16%
Gross customer loans (FX-adjusted)	1,933,744	2,155,033	2,173,864	1%	12%
Stage 1+2 customer loans (FX-adjusted)	1,789,142	2,048,886	2,069,906	1%	16%
Retail loans	926,786	1,023,656	1,035,353	1%	12%
Corporate loans	738,086	884,215	884,590	0%	20%
Leasing	124,270	141,015	149,963	6%	21%
Allowances for possible loan losses	-106,262	-108,490	-102,246	-6%	-4%
Allowances for possible loan losses (FX-adjusted)	-109,886	-103,276	-102,246	-1%	-7%
Deposits from customers	1,860,216	2,381,977	2,092,531	-12%	12%
Deposits from customers (FX-adjusted)	1,924,018	2,264,631	2,092,531	-8%	9%
Retail deposits	1,448,747	1,688,947	1,625,924	-4%	12%
Corporate deposits	475,271	575,684	466,607	-19%	-2%
Liabilities to credit institutions	278,346	337,047	292,031	-13%	5%
Total shareholders' equity	340,162	390,583	356,124	-9%	5%
Loan Quality	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,511,747	1,886,633	1,839,303	-3%	22%
Stage 1 loans under IFRS 9/gross customer loans	80.8%	83.3%	84.6%	1.3%p	3.8%p
Own coverage of Stage 1 loans under IFRS 9	0.5%	0.5%	0.5%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	219,848	265,568	230,603	-13%	5%
Stage 2 loans under IFRS 9/gross customer loans	11.7%	11.7%	10.6%	-1.1%p	-1.1%p
Own coverage of Stage 2 loans under IFRS 9	5.4%	7.3%	7.8%	0.4%p	2.4%p
Stage 3 loan volume under IFRS 9 (in HUF million)	139,847	111,624	103,959	-7%	-26%
Stage 3 loans under IFRS 9/gross customer loans	7.5%	4.9%	4.8%	-0.1%p	-2.7%p
Own coverage of Stage 3 loans under IFRS 9	62.4%	70.6%	71.5%	0.9%p	9.1%p
Provision for impairment on loan losses/average gross loans	-0.85%	0.69%	-0.38%	-1.06%p	0.48%p
90+ days past due loan volume (in HUF million)	73,077	71,800	67,620	-6%	-7%
90+ days past due loans/gross customer loans	3.9%	3.2%	3.1%	-0.1%p	-0.8%p
Performance Indicators	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
ROA	1.8%	0.6%	1.7%	1.1%p	0.0%p
ROE	13.0%	4.9%	13.7%	8.8%p	0.7%p
Total income margin	3.47%	3.37%	3.67%	0.29%p	0.20%p
Net interest margin	2.46%	2.37%	2.74%	0.36%p	0.27%p
Operating costs / Average assets	1.88%	1.87%	1.81%	-0.06%p	-0.07%p
Cost/income ratio	54.2%	55.4%	49.4%	-6.1%p	-4.9%p
Net loans to deposits (FX-adjusted)	95%	91%	99%	8%p	4%p
FX rates (in HUF)	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
HUF/HRK (closing)	48.8	53.1	50.6	-5%	4%
HUF/HRK (average)	48.4	54.5	52.1	-4%	8%
HUF/EUR (closing)	369.6	400.3	381.0	-5%	3%
HUF/EUR (average)	364.8	410.9	388.7	-5%	7%

The **Croatian bank** realized almost HUF 13 billion profit after tax in the first quarter of 2023, thus its profit surged by 16% y-o-y, and increased more than two and a half times q-o-q.

On 1 January 2023, Croatia adopted the euro. The necessary conversion of loan and deposit volumes, as well as the smooth transition of the bank's IT systems were all accomplished.

In 1Q 2023 credit risk costs had a major impact on P&L developments. Back in the first quarter of 2022, the release of HUF 3.8 billion loan loss provision supported profit (as retail mortgage loans that were no longer subject to the moratorium were reclassified into a better risk category), while in the fourth quarter of 2022, HUF 4 billion credit risk cost weighed on profit, due to the revision of the risk model parameters. However, in the first quarter of 2023, HUF 2 billion positive credit risk cost was recorded, mainly relating to the corporate loan segment, as loans were reclassified as Stage 1 from Stage 2, but also due to Stage 3 loan repayments. Furthermore, HUF 0.7 billion other risk cost emerged in the first quarter of 2023, owing to impairment on repo receivables and provisions for lawsuits.

Operating profit improved both y-o-y and q-o-q (by 39% and 13%, respectively). Within that, the first-quarter net interest income grew both y-o-y and q-o-q; as in all loan categories, performing (Stage 1+2) loan books grew by double digits y-o-y, and interest rates on newly disbursed loans increased. Thus, the overall net interest margin rose in both y-o-y and q-o-q comparison (by 27 and 36 bps, respectively), to 2.74% in 1Q.

Owing to the euro adoption at the beginning of the year, and because of seasonal effects, first-quarter net fees and commissions dropped by 14%; the EUR adoption resulted lower commissions from deposits, cash transactions and card usage.

Operating expenses dropped by 11% q-o-q on account of additional costs related to the euro adoption at the beginning of 2023, the high base in expert fees, and q-o-q savings on marketing expenses. Overall, the cost/income ratio declined by 6.1 pps, to 49.4% in the first quarter.

The ratio of Stage 3 loans declined further in the first quarter of 2023; it made up 4.8% of the portfolio at the end of March. The overall improvement of the loan portfolio and the repayment of large corporations' Stage 3 loans both supported the contraction of volumes. The own provision coverage of Stage 3 loans is still improving: it was at 71.5% at the end of March (+0.9 pp q-o-q, and +9.1 pps y-o-y).

FX-adjusted performing (Stage 1+2) loans grew by 16% y-o-y and stagnated q-o-q. The retail segment's y-o-y growth benefited from the subsidized housing loan facility for first home buyers, under the scheme restarted on 21 March 2022. The corporate loan book grew by 20% y-o-y.

The FX-adjusted deposit book expanded by 9% y-o-y but shrank by 8% q-o-q. In the case of retail deposits, one reason for the decline was seasonality: prior to the tourist season, the furnishing, maintenance, and refurbishment of apartments began, and new investments started what induced deposit withdrawal. Also, government bond issued in February attracted savings by offering better interest rates than deposits. Deposits from large corporates contracted by 19% q-o-q, owing to the general course of business, and because a large corporate customer repaid its own intragroup loan.

OTP BANK SERBIA

Performance of OTP Bank Serbia:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	10,860	4,421	16,429	272%	51%
Income tax	-1,541	-1,280	-2,463	92%	60%
Profit before income tax	12,401	5,701	18,891	231%	52%
Operating profit	10,954	19,174	18,941	-1%	73%
Total income	21,480	31,412	30,681	-2%	43%
Net interest income	15,788	23,171	24,221	5%	53%
Net fees and commissions	3,695	5,040	4,179	-17%	13%
Other net non-interest income	1,997	3,201	2,281	-29%	14%
Operating expenses	-10,526	-12,238	-11,740	-4%	12%
Total provisions	1,447	-13,473	-49	-100%	-103%
Provision for impairment on loan losses	1,588	-12,954	-41	-100%	-103%
Other provision	-141	-519	-8	-98%	-94%
Main components of balance sheet closing balances in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Total assets	2,265,173	2,708,993	2,621,118	-3%	16%
Gross customer loans	1,782,049	2,038,480	1,907,699	-6%	7%
Gross customer loans (FX-adjusted)	1,839,395	1,941,105	1,907,699	-2%	4%
Stage 1+2 customer loans (FX-adjusted)	1,785,456	1,891,950	1,855,951	-2%	4%
Retail loans	829,313	863,942	853,483	-1%	3%
Corporate loans	870,204	932,882	909,148	-3%	4%
Leasing	85,939	95,126	93,320	-2%	9%
Allowances for possible loan losses	-43,759	-62,386	-63,815	2%	46%
Allowances for possible loan losses (FX-adjusted)	-45,218	-59,419	-63,815	7%	41%
Deposits from customers	1,227,780	1,551,143	1,512,933	-2%	23%
Deposits from customers (FX-adjusted)	1,269,161	1,476,057	1,512,933	2%	19%
Retail deposits	761,987	825,417	823,820	0%	8%
Corporate deposits	507,174	650,639	689,112	6%	36%
Liabilities to credit institutions	627,269	682,615	646,834	-5%	3%
Total shareholders' equity	309,928	358,120	356,819	0%	15%
Loan Quality	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	1,620,924	1,764,677	1,632,249	-8%	1%
Stage 1 loans under IFRS 9/gross customer loans	91.0%	86.6%	85.6%	-1.0%p	-5.4%p
Own coverage of Stage 1 loans under IFRS 9	0.6%	0.9%	0.9%	0.0%p	0.3%p
Stage 2 loan volume under IFRS 9 (in HUF million)	108,948	222,202	223,702	1%	105%
Stage 2 loans under IFRS 9/gross customer loans	6.1%	10.9%	11.7%	0.8%p	5.6%p
Own coverage of Stage 2 loans under IFRS 9	5.8%	7.0%	7.4%	0.4%p	1.7%p
Stage 3 loan volume under IFRS 9 (in HUF million)	52,177	51,601	51,748	0%	-1%
Stage 3 loans under IFRS 9/gross customer loans	2.9%	2.5%	2.7%	0.2%p	-0.2%p
Own coverage of Stage 3 loans under IFRS 9	53.8%	59.8%	63.0%	3.2%p	9.2%p
Provision for impairment on loan losses/average gross loans	-0.37%	2.44%	0.01%	-2.44%p	0.38%p
90+ days past due loan volume (in HUF million)	35,502	34,516	36,194	5%	2%
90+ days past due loans/gross customer loans	2.0%	1.7%	1.9%	0.2%p	-0.1%p
Performance Indicators	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
ROA	2.0%	0.6%	2.6%	1.9%p	0.6%p
ROE	14.5%	4.8%	18.8%	14.0%p	4.3%p
Total income margin	3.91%	4.52%	4.78%	0.26%p	0.87%p
Net interest margin	2.87%	3.33%	3.77%	0.44%p	0.90%p
Operating costs / Average assets	1.91%	1.76%	1.83%	0.07%p	-0.09%p
Cost/income ratio	49.0%	39.0%	38.3%	-0.7%p	-10.7%p
Net loans to deposits (FX-adjusted)	141%	127%	122%	-6%p	-19%p
FX rates (in HUF)	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
HUF/RSD (closing)	3.1	3.4	3.3	-5%	4%
HUF/RSD (average)	3.1	3.5	3.3	-5%	7%

The **Serbian banking group** generated HUF 16.4 billion adjusted profit in the first quarter of 2023, expanding by more than one and half times y-o-y and almost four times q-o-q.

On account of the strong income dynamics, the first-quarter operating profit jumped by 73% y-o-y, while operating expenses rose by 12% y-o-y. The q-o-q jump in performance was largely shaped by the risk costs recorded in the fourth quarter.

Despite the continued strong inflationary pressure, operating expenses were stable in local currency, both y-o-y and q-o-q. Almost 70% of the y-o-y growth in expenses stemmed from higher personnel costs, triggered by wage inflation, while the number of employees declined by 3% y-o-y (on FTE basis). Overall, cost efficiency indicators have improved: in the first quarter of 2023, the cost/income ratio (38.3%) was the third lowest among foreign group members.

In 1Q 2023, core banking revenues were favourable (+34% y-o-y in local currency), owing to the intensifying business activity. Within that, net interest income surged by 53% y-o-y, which partly stemmed from the increase in performing loan volumes, but the rising RSD and EUR interest rate environment also made its impact on the interest levels of predominantly variable-interest-rate loans, and through the deposit book's growth. The rising trend of net interest margin continued: a 44 bps q-o-q increase brought it to 3.77% by the end of March 2023.

Net fees and commissions dropped by 17% q-o-q, owing to seasonal effects: since in the first quarter transaction fees are typically lower q-o-q.

In the fourth quarter of 2022, q-o-q profit dynamics was predominantly shaped by the revision of IFRS 9 impairment model parameters, and the resulting additional risk cost provisions. In contrast, risk costs amounted to almost zero in the first quarter of 2023, as the deterioration of the cash loan book was offset by the release of provisions for certain large corporate exposures. The ratio of Stage 3 loans upped 0.2 pp q-o-q; their own provision coverage improved further, by 3.2 pps q-o-q, to 63.0%.

The performing (Stage 1+2) FX-adjusted loan book contracted by 2% q-o-q, as a result of a further rise in the interest rate environment and the stricter lending criteria for cash loans. In the rising interest rate environment, performing corporate loan volumes declined by 3% q-o-q.

The increase in the deposit book was mainly driven by deposits from large corporations. The bank's net loan/deposit ratio declined further (-6 pps q-o-q); it was at 122% at the end of March.

OTP BANK ALBANIA

Performance of OTP Bank Albania:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	2,261	2,954	3,812	29%	69%
Income tax	-379	-669	-591	-12%	56%
Profit before income tax	2,639	3,623	4,402	22%	67%
Operating profit	1,969	1,780	4,261	139%	116%
Total income	3,638	5,972	7,759	30%	113%
Net interest income	3,026	5,886	6,436	9%	113%
Net fees and commissions	449	906	867	-4%	93%
Other net non-interest income	163	-820	456		180%
Operating expenses	-1,669	-4,191	-3,498	-17%	110%
Total provisions	670	1,843	141	-92%	-79%
Provision for impairment on loan losses	666	1,474	124	-92%	-81%
Other provision	4	368	17	-95%	289%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	357,914	635,364	626,333	-1%	75%
Gross customer loans	231,336	370,875	351,765	-5%	52%
Gross customer loans (FX-adjusted)	246,333	353,907	351,765	-1%	43%
Stage 1+2 customer loans (FX-adjusted)	238,770	336,469	332,665	-1%	39%
Retail loans	94,368	149,909	148,687	-1%	58%
Corporate loans	140,336	182,593	179,635	-2%	28%
Leasing	4,066	3,967	4,344	9%	7%
Allowances for possible loan losses	-9,670	-16,208	-15,499	-4%	60%
Allowances for possible loan losses (FX-adjusted)	-10,294	-15,481	-15,499	0%	51%
Deposits from customers	258,960	516,668	491,362	-5%	90%
Deposits from customers (FX-adjusted)	276,541	493,142	491,362	0%	78%
Retail deposits	225,482	427,738	429,165	0%	90%
Corporate deposits	51,060	65,404	62,196	-5%	22%
Liabilities to credit institutions	56,921	30,279	37,998	25%	-33%
Total shareholders' equity	35,702	60,827	64,081	5%	79%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	208,866	318,215	302,167	-5%	45%
Stage 1 loans under IFRS 9/gross customer loans	90.3%	85.8%	85.9%	0.1%p	-4.4%p
Own coverage of Stage 1 loans under IFRS 9	1.1%	1.0%	1.0%	0.0%p	-0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	15,392	34,417	30,498	-11%	98%
Stage 2 loans under IFRS 9/gross customer loans	6.7%	9.3%	8.7%	-0.6%p	2.0%p
Own coverage of Stage 2 loans under IFRS 9	13.4%	9.4%	8.4%	-1.0%p	-5.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	7,078	18,243	19,099	5%	170%
Stage 3 loans under IFRS 9/gross customer loans	3.1%	4.9%	5.4%	0.5%p	2.4%p
Own coverage of Stage 3 loans under IFRS 9	74.5%	54.4%	52.6%	-1.9%p	-22.0%p
Provision for impairment on loan losses/average gross loans	-1.21%	-1.54%	-0.14%	1.40%p	1.07%p
90+ days past due loan volume (in HUF million)	3,611	11,050	11,476	4%	218%
90+ days past due loans/gross customer loans	1.6%	3.0%	3.3%	0.3%p	1.7%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	2.6%	1.8%	2.5%	0.7%p	-0.1%p
ROE	26.0%	19.7%	25.8%	6.1%p	-0.2%p
Total income margin	4.19%	3.66%	5.10%	1.44%p	0.91%p
Net interest margin	3.48%	3.61%	4.23%	0.62%p	0.75%p
Operating costs / Average assets	1.9%	2.6%	2.3%	-0.3%p	0.4%p
Cost/income ratio	45.9%	70.2%	45.1%	-25.1%p	-0.8%p
Net loans to deposits (FX-adjusted)	85%	69%	68%	0%p	-17%p
FX rates (in HUF)	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/ALL (closing)	3.0	3.5	3.4	-4%	11%
HUF/ALL (average)	3.0	3.5	3.4	-5%	12%

The consolidated financial statements include the acquired Alpha Bank Albania SH.A. bank's volumes from July 2022, while its profit contribution was consolidated into the Group's P&L account starting from August.

