



# **OTP BANK PLC.**

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

**FOR THE NINE MONTH PERIOD  
ENDED 30 SEPTEMBER 2022**

# OTP BANK PLC.

## CONTENTS

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (UNAUDITED) .....	2
SEPARATE CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED) (in HUF mn) .....	3
SEPARATE CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED).....	4
SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD 30 2022 (UNAUDITED) .....	5
SEPARATE CONDENSED STATEMENT OF CASH FLOWS FOR NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED) .....	6
NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS.....	7
1.1. General information.....	7
1.2. Accounting.....	7
NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022 .....	7
NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD .....	8
NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn).....	9
NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn),.....	9
NOTE 6: SECURITIES AT AMORTISED COST (in HUF mn) .....	10
NOTE 7: LOANS (in HUF mn).....	10
NOTE 8: INVESTMENTS IN SUBSIDIARIES (in HUF mn).....	12
NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn).....	12
NOTE 10: LIABILITIES FROM ISSUED SECURITIES (in HUF mn).....	13
NOTE 11: OFF BALANCE SHEET ITEMS (in HUF mn).....	13
NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn).....	14
NOTE 13: NET INTEREST INCOME (in HUF mn).....	16

**OTP BANK PLC.**  
**SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (UNAUDITED)**  
**(in HUF mn)**

	Note	30 September 2022	31 December 2021	30 September 2021
Cash, amounts due from banks and balances with the National Bank of Hungary		922,476	474,945	485,006
Placements with other banks, net of allowance for placement losses		3,087,311	2,567,212	2,638,094
Repo receivables		122,586	33,638	28,759
Financial assets at fair value through profit or loss	4.	565,883	246,462	242,268
Financial assets at fair value through other comprehensive income	5.	920,780	641,939	759,457
Securities at amortised cost	6.	3,616,261	3,071,038	2,800,613
Loans at amortised cost	7.	4,969,025	4,032,465	3,780,722
Loans mandatorily measured at fair value through profit or loss	7.	762,573	662,012	631,683
Investments in subsidiaries	8.	1,482,214	1,573,008	1,585,521
Property and equipment		84,933	81,817	77,910
Intangible assets		62,660	62,161	56,485
Right of use assets		41,004	17,231	17,670
Investment properties		4,227	4,328	4,157
Deferred tax assets		31,852	-	-
Current tax assets		3,277	-	1,619
Derivative financial assets designated as hedge accounting relationships		37,279	17,727	13,994
Other assets		<u>316,841</u>	<u>224,488</u>	<u>239,112</u>
<b>TOTAL ASSETS</b>		<b><u>17,031,182</u></b>	<b><u>13,710,471</u></b>	<b><u>13,363,070</u></b>
Amounts due to banks and deposits from the National Bank of Hungary and other banks		1,668,349	1,051,203	1,378,325
Repo liabilities		506,734	86,580	293,041
Deposits from customers	9.	11,523,773	9,948,532	9,091,097
Leasing liabilities		43,602	17,932	18,143
Liabilities from issued securities	10.	212,215	22,153	27,505
Financial liabilities at fair value through profit or loss		16,545	20,133	22,175
Derivative financial liabilities designated as held for trading		503,728	192,261	150,705
Derivative financial liabilities designated as hedge accounting relationships		96,780	18,690	8,501
Deferred tax liabilities		-	1,507	3,303
Current tax liabilities		781	4,776	3,572
Provisions		8,065	21,527	13,256
Other liabilities		488,541	238,437	419,777
Subordinated bonds and loans		<u>308,566</u>	<u>271,776</u>	<u>264,201</u>
<b>TOTAL LIABILITIES</b>		<b><u>15,377,679</u></b>	<b><u>11,895,507</u></b>	<b><u>11,693,601</u></b>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		1,628,300	1,845,836	1,649,348
Treasury shares		<u>(2,797)</u>	<u>(58,872)</u>	<u>(7,879)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>1,653,503</u></b>	<b><u>1,814,964</u></b>	<b><u>1,669,469</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>17,031,182</u></b>	<b><u>13,710,471</u></b>	<b><u>13,363,070</u></b>

**OTP BANK PLC.**  
**SEPARATE CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTH PERIOD**  
**ENDED 30 SEPTEMBER 2022 (UNAUDITED)**  
**(in HUF mn)**

