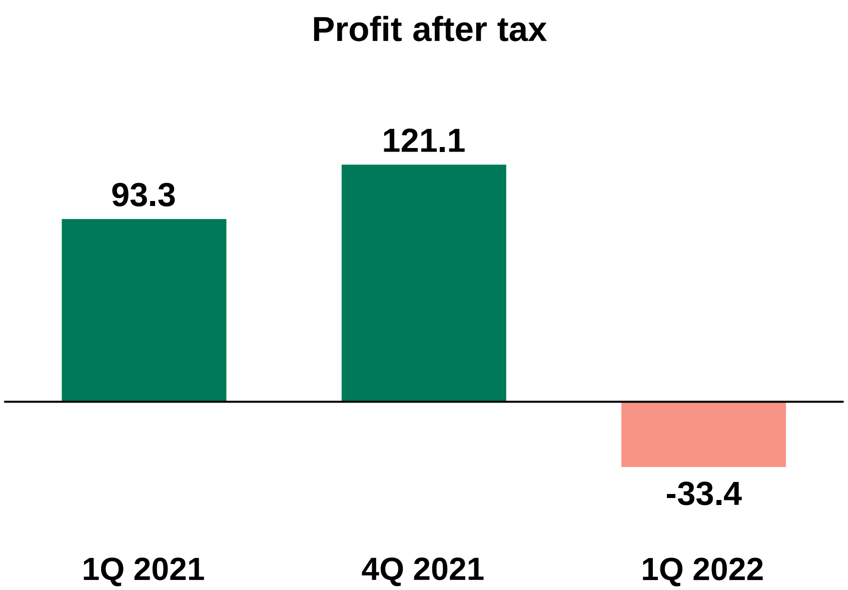
OTP Group – Strong results and capital provide resilience in turbulent times

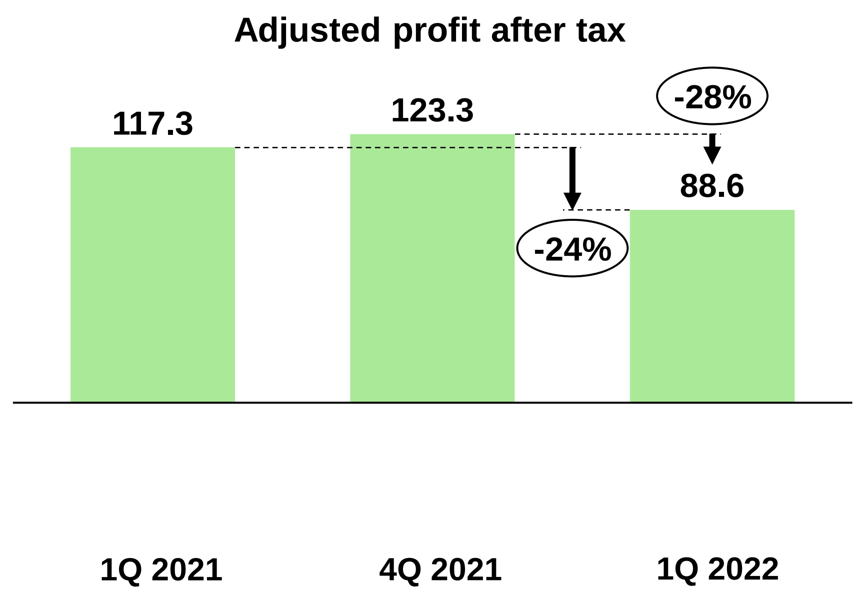
Investor presentation

Based on 1Q 2022 results

The consolidated profit after tax turned into red in 1Q due to the deeply negative balance of adjustment items. The adjusted profit after tax for the first quarter reached HUF 88.6 billion, a decrease of 24% q-o-q and 28% y-o-y

Profit development (HUF billion)

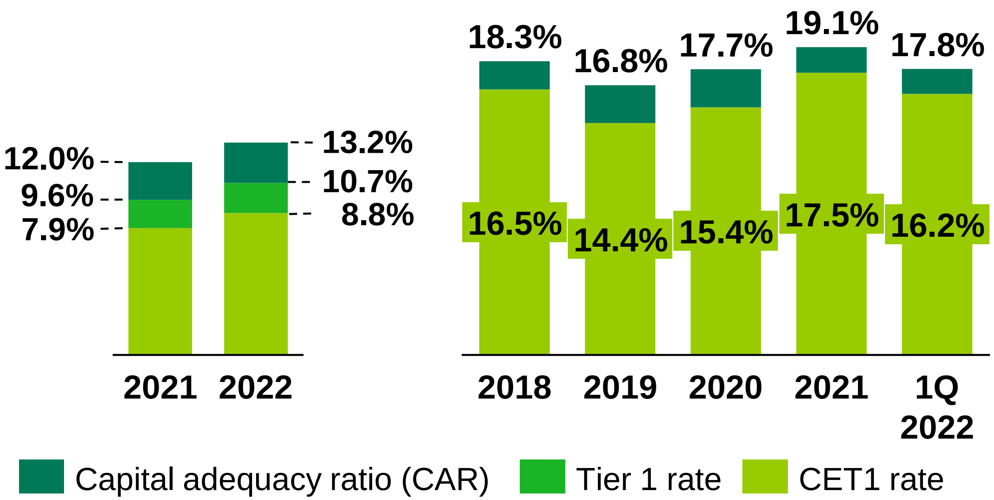




Adjustments (after tax)	1Q 2021	4Q 2021	1Q 2022
Special tax on financial institutions	-18.9	0.0	-20.2
Impairment on Russian government bonds in the books of OTP Core and DSK Bank	-	-	-34.5
Goodwill write-off and tax impact of investment impairment	0.7	2.6	-56.3
Effect of acquisitions	-3.5	-6.7	-2.5
Result of the treasury share swap agreement	-2.4	2.2	-8.5
Total	**-24.0**	**-2.2**	**-122.0**

Capital adequacy ratios and liquidity reserves significantly exceeded regulatory minimum requirements

Regulatory minima[1] **CAR and CET1 ratio actual values**[2]



Main liquidity indicators

	1Q 2022	Threshold
Net loan/deposit