On 1 December 2022, Albania's Court of Registration registered the merger of Alpha Bank Albania SH.A. and Banka OTP Albania SH.A.

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

In the first quarter of 2023, **OTP Bank Albania** generated HUF 3.8 billion profit after tax (+29% q-o-q). This is consistent with 25.8% ROE.

In the first quarter, operating profit increased by 153% q-o-q in local currency, supported by 37% growth in total income and 12% decline in operating expenses.

Net interest income expanded by 15% q-o-q and net interest margin improved q-o-q in local currency, owing to the rising interest rate environment and the higher interest income from financial assets.

One reason for the q-o-q improvement in other net non-interest income was the strengthening of the local currency against the euro in the fourth quarter, which led to a loss on the open position; because the open position was closed, such effect was less typical for the first quarter. In addition, the results of real estate sales and of treasury activity improved other income in the first quarter.

The 12% q-o-q decline in operating expenses in local currency owed a lot to synergies relating to the acquisition, largely because of lower personnel costs and real estate-related expenses. The combined network in Albania shrank by a total of 19 units (-26%) and the number of employees declined by 70 people (-9%) since the end of September 2022.

The ratio of Stage 3 loans rose by 0.5 pp q-o-q, to 5.4%, while that of Stage 2 loans declined by 0.6 pp, to 8.7%, largely because some corporate loans were reclassified as Stage 3, from Stage 2. The q-o-q change in total risk cost was shaped by a one-off effect (the revision of risk parameters) in the base period.

The FX-adjusted performing (Stage 1+2) loan volume shrank by 1% q-o-q, but grew by 39% y-o-y (as a result of acquisition).

The FX-adjusted deposit book was stable q-o-q, but jumped by 78% y-o-y. The net loan/deposit ratio stood at 68% at the end of March 2023 (-17 pps y-o-y, mainly as a result of acquisition).

CKB GROUP (MONTENEGRO)

Performance of CKB Group:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-1,230	5,268	4,393	-17%	
Income tax	-60	-961	-742	-23%	
Profit before income tax	-1,170	6,229	5,134	-18%	
Operating profit	2,462	4,602	5,026	9%	104%
Total income	5,604	8,439	8,439	0%	51%
Net interest income	4,305	6,262	6,695	7%	55%
Net fees and commissions	1,239	1,887	1,500	-21%	21%
Other net non-interest income	60	290	245	-16%	310%
Operating expenses	-3,142	-3,837	-3,413	-11%	9%
Total provisions	-3,632	1,627	108	-93%	
Provision for impairment on loan losses	-1,644	1,739	347	-80%	
Other provision	-1,988	-112	-239	115%	-88%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	511,418	664,395	602,747	-9%	18%
Gross customer loans	386,795	447,921	432,986	-3%	12%
Gross customer loans (FX-adjusted)	398,694	426,367	432,986	2%	9%
Stage 1+2 customer loans (FX-adjusted)	372,794	405,438	412,140	2%	11%
Retail loans	171,554	184,576	188,092	2%	10%
Corporate loans	201,241	220,862	224,047	1%	11%
Allowances for possible loan losses	-25,309	-21,893	-21,109	-4%	-17%
Allowances for possible loan losses (FX-adjusted)	-26,088	-20,839	-21,109	1%	-19%
Deposits from customers	388,194	524,479	469,315	-11%	21%
Deposits from customers (FX-adjusted)	400,364	498,934	469,315	-6%	17%
Retail deposits	238,236	275,087	272,932	-1%	15%
Corporate deposits	162,128	223,847	196,383	-12%	21%
Liabilities to credit institutions	19,469	12,443	11,952	-4%	-39%
Total shareholders' equity	80,851	99,131	98,434	-1%	22%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	304,349	389,640	375,531	-4%	23%
Stage 1 loans under IFRS 9/gross customer loans	78.7%	87.0%	86.7%	-0.3%p	8.0%p
Own coverage of Stage 1 loans under IFRS 9	1.2%	1.2%	1.2%	0.0%p	-0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	57,319	36,294	36,609	1%	-36%
Stage 2 loans under IFRS 9/gross customer loans	14.8%	8.1%	8.5%	0.4%p	-6.4%p
Own coverage of Stage 2 loans under IFRS 9	8.1%	8.9%	8.6%	-0.3%p	0.5%p
Stage 3 loan volume under IFRS 9 (in HUF million)	25,126	21,987	20,847	-5%	-17%
Stage 3 loans under IFRS 9/gross customer loans	6.5%	4.9%	4.8%	-0.1%p	-1.7%p
Own coverage of Stage 3 loans under IFRS 9	67.4%	64.4%	65.3%	1.0%p	-2.1%p
Provision for impairment on loan losses/average gross loans	1.80%	-1.54%	-0.32%	1.22%p	-2.12%p
90+ days past due loan volume (in HUF million)	16,624	13,330	12,835	-4%	-23%
90+ days past due loans/gross customer loans	4.3%	3.0%	3.0%	0.0%p	-1.3%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	-1.0%	3.1%	2.9%	-0.3%p	3.8%p
ROE	-6.0%	21.2%	18.2%	-3.0%p	24.2%p
Total income margin	4.43%	5.00%	5.51%	0.51%p	1.08%p
Net interest margin	3.40%	3.71%	4.37%	0.66%p	0.97%p
Operating costs / Average assets	2.48%	2.27%	2.23%	-0.04%p	-0.25%p
Cost/income ratio	56.1%	45.5%	40.4%	-5.0%p	-15.6%p
Net loans to deposits (FX-adjusted)	93%	81%	88%	6%p	-5%p
FX rates (in HUF)	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/EUR (closing)	369.6	400.3	381.0	-5%	3%
HUF/EUR (average)	364.8	410.9	388.7	-5%	7%

The Montenegrin **CKB Group** generated HUF 4.4 billion adjusted profit after tax in 1Q 2023. In local currency, this is 12% less than in the previous quarter: despite a 15% improvement in operating profit in local currency, the write-back of provision for impairment has notably subsided since the previous quarter. The bank's cost efficiency is steadily improving: the cost/income ratio dropped by 15.6 pps y-o-y and by 5 pps q-o-q, to 40.4%. In 1Q two branches have been closed down.

In the first quarter of 2023, total income grew by 6% q-o-q in local currency (+41% y-o-y), as a result of a 13% increase in net interest income, a seasonal 16% decline in net fee and commission income, as well as 11% decline in other income. The increase in business turnover had a benign effect on income, while the quarterly net interest margin improved by 66 basis points q-o-q (+97 bps y-o-y).

Operating expenses rose by a mere 2% y-o-y in EUR, and dropped by 6% q-o-q, largely as a result of 10% lower other non-interest expenses and a 12% drop in depreciation and amortization, while personnel expenses were stable.

In the first quarter of 2023, risk cost added HUF 108 million to profit, as loan loss provisions were released.

The ratio of Stage 3 loans dropped to 4.8% (-1.7 pps y-o-y, -0.1 pp q-o-q) at the end of the first quarter. The own provision coverage of Stage 3 loans stood at 65.3% at the end of the first quarter of 2023 (+1 pp q-o-q).

Performing (Stage 1+2) loans rose by 11% y-o-y and 2% q-o-q (FX-adjusted). In the first quarter of 2023, the volume of new corporate and mortgage loan disbursements fell markedly q-o-q, but cash loan origination grew by 9%.

The FX-adjusted deposit book expanded by 17% y-o-y, but declined by 6% q-o-q. The net loan/deposit ratio stood at 88% at the end of the quarter (+6 pps q-o-q).

OTP BANK ROMANIA

Performance of OTP Bank Romania:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-1,759	4,121	1,250	-70%	
Income tax	-1	135	-286		
Profit before income tax	-1,759	3,986	1,535	-61%	
Operating profit	2,547	5,920	3,806	-36%	49%
Total income	14,067	18,313	17,001	-7%	21%
Net interest income	10,840	15,748	16,464	5%	52%
Net fees and commissions	1,155	1,300	1,720	32%	49%
Other net non-interest income	2,072	1,265	-1,184		
Operating expenses	-11,520	-12,393	-13,194	6%	15%
Total provisions	-4,306	-1,934	-2,271	17%	-47%
Provision for impairment on loan losses	-1,838	-2,383	-1,927	-19%	5%
Other provision	-2,468	448	-344		-86%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	1,435,490	1,687,581	1,586,147	-6%	10%
Gross customer loans	1,075,099	1,228,254	1,147,586	-7%	7%
Gross customer loans (FX-adjusted)	1,108,431	1,168,320	1,147,586	-2%	4%
Stage 1+2 customer loans (FX-adjusted)	1,049,624	1,107,237	1,081,805	-2%	3%
Retail loans	539,937	537,460	515,743	-4%	-4%
Corporate loans	459,695	509,547	505,850	-1%	10%
Leasing	49,992	60,229	60,212	0%	20%
Allowances for possible loan losses	-55,181	-62,442	-62,271	0%	13%
Allowances for possible loan losses (FX-adjusted)	-57,004	-59,348	-62,271	5%	9%
Deposits from customers	819,737	998,452	942,713	-6%	15%
Deposits from customers (FX-adjusted)	844,252	950,890	942,713	-1%	12%
Retail deposits	454,663	563,898	586,228	4%	29%
Corporate deposits	389,589	386,991	356,485	-8%	-8%
Liabilities to credit institutions	410,855	446,641	407,993	-9%	-1%
Total shareholders' equity	163,344	181,206	173,840	-4%	6%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	866,471	990,307	921,802	-7%	6%
Stage 1 loans under IFRS 9/gross customer loans	80.6%	80.6%	80.3%	-0.3%p	-0.3%p
Own coverage of Stage 1 loans under IFRS 9	1.0%	1.1%	1.2%	0.0%p	0.2%p
Stage 2 loan volume under IFRS 9 (in HUF million)	151,725	173,679	160,003	-8%	5%
Stage 2 loans under IFRS 9/gross customer loans	14.1%	14.1%	13.9%	-0.2%p	-0.2%p
Own coverage of Stage 2 loans under IFRS 9	8.8%	9.6%	9.4%	-0.2%p	0.6%p
Stage 3 loan volume under IFRS 9 (in HUF million)	56,904	64,268	65,781	2%	16%
Stage 3 loans under IFRS 9/gross customer loans	5.3%	5.2%	5.7%	0.5%p	0.4%p
Own coverage of Stage 3 loans under IFRS 9	58.6%	54.1%	55.7%	1.6%p	-3.0%p
Provision for impairment on loan losses/average gross loans	0.72%	0.74%	0.67%	-0.07%	-0.05%
90+ days past due loan volume (in HUF million)	35,674	37,091	38,878	5%	9%
90+ days past due loans/gross customer loans	3.3%	3.0%	3.4%	0.4%p	0.1%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	-0.5%	0.9%	0.3%	-0.6%p	0.8%p
ROE	-4.4%	8.9%	2.9%	-6.0%p	7.3%p
Total income margin	4.02%	4.12%	4.18%	0.06%p	0.17%p
Net interest margin	3.09%	3.54%	4.05%	0.51%p	0.96%p
Operating costs / Average assets	3.29%	2.79%	3.25%	0.46%p	-0.04%p
Cost/income ratio	81.9%	67.7%	77.6%	9.9%p	-4.3%p
Net loans to deposits (FX-adjusted)	125%	117%	115%	-1%p	-9%p
FX rates (in HUF)	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/RON (closing)	74.7	80.9	77.0	-5%	3%
HUF/RON (average)	73.7	83.5	79.0	-5%	7%

OTP Bank Romania generated HUF 1.25 billion profit after tax in the first quarter of 2023. The 70% q-o-q fall in first-quarter profit in local currency can be explained by the q-o-q weaker total income (-2%) and by higher operating expenses (+12%) and risk costs (+24%). In year-on-year comparison, both operating profit (+37%) and risk cost (-51%) improved in local currency in the first quarter.

In the first quarter, total income declined by 2% q-o-q in RON, owing to the deterioration in other net non-interest income. This resulted from the negative revaluation result on swap deals in connection with the active liquid asset management of the bank, which on the other hand had a positive effect on net interest income. In local currency terms net interest income grew by 10% q-o-q, and net commission income jumped by 40% due to the lower fee and commission expenses and higher income related to leasing. The improving trend of net interest margin continued; it increased by 51 bps q-o-q to 4.05%.

Operating expenses increased by 12% q-o-q, largely because of the annual deposit insurance fee paid in January; operating expenses grew by barely 7% y-o-y in local currency.

In the first quarter, provision for impairment on loan losses dropped by 15% q-o-q (-2% y-o-y) but owing to the change in other risk cost volumes, total risk costs increased by 24% q-o-q in local currency. As for loan quality, the ratio of Stage 3 loans increased by half a percentage point, to 5.7%, while their own provision coverage rose by 1.6 pps q-o-q (1Q 2023: 55.7%).

Regarding business activity, the decline in mortgage loan (-50% q-o-q) and leasing (-25% q-o-q) placements continued in the rising interest rate environment, while quarterly disbursements in the corporate loan (+3%) and cash loan (+18%) segments increased q-o-q. Overall FX-adjusted performing loan volumes declined by a total of 2% q-o-q in 1Q; but the retail loan book decreased by 4% mainly owing to the high ratio of early repayments. In a year-on-year comparison, only the MSE, corporate, and leasing segments grew (by +3%, +10%, and 20% y-o-y, respectively).

In line with the moderation of the loan book in the first quarter of 2023, the FX-adjusted decrease in deposits from customers was 1% q-o-q, yet it still expanded by 12% y-o-y, fuelled by the growth in retail term deposits. The net loan to deposit ratio improved further resulting from the above and sank to 115% (-1 pp q-o-q and by -9 pps y-o-y).