	Note	Nine month period ended 30 September 2022	Year ended 31 December 2021	Nine month period ended 30 September 2021
Interest income and similar to interest income total	13.	691,917	408,036	283,905
Interest expenses total	13.	<u>(481,029)</u>	<u>(155,491)</u>	<u>(80,967)</u>
<b>NET INTEREST INCOME</b>	<b>13.</b>	<b><u>210,888</u></b>	<b><u>252,545</u></b>	<b><u>202,938</u></b>
Risk cost total		(74,720)	(56,710)	(36,599)
<b>NET INTEREST INCOME AFTER RISK COST</b>		<b><u>136,168</u></b>	<b><u>195,835</u></b>	<b><u>166,339</u></b>
Gains / (Losses) arising from derecognition of financial assets measured at amortised cost		(27,752)	(2,700)	(2,171)
Modification loss		(4,267)	(7,017)	(6,682)
Net profit from fees and commissions		217,994	248,527	182,408
Net operating income		10,512	62,074	84,443
Other administrative expenses		<u>(365,689)</u>	<u>(355,429)</u>	<u>(254,188)</u>
<b>PROFIT BEFORE INCOME TAX</b>		<b><u>(33,034)</u></b>	<b><u>141,290</u></b>	<b><u>170,149</u></b>
Income tax		<u>14,777</u>	<u>(15,951)</u>	<u>(18,273)</u>
<b>PROFIT AFTER INCOME TAX</b>		<b><u>(18,257)</u></b>	<b><u>125,339</u></b>	<b><u>151,876</u></b>
Earnings per share (in HUF)				
Basic		<u>(66)</u>	<u>455</u>	<u>548</u>
Diluted		<u>(66)</u>	<u>455</u>	<u>548</u>

**OTP BANK PLC.**  
**SEPARATE CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH**  
**PERIOD ENDED 30 SEPTEMBER 2022 (UNAUDITED)**  
**(in HUF mn)**

*The comprehensive income items are as follows:*

	Nine month period ended 30 September 2022	Year ended 31 December 2021	Nine month period ended 30 September 2021
<b>PROFIT AFTER INCOME TAX</b>	<b><u>(18,257)</u></b>	<b><u>125,339</u></b>	<b><u>151,876</u></b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Fair value adjustment of debt instruments at fair value through other comprehensive income	(66,360)	(37,163)	(15,908)
Deferred tax (9%) related to fair value adjustment of debt instruments at fair value through other comprehensive income	6,142	3,410	1,352
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument	3,797	1,681	1,150
Deferred tax (9%) related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	(342)	(151)	(104)
(Losses) / Gains on derivative financial instruments designated as cash flow hedge	(5,868)	(6,307)	(3,857)
<b>Items that will not be reclassified to profit or loss:</b>			
Gains on equity instruments at fair value through other comprehensive income	2,675	-	-
Fair value adjustment of equity instruments at fair value through other comprehensive income	368	1,407	895
Deferred tax (9%) related to equity instruments at fair value through other comprehensive income	<u>(76)</u>	<u>(281)</u>	<u>(228)</u>
<b>Total</b>	<b><u>(59,664)</u></b>	<b><u>(37,404)</u></b>	<b><u>(16,700)</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>(77,921)</u></b>	<b><u>87,935</u></b>	<b><u>135,176</u></b>