OTP BANK RUSSIA

Performance of OTP Bank Russia

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-27,222	18,826	17,956	-5%	-166%
Income tax	-6,843	-3,928	-5,406	38%	-21%
Profit before income tax	-20,378	22,754	23,363	3%	-215%
Operating profit	12,383	37,201	28,015	-25%	126%
Total income	26,273	61,462	48,594	-21%	85%
Net interest income	20,567	37,240	30,240	-19%	47%
Net fees and commissions	5,085	11,713	8,979	-23%	77%
Other net non-interest income	621	12,510	9,375	-25%	
Operating expenses	-13,890	-24,262	-20,579	-15%	48%
Total provisions	-32,761	-14,447	-4,652	-68%	-86%
Provision for impairment on loan losses	-26,605	-14,975	-2,560	-83%	-90%
Other provision	-6,156	528	-2,092	-496%	-66%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	782,884	1,029,721	1,085,636	5%	39%
Gross customer loans	659,594	784,958	696,510	-11%	6%
Gross customer loans (FX-adjusted)	732,958	690,841	696,510	1%	-5%
Stage 1+2 customer loans (FX-adjusted)	643,353	582,443	586,617	1%	-9%
Retail loans	540,521	549,719	565,520	3%	5%
Corporate loans	102,832	32,724	21,096	-36%	-79%
Allowances for possible loan losses	-142,750	-173,105	-152,116	-12%	7%
Allowances for possible loan losses (FX-adjusted)	-158,637	-152,461	-152,116	0%	-4%
Deposits from customers	435,915	576,865	683,491	18%	57%
Deposits from customers (FX-adjusted)	480,819	514,453	683,491	33%	42%
Retail deposits	301,313	302,792	343,482	13%	14%
Corporate deposits	179,506	211,662	340,009	61%	89%
Liabilities to credit institutions	60,131	49,774	29,353	-41%	-51%
Total shareholders' equity	192,405	306,304	285,372	-7%	48%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	484,319	570,949	513,432	-10%	6%
Stage 1 loans under IFRS 9/gross customer loans	73.4%	72.7%	73.7%	1.0%p	0.3%p
Own coverage of Stage 1 loans under IFRS 9	5.9%	5.1%	5.0%	-0.2%p	-1.0%p
Stage 2 loan volume under IFRS 9 (in HUF million)	94,720	91,050	73,185	-20%	-23%
Stage 2 loans under IFRS 9/gross customer loans	14.4%	11.6%	10.5%	-1.1%p	-3.9%p
Own coverage of Stage 2 loans under IFRS 9	37.6%	31.5%	32.3%	0.9%p	-5.2%p
Stage 3 loan volume under IFRS 9 (in HUF million)	80,554	122,959	109,893	-11%	36%
Stage 3 loans under IFRS 9/gross customer loans	12.2%	15.7%	15.8%	0.1%p	3.6%p
Own coverage of Stage 3 loans under IFRS 9	97.5%	93.6%	93.7%	0.1%p	-3.8%p
Provision for impairment on loan losses/average gross loans	16.33%	6.11%	1.39%	-4.72%p	-14.94%p
90+ days past due loan volume (in HUF million)	82,265	122,953	109,693	-11%	33%
90+ days past due loans/gross customer loans	12.5%	15.7%	15.7%	0.1%p	3.3%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	-14.4%	6.0%	7.1%	1.1%p	21.4%p
ROE	-53.3%	19.9%	24.2%	4.3%p	77.6%p
Total income margin	13.88%	19.62%	19.14%	-0.49%p	5.26%p
Net interest margin	10.86%	11.89%	11.91%	0.02%p	1.05%p
Operating costs / Average assets	7.3%	7.7%	8.1%	0.4%	0.8%
Cost/income ratio	52.9%	39.5%	42.3%	2.9%p	-10.5%p
Net loans to deposits (FX-adjusted)	119%	105%	80%	-25%p	-40%p
FX rates (in HUF)	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/RUB (closing)	4.1	5.2	4.5	-12%	11%
HUF/RUB (average)	3.8	6.5	5.0	-23%	31%

OTP Bank Russia's financial figures in HUF terms were affected by the volatile movement of the forint/rouble exchange rate: the rouble's 1Q closing exchange rate appreciated against the forint by 11% y-o-y, but weakened by 12% q-o-q. In the first quarter, the average exchange rate strengthened by 31% y-o-y, but depreciated by 23% q-o-q. Therefore, changes expressed in local currency provide a more accurate picture of the balance sheet and P&L developments.

OTP Bank Russia realized RUB 3.9 billion profit in the first quarter underpinning a 29% q-o-q increase, but a 5% decline in HUF terms. The q-o-q improvement of the result in roubles was primarily supported by a more favourable level of risk costs.

The bank's operating profit in RUB improved by 81% y-o-y and by 1% q-o-q in the first quarter, largely driven by the income growth (+45% y-o-y, +5% q-o-q). Net interest income, which constitutes the major part of total income, increased by 12% y-o-y and 5% q-o-q. The quarterly increase is primarily due to the interest income realized on deposits placed with the central bank, as well as the expanding portfolios in the wake of the revival of consumer loans (primarily cash loans). Net fee and commission income jumped by 35% y-o-y in local currency, but stagnated q-o-q, mainly because of the lower business activity typical of the beginning of the year. The first-quarter income growth was also supported by the 7% q-o-q improvement in other income that resulted from the increased currency conversions.

The 13% y-o-y increase in operating costs in the first quarter is partly due to wage inflation and also to the write-off of IT systems of service providers leaving the country. The 10% q-o-q increase in operational costs measured in rubles is largely explained by higher personnel costs due to the regressivity of tax rates on wages. Because of the above items, the bank's 42.3% cost/income ratio deteriorated by 10.5 pps y-o-y, but improved by 2.9 pps q-o-q.

In the first quarter, risk costs amounted to almost HUF 4.7 billion, which demonstrates a significant improvement both in annual and quarterly terms (in roubles, the decrease is 89% y-o-y and 58% q-o-q). Reason for this is mainly the release of risk costs owing to the closing of expiring guarantees and credit lines, as well as the favourable effects from the sale of consumer loan portfolio. The increase in other risk costs was mainly caused by provisioning in relation to litigation cases.

Performing (Stage 1 and 2) loan volumes declined by 9% y-o-y (FX-adjusted), mostly due to the 79% y-o-y and 36% q-o-q decrease of the corporate performing loan book. Pursuant to the bank's strategic decision, it does not engage in new corporate lending activities, and only extends expiring deals in limited cases, alongside the continuous amortization of the portfolio. The bank focuses its business activities on retail unsecured lending. The disbursement of new retail consumer loans increased y-o-y, which is largely explained by the low base due to the cessation of lending activity at the end of February 2022; measured in rubles, new disbursement contracted by 8% q-o-q mainly due to the seasonality of POS loans, while cash loan disbursement increased q-o-q. Within retail loans, sales of cash loans grew more strongly, POS lending expanded at a more moderate pace, and credit card sales subsided. The increase of the proportion of cash loans bearing higher interest rates in the composition of the loan portfolio contributed to the improvement of the net interest margin measured in rubles by 63 basis points y-o-y, while it stagnated q-o-q. The new online and mobile bank channels significantly contributed to the growth of cash loan volumes; in March nearly 70% of new cash loans were placed through digital channels.

In the first quarter of the year, there was a significant increase in deposits. FX-adjusted customer deposits, which are the primary source of RUB liquidity, surged by 33% in the first three months (+42% y-o-y), driven by the corporate deposit book's growth (61% q-o-q, 89% y-o-y), while there was no significant change in the average interest rate of the portfolio. The bank placed its excess liquidity from deposits at the central bank at a rate of 7.5%.

The FX-adjusted net loan-to-deposit ratio sank to 80% (-25 pps q-o-q, -40 pps y-o-y).

The Bank's capital adequacy ratios remained steadily above the regulatory minimum levels at the end of the first quarter: the Bank's CAR stood at 20.3% (regulatory minimum: 8.0%).

OTP BANK UKRAINE

Performance of OTP Bank Ukraine:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-34,400	10,046	12,640	26%	-137%
Income tax	-340	-1,809	-3,620	100%	966%
Profit before income tax	-34,060	11,855	16,260	37%	-148%
Operating profit	15,251	23,530	21,049	-11%	38%
Total income	23,032	31,876	28,455	-11%	24%
Net interest income	18,814	26,111	23,972	-8%	27%
Net fees and commissions	3,031	3,717	3,196	-14%	5%
Other net non-interest income	1,188	2,049	1,288	-37%	8%
Operating expenses	-7,781	-8,346	-7,406	-11%	-5%
Total provisions	-49,312	-11,675	-4,789	-59%	-90%
Provision for impairment on loan losses	-47,043	-14,582	-3,287	-77%	-93%
Other provision	-2,269	2,907	-1,502	-152%	-34%
Main components of balance sheet closing balances in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Total assets	959,169	1,048,713	1,014,245	-3%	6%
Gross customer loans	671,971	529,644	472,559	-11%	-30%
Gross customer loans (FX-adjusted)	621,705	494,822	472,559	-4%	-24%
Stage 1 + 2 customer loans (FX-adjusted)	581,297	405,093	365,863	-10%	-37%
Retail loans	89,360	45,207	37,621	-17%	-58%
Corporate loans	336,487	246,660	224,551	-9%	-33%
Leasing	155,450	113,226	103,691	-8%	-33%
Allowances for possible loan losses	-88,715	-115,754	-115,873	0%	31%
Allowances for possible loan losses (FX-adjusted)	-81,321	-108,016	-115,873	7%	42%
Deposits from customers	665,572	783,009	745,409	-5%	12%
Deposits from customers (FX-adjusted)	618,991	731,667	745,409	2%	20%
Retail deposits	269,701	283,282	280,673	-1%	4%
Corporate deposits	349,289	448,385	464,736	4%	33%
Liabilities to credit institutions	135,240	108,678	97,604	-10%	-28%
Total shareholders' equity	114,678	122,493	126,552	3%	10%
Loan Quality	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Stage 1 loan volume under IFRS 9 (in HUF million)	418,136	219,078	203,293	-7%	-51%
Stage 1 loans under IFRS 9/gross customer loans	62.2%	41.4%	43.0%	1.7%p	-19.2%p
Own coverage of Stage 1 loans under IFRS 9	6.5%	2.1%	2.0%	-0.1%p	-4.5%p
Stage 2 loan volume under IFRS 9 (in HUF million)	209,802	214,442	162,570	-24%	-23%
Stage 2 loans under IFRS 9/gross customer loans	31.2%	40.5%	34.4%	-6.1%p	3.2%p
Own coverage of Stage 2 loans under IFRS 9	14.1%	18.1%	18.1%	0.0%p	4.0%p
Stage 3 loan volume under IFRS 9 (in HUF million)	44,032	96,124	106,697	11%	142%
Stage 3 loans under IFRS 9/gross customer loans	6.6%	18.1%	22.6%	4.4%p	16.0%p
Own coverage of Stage 3 loans under IFRS 9	73.1%	75.3%	77.3%	2.0%p	4.2%p
Provision for impairment on loan losses/average gross loans	28.75%	9.81%	2.70%	-7.12%p	-26.06%p
90+ days past due loan volume (in HUF million)	24,241	42,776	54,455	27%	125%
90+ days past due loans/gross customer loans	3.6%	8.1%	11.5%	3.4%p	7.9%p
Performance Indicators	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
ROA	-14.8%	3.7%	5.1%	1.3%p	19.9%p
ROE	-94.1%	31.9%	41.1%	9.2%p	135.2%p
Total income margin	9.91%	11.83%	11.43%	-0.40%p	1.52%p
Net interest margin	8.10%	9.69%	9.63%	-0.06%p	1.53%p
Operating costs / Average assets	3.3%	3.1%	3.0%	-0.1%	-0.4%
Cost/income ratio	33.8%	26.2%	26.0%	-0.2%p	-7.8%p
Net loans to deposits (FX-adjusted)	87%	53%	48%	-5%p	-39%p
FX rates (in HUF)	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
HUF/UAH (closing)	11.3	10.2	9.5	-7%	-15%
HUF/UAH (average)	11.3	10.9	9.9	-10%	-13%

OTP Bank Ukraine's financial figures in HUF terms were affected by the development of the UAH/HUF exchange rate: the hryvnia's 1Q 2023 closing exchange rate versus the HUF depreciated by 15% y-o-y, and by 7% q-o-q. The hryvnia's annual average exchange rate weakened by 13% y-o-y and by 10% q-o-q in the first quarter. Therefore, the balance sheet and P&L dynamics in HUF terms differ from the ones calculated in local currency.

OTP Bank Ukraine's operation has stabilized in the period since the outbreak of the war, the bank is offering uninterrupted services to its customers. Despite the extremely difficult operating environment, the bank made a profit in the first quarter with higher reserve levels, and stable liquidity and capital position.

The Ukrainian operation recorded HUF 12.6 billion profit in the first quarter of 2023, largely due to the favourable development in risk costs.

In the first three months of the year, total income declined by 1% q-o-q in UAH (-11% in HUF). Net interest income rose by 2% q-o-q in UAH and dropped by 8% in HUF – mainly as a result of a 6% q-o-q contraction in quarterly average total assets, while net interest margin remained stable. In the first quarter, the central bank held the interest rate on UAH deposits at 23%. Net interest income improved by 46% y-o-y in UAH, due to the growth in the average volume of deposits placed at the local central bank, and the higher interest income realized on it. During the first three months of the year, the National Bank of Ukraine raised the reserve requirement in several steps for sight deposits (for retail hryvnia deposits from 0 to 20%, for foreign currency deposits from 15 to 30%, for corporate hryvnia deposits from 0 to 10%, for foreign currency corporate deposits from 10 to 20%).

Net fee and commission income dropped by 5% q-o-q in UAH (by 14% in HUF), mainly because of the decline in current account and card transactions.

The q-o-q drop of other net non-interest income in the first quarter was caused by the negative revaluation result of the open position related to the leasing business.

Operating expenses rose by 9% y-o-y in UAH, as a result of increasing utility, IT, and personnel expenses.

1Q results were burdened by HUF 4.8 billion total risk cost, which moderated by 59% q-o-q and 90% y-o-y. The volume of Stage 3 loans grew by 11% q-o-q, and increased by 1.5 times y-o-y. Other risk costs were induced mostly by impairment losses on government securities.

At the end of the first quarter, the ratio of Stage 3 loans within the portfolio was 22.6% (+4.4 pps q-o-q; +16 pps y-o-y). The ratio of Stage 2 loans sank by 6.1 pps q-o-q, to 34.4%. The ratio of total provisions on the gross loan book rose to 24,5% (end of 2021: 7.2%, end of 2022: 21.9%).

Lending activity remained subdued in the first three months of 2023. Performing (Stage 1+2) FX-adjusted loan volumes shrank both y-o-y and q-o-q in each segment. Retail performing volumes dropped by 17% q-o-q, corporate by 9%, and leasing by 8%.

The Ukrainian subsidiary's market share remained stable in retail deposits and rose slightly in the corporate segment. The FX-adjusted large corporate deposit book grew by 4% q-o-q, while in retail it shrank by 1%. The average interest rate on hryvnia deposits stabilized at the end of the quarter after a slightly rising trend at the beginning of the year, while the bank keeps the interest paid on USD deposits close to 0%. The FX-adjusted net loan-to-deposit ratio declined to 48% (-5 pps q-o-q; -39 pps y-o-y).

The Bank's capital adequacy ratios remained steadily above the regulatory minimum levels at the end of the first quarter: its CAR was at 32.7% (regulatory minimum: 10%), the CET1 ratio was at 18.9% (regulatory minimum: 7%). OTP Group continuously provides financing to the Ukrainian operation, the gross intragroup financing was HUF 80 billion at the end of March.

OTP BANK MOLDOVA

Performance of OTP Bank Moldova:

Main components of P&L account in HUF million	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Adjusted profit after tax	-545	3,801	4,497	18%	-925%
Income tax	-194	-609	-607	0%	213%
Profit before income tax	-351	4,410	5,103	16%	
Operating profit	2,735	6,118	4,950	-19%	81%
Total income	4,849	9,287	7,753	-17%	60%
Net interest income	3,170	6,436	5,779	-10%	82%
Net fees and commissions	563	580	605	4%	7%
Other net non-interest income	1,116	2,271	1,368	-40%	23%
Operating expenses	-2,114	-3,169	-2,803	-12%	33%
Total provisions	-3,086	-1,708	154	-109%	-105%
Provision for impairment on loan losses	-2,781	-1,604	442	-128%	-116%
Other provision	-305	-104	-288	176%	-5%
Main components of balance sheet closing balances in HUF million	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Total assets	299,373	365,658	357,232	-2%	19%
Gross customer loans	166,814	171,412	159,458	-7%	-4%
Gross customer loans (FX-adjusted)	174,239	164,735	159,458	-3%	-8%
Stage 1+2 customer loans (FX-adjusted)	171,004	160,189	155,102	-3%	-9%
Retail loans	94,109	80,674	73,778	-9%	-22%
Corporate loans	72,985	74,791	76,634	2%	5%
Leasing	3,910	4,724	4,690	-1%	20%
Allowances for possible loan losses	-7,368	-11,177	-10,004	-10%	36%
Allowances for possible loan losses (FX-adjusted)	-7,691	-10,752	-10,004	-7%	30%
Deposits from customers	232,652	264,031	261,805	-1%	13%
Deposits from customers (FX-adjusted)	242,704	252,998	261,805	3%	8%
Retail deposits	155,008	169,884	173,242	2%	12%
Corporate deposits	87,696	83,114	88,563	7%	1%
Liabilities to credit institutions	20,762	42,083	33,548	-20%	62%
Total shareholders' equity	41,239	53,430	56,227	5%	36%
Loan Quality	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
Stage 1 loan volume under IFRS 9 (in HUF million)	152,775	139,227	130,113	-7%	-15%
Stage 1 loans under IFRS 9/gross customer loans	91.6%	81.2%	81.6%	0.4%p	-10.0%p
Own coverage of Stage 1 loans under IFRS 9	2.3%	2.3%	2.3%	0.0%p	0.1%p
Stage 2 loan volume under IFRS 9 (in HUF million)	10,937	27,452	24,990	-9%	128%
Stage 2 loans under IFRS 9/gross customer loans	6.6%	16.0%	15.7%	-0.3%p	9.1%p
Own coverage of Stage 2 loans under IFRS 9	19.7%	18.3%	17.6%	-0.8%p	-2.1%p
Stage 3 loan volume under IFRS 9 (in HUF million)	3,102	4,733	4,355	-8%	40%
Stage 3 loans under IFRS 9/gross customer loans	1.9%	2.8%	2.7%	0.0%p	0.9%p
Own coverage of Stage 3 loans under IFRS 9	56.1%	61.3%	59.1%	-2.2%p	3.0%p
Provision for impairment on loan losses/average gross loans	6.89%	3.38%	-1.10%	-4.48%p	-7.99%p
90+ days past due loan volume (in HUF million)	2,271	3,158	2,778	-12%	22%
90+ days past due loans/gross customer loans	1.4%	1.8%	1.7%	-0.1%p	0.4%p
Performance Indicators	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
ROA	-0.7%	3.8%	5.1%	1.3%p	5.9%p
ROE	-5.2%	27.2%	33.4%	6.1%p	38.6%p
Total income margin	6.52%	9.34%	8.85%	-0.49%p	2.34%p
Net interest margin	4.26%	6.47%	6.60%	0.13%p	2.34%p
Operating costs / Average assets	2.84%	3.19%	3.20%	0.01%p	0.36%p
Cost/income ratio	43.6%	34.1%	36.2%	2.0%p	-7.4%p
Net loans to deposits (FX-adjusted)	69%	61%	57%	-4%p	-12%p
FX rates (in HUF)	**1Q 2022**	**4Q 2022**	**1Q 2023**	**Q-o-Q**	**Y-o-Y**
HUF/MDL (closing)	18.1	19.6	19.0	-3%	5%
HUF/MDL (average)	18.0	20.8	19.3	-8%	7%

In the first quarter of 2023, **OTP Bank Moldova** generated HUF 4.5 billion profit, exceeding the result of the previous quarter by 18%, mostly due to more favourable risk costs.

The 19% q-o-q (in MDL: -13%) decline in 1Q operating profit stemmed from the 17% (in MDL: -10%) contraction of total income, while operating expenses declined by 12% q-o-q (in MDL: -4%). The 70% y-o-y increase in net interest income measured in local currency was shaped on the one hand by the loan stock repricing amid the higher interest rate environment, and on the other hand, the increase in portfolio yield achieved on growing stock of financial instruments, which the bank realized on interest-bearing mandatory reserves and overnight placements at the Central Bank. The 10% q-o-q decline (in MDL: -3%) in net interest income was mainly caused by the loan book contraction. Net interest margin rose by 13 bps q-o-q to 6.6%, largely due to the placement of the expanding MDL liquidity at the Central Bank, even with the CB's interest rate on deposits declining on average during the quarter.

The 40% q-o-q contraction in other net non-interest income in the first quarter is explained by the base effect of the significantly increased 4Q income from currency exchange.

The 12% q-o-q decrease (4% in local currency) in operating expenses is on the one hand due to seasonally lower expenses and on the other hand to the results of strict cost management. The 24% y-o-y higher level of operating costs in local currency reflects the effects of inflation.

During the first quarter, a total of HUF 154 million positive risk costs arose, which are basically explained by the decrease in the loan portfolio. By the end of the first quarter, the volume of Stage 2 and Stage 3 loans, as well as their share within the portfolio have all declined q-o-q.

The FX-adjusted ratio of performing (Stage 1+2) loans dropped by 3% q-o-q and 9% y-o-y, as performing retail loan volumes shrank by 9% q-o-q and 22% y-o-y, as a result of the still subdued retail lending activity. At the same time, the corporate loan portfolio increased by 2% q-o-q, and 5% y-o-y.

The FX-adjusted deposit book expanded by 8% y-o-y and 3% q-o-q. It was mostly MDL term deposits that increased. The net loan-to-deposit ratio stood at 57% at the end of March, declining 4 pps q-o-q, and by 12 pps y-o-y.

STAFF LEVEL AND OTHER INFORMATION

	31/12/2022				31/03/2023			
	Branches	ATM	POS	Headcount (closing)	Branches	ATM	POS	Headcount (closing)
OTP Core	**352**	**1,866**	**143,078**	**10,985**	**355**	**1,861**	**145,760**	**11,013**
DSK Group (Bulgaria)	305	998	16,559	5,358	305	990	16,959	5,031
OTP Bank Slovenia	49	81	4,925	875	114	442	15,571	2,338
OBH (Croatia)	111	428	11,344	2,294	111	423	10,383	2,312
OTP Bank Serbia	155	265	18,049	2,632	155	271	18,424	2,627
OTP Bank Albania	58	213	831	730	54	156	853	724
CKB Group (Montenegro)	33	116	7,529	497	31	113	7,732	498
OTP Bank Romania	97	156	8,325	1,826	97	157	13,869	1,816
OTP Bank Russia (w/o employed agents)	108	191	534	4,471	108	191	521	4,477
OTP Bank Ukraine (w/o employed agents)	71	150	263	2,134	71	151	263	2,111
OTP Bank Moldova	53	156	0	896	53	149	0	891
Foreign subsidiaries, total	**1,040**	**2,754**	**68,359**	**21,713**	**1,099**	**3,043**	**84,575**	**22,826**
Other Hungarian and foreign subsidiaries				619				630
OTP Group (w/o employed agents)				**33,318**				**34,468**
OTP Bank Russia - employed agents				2,431				2,334
OTP Bank Ukraine - employed agents				227				163
OTP Group (aggregated)	**1,392**	**4,620**	**211,437**	**35,976**	**1,454**	**4,904**	**230,335**	**36,965**

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 28 April 2023, concerning the audit of OTP Bank Plc.'s separate and consolidated annual financial statements in accordance with International Financial Reporting Standards for the year 2023, the Annual General Meeting elected Ernst & Young Ltd. (001165, H-1132 Budapest, Váci út 20.) as the Company's auditor from 1 May 2023 until 30 April 2024.

As of 1 January 2023, Antal György Kovács was replaced by András Becsei as Deputy CEO of the Retail Division. Antal György Kovács retained his employment status, thus his position as Deputy CEO until the Annual General Meeting closing the financial year 2022, during which time he was mainly be responsible for group governance.

On 28 April 2023 the Annual General Meeting elected Mr. Antal György Kovács as member of the Board of Directors of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

On 28 April 2023 the Annual General Meeting elected
Mr. Tibor Tolnay
Dr. József Gábor Horváth
Dr. Tamás Gudra
Mr. Olivier Péqueux
Mrs. Klára Bella
Mr. András Michnai
as member of the Supervisory Board of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

On 28 April 2023 the Annual General Meeting elected
Mr. Tibor Tolnay
Dr. József Gábor Horváth
Dr. Tamás Gudra
Mr. Olivier Péqueux
as member of the Audit Committee of the Company until the Annual General Meeting of the Company closing the 2025 business year, but not later than 30 April 2026.

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	31/03/2023	31/12/2022	31/03/2022	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Bank of Hungary	2,404,253	1,092,198	393,565	120%	511%
Placements with other banks, net of allowance for placement losses	2,418,835	2,899,829	3,379,887	-17%	-28%
Repo receivables	241,712	246,529	20,743	-2%	
Financial assets at fair value through profit or loss	357,692	410,012	373,902	-13%	-4%
Financial assets at fair value through other comprehensive income	730,992	797,175	709,246	-8%	3%
Securities at amortised cost	3,105,610	3,282,373	3,441,408	-5%	-10%
Loans at amortised cost	4,731,784	4,825,040	4,047,179	-2%	17%
Loans mandatorily measured at fair value through profit or loss	809,463	793,242	711,887	2%	14%
Investments in subsidiaries	1,894,708	1,596,717	1,453,636	19%	30%
Property and equipment	94,237	94,564	82,289	0%	15%
Intangible assets	69,261	69,480	60,408	0%	15%
Right of use assets	40,706	39,882	18,048	2%	126%
Investments properties	4,193	4,207	4,295	0%	-2%
Current tax assets	2,250	1,569	644	43%	249%
Deferred tax asset	35,854	35,742	16,332	0%	120%
Derivative financial assets designated as hedge accounting relationships	44,592	47,220	45,230	-6%	-1%
Other assets	676,194	329,752	461,492	105%	47%
TOTAL ASSETS	**17,662,336**	**16,565,531**	**15,220,191**	**7%**	**16%**
Amounts due to banks and deposits from the National Bank of Hungary and other banks	1,695,534	1,736,128	1,271,280	-2%	33%
Repo liabilities	1,213,909	408,366	357,066	197%	240%
Deposits from customers	10,819,069	11,119,158	10,708,730	-3%	1%
Leasing liabilities	41,393	41,464	18,729	0%	121%
Liabilities from issued securities	546,668	498,709	21,019	10%	
Financial liabilities at fair value through profit or loss	19,068	16,576	19,178	15%	-1%
Derivative financial liabilities designated as held for trading	355,423	373,401	284,618	-5%	25%
Derivative financial liabilities designated as hedge accounting relationships	34,966	50,623	24,674	-31%	42%
Deferred tax liabilities	0	0	0		
Current tax assets	1,738	3,199	3,187	-46%	-45%
Other liabilities	582,215	313,188	340,405	86%	71%
Subordinated bonds and loans	511,615	294,186	273,519	74%	87%
Provisions	34,922	29,656	19,819	18%	76%
TOTAL LIABILITIES	**15,856,520**	**14,884,654**	**13,342,224**	**7%**	**19%**
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	1,663,112	1,648,969	1,797,994	1%	-8%
Profit after tax	124,798	6,632	64,208		94%
Treasury shares	-10,094	-2,724	-12,235	271%	-17%
TOTAL SHAREHOLDERS' EQUITY	**1,805,816**	**1,680,877**	**1,877,967**	**7%**	**-4%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**17,662,336**	**16,565,531**	**15,220,191**	**7%**	**16%**

CONSOLIDATED IFRS STATEMENT OF FINANCIAL POSITION

in HUF million	31/03/2023	31/12/2022	31/03/2022	change ytd	change y-o-y
Cash, amounts due from banks and balances with the National Banks	5,745,644	4,221,392	2,396,801	36%	140%
Placements with other banks, net of loss allowance for placements	1,132,876	1,351,082	2,297,337	-16%	-51%
Repo receivables	101,032	41,009	31,923	146%	216%
Financial assets at fair value through profit or loss	381,705	436,387	408,357	-13%	-7%
Securities at fair value through other comprehensive income	1,800,172	1,739,603	2,065,330	3%	-13%
Loans at amortized cost	17,334,795	16,094,458	13,733,569	8%	26%
Loans mandatorily at fair value through profit or loss	1,250,557	1,247,414	1,120,272	0%	12%
Finance lease receivables	1,267,144	1,298,752	1,200,001	-2%	6%
Associates and other investments	80,870	73,849	68,486	10%	18%
Securities at amortized cost	5,433,407	4,891,938	4,314,659	11%	26%
Property and equipment	467,503	464,469	410,110	1%	14%
Intangible assets and goodwill	247,549	237,031	204,377	4%	21%
Right-of-use assets	60,658	58,937	49,454	3%	23%
Investment properties	56,900	47,452	29,573	20%	92%
Derivative financial assets designated as hedge accounting	47,555	48,247	43,932	-1%	8%
Deferred tax assets	80,852	75,421	31,331	7%	158%
Current income tax receivable	10,297	5,650	30,872	82%	-67%
Other assets	675,485	471,119	353,888	43%	91%
TOTAL ASSETS	**36,175,001**	**32,804,210**	**28,790,272**	**10%**	**26%**
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,618,091	1,463,158	1,673,002	11%	-3%
Repo liabilities	399,821	217,369	346,204	84%	15%
Financial liabilities designated at fair value through profit or loss	57,219	54,191	46,513	6%	23%
Deposits from customers	27,390,195	25,188,805	21,840,257	9%	25%
Liabilities from issued securities	1,098,612	870,682	417,042	26%	163%
Derivative financial liabilities held for trading	369,730	385,747	308,434	-4%	20%
Derivative financial liabilities designated as hedge accounting	18,173	27,949	10,610	-35%	71%
Leasing liabilities	63,839	63,778	52,259	0%	22%
Deferred tax liabilities	38,106	40,094	23,527	-5%	62%
Current income tax payable	33,437	28,866	53,314	16%	-37%
Provisions	136,701	131,621	122,250	4%	12%
Other liabilities	1,021,391	707,654	691,409	44%	48%
Subordinated bonds and loans	551,492	301,984	282,200	83%	95%
TOTAL LIABILITIES	**32,796,807**	**29,481,898**	**25,867,021**	**11%**	**27%**
Share capital	28,000	28,000	28,000	0%	0%
Retained earnings and reserves	3,458,407	3,395,215	2,997,466	2%	15%
Treasury shares	-113,928	-106,862	-107,289	7%	6%
Total equity attributable to the parent	3,372,479	3,316,353	2,918,177	2%	16%
Total equity attributable to non-controlling interest	5,715	5,959	5,074	-4%	13%
TOTAL SHARHOLDERS' EQUITY	**3,378,194**	**3,322,312**	**2,923,251**	**2%**	**16%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**36,175,001**	**32,804,210**	**28,790,272**	**10%**	**26%**