**OTP BANK PLC.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD 30 2022**  
**(UNAUDITED)**  
**(in HUF mn)**

	Share Capital	Capital reserve	Retained earnings and other reserves	Treasury Shares	Total
<b>Balance as at 1 January 2021</b>	<b>28,000</b>	<b>52</b>	<b>1,697,081</b>	<b>(46,799)</b>	<b>1,678,334</b>
Modification due to accounting error	-	-	458	-	458
<b>Balance as at 1 January 2021</b>	<b>28,000</b>	<b>52</b>	<b>1,697,539</b>	<b>(46,799)</b>	<b>1,678,792</b>
Net profit for the period	-	-	151,876	-	151,876
Other comprehensive income	-	-	<u>(16,700)</u>	-	<u>(16,700)</u>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b><u>135,176</u></b>	<b>-</b>	<b><u>135,176</u></b>
Share-based payment	-	-	2,537	-	2,537
Payments to ICES holders	-	-	(3,381)	-	(3,381)
Decrease due to termination of ICES bonds	-	-	(179,767)	-	(179,767)
Sale of treasury shares	-	-	-	50,852	50,852
Acquisition of treasury shares	-	-	-	(11,932)	(11,932)
Loss on treasury shares	-	-	(2,808)	-	(2,808)
<b>Other transaction with owners</b>	<b>-</b>	<b>-</b>	<b><u>(183,419)</u></b>	<b><u>38,920</u></b>	<b><u>(144,499)</u></b>
<b>Balance as at 30 September 2021</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>1,649,296</u></b>	<b><u>(7,879)</u></b>	<b><u>1,669,469</u></b>
<b>Balance as at 1 January 2022</b>	<b>28,000</b>	<b>52</b>	<b>1,845,784</b>	<b>(58,872)</b>	<b>1,814,964</b>
Net profit for the period	-	-	(18,257)	-	(18,257)
Other movement	-	-	2	-	2
Other comprehensive income	-	-	<u>(59,664)</u>	-	<u>(59,664)</u>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b><u>(77,919)</u></b>	<b>-</b>	<b><u>(77,919)</u></b>
Share-based payment	-	-	2,211	-	2,211
Sale of treasury shares	-	-	-	71,696	71,696
Acquisition of treasury shares	-	-	-	(15,621)	(15,621)
Loss on sale of treasury shares	-	-	(21,580)	-	(21,580)
Dividend for the year 2021	-	-	<u>(120,248)</u>	-	<u>(120,248)</u>
<b>Other transaction with owners</b>	<b>-</b>	<b>-</b>	<b><u>(139,617)</u></b>	<b><u>56,075</u></b>	<b><u>(83,542)</u></b>
<b>Balance as at 30 September 2022</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>1,628,248</u></b>	<b><u>(2,797)</u></b>	<b><u>1,653,503</u></b>

**OTP BANK PLC.**  
**SEPARATE CONDENSED STATEMENT OF CASH FLOWS FOR NINE MONTH PERIOD ENDED 30**  
**SEPTEMBER 2022 (UNAUDITED)**  
**(in HUF mn)**

	Nine month period ended 30 September 2022	Year ended 31 December 2021	Nine month period ended 30 September 2021
<b>Profit before income tax</b>	<b>(33,034)</b>	<b>141,290</b>	<b>170,149</b>
Net accrued interest	(4,906)	(2,205)	(54,742)
Income tax paid	(15,108)	(15,259)	(1,421)
Depreciation and amortization	34,458	40,784	30,154
Loss allowance / (Release of loss allowance)	236,348	68,257	32,404
Share-based payment	2,211	3,589	2,537
Unrealised (gains) / losses on fair value adjustment of financial instruments at fair value through profit or loss	(12,486)	23,051	10,028
Unrealised losses / (gains) on fair value adjustment of derivative financial instruments	64,612	30,962	(13,242)
Gains on securities	34,109	6,212	-
Interest expense from leasing liabilities	(783)	(214)	(164)
Foreign exchange loss	53,483	35,136	16,978
Proceeds from sale of tangible and intangible assets	(141)	82	(132)
Net change in assets and liabilities in operating activities	<u>633,172</u>	<u>421,748</u>	<u>305,468</u>
<b>Net cash provided by operating activities</b>	<b><u>991,935</u></b>	<b><u>753,433</u></b>	<b><u>498,017</u></b>
<b>Net cash used in investing activities</b>	<b><u>(654,294)</u></b>	<b><u>(807,585)</u></b>	<b><u>(597,771)</u></b>
<b>Net cash provided by / (used in) financing activities</b>	<b><u>90,401</u></b>	<b><u>(73,293)</u></b>	<b><u>(8,024)</u></b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b><u>428,042</u></b>	<b><u>(127,445)</u></b>	<b><u>(107,778)</u></b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b><u>375,642</u></b>	<b><u>503,087</u></b>	<b><u>503,087</u></b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>803,684</u></b>	<b><u>375,642</u></b>	<b><u>395,309</u></b>

**NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS****1.1. General information**

These interim condensed financial statements had been prepared in accordance with the prescriptions of IAS 34.

**1.2. Accounting**

The Bank maintains its accounting records and prepares its statutory accounts in accordance with the commercial, banking and fiscal regulations prevailing in Hungary.

The presentation and the functional currency of the Bank is the Hungarian Forint (“HUF”).

The Bank followed the same accounting policies and methods of computation in the interim financial statements as compared with the most recent annual financial statements.

**NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022****1) Capital increase in OTP Bank Romania**

See details about the event in Note 8.

**2) Joint venture company in China**

On 2 June 2022 OTP Bank Plc. executed transaction agreements with its partners to establish a consumer finance joint venture company as a greenfield investment in China, with a 15% shareholding.

**3) Windfall tax**

Pursuant to Government Decree No. 197/2022 published on 4 June 2022, the Hungarian Government decided to impose a windfall tax on credit institutions and financial enterprises temporarily, i.e. for 2022 and 2023.