SEPARATE IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	1Q 2023	1Q 2022	change
Interest income calculated using the effective interest method	292,978	117,751	149%
Income similar to interest income	199,823	55,469	260%
Total Interest Income	492,801	173,220	184%
Total Interest Expense	-387,696	-108,492	257%
NET INTEREST INCOME	**105,105**	**64,728**	**62%**
Risk cost total	-6,549	-26,818	-76%
NET INTEREST INCOME AFTER RISK COST	**98,556**	**37,910**	**160%**
Losses arising from derecognition of financial assets measured at amortised cost	**-8,531**	**-3,732**	**129%**
Income from fees and commissions	91,897	80,594	14%
Expenses from fees and commissions	-16,637	-11,723	42%
Net profit from fees and commissions	**75,260**	**68,871**	**9%**
Foreign exchange gains (+)/ loss (-)	-4,682	106	
Gains (+) or loss (-) on securities, net	6,972	-6,843	-202%
Losses on financial instruments at fair value through profit or loss	13,175	3,902	238%
Gains on derivative instruments, net	4,130	9,261	-55%
Dividend income	126,154	180,372	-30%
Other operating income	14,390	1,501	859%
Net other operating expenses	-11,799	-129,905	-91%
Net operating income	**148,340**	**58,394**	**154%**
Personnel expenses	-41,049	-31,987	28%
Depreciation and amortization	-12,201	-10,100	21%
Other administrative expenses	-130,328	-65,703	98%
Other administrative expenses	**-183,578**	**-107,790**	**70%**
PROFIT BEFORE INCOME TAX	**130,047**	**53,653**	**142%**
Income tax expense	-5,249	10,555	-150%
PROFIT AFTER TAX FOR THE PERIOD	**124,798**	**64,208**	**94%**

CONSOLIDATED IFRS STATEMENT OF RECOGNIZED INCOME

in HUF million	1Q 2023	1Q 2022	change
CONTINUING OPERATIONS			
Interest income calculated using the effective interest method	534,934	277,978	92%
Income similar to interest income	159,011	101,551	57%
Interest incomes	693,945	379,529	83%
Interest expenses	-383,847	-138,737	177%
NET INTEREST INCOME	**310,098**	**240,792**	**29%**
Risk cost total	**-21,715**	**-105,752**	**-79%**
Loss allowance / Release of loss allowance on loans, placements, amounts due from banks and repo receivables	-17,300	-72,679	-76%
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	76	13,758	-99%
Loss allowance / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	-1,498	-43,123	-97%
Provision for commitments and guarantees given	-2,997	-3,734	-20%
Impairment / (Release of impairment) of assets subject to operating lease and of investment properties	4	26	-85%
NET INTEREST INCOME AFTER RISK COST	**288,383**	**135,040**	**114%**
Income from fees and commissions	187,538	154,385	21%
Expense from fees and commissions	-37,623	-26,788	40%
Net profit from fees and commissions	**149,915**	**127,597**	**17%**
Modification gain or loss	**298**	**-15**	
Foreign exchange gains / losses, net	1,436	3,324	-57%
Foreign exchange gains / losses, net	30,109	11,910	153%
Gains and losses on derivative instruments	-28,673	-8,586	234%
Gains / Losses on securities, net	7,317	-5,744	-227%
Gains / Losses on financial assets /liabilities measured at fair value through profit or loss	6,225	636	879%
Gain from derecognition of financial assets at amortized cost	-6,443	949	-779%
Profit from associates	598	462	29%
Other operating income	142,607	19,154	645%
Gains and losses on real estate transactions	899	701	28%
Other non-interest income	141,373	18,288	673%
Net insurance result	334	165	102%
Other operating expense	-36,588	-25,896	41%
Net operating income	**115,152**	**-7,115**	
Personnel expenses	-108,236	-84,061	29%
Depreciation and amortization	-29,113	-91,354	-68%
Other administrative expenses	-197,080	-104,531	89%
Other administrative expenses	**-334,429**	**-279,946**	**19%**
PROFIT BEFORE INCOME TAX	**219,319**	**-24,439**	**-997%**
Income tax expense	-24,557	-9,952	147%
PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS	**194,762**	**-34,391**	**-666%**
From this, attributable to:			
Non-controlling interest	424	-479	-189%
Owners of the company	194,338	-33,912	-673%
DISCONTINUED OPERATIONS			
Gains from disposal of subsidiary classified as held for sale	0	986	
Net loss / gain from discontinued operation	0	0	
PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCOUNTINUED OPERATION	**194,762**	**-33,405**	**-683%**

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 2022	**28,000**	**52**	**3,109,457**	**-106,941**	**6,198**	**3,036,766**
Profit after tax for the year	--	--	-32,926	--	-479	-33,405
Other comprehensive income	--	--	-78,624	--	-645	-79,269
Increase due to business combinations	--	--	--	--	--	
Purchase of non-controlling interests	--	--	--	--	--	
Decrease due to discontinued operations	--	--	--	--	--	
Share-based payment	--	--	874	--	--	874
Dividend	--	--	--	--	--	
Correction due to ESOP	--	--	--	--	--	
Adjustments to previous years' reserves	--	--	--	--	--	
Treasury shares	--	--	--	--	--	
– sale	--	--	--	1,891	--	1,891
– loss on sale	--	--	-1,367	--	--	-1,367
– volume change	--	--	--	-2,239	--	-2,239
Balance as at 31 March 2022	**28,000**	**52**	**2,997,414**	**-107,289**	**5,074**	**2,923,251**

in HUF million	Share capital	Capital reserve	Retained earnings and reserves	Treasury shares	Non-controlling interest	Total
Balance as at 1 January 2023	**28,000**	**52**	**3,395,163**	**-106,862**	**5,959**	**3,322,312**
Profit after tax for the year	--	--	194,338	--	424	194,762
Other comprehensive income	--	--	-131,705	--	-668	-132,373
Increase due to business combinations	--	--	--	--	--	
Purchase of non-controlling interests	--	--	--	--	--	
Decrease due to discontinued operations	--	--	--	--	--	
Share-based payment	--	--	697	--	--	697
Dividend	--	--	--	--	--	
Correction due to ESOP	--	--	--	--	--	
Adjustments to previous years' reserves	--	--	--	--	--	
Treasury shares	--	--	--	--	--	
– sale	--	--	--	916	--	916
– loss on sale	--	--	-138	--	--	-138
– volume change	--	--	--	-7,982	--	-7,982
Balance as at 31 March 2023	**28,000**	**52**	**3,458,355**	**-113,928**	**5,715**	**3,378,194**

[1]The deduction related to repurchased treasury shares (1Q 2023: HUF 113,928 million) includes the book value of OTP shares held by ESOP (1Q 2023: 10,940,868 shares).

SEPARATE IFRS STATEMENT OF CASH FLOWS

in HUF million	31/03/2023	31/03/2022	change
OPERATING ACTIVITIES			
Profit before income tax	130,047	53,653	142%
Net accrued interest	-297	-388	-24%
Income tax paid	-7,345	-5,680	29%
Depreciation and amortization	12,235	10,133	21%
Loss allowance / (Release of loss allowance)	7,041	166,764	-96%
Share-based payment	697	874	-20%
Exchange rate gains on securities	7,742	3,418	127%
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	-16,137	-16,169	0%
Unrealised losses on fair value adjustment of derivative financial instruments	-8,308	-13,034	-36%
Interest expense from leasing liabilities	418	-49	-953%
Effect of currency revaluation	-8,331	32,856	-125%
Result from the sale of property, plant and equipment and intangible assets	-1,191	-10	
Net change in assets and liabilities in operating activities	1,031,612	140,924	632%
Net cash provided by operating activities	**1,148,183**	**373,293**	**208%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-116,573**	**-490,751**	**-76%**
FINANCING ACTIVITIES			
Net cash provided by / (used in) financing activities	**299,427**	**30,902**	**869%**
Net decrease in cash and cash equivalents	**1,331,037**	**-86,557**	
Cash and cash equivalents at the beginning of the year	**351,770**	**375,642**	**-6%**
Cash and cash equivalents at the end of the year	**1,682,807**	**289,085**	**482%**
Cash, amounts due from banks and balances with the National Bank of Hungary	1,092,198	474,945	130%
Cash and cash equivalents at the beginning of the year	**1,092,198**	**474,945**	**130%**
Cash, amounts due from banks and balances with the National Bank of Hungary	2,404,253	393,565	511%
Cash and cash equivalents at the end of the year	**2,404,253**	**393,565**	**511%**

CONSOLIDATED IFRS STATEMENT OF CASH FLOWS

in HUF million	31/03/2023	31/03/2022	change
OPERATING ACTIVITIES			
Profit after tax for the period	194,338	-32,926	-690%
Net changes in assets and liabilities in operating activities			
Income tax paid	-3,227	-16,475	-80%
Depreciation and amortization	30,408	24,964	22%
Goodwill impairment	0	67,715	-100%
Loss allowance	23,772	127,846	-81%
Net accrued interest	25,125	40,821	-38%
Share-based payment	697	874	-20%
Unrealized (gain) / losses on fair value adjustment of securities valued at fair value	22,661	-100,458	-123%
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	3,602	1,739	107%
Other changes in assets and liabilities in operating activities	1,508,187	208,415	624%
Net change in assets and liabilities in operating activities	**1,805,563**	**322,515**	**460%**
INVESTING ACTIVITIES			
Net cash used in investing activities	**-706,483**	**-468,860**	**51%**
FINANCING ACTIVITIES			
Net cash used in financing activities	**342,597**	**-17,737**	
Net increase (+) / decrease (-) of cash	**1,441,677**	**-164,082**	**-979%**
Cash and cash equivalents at the beginning of the year	2,597,688	1,701,564	53%
Cash and cash equivalents at the end of the year	**4,039,365**	**1,537,482**	**163%**

CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
1	OTP Real Estate Ltd.		1,050,000,000	100.00	100.00	L
2	BANK CENTER No. 1. Ltd.		11,500,000,000	100.00	100.00	L
3	OTP Fund Management Ltd.		900,000,000	100.00	100.00	L
4	OTP Factoring Ltd.		500,000,000	100.00	100.00	L
5	OTP Close Building Society		2,000,000,000	100.00	100.00	L
6	Merkantil Bank Ltd.		2,000,000,000	100.00	100.00	L
7	OTP Factoring Management Ltd.		3,100,000	100.00	100.00	L
8	INGA KETTŐ Ltd.		8,000,000,000	100.00	100.00	L
9	Merkantil Bérlet Ltd.		6,000,000	100.00	100.00	L
10	OTP Mortgage Bank Ltd.		82,000,000,000	100.00	100.00	L
11	OTP Funds Servicing and Consulting Company Limited		2,351,000,000	100.00	100.00	L
12	DSK Bank AD	BGN	1,328,659,920	99.92	99.92	L
13	DSK Tours EOOD	BGN	8,491,000	100.00	100.00	L
14	POK DSK-Rodina AD	BGN	10,010,198	99.85	99.85	L
15	NIMO 2002 Ltd.		1,156,000,000	100.00	100.00	L
16	OTP Real Estate Investment Fund Management Ltd.		100,000,000	100.00	100.00	L
17	OTP Card Factory Ltd.		450,000,000	100.00	100.00	L
18	OTP Bank Romania S.A.	RON	2,279,253,360	100.00	100.00	L
19	DSK Asset Management EAD	BGN	1,000,000	100.00	100.00	L
20	OTP banka dioničko društvo	EUR	530,062,353	100.00	100.00	L
21	Air-Invest Ltd.		630,000,000	100.00	100.00	L
22	DSK Leasing AD	BGN	3,334,000	100.00	100.00	L
23	OTP Invest društvo s ograničenom odgovornošću za upravljanje fondovima	EUR	2,417,055	100.00	100.00	L
24	OTP Nekretnine d.o.o.	EUR	34,485,115	100.00	100.00	L
25	SPLC-P Ltd.		15,000,000	100.00	100.00	L
26	SPLC Ltd.		10,000,000	100.00	100.00	L
27	OTP Real Estate Leasing Ltd.		214,000,000	100.00	100.00	L
28	OTP Life Annuity Real Estate Investment Plc.		2,000,000,000	100.00	100.00	L
29	OTP Leasing d.d.	EUR	1,067,560	100.00	100.00	L
30	Joint-Stock Company OTP Bank	UAH	6,186,023,111	100.00	100.00	L
31	JSC "OTP Bank" (Russia)	RUB	4,423,768,142	97.92	97.92	L
32	Montenegrin Commercial Bank Shareholding Company, Podgorica Montenegro	EUR	181,875,221	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 Investments d.o.o. Novi Sad	RSD	203,783,061	100.00	100.00	L
35	OTP Leasing Romania IFN S.A.	RON	33,556,300	100.00	100.00	L
36	OTP Ingatlanpont Ltd.		7,500,000	100.00	100.00	L
37	OTP Hungaro-Projekt Ltd.		27,720,000	100.00	100.00	L
38	OTP Mérnöki Ltd.		3,000,000	100.00	100.00	L
39	OTP Ingatlanüzemeltető Ltd.		30,000,000	100.00	100.00	L
40	LLC AMC OTP Capital	UAH	10,000,000	100.00	100.00	L
41	CRESCO d.o.o.	EUR	5,176	100.00	100.00	L
42	LLC OTP Leasing	UAH	45,495,340	100.00	100.00	L
43	OTP Asset Management SAI S.A.	RON	5,795,323	100.00	100.00	L
44	OTP Financing Solutions	EUR	18,000	100.00	100.00	L
45	Velvin Ventures Ltd.	USD	50,000	100.00	100.00	L
46	OTP Factoring SRL	RON	600,405	100.00	100.00	L
47	OTP Factoring Ukraine LLC	UAH	6,227,380,554	100.00	100.00	L
48	OTP Insurance Broker EOOD	BGN	5,000	100.00	100.00	L
49	PortfoLion Venture Capital Fund Management Ltd.		39,500,000	100.00	100.00	L
50	OTP Factoring Bulgaria EAD	BGN	1,000,000	100.00	100.00	L
51	SC Aloha Buzz SRL	RON	260,200	100.00	100.00	L
52	SC Favo Consultanta SRL	RON	10,200	100.00	100.00	L
53	SC Tezaur Cont SRL	RON	10,200	100.00	100.00	L
54	OTP Holding Ltd.	EUR	131,000	100.00	100.00	L
55	OTP Debt Collection d.o.o. Podgorica	EUR	49,000,001	100.00	100.00	L
56	OTP Factoring Serbia d.o.o.	RSD	782,902,282	100.00	100.00	L
57	MONICOMP Ltd.		185,000,000	100.00	100.00	L
58	CIL Babér Ltd.		71,890,330	100.00	100.00	L
59	Project 01 Consulting, s. r. o.	EUR	22,540,000	100.00	100.00	L
60	R.E. Four d.o.o., Novi Sad	RSD	1,983,643,761	100.00	100.00	L
61	OTP Financial point Ltd.		52,000,000	100.00	100.00	L
62	Bajor-Polár Center Real Estate Management Ltd.		30,000,000	100.00	100.00	L
63	OTP Mobile Service Ltd.		1,210,000,000	100.00	100.00	L
64	OTP Holding Malta Ltd.	EUR	104,950,000	100.00	100.00	L
65	OTP Financing Malta Ltd.	EUR	105,000,000	100.00	100.00	L
66	LLC MFO "OTP Finance"	RUB	6,533,000,000	100.00	100.00	L
67	OTP Travel Limited		27,000,000	100.00	100.00	L
68	OTP Ecosystem Limited Liability Company; OTP Ecosystem Llc.		281,100,000	100.00	100.00	L
69	DSK ventures EAD	BGN	250,000	100.00	100.00	L
70	OTP ESOP		122,274,506,032	0.00	0.00	L

	Name of the company		Initial capital/Equity (HUF)	Ownership Directly + indirectly (%)	Voting rights (%)	Classification[1]
71	PEVEC d.o.o. Beograd	RSD	812,844,640	100.00	100.00	L
72	PortfoLion Digital Kft.		101,000,000	100.00	100.00	L
73	OTP Ingatlankezelő Korlátolt Felelősségű Társaság		50,000,000	100.00	100.00	L
74	MFM Project Investment and Development Ltd.		20,000,000	100.00	100.00	L
75	OTP Leasing d.o.o. Beograd	RSD	112,870,710	100.00	100.00	L
76	Venture Closed-End Non Diversified Mutual Investment Fund "OTP Solution"	UAH	43,347,201	100.00	100.00	L
77	OTP Services Ltd.	RSD	40,028	100.00	100.00	L
78	DSK DOM EAD	BGN	100,000	100.00	100.00	L
79	ShiwaForce.com Inc.		105,321,000	100.00	100.00	L
80	OTP Leasing EOOD	BGN	4,100,000	100.00	100.00	L
81	Regional Urban Development Fund AD	BGN	250,000	52.00	52.00	L
82	Banka OTP Albania SHA	ALL	6,740,900,000	100.00	100.00	L
83	EiSYS Ltd.		3,000,000	100.00	100.00	L
84	OTP Leasing Srbija d.o.o. Beograd	RSD	314,097,580	100.00	100.00	L
85	OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	RSD	537,606,208	100.00	100.00	L
86	OTP Bank S.A.	MDL	100,000,000	98.26	98.31	L
87	AppSense Ltd.		3,000,000	100.00	100.00	L
88	SKB Banka d.d. Ljubljana	EUR	52,784,176	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	OTP Home Solutions Limited Liability Company		10,000,000	100.00	100.00	L
92	Georg d.o.o	EUR	2,654	76.00	76.00	L
93	Nova Kreditna Banka Maribor d.d.	EUR	150,000,000	100.00	100.00	L
94	ALEJA FINANCE, FINANCNE IN DRUGE STORITVE, D.O.O.	EUR	500,000	100.00	100.00	L
95	OTP Luxembourg S.à r.l.	EUR	2,711,440	100.00	100.00	L
96	OD Ltd.		6,000,000	60.00	60.00	L
97	Balansz Real Estate Institute Fund		70,708,097,047	100.00	100.00	L
98	Portfolion Zöld Fund		22,720,000,000	100.00	100.00	L
99	PortfoLion Digitális Magántőkealap I.		6,600,000,000	100.00	100.00	L
100	Portfolion Regionális Fund		251,680,000	50.00	50.00	L
101	PortfoLion Regionális Fund II.		25,060,000,000	49.90	49.90	L
102	PortfoLion Partner Magántőke Alap		72,000,000,000	30.56	30.56	L
103	PortfoLion Digitális Magántőkealap II.		2,800,000,000	100.00	100.00	L
104	"Nemesszalóki Mezőgazdasági"Állattenyésztési, Növénytermesztési,Termelő és Szolgáltató Zrt.		242,124,000	100.00	100.00	L
105	ZA-Invest Béta Kft.		7,000,000	100.00	100.00	L
106	NAGISZ Mezőgazdasági Termelő és Szolgáltató Zártkörűen Működő Részvénytársaság		3,802,080,000	99.35	99.35	L
107	Nádudvari Élelmiszer Feldolgozó és Kereskedelmi Korlátolt Felelősségű Társaság		1,954,680,000	99.96	99.96	L
108	HAGE Ltd.		2,689,000,000	99.61	99.61	L
109	AFP Private Equity Invest Zártkörűen Működő Részvénytársaság	EUR	452,000	29.14	29.14	L
110	Mendota Invest, Nepremicninska druzba, d.o.o.	EUR	257,500	100.00	100.00	L
111	ZA-Invest Delta Ltd.		3,000,000	100.00	100.00	L

[1] Full consolidated - L

Ownership structure of OTP Bank Plc.

Description of owner	Total equity					
	1 January 2023			31 March 2023		
	Ownership share	Voting rights[1]	Quantity	Ownership share	Voting rights[1]	Quantity
Domestic institution/company	31.80%	31.84%	89,040,716	31.88%	32.00%	89,250,521
Foreign institution/company	50.05%	50.11%	140,129,576	49.61%	49.81%	138,911,884
Domestic individual	16.91%	16.93%	47,338,305	17.05%	17.12%	47,737,112
Foreign individual	0.52%	0.52%	1,464,494	0.47%	0.47%	1,315,462
Employees, senior officers	0.55%	0.55%	1,526,762	0.55%	0.55%	1,532,961
Treasury shares[2]	0.13%	0.00%	354,144	0.40%	0.00%	1,107,117
Government held owner	0.05%	0.05%	139,946	0.05%	0.05%	139,946
International Development Institutions	0.00%	0.00%	3,183	0.00%	0.00%	3,183
Other[3]	0.00%	0.00%	2,884	0.00%	0.00%	1,824
TOTAL	**100.00%**	**100.00%**	**280,000,010**	**100.00%**	**100.00%**	**280,000,010**

[1] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[2] Treasury shares do not include the OTP shares held by ESOP (OTP Bank Employee Stock Ownership Plan Organization). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 31 March 2023 ESOP owned 10,940,868 OTP shares.
[3] Non-identified shareholders according to the shareholders' registry.

Number of treasury shares held in the year under review (2023)

	1 January	31 March	30 June	30 September	31 December
OTP Bank	354,144	1,107,117			
Subsidiaries	0	0			
TOTAL	354,144	1,107,117			

Shareholders with over/around 5% stake as at 31 March 2023

Name	Nationality[1]	Activity[2]	Number of shares	Ownership[3]	Voting rights[3,4]	Notes[5]
MOL (Hungarian Oil and Gas Company Plc.)	**D**	**C**	**24,000,000**	**8.57%**	**8.61%**	
T. Rowe Price Group, Inc. shareholder group	**F**	**C**	**14,502,290**	**5.18%**	**5.20%**	
T. Rowe Price International Ltd. (indirect ownership)	F	C	8,064,720	2.88%	2.89%	
T. Rowe Price Hong Kong Ltd. (indirect ownership)	F	C	5,759,238	2.06%	2.07%	
T. Rowe Price Associates, Inc. (indirect ownership)	F	C	678,332	0.24%	0.24%	
Groupama Group	**F/D**	**C**	**14,258,161**	**5.09%**	**5.11%**	
Groupama Gan Vie SA	F	C	14,140,000	5.05%	5.07%	
Groupama Biztosító Ltd.	D	C	118,161	0.04%	0.04%	

[1] Domestic (D), Foreign (F).
[2] Custodian (CU), Public Institution (PU), International Development Institutions (ID), Institutional (I), Company (C), Private (PR), Employee or senior officer (E).
[3] Rounded to two decimals.
[4] Voting rights in the General Meeting of the Issuer for participation in decision-making.
[5] Eg, professional investor, financial investor, etc.

Senior officers, strategic employees and their shareholding of OTP shares as at 31 March 2023

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	325,047
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	9,648
IT	dr. István Gresa	member	27/04/2012	2026	182,858
IT	Antal Kovács[3]	member	15/04/2016	2026	114,759
IT	György Nagy[4]	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	535,347
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	408
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	András Becsei	Deputy CEO			6,199
SP	László Bencsik	Deputy CEO			12,744
SP	György Kiss-Haypál	Deputy CEO			10,905
TOTAL No. of shares held by management					**1,532,961**

[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, 4,602,174
[3] Number of OTP shares owned by Antal Kovács, Member of Board of Directors, directly or indirectly, 119,059
[4] Number of OTP shares owned by György Nagy, Member of Board of Directors, directly or indirectly, 1,118,955

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

a) Contingent liabilities

	31/03/2023	31/03/2022
Commitments to extend credit	4,697,265	3,901,152
Guarantees arising from banking activities	1,328,768	1,298,822
Confirmed letters of credit	47,611	89,166
Legal disputes (disputed value)	73,822	73,859
Other	818,471	525,078
TOTAL	**6,965,937**	**5,888,077**

[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]	9,988	10,277	10,300
Consolidated[2]	37,447	35,976	36,965

[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 01/04/2022 and 31/03/2023

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2023	Outstanding consolidated debt (in HUF million) 31/03/2023
OTP Mortgage Bank	Mortgage bond	OJB2029_A	25/07/2022	24/05/2029	HUF	91,510	91,510
OTP Bank Plc.	Retail bond	OTP_HUF_24/1	17/02/2023	17/02/2024	HUF	27,183	27,183
OTP Bank Plc.	Retail bond	OTP_HUF_24/2	10/03/2023	10/03/2024	HUF	23,878	23,878
OTP Bank Plc.	Retail bond	OTP_HUF_24/3	31/03/2023	31/03/2024	HUF	17,685	17,685
OTP Bank Plc.	Retail bond	OTP_HUF_25/1	18/11/2022	18/11/2025	HUF	25,563	25,563
OTP Bank Plc.	Retail bond	OTP_HUF_26/1	22/12/2022	05/01/2026	HUF	10,230	10,230
OTP Bank Plc.	Corporate bond	XS2499691330	13/07/2022	13/07/2025	EUR	400,000,000	159,701
OTP Bank Plc.	Corporate bond	XS2536446649	29/09/2022	29/09/2026	USD	60,000,000	22,541
OTP Bank Plc.	Corporate bond	XS2560693181	01/12/2022	04/03/2026	EUR	650,000,000	259,613
OTP Bank Plc.	Corporate bond	XS2586007036	15/02/2023	15/05/2033	USD	650,000,000	227,403

Security redemptions on Group level between 01/04/2022 and 31/03/2023

Issuer	Type of security	Security name	Date of issue	Date of maturity	Ccy	Outstanding consolidated debt (in original currency or HUF million) 31/03/2022	Outstanding consolidated debt (in HUF million) 31/03/2022
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	OTPRF2022C	28/06/2012	28/06/2022	HUF	209	209
OTP Bank Plc.	Corporate bond	OTPRF2022D	28/06/2012	28/06/2022	HUF	286	286
OTP Bank Plc.	Corporate bond	OTPRF2022E	29/10/2012	31/10/2022	HUF	862	862
OTP Bank Plc.	Corporate bond	OTPRF2022F	28/12/2012	28/12/2022	HUF	708	708
OTP Bank Plc.	Corporate bond	OTPX2022B	18/07/2012	18/07/2022	HUF	164	164
OTP Bank Plc.	Corporate bond	OTPX2022C	29/10/2012	28/10/2022	HUF	177	177
OTP Bank Plc.	Corporate bond	OTPX2022D	28/12/2012	27/12/2022	HUF	238	238
OTP Bank Nyrt.	Corporate bond	OTPRF2023A	22/03/2013	24/03/2023	HUF	1,011	1,011
OTP Bank Nyrt.	Corporate bond	OTPX2023A	22/03/2013	24/03/2023	HUF	312	312

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]	1Q 2022	4Q 2022	1Q 2023	Q-o-Q	Y-o-Y
Total compensation for key management personnel	**3,162**	**3,427**	**3,324**	**-3%**	**5%**
Short-term employee benefits	2,184	2,352	2,244	-5%	3%
Share-based payment	726	782	608	-22%	-16%
Other long-term employee benefits	237	24	472		99%
Termination benefits	15	269	0		
Loans to key management individuals and their close family members as well as to entities in which they have an interest	68,875	75,704	83,621	10%	21%
Credit lines of key management individuals and their close family members as well as entities in which they have an interest	19,350	47,522	34,471	-27%	78%
Loans provided to unconsolidated subsidiaries	2,408	4,067	3,459	-15%	44%

[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[5]

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 1Q 2022	Measures value 1Q 2023
Leverage, consolidated[6]	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 1Q 2023: $\frac{3,242,038.5}{38,907,225.8} = 8.3\%$ Example for 1Q 2022: $\frac{2,934,160.6}{31,199,744.8} = 9.4\%$	9.4%	8.3%
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 1Q 2023: $\frac{9,326,587.2}{6,315,906.8 - 1,567,981.7} = 196.4\%$ Example for 1Q 2022: $\frac{5,794,509.0}{5,365,148.8 - 2,778,146.1} = 224.0\%$	224.0%	196.4%
ROE (accounting), consolidated	The return on equity ratio shall be calculated the consolidated accounting 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 accounting profit after tax 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 1Q 2023: $\frac{194,761.8 * 4.1}{3,296,748.8} = 24.0\%$ Example for 1Q 2022: $\frac{-33,405.1 * 4.1}{2,962,453.8} = -4.6\%$	-4.6%	24.0%
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 1Q 2023: $\frac{187,118.9 * 4.1}{3,296,748.8} = 23.0\%$ Example for 1Q 2022: $\frac{88,624.2 * 4.1}{2,962,453.8} = 12.1\%$	12.1%	23.0%

[5] 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.
[6] 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 1Q 2022	Measures value 1Q 2023
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 1Q 2023: $\frac{187{,}118.9 \quad * \quad 4.1}{34{,}535{,}418.7} = 2.2\%$ Example for 1Q 2022: $\frac{88{,}624.2 \quad * \quad 4.1}{28{,}360{,}398.6} = 1.3\%$	1.3%	2.2%
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 1Q 2023: $\frac{231{,}860.5 \quad * \quad 4.1}{34{,}535{,}418.7} = 2.72\%$ Example for 1Q 2022: $\frac{190{,}968.6 \quad * \quad 4.1}{28{,}360{,}398.6} = 2.73\%$	2.73%	2.72%
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 1Q 2023: $\frac{457{,}129.0 \quad * \quad 4.1}{34{,}535{,}418.7} = 5.37\%$ Example for 1Q 2022: $\frac{361{,}199.9 \quad * \quad 4.1}{28{,}360{,}398.6} = 5.17\%$	5.17%	5.37%
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 1Q 2023: $\frac{312{,}063.6 \quad * \quad 4.1}{34{,}535{,}418.7} = 3.66\%$ Example for 1Q 2022: $\frac{239{,}779.3 \quad * \quad 4.1}{28{,}360{,}398.6} = 3.43\%$	3.43%	3.66%
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 1Q 2023: $\frac{225{,}268.5 \quad * \quad 4.1}{34{,}535{,}418.7} = 2.65\%$ Example for 1Q 2022: $\frac{170{,}231.3 \quad * \quad 4.1}{28{,}360{,}398.6} = 2.43\%$	2.43%	2.65%
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 1Q 2023: $\frac{225{,}268.5}{457{,}129.0} = 49.3\%$ Example for 1Q 2022: $\frac{170{,}231.3}{361{,}199.9} = 47.1\%$	47.1%	49.3%

Alternative performance measures name	Description	Calculation (data in HUF million)	Measures value 1Q 2022	Measures value 1Q 2023
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 1Q 2023: $\frac{6,043.5 \ * \ 4.1}{20,113,639.0}$ = 0.12% Example for 1Q 2022: $\frac{58,164.4 \ * \ 4.1}{16,644,518.2}$ = 1.42%	1.42%	0.12%
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 1Q 2023: $\frac{9,197.6 \ * \ 4.1}{34,535,418.7}$ = 0.11% Example for 1Q 2022: $\frac{72,890.0 \ * \ 4.1}{28,360,398.6}$ = 1.04%	1.04%	0.11%
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 1Q 2023: $\frac{35,544.0}{222,662.9}$ = 16.0% Example for 1Q 2022: $\frac{29,454.4}{118,078.6}$ = 24.9%	24.9%	16.0%
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 1Q 2023: $\frac{19,852,496.0}{27,353,013.3 \ + \ 98,959.4}$ = 72% Example for 1Q 2022: $\frac{16,394,572.0}{22,235,737.4 \ + \ 0.0}$ = 74%	74%	72%

SUPPLEMENTARY DATA

METHODOLOGICAL NOTE: CHANGE IN THE SEGMENTATION OF OTP CORE AND CORPORATE CENTRE

According the decision of the management, starting from 1Q 2023 the segmentation of the Hungarian operation has been changed.