As for 2022, the base of the windfall tax is the net revenues based on the 2021 financial statements, calculated according to local tax law, whereas the tax rate is 10%. Consequently, in 2022 the windfall tax burden payable by the Hungarian members of OTP Group amounts to HUF 74.5 billion. This item is recognised in a lump sum in 2Q 2022, and it is presented amongst Other administrative expenses.

**4) Maturity of OTP MOL Swap**

The amended final maturity of the share swap agreement concluded with MOL Plc. (“MOL”) on 16 April 2009 – whereby OTP has exchanged 24.000.000 OTP ordinary shares for 5.010.501 (from 28 September 2017 for 40.084.008) „A” series MOL ordinary shares – is 11 July 2027, until which each party can initiate cash or physical settlement of the transaction.

**5) Prolongation of deadline of loan moratorium and interest rate cap**

On 17 June 2022 the government has prolonged the deadline for loan moratorium until 31 December 2022. Debtors affected by the moratorium could have declared about using further the payment moratorium until 31 July 2022.

Deadline for interest rate cap on retail loan products is prolonged also until 31 December 2022. Conditions are unchanged, which means reference rate cannot be higher than the relevant reference rate as at 27 October 2021.



**NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2022 [continued]****6) Green Senior Preferred Notes issued**

Green Senior Preferred Notes have been issued on 13 July 2022 as value date in the aggregate nominal amount of EUR 400 million. The non-call 2 years senior preferred notes have a three years term and carry an annually paid fixed coupon of 5.5% in the first two years. With respect to the third year, the quarterly coupon is calculated as the sum of the initial margin (of 426.5 basis points) and the 3 month EURIBOR rate. The notes are rated 'BBB' by S&P Ratings Europe Limited and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

**7) The financial closure of the Albanian acquisition**

See details about the event in Note 8.

**8) Green Senior Preferred Notes issued in amount of USD 60 million**

The Bank has issued "green" notes on 29 September 2022 in the aggregate nominal amount of USD 60 million. The notes are rated 'BBB' by S&P Ratings Europe Limited and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

**NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD****9) Capital increase at OTP Mortgage Bank Ltd.**

See details about the event in Note 8.

**NOTE 4: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (in HUF mn)**

	30 September 2022	31 December 2021
Held for trading securities:		
Government bonds	59,592	30,827
Other non-interest bearing securities	299	1,134
Hungarian government discounted Treasury Bills	5,140	869
Corporate shares and investments	474	599
Mortgage bonds	79	116
Other securities	<u>2,581</u>	<u>2,088</u>
<b>Subtotal</b>	<b><u>68,165</u></b>	<b><u>35,633</u></b>
Securities mandatorily measured at fair value through profit or loss		
Shares in investment funds	28,806	25,126
Shares	<u>1,476</u>	<u>2,935</u>
<b>Subtotal</b>	<b><u>30,282</u></b>	<b><u>28,061</u></b>
Held for trading derivative financial instruments:		
Foreign currency swaps	182,404	38,811
Interest rate swaps	121,913	59,097
CCIRS and mark-to-market CCIRS swaps	35,247	11,649
Other derivative transactions	<u>127,872</u>	<u>73,211</u>
<b>Subtotal</b>	<b><u>467,436</u></b>	<b><u>182,768</u></b>
<b>Total</b>	<b><u>565,883</u></b>	<b><u>246,462</u></b>

**NOTE 5: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (in HUF mn),**

	30 September 2022	31 December 2021
Securities at fair value through other comprehensive income		
Government bonds	205,688	278,876
Mortgage bonds	351,097	217,941
Interest bearing treasury bills	280,795	63,115
Other securities	66,065	64,870
listed securities	<u>46,079</u>	<u>43,759</u>
in HUF	906	2,896
in foreign currency	45,173	40,863
-non-listed securities	<u>19,986</u>	<u>21,111</u>
in HUF	14,344	15,487
in foreign currency	5,642	5,624
<b>Subtotal</b>	<b><u>903,645</u></b>	<b><u>624,802</u></b>
Non-trading equity instruments		
-non-listed securities	<u>17,135</u>	<u>17,137</u>
in HUF	528	528
in foreign currency	16,607	16,609
	<b><u>17,135</u></b>	<b><u>17,137</u></b>
<b>Securities at fair value through other comprehensive income total</b>	<b><u>920,780</u></b>	<b><u>641,939</u></b>