The previously applied old methodology was outlined on page 53 of the Half-Year Financial Report for 2010, pursuant to which the core business activity in Hungary was segmented into OTP Core, whereas Corporate Centre was carved out of the sub-consolidated financial statements of entities making up OTP Core. Thus, Corporate Centre acted as a separate 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.

According to the new methodology, starting from 1Q 2023 Corporate Centre is no longer carved out of the OTP Core segment. One reason for this change was the simplification of the stock exchange reporting structure and the reduction of the segments. Secondly, as a result of this change the balance sheet and P&L impact of capital market instruments issued in the last few quarters will be captured in the OTP Core section, which includes a written analytical chapter. According to the old methodology those capital market instruments issued by OTP Bank were presented on the liability side of Corporate Centre, whereas the already executed and future expected transactions were required partly for regulatory reasons, i.e. in order to comply with the consolidated MREL minimum requirements. In line with the Single Point of Entry approach used by the Bank, the consolidated MREL requirement has to be met by instruments issued and held by OTP Bank (Hungary). Furthermore, with this change the stock exchange reports adopt the segmentation used in internal reports prepared for the management, as Corporate Center ceased to exist in those internal reports, too.

Under the new methodology, certain intragroup loans and deposits that are recognised within loans and liabilities from accounting point of view, are shifted to financial assets and financial liabilities lines in the adjusted balance sheet of OTP Core. Thus, loan and deposit volumes presented under the OTP Core segment reflect the underlying business developments.

For the sake of transparency, in the report's affected tables the 2022 base periods are presented both under the old (grey columns marked 'as previously reported') and new ('restated') methodology.

In the below tables we highlight the main financial data of OTP Core and Corporate Centre that were affected by this methodological change.

OTP CORE Main components of the Statement of recognised income, in HUF million	1Q 2022 as previously reported	2Q 2022 as previously reported	3Q 2022 as previously reported	4Q 2022 as previously reported	2022 as previously reported	1Q 2022 restated	2Q 2022 restated	3Q 2022 restated	4Q 2022 restated	2022 restated	1Q 2023
Profit after tax without received dividend	-78,346	-6,583	52,744	59,459	27,274	-77,078	-4,911	52,133	60,098	30,242	-36,596
Profit after tax	27,803	-4,825	52,744	59,459	135,181	29,072	-3,154	52,133	60,098	138,149	56,083
Adjusted profit after tax	94,038	74,850	48,932	35,413	253,232	95,306	76,521	48,321	36,052	256,200	43,055
Profit before tax	106,284	86,665	59,088	44,635	296,672	107,703	88,538	58,456	45,398	300,094	54,831
Operating profit	91,067	83,137	78,862	41,190	294,257	92,486	85,009	78,231	41,954	297,679	55,815
Total income	165,806	165,857	165,277	140,529	637,469	167,471	168,087	165,049	141,913	642,520	149,705
Net interest income	103,646	111,736	109,388	87,841	412,611	105,311	113,967	109,160	89,225	417,662	89,783
Operating expenses	-74,738	-82,720	-86,415	-99,339	-343,212	-74,985	-83,078	-86,818	-99,959	-344,841	-93,889
Corporate income tax	-12,246	-11,816	-10,156	-9,222	-43,440	-12,396	-12,016	-10,135	-9,346	-43,894	-11,775

Indicators (adjusted)	1Q 2022 as previously reported	2Q 2022 as previously reported	3Q 2022 as previously reported	4Q 2022 as previously reported	2022 as previously reported	1Q 2022 restated	2Q 2022 restated	3Q 2022 restated	4Q 2022 restated	2022 restated	1Q 2023
ROE	18.9%	14.9%	9.6%	7.0%	12.6%	19.2%	15.3%	9.5%	7.1%	12.7%	8.8%
ROA	2.5%	1.9%	1.2%	0.8%	1.6%	2.4%	1.8%	1.0%	0.8%	1.5%	0.9%
Operating profit margin	2.43%p	2.11%p	1.88%p	0.99%p	1.83%p	2.35%p	2.00%p	1.70%p	0.90%p	1.70%p	1.21%p
Total income margin	4.42%	4.22%	3.94%	3.37%	3.97%	4.25%	3.96%	3.58%	3.03%	3.68%	3.24%
Net interest margin	2.76%	2.84%	2.61%	2.11%	2.57%	2.67%	2.69%	2.37%	1.91%	2.39%	1.94%
Net fee and commission margin	1.10%	1.14%	1.08%	1.09%	1.10%	1.05%	1.05%	0.98%	0.97%	1.01%	0.95%
Net other non-interest income margin	0.56%	0.24%	0.25%	0.17%	0.30%	0.53%	0.22%	0.23%	0.15%	0.27%	0.35%
Operating costs to total assets ratio	2.0%	2.1%	2.1%	2.4%	2.1%	1.9%	2.0%	1.9%	2.1%	2.0%	2.0%
Cost/income ratio	45.1%	49.9%	52.3%	70.7%	53.8%	44.8%	49.4%	52.6%	70.4%	53.7%	62.7%
Effective tax rate	11.5%	13.6%	17.2%	20.7%	14.6%	11.5%	13.6%	17.3%	20.6%	14.6%	21.5%

Main components of balance sheet closing balances, in HUF million	1Q 2022 as previously reported	2Q 2022 as previously reported	3Q 2022 as previously reported	4Q 2022 as previously reported	1Q 2022 restated	2Q 2022 restated	3Q 2022 restated	4Q 2022 restated	1Q 2023
Total Assets	15,530,986	15,780,401	16,804,154	15,758,292	16,317,284	16,931,074	18,318,621	17,596,229	18,726,491
Liabilities to credit institutions	1,453,455	1,407,901	1,505,928	1,251,653	1,965,971	2,263,527	2,515,874	2,313,832	3,184,136
Issued securities	510,906	504,979	508,128	507,540	510,906	504,979	702,192	985,187	1,041,147
Issued securities without retail bonds	510,906	504,979	508,128	471,773	510,906	504,979	702,192	949,421	942,188
Subordinated bonds and loans	0	0	0	0	273,519	294,683	308,566	294,186	511,615

Corporate Centre Main components of the Statement of recognised income, in HUF million	1Q 2022 as previously reported	2Q 2022 as previously reported	3Q 2022 as previously reported	4Q 2022 as previously reported	2022 as previously reported	1Q 2022 restated	2Q 2022 restated	3Q 2022 restated	4Q 2022 restated	2022 restated	1Q 2023
Adjusted profit after tax	1,269	1,672	-611	639	2,968	-	-	-	-	-	-
Profit before tax	1,419	1,872	-632	763	3,423	-	-	-	-	-	-
Operating profit	1,419	1,872	-632	763	3,423	-	-	-	-	-	-
Total income	1,665	2,231	-228	1,384	5,051	-	-	-	-	-	-
Net interest income	1,665	2,231	-228	1,384	5,051	-	-	-	-	-	-
Operating expenses	-247	-358	-403	-621	-1,628	-	-	-	-	-	-
Corporate income tax	-150	-201	21	-125	-455	-	-	-	-	-	-

Main components of balance sheet closing balances, in HUF million	1Q 2022 as previously reported	2Q 2022 as previously reported	3Q 2022 as previously reported	4Q 2022 as previously reported	1Q 2022 restated	2Q 2022 restated	3Q 2022 restated	4Q 2022 restated	1Q 2023
Total Assets	3,157,327	3,625,945	3,959,199	3,848,180	-	-	-	-	-
Interbank loans to subsidiaries	1,768,151	2,233,474	2,536,613	2,393,334	-	-	-	-	-
Investments in subsidiaries	1,386,265	1,388,141	1,417,256	1,448,849	-	-	-	-	-
Other assets	2,911	4,330	5,329	5,998	-	-	-	-	-
Intra group liabilities from subsidiaries	1,258,125	1,738,957	1,840,598	1,399,338	-	-	-	-	-
Intra group funding from OTP Core	984,763	1,087,132	1,027,476	522,960	-	-	-	-	-
Issued securities	0	0	194,064	477,648	-	-	-	-	-
Subordinated debt (Tier 2)	273,519	294,683	308,566	294,186	-	-	-	-	-
Shareholders' equity	1,386,265	1,388,141	1,417,256	1,448,849	-	-	-	-	-

CHANGE IN THE PRESENTATION OF ACCRUED INTEREST RECEIVABLES ON STAGE 3 LOANS – METHODOLOGICAL SUMMARY

Starting from 2023 the presentation of accrued interest receivables on Stage 3 loans has been changed in the adjusted balance sheets and statements of recognised income.

According to the old methodology in place until the end of 2022, in the adjusted balance sheets of the stock exchange report the total amount of accrued interest receivables on Stage 3 loans under IFRS 9 were netted with the provisions created in relation to the total exposure toward those particular clients. As a result of this, in the adjusted consolidated balance sheet, and also in the different segments, lower gross loan volumes and allowances for loan losses were shown compared to the IFRS reports. Furthermore, in the adjusted statement of recognised income of OTP Core and therefore on consolidated level, as well, the accrued interests on Stage 3 loans in the given period were netted with the related provision for impairment on loan losses. These items were not settled against each other in the case of foreign subsidiaries.

From 2023, under the new methodology, these items are not netted against each other in the adjusted financial statements. This means that this change has not been retroactively applied for the base periods in the tables of this report, but only for 1Q 2023 the numbers according to the new methodology were presented.

For the sake of comparability, in the below table we present the main financial data affected by this change for the 2022 base periods under the new methodology, for the Group and OTP Core.

in HUF million / %	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2022	1Q 2023
Consolidated						
Gross customer loans	17,023,639	19,031,165	20,682,060	19,690,287	19,690,287	20,850,594
Allowances for loan losses	-969,797	-1,145,091	-1,202,235	-1,049,663	-1,049,663	-998,098
Stage 3 loan volume under IFRS 9	917,067	1,051,850	1,118,557	1,015,899	1,015,899	977,504
Stage 3 loans under IFRS 9/gross customer loans	5.4%	5.5%	5.4%	5.2%	5.2%	4.7%
Own coverage of Stage 3 loans under IFRS 9	63.4%	66.8%	66.5%	62.8%	62.8%	61.8%
Net interest income	242,458	266,622	291,937	297,897	1,098,914	312,064
Net interest margin	3.47%	3.57%	3.54%	3.51%	3.52%	3.66%
Provision for impairment on loan losses	-60,843	-16,265	-28,341	-35,117	-140,566	-6,044
Provision for impairment on loan losses-to-average gross loans ratio	1.48%	0.36%	0.57%	0.69%	0.75%	0.12%
OTP Core						
Gross customer loans	5,598,305	5,985,034	6,482,434	6,551,991	6,551,991	6,548,251
Allowances for loan losses	-250,282	-248,731	-263,388	-273,371	-273,371	-271,570
Stage 3 loan volume under IFRS 9	284,821	292,281	301,910	346,947	346,947	335,586
Stage 3 loans under IFRS 9/gross customer loans	5.1%	4.9%	4.7%	5.3%	5.3%	5.1%
Own coverage of Stage 3 loans under IFRS 9	50.1%	50.8%	49.7%	47.1%	47.1%	47.5%
Net interest income	107,990	114,172	110,213	90,623	422,997	89,783
Net interest margin	2.74%	2.69%	2.39%	1.94%	2.42%	1.94%
Provision for impairment on loan losses	14,395	12,577	-11,941	12,483	27,515	-2,316
Provision for impairment on loan losses-to-average gross loans ratio	-1.05%	-0.87%	0.77%	-0.76%	-0.46%	0.14%

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

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

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

(2) OTP Core is an economic unit for measuring the result of core business activity of OTP Group in Hungary. Financials of OTP Core are calculated from the partially consolidated IFRS financial statements of certain companies engaged in OTP Group's operation in Hungary. These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd, OTP Building Society Ltd, OTP Factoring Ltd, OTP Financial Point Ltd., and companies providing intragroup financing; OTP Bank Employee Stock Ownership Plan Organization was included from 4Q 2016; OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd. and OTP Real Estate Leasing Ltd. were included from 1Q 2017 (from 1Q 2019 OTP Real Estate Lease Ltd. was eliminated from OTP Core); OTP Mobile Service Llc. and OTP Ingatlanpont Llc. were included from 1Q 2019; OTP Ecosystem Ltd. (previous name: OTP eBIZ Ltd., it was eliminated from 1Q 2023) was included from 1Q 2020; OTP OTP Home Solutions was included from 2Q 2021.

The consolidated results of these companies were segmented into OTP Core and Corporate Centre until the end of 2022. According to the new methodology applied from 1Q 2023, Corporate Centre is no longer carved out of OTP Core. For details, see section 'Methodological note: change in the segmentation of OTP Core and Corporate Centre'. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions.

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

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

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

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

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

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

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

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

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

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

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

(14) Velvin Ventures Ltd. (Belize), SC Aloha Buzz SRL, SC Favo Consultanta SRL, SC Tezaur Cont SRL (Romania), OTP Osiguranje d.d. (Croatia), OTP Solution Fund (Ukraine), Mendota Invest d.o.o. (Slovenia).