**NOTE 6: SECURITIES AT AMORTISED COST (in HUF mn)**

	30 September 2022	31 December 2021
Government bonds	3,307,343	2,863,259
Other bonds	315,912	190,155
Mortgage bonds	<u>24,811</u>	<u>24,309</u>
<b>Subtotal</b>	<b><u>3,648,066</u></b>	<b><u>3,077,723</u></b>
Loss allowance	<u>(31,805)</u>	<u>(6,685)</u>
<b>Total</b>	<b><u>3,616,261</u></b>	<b><u>3,071,038</u></b>

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

	30 September 2022	31 December 2021
<b>Balance as at 1 January</b>	<b>6,685</b>	<b>3,288</b>
Reclassification	-	1,281
<b>Balance as at 1 January</b>	<b>6,685</b>	<b>4,569</b>
Loss allowance	24,117	4,404
Release of loss allowance	(2,261)	(2,370)
FX movement	3,264	<u>82</u>
<b>Closing balance</b>	<b><u>31,805</u></b>	<b><u>6,685</u></b>

**NOTE 7: LOANS (in HUF mn)**

**Loans mandatorily measured at fair value through profit or loss**

	30 September 2022	31 December 2021
Within one year	37,440	32,091
Over one year	<u>725,133</u>	<u>629,921</u>
<b>Loans measured at fair value through profit or loss total</b>	<b><u>762,573</u></b>	<b><u>662,012</u></b>

Loans measured at fair value through profit or loss are mandatorily measured at fair value through profit or loss.

**Loans measured at amortised cost, net of allowance for loan losses**

	30 September 2022	31 December 2021
Within one year	2,570,044	2,125,908
Over one year	<u>2,579,791</u>	<u>2,062,114</u>
<b>Loans at amortised cost gross total</b>	<b><u>5,149,835</u></b>	<b><u>4,188,022</u></b>
Loss allowance on loan losses	<u>(180,810)</u>	<u>(155,557)</u>
<b>Loans at amortised cost total</b>	<b><u>4,969,025</u></b>	<b><u>4,032,465</u></b>

**NOTE 7: LOANS (in HUF mn) [continued]**

An analysis of the loan portfolio by currency is as follows:

	<b>30 September 2022</b>	<b>31 December 2021</b>
In HUF	56%	62%
In foreign currency	<u>44%</u>	<u>38%</u>
<b>Total</b>	<b><u>100%</u></b>	<b><u>100%</u></b>

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Balance as at 1 January</b>	<b>155,557</b>	<b>123,670</b>
Reclassification	-	(1,281)
<b>Balance as at 1 January</b>	<b>155,557</b>	<b>122,389</b>
Loss allowance	173,020	221,084
Release of loss allowance	(140,189)	(180,291)
Use of loss allowance	(12,648)	(6,951)
Partial write-off	(6,400)	(1,733)
FX movement	<u>11,470</u>	<u>1,059</u>
<b>Closing balance</b>	<b><u>180,810</u></b>	<b><u>155,557</u></b>

**NOTE 8: INVESTMENTS IN SUBSIDIARIES (in HUF mn)**

	30 September 2022	31 December 2021
Investments in subsidiaries:		
Controlling interest	2,050,297	2,006,178
Other	<u>27,190</u>	<u>16,086</u>
<b>Subtotal</b>	<b><u>2,077,487</u></b>	<b><u>2,022,264</u></b>
 Impairment loss	 (595,273)	 (449,256)
 <b>Total</b>	 <b><u>1,482,214</u></b>	 <b><u>1,573,008</u></b>

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

	30 September 2022	31 December 2021
<b>Balance as at 1 January</b>	<b>449,256</b>	<b>425,163</b>
Impairment loss for the period	147,108	59,132
Reversal of impairment loss	(1,091)	(31,712)
Use of impairment loss	=	<u>(3,327)</u>
<b>Closing balance</b>	<b><u>595,273</u></b>	<b><u>449,256</u></b>

The registered capital of the Romanian subsidiary of OTP Bank was increased to RON 2,279,253,360 from RON 2,079,253,200

The financial closure of the transaction to purchase 100% shareholding of Alpha Bank Albania SH.A., the Albanian subsidiary of the Alpha Bank Group has been completed on 18 July 2022, based on the share sale and purchase agreement concluded between OTP Bank and Alpha Bank Group's member, Alpha International Holdings Single Member S.A., on 6 December 2021. The integration of OTP Bank Albania and Alpha Bank Albania is expected to be completed in 2023.

The Metropolitan Court of Registration has registered a capital increase at OTP Mortgage Bank Ltd. The registered capital of OTP Mortgage Bank Ltd. was increased to HUF 57,000,000,000 from HUF 37,000,000,000.

**NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn)**

	30 September 2022	31 December 2021
Within one year:		
In HUF	8,519,358	7,823,118
In foreign currency	<u>2,982,332</u>	<u>2,079,643</u>
	<b><u>11,501,690</u></b>	<b><u>9,902,761</u></b>
Over one year:		
In HUF	22,083	45,771
	<b><u>22,083</u></b>	<b><u>45,771</u></b>
 <b>Subtotal</b>	 <b><u>11,523,773</u></b>	 <b><u>9,948,532</u></b>

**NOTE 9: DEPOSITS FROM CUSTOMERS (in HUF mn) [continued]**

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

	30 September 2022		31 December 2021	
<b>Retail deposits</b>	<b>4,842,285</b>	<b>42%</b>	<b>4,475,933</b>	<b>45%</b>
Household deposits	4,842,285	42%	4,475,933	45%
<b>Corporate deposits</b>	<b>6,681,488</b>	<b>58%</b>	<b>5,472,599</b>	<b>55%</b>
Deposits to medium and large corporates	5,732,771	50%	4,639,198	47%
Municipality deposits	948,717	8%	833,401	8%
<b>Total</b>	<b><u>11,523,773</u></b>	<b><u>100%</u></b>	<b><u>9,948,532</u></b>	<b><u>100%</u></b>

**NOTE 10: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)**

	30 September 2022	31 December 2021
Within one year:		
In HUF	6,214	12,048
In foreign currency	2,134	-
	<b><u>8,348</u></b>	<b><u>12,048</u></b>
Over one year:		
In HUF	9,803	10,105
In foreign currency	194,064	-
	<b><u>203,867</u></b>	<b><u>10,105</u></b>
<b>Total</b>	<b><u>212,215</u></b>	<b><u>22,153</u></b>

**NOTE 11: OFF BALANCE SHEET ITEMS (in HUF mn)**

**Contingent liabilities and commitments**

	30 September 2022	31 December 2021
Loan commitments	1,979,307	1,677,030
Guarantees arising from banking activities	1,807,443	1,507,917
<i>from this: Payment undertaking liabilities (related to issue of mortgage bonds) of OTP Mortgage Bank</i>	950,176	746,476
Factoring loan commitments	428,848	423,673
Confirmed letters of credit	32,282	30,381
<b>Contingent liabilities and commitments total in accordance with IFRS 9</b>	<b><u>4,247,880</u></b>	<b><u>3,639,001</u></b>
Legal disputes (disputed value)	3,836	3,204
Contingent liabilities related to payments from shares in venture capital fund	34,962	47,550
Other	413	408
<b>Contingent liabilities and commitments total in accordance with IAS 37</b>	<b><u>39,211</u></b>	<b><u>51,162</u></b>
<b>Total</b>	<b><u>4,287,091</u></b>	<b><u>3,690,163</u></b>

At the balance sheet date the Bank was involved in various claims and legal proceedings of a nature considered normal to its business. The level of these claims and legal proceedings corresponds to the level of claims and legal proceedings in previous years.

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation. Provision due to legal disputes was HUF 1 940 million and HUF 259 million as at 30 September 2022 and 31 December 2021, respectively.

**NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn)**

**Fair value of derivative instruments**

Positive fair values of derivative instruments designated as hedge accounting relationships are presented separately in the statement of financial position, while positive fair values of derivative instruments classified as held for trading are included in financial assets at fair value through profit or loss. Negative fair values of hedging derivative instruments are presented separately in the statement of financial position, negative fair values of derivatives held for trading are included in the negative fair value of derivative financial instruments classified as held for trading line.

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

	30 September 2022					31 December 2021				
	Before netting		Netting	After netting		Before netting		Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets	Liabilities
<b>Held for trading derivative financial instruments</b>										
<b>Interest rate derivatives</b>										
Interest rate swaps	176,348	(170,778)	149,967	26,381	(20,811)	54,251	(53,720)	40,783	13,468	(12,937)
Cross currency interest rate swaps	35,167	(13,221)	-	35,167	(13,221)	7,207	(7,618)	-	7,207	(7,618)
OTC options	511	(511)	-	511	(511)	479	(479)	-	479	(479)
Forward rate agreement	=	=	=	=	=	=	=	=	=	=
<b>Total interest rate derivatives (OTC derivatives)</b>	<b>212,026</b>	<b>(184,510)</b>	<b>149,967</b>	<b>62,059</b>	<b>(34,543)</b>	<b>61,937</b>	<b>(61,817)</b>	<b>40,783</b>	<b>21,154</b>	<b>(21,034)</b>
<i>From this: Interest rate derivatives cleared by NBH</i>	2,576	-	-	2,576	-	1,276	-	-	1,276	-
<b>Foreign exchange derivatives</b>										
Foreign exchange swaps	155,250	(138,388)	-	155,250	(138,388)	36,896	(40,639)	-	36,896	(40,639)
Foreign exchange forward	30,903	(18,717)	-	30,903	(18,717)	8,854	(6,819)	-	8,854	(6,819)
OTC options	4,042	(2,519)	-	4,042	(2,519)	804	(180)	-	804	(180)
Foreign exchange spot conversion	1,184	(1,189)	=	1,184	(1,189)	175	(246)	=	175	(246)
<b>Total foreign exchange derivatives (OTC derivatives)</b>	<b>191,379</b>	<b>(160,813)</b>	<b>=</b>	<b>191,379</b>	<b>(160,813)</b>	<b>46,729</b>	<b>(47,884)</b>	<b>=</b>	<b>46,729</b>	<b>(47,884)</b>
<i>From this: Foreign exchange derivatives cleared by NBH</i>	-	-	-	-	-	3,447	(1,480)	-	3,447	(1,480)

**NOTE 12: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF mn) [continued]**

**Fair value of derivative instruments**

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

	30 September 2022			31 December 2021						
	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities	Before netting Assets	Liabilities	Netting	After netting Assets	Liabilities
<b>Equity stock and index derivatives</b>										
Commodity Swaps	87,415	(88,393)	-	87,415	(88,393)	52,197	(52,166)	-	52,197	(52,166)
Equity swaps	<u>1,168</u>	<u>(1,900)</u>	-	<u>1,168</u>	<u>(1,900)</u>	<u>10,538</u>	<u>(357)</u>	-	<u>10,538</u>	<u>(357)</u>
<b>OTC derivatives</b>	<b><u>88,583</u></b>	<b><u>(90,293)</u></b>	<b>-</b>	<b><u>88,583</u></b>	<b><u>(90,293)</u></b>	<b><u>62,735</u></b>	<b><u>(52,523)</u></b>	<b>-</b>	<b><u>62,735</u></b>	<b><u>(52,523)</u></b>
Exchange traded futures and options	2,615	(1,239)	-	2,615	(1,239)	164	(278)	-	164	(278)
<b>Total equity stock and index derivatives</b>	<b><u>91,198</u></b>	<b><u>(91,532)</u></b>	<b>-</b>	<b><u>91,198</u></b>	<b><u>(91,532)</u></b>	<b><u>62,899</u></b>	<b><u>(52,801)</u></b>	<b>-</b>	<b><u>62,899</u></b>	<b><u>(52,801)</u></b>
<b>Derivatives held for risk management not designated in hedges</b>										
Interest rate swaps	114,100	(221,671)	18,568	95,532	(203,103)	51,311	(70,811)	5,682	45,629	(65,129)
Foreign exchange swaps	27,154	(11,669)	-	27,154	(11,669)	1,915	(5,245)	-	1,915	(5,245)
Foreign exchange spot conversion	-	-	-	-	-	-	-	-	-	-
Forward	34	(69)	-	34	(69)	-	-	-	-	-
Cross currency interest rate swaps	<u>80</u>	<u>(1,999)</u>	-	<u>80</u>	<u>(1,999)</u>	<u>4,442</u>	<u>(168)</u>	-	<u>4,442</u>	<u>(168)</u>
<b>Total derivatives held for risk management not designated in hedges</b>	<b><u>141,368</u></b>	<b><u>(235,408)</u></b>	<b><u>18,568</u></b>	<b><u>122,800</u></b>	<b><u>(216,840)</u></b>	<b><u>57,668</u></b>	<b><u>(76,224)</u></b>	<b><u>5,682</u></b>	<b><u>51,986</u></b>	<b><u>(70,542)</u></b>
<i>From this: Total derivatives cleared by NBH held for risk management</i>	<i>76,277</i>	<i>-</i>	<i>-</i>	<i>76,277</i>	<i>-</i>	<i>35,226</i>	<i>(497)</i>	<i>-</i>	<i>35,226</i>	<i>(497)</i>
<b>Total Held for trading derivative financial instruments</b>	<b><u>635,971</u></b>	<b><u>(672,263)</u></b>	<b><u>168,535</u></b>	<b><u>467,436</u></b>	<b><u>(503,728)</u></b>	<b><u>229,233</u></b>	<b><u>(238,726)</u></b>	<b><u>46,465</u></b>	<b><u>182,768</u></b>	<b><u>(192,261)</u></b>
<b>Derivative financial instruments designated as hedge accounting relationships</b>										
<b>Derivatives designated in cash flow hedges</b>										
Interest rate swaps	3,104	(24,766)	2,592	512	(22,174)	-	(8,638)	1,020	(1,020)	(7,618)
<b>Total derivatives designated in cash flow hedges</b>	<b><u>3,104</u></b>	<b><u>(24,766)</u></b>	<b><u>2,592</u></b>	<b><u>512</u></b>	<b><u>(22,174)</u></b>	<b>-</b>	<b><u>(8,638)</u></b>	<b><u>1,020</u></b>	<b><u>(1,020)</u></b>	<b><u>(7,618)</u></b>
<b>Derivatives designated in fair value hedges</b>										
Interest rate swaps	56,232	(38,693)	30,943	25,289	(7,750)	25,407	(17,878)	12,131	13,276	(5,747)
Cross currency interest rate swaps	9,193	(37,010)	-	9,193	(37,010)	5,471	(5,325)	-	5,471	(5,325)
Foreign exchange swaps	2,285	(29,846)	-	2,285	(29,846)	-	-	-	-	-
<b>Total derivatives designated in fair value hedges</b>	<b><u>67,710</u></b>	<b><u>(105,549)</u></b>	<b><u>30,943</u></b>	<b><u>36,767</u></b>	<b><u>(74,606)</u></b>	<b><u>30,878</u></b>	<b><u>(23,203)</u></b>	<b><u>12,131</u></b>	<b><u>18,747</u></b>	<b><u>(11,072)</u></b>
<i>From this: Total derivatives cleared by NBH held for hedging</i>	<i>-</i>	<i>(3,300)</i>	<i>-</i>	<i>-</i>	<i>(3,300)</i>	<i>-</i>	<i>(2,249)</i>	<i>-</i>	<i>-</i>	<i>(2,249)</i>
<b>Total derivatives held for risk management (OTC derivatives)</b>	<b><u>70,814</u></b>	<b><u>(130,315)</u></b>	<b><u>33,535</u></b>	<b><u>37,279</u></b>	<b><u>(96,780)</u></b>	<b><u>30,878</u></b>	<b><u>(31,841)</u></b>	<b><u>13,151</u></b>	<b><u>17,727</u></b>	<b><u>(18,690)</u></b>