(15) Until the end of 2022 Corporate Centre acted 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, OTP Flat Lease Ltd, OTP Fund Management Ltd, OTP Real Estate Fund Management Ltd, OTP Life Annuity Ltd; foreigners: banks, leasing companies, factoring companies.

Starting from 2023 Corporate Centre is no longer carved out of OTP Core. For details, see section 'Methodological note: change in the segmentation of OTP Core and Corporate Centre'. In the affected tables of this report, the 2022 base periods were presented both under the old and the new segment definitions.

(16) The profit after tax of the Hungarian operation lines include the profit after tax or adjusted profit after tax of the Hungarian subsidiaries and Corporate Centre, as well as the eliminations allocated onto these entities. (In 4Q 2022 the *profit after tax of the Hungarian operation* was retroactively corrected for 2021 and 3Q 2022, affecting the *profit after tax of the Foreign operation* line, too.)

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

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

In order to present Group performance reflecting the underlying business trends , the presented consolidated and separate / sub-consolidated profit and loss statements of this report were adjusted 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 interest rate cap for certain loans in Hungary, the effect of the winding up of Sberbank Hungary, the effect of acquisitions, the result of the treasury share swap agreement, and the impairments on Russian government bonds at OTP Core and DSK Bank booked from 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. 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 on loan losses* line.
- 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.
- 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. The change in the net asset value of the private equity funds managed by PortfoLion 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.
- The financial transaction tax paid in Hungary is reclassified from other (administrative) expenses to net fee and commission income in the adjusted P&L structure.
- 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 expected one-off effect of the interest rate cap for certain loans in Hungary* line contains the expected effect of the rate cap in the second half of 2022 and first half of 2023. The expected effect of the rate cap effective in 1H 2022 was presented 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 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.
- The *FX-adjusted* changes of certain consolidated or sub-consolidated P&L lines in HUF terms may be presented in this Report. According to the applied methodology in the case of the P&L lines, the FX effect is filtered out only in relation to the currency of the given country, irrespective of the transactional currency mix in which the given P&L line materialized. Thus, for instance, as for the consolidated FX-adjusted operating cost development, the effect of the Hungarian Forint rate changes against the given currency is not eliminated in the case of the cost items arising in FX within the Hungarian cost base.

Adjustments affecting the balance sheet:

- In the adjusted balance sheet, net customer loans include the stock of loans at amortized cost, loans mandatorily at fair value through profit or loss, and finance lease receivables.
- In the adjusted balance sheets presented in the analytical section of the report, until the end of 2022 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 had an impact on the consolidated gross customer loans and allowances for loan losses. Starting from 2023 this adjustment is no longer applied. For details, see section 'Change in the presentation of accrued interest receivables on Stage 3 loans – methodological summary'.

ADJUSTMENTS OF CONSOLIDATED IFRS P&L LINES

in HUF million	1Q 22	2Q 22	3Q 22	4Q 22 Audited	2022 Audited	1Q 23
Net interest income	**240,794**	**264,479**	**290,478**	**295,562**	**1,091,314**	**310,098**
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operation	552	831	-65	716	2,034	0
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line)	2,679	205	1,053	1,398	5,335	-
(-) Effect of acquisitions	-728	-731	-783	-937	-3,179	-1,297
(-) Reclassification due to the introduction of IFRS16	-383	-580	-741	-682	-2,386	-669
Net interest income (adj.)	**239,779**	**266,417**	**290,884**	**296,499**	**1,093,579**	**312,064**
Net fees and commissions	**127,595**	**137,856**	**164,671**	**170,239**	**600,361**	**149,915**
(+) Financial Transaction Tax	-21,465	-19,153	-23,174	-25,958	-89,751	-25,899
(-) Effect of acquisitions	-1	0	-1	0	-2	-7
(-) Structural shift of income from currency exchange from net fees to the FX result	20,406	22,911	35,423	34,754	113,494	20,796
Net fees and commissions (adj.)	**85,725**	**95,792**	**106,075**	**109,527**	**397,118**	**103,227**
Foreign exchange result	**11,910**	**-10,959**	**-16,761**	**821**	**-14,989**	**30,109**
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operations	5,571	-6,110	-1,965	10,322	7,818	0
(-) Effect of acquisitions	2	-5	-1	0	-4	0
(+) Structural shift of income from currency exchange from net fees to the FX result	20,406	22,911	35,423	34,754	113,494	20,796
Foreign exchange result (adj.)	**26,743**	**18,067**	**20,628**	**25,253**	**90,691**	**50,905**
Gain/loss on securities, net	**-5,744**	**-2,116**	**1,012**	**2,360**	**-4,488**	**7,317**
(-) Effect of acquisitions	-91	-466	0	0	-556	-220
(-) Revaluation result of the treasury share swap agreement	-9,343	-26	-717	83	-10,002	-22
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	41	0	-2,923	-1,754	-4,636	-7,761
(+) 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	400	-1,229	-575	1,549	145	1,668
Gain/loss on securities, net (adj.)	**4,131**	**-2,855**	**-1,769**	**2,072**	**1,579**	**1,466**
Gains and losses on real estate transactions	**701**	**891**	**1,458**	**2,219**	**5,269**	**899**
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale (adj.)	**986**	**0**	**9,236**	**1,222**	**11,444**	**0**
(+) Other non-interest income	**18,288**	**25,184**	**34,371**	**40,934**	**118,777**	**141,373**
(+) Gains and losses on derivative instruments	**-8,586**	**7,516**	**23,012**	**-11,384**	**10,558**	**-28,673**
(+) Net insurance result	**165**	**440**	**391**	**373**	**1,370**	**334**
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortized cost	**636**	**4,320**	**-12,651**	**3,532**	**-4,164**	**6,225**
(-) 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	400	-1,229	-575	1,549	145	1,668
(-) Received cash transfers	83	-6	-14	383	447	73
(+) Other other non-interest expenses	-12,266	-16,394	-18,154	-26,155	-72,969	-18,046
(+) 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	401	603	2,298	-2,461	840	492
(-) Effect of acquisitions	0	0	3,348	-80	3,268	99,458
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realized at the Romanian operation	-5,018	6,941	1,900	-9,606	-5,783	0
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	-279	-130	-93	-89	-591	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	-76	-65	-45	-89	-275	0
(+) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	-393	-531	-629	-293	-1,846	-427
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)			-342	-150	-492	-94
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary				-2,022	-2,022	0
(-) Effect of the winding up of Sberbank Hungary (recovery leg)						11,416
Net other non-interest result (adj.)	**4,822**	**16,518**	**34,468**	**17,796**	**73,604**	**-10,533**

in HUF million	1Q 22	2Q 22	3Q 22	4Q 22 Audited	2022 Audited	1Q 23
Gain from derecognition of financial assets at amortized cost	**949**	**1,030**	**-2,685**	**-948**	**-1,655**	**-6,442**
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	41	0	-2,923	-1,754	-4,636	-7,761
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)	908	1,030	580	955	3,473	1,412
(-) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)			-342	-150	-492	-94
Gain from derecognition of financial assets at amortized cost (adj.)	**0**	**0**	**0**	**0**	**0**	**0**
Provision for impairment on loan and placement losses	**-72,680**	**-15,908**	**-37,032**	**-30,060**	**-155,680**	**-17,300**
(+) Modification gains or losses	**-15**	**-13,059**	**-2,179**	**-24,744**	**-39,997**	**298**
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	**13,758**	**1,229**	**-1,869**	**228**	**13,346**	**76**
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	**-43,123**	**-6,087**	**-8,027**	**-3,537**	**-60,775**	**-1,499**
(+) Provision for commitments and guarantees given	**-3,734**	**-2,200**	**6,428**	**-6,639**	**-6,145**	**-2,997**
(+) Impairment of assets subject to operating lease and of investment properties	**26**	**40**	**74**	**-1,345**	**-1,205**	**4**
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	96	55	4	-17	138	0
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line)	2,679	205	1,053	1,398	5,335	-
(-) Effect of acquisitions	0	0	-3,407	-86	-3,493	-11,813
(-) Structural correction between Provision for loan losses and Other provisions	-43,097	-6,047	-7,953	-4,882	-61,979	-1,495
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	6	-522	-2,184	-2,117	-4,816	0
(+) Structural adjustment due to the *Gain from derecognition of financial assets at amortized cost* line (against *Provision for impairment on loan losses*)	908	1,030	580	955	3,473	1,412
(-) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022	-1,023	-1,031	-144	1,937	-261	-887
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary		-11,144	0	-24,861	-36,005	232
Provision for impairment on loan losses (adj.)	**-58,164**	**-16,060**	**-27,288**	**-33,719**	**-135,231**	**-6,044**
Dividend income	**462**	**794**	**15,462**	**-2,078**	**14,641**	**598**
(+) Received cash transfers	83	-6	-14	383	447	73
(+) Paid cash transfers	-3,564	-5,483	-5,140	-3,522	-17,709	-14,257
(-) Sponsorships, subsidies and cash transfers to public benefit organisations	-3,451	-5,456	-5,137	-3,475	-17,519	-14,234
(-) Dividend income of swap counterparty shares kept under the treasury share swap agreement	0	0	12,130	0	12,130	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	401	603	2,298	-2,461	840	492
After tax dividends and net cash transfers	**31**	**159**	**1,018**	**719**	**1,927**	**157**
Depreciation	**-91,354**	**-26,832**	**-28,427**	**-28,691**	**-175,303**	**-29,113**
(-) Goodwill impairment charges	-67,715	0	0	0	-67,715	0
(-) Effect of acquisitions	-1,252	-1,227	-1,222	-1,216	-4,917	-1,127
(-) Reclassification due to the introduction of IFRS16	-4,090	-4,485	-4,783	-4,650	-18,008	-4,657
(+) Shifting of right of use asset depreciation from other non-interest expenses to the depreciation line						-145
Depreciation (adj.)	**-18,297**	**-21,119**	**-22,422**	**-22,825**	**-84,663**	**-23,475**
Personnel expenses	**-84,061**	**-90,691**	**-104,596**	**-123,215**	**-402,563**	**-108,236**
(-) Effect of acquisitions	-232	-219	-340	-468	-1,259	-528
(-) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line				-5,000	-5,000	0
Personnel expenses (adj.)	**-83,830**	**-90,471**	**-104,256**	**-117,747**	**-396,304**	**-107,708**
Income taxes	**-9,952**	**-4,542**	**-20,418**	**-24,340**	**-59,252**	**-24,556**
(-) Corporate tax impact of goodwill/investment impairment charges	11,435	0	1,765	-4,740	8,461	0
(-) Corporate tax impact of the special tax on financial institutions	1,902	6,713	7	-3,166	5,456	8,611
(+) Tax deductible transfers (offset against corporate taxes)	-1,669	-193	-4,431	-8,187	-14,479	0
(-) Corporate tax impact of the effect of acquisitions	192	312	-262	302	543	3,433
(-) Corporate tax impact of the expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-1	177	69	-2	244	0
(-) Corporate tax impact of the result of the treasury share swap agreement	841	2	65	-8	900	2
(-) Corporate tax impact of the impairments on Russian government bonds booked at OTP Core and DSK Bank from 2022	3,465	55	-486	460	3,494	0
(-) Corporate tax impact of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)		248	809	-30	1,027	-1,027

in HUF million	1Q 22	2Q 22	3Q 22	4Q 22 Audited	2022 Audited	1Q 23
(-) Corporate tax impact of the expected one-off effect of the interest rate cap for certain loans in Hungary		1,003	0	2,615	3,618	-31
Corporate income tax (adj.)	**-29,454**	**-13,246**	**-26,815**	**-27,960**	**-97,475**	**-35,544**
Other operating expense	**-25,896**	**-37,032**	**-30,736**	**-35,120**	**-128,785**	**-36,587**
(-) Other costs and expenses	-1,547	-4,403	-11,726	397	-17,279	-1,340
(-) Other non-interest expenses	-15,831	-21,877	-23,294	-29,676	-90,678	-32,303
(-) Effect of acquisitions	0	0	-190	-1,151	-1,341	-1,945
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania	182	75	89	106	453	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	76	65	45	89	275	0
(+) Structural correction between *Provision for loan losses* and *Other provisions*	-43,097	-6,047	-7,953	-4,882	-61,979	-1,495
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	0	-1,448	1,419	2,133	2,104	0
(-) Impairments on Russian government bonds booked at OTP Core and DSK Bank from 2022	-37,989	-569	-275	565	-38,268	0
(+) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022	-1,023	-1,031	-144	1,937	-261	-887
(-) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-183	-178	-228	-294	-882	-345
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary				-2,175	-2,175	118
Other provisions (adj.)	**-14,726**	**-15,776**	**-4,675**	**-8,058**	**-43,234**	**-3,154**
Other administrative expenses	**-104,529**	**-158,296**	**-91,966**	**-110,206**	**-464,998**	**-197,079**
(+) Other costs and expenses	-1,547	-4,403	-11,726	397	-17,279	-1,340
(+) Other non-interest expenses	-15,831	-21,877	-23,294	-29,676	-90,678	-32,303
(-) Paid cash transfers	-3,564	-5,483	-5,140	-3,522	-17,709	-14,257
(+) Film subsidies and cash transfers to public benefit organisations	-3,451	-5,456	-5,137	-3,475	-17,519	-14,234
(-) Other other non-interest expenses	-12,266	-16,394	-18,154	-26,155	-72,969	-18,046
(-) Special tax on financial institutions (recognised as other administrative expenses)	-22,128	-74,588	-86	-7	-96,808	-96,742
(-) Tax deductible transfers (offset against corporate taxes)	-1,669	-193	-4,431	-8,187	-14,479	0
(-) Financial Transaction Tax	-21,465	-19,153	-23,174	-25,958	-89,751	-25,899
(-) Effect of acquisitions	-420	-1,039	-813	-2,383	-4,654	-1,025
(+) Reclassification due to the introduction of IFRS16	-4,473	-5,065	-5,524	-5,332	-20,395	-5,326
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia	-3	0	-2	5	0	0
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	-393	-531	-629	-293	-1,846	-427
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	-183	-178	-228	-294	-882	-345
(-) Effect of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund)		-2,756	-8,992	331	-11,416	0
(+) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line				-5,000	-5,000	0
(-) Shifting of right of use asset depreciation from other non-interest expenses to the depreciation line						-145
Other non-interest expenses (adj.)	**-68,105**	**-75,140**	**-76,455**	**-87,417**	**-307,117**	**-94,085**

ADJUSTMENTS OF CONSOLIDATED IFRS BALANCE SHEET LINES

in HUF million	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	17,023,639	19,031,165	20,682,060	19,690,287	20,850,594
(-) Accrued interest receivables related to Stage 3 loans	38,045	42,983	47,410	46,730	-
Gross customer loans (adjusted)	16,985,594	18,988,181	20,634,650	19,643,558	20,850,594
Allowances for loan losses (incl. impairment of finance lease receivables)	-969,797	-1,145,091	-1,202,235	-1,049,663	-998,098
(-) Allocated provision on accrued interest receivables related to Stage 3 loans	-38,045	-42,983	-47,410	-46,730	-
Allowances for loan losses (adjusted)	-931,752	-1,102,107	-1,154,824	-1,002,933	-998,098

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