**NOTE 13: NET INTEREST INCOME (in HUF mn)**

	30 September 2022	30 September 2021	31 December 2021
<b>Interest income accounted for using the effective interest rate method from / on</b>			
Loans at amortised cost	197,783	125,956	168,388
Placements with other banks	155,638	16,734	33,544
Securities at amortised cost	69,491	43,650	61,085
FVOCI securities	24,164	16,475	21,456
Financial liabilities	11,502	2,133	3,337
Amounts due from banks and balances with National Bank of Hungary	7,499	10,838	14,245
Repo receivables	<u>1,606</u>	<u>170</u>	<u>318</u>
<b>Subtotal</b>	<b><u>467,683</u></b>	<b><u>215,956</u></b>	<b><u>302,373</u></b>
<b>Income similar to interest income</b>			
Loans mandatorily measured at fair value through profit or loss	25,300	18,127	26,045
Swap and forward deals related to Placements with other banks	162,591	42,514	68,975
Swap and forward deals related to Loans at amortised cost	32,314	8,502	11,487
Swap and forward deals related to FVOCI securities	4,023	(1,199)	(850)
Investment properties	<u>6</u>	<u>5</u>	<u>6</u>
<b>Subtotal</b>	<b><u>224,234</u></b>	<b><u>67,949</u></b>	<b><u>105,663</u></b>
<b>Interest income total</b>	<b><u>691,917</u></b>	<b><u>283,905</u></b>	<b><u>408,036</u></b>
<b>Interest expense due to / from / on</b>			
Amounts due to banks and deposits from the National Bank of Hungary and other banks	270,949	53,114	107,928
Deposits from customers	161,013	17,879	33,403
Leasing liabilities	783	164	214
Liabilities from issued securities	2,561	270	377
Subordinated bonds and loans	6,128	5,996	7,890
Investment properties (depreciation)	101	57	92
Financial assets	3,929	1,578	2,193
Repo liabilities	35,376	1,909	3,394
Swap transaction related to acquisitions	<u>189</u>	=	=
<b>Subtotal</b>	<b><u>481,029</u></b>	<b><u>80,967</u></b>	<b><u>155,491</u></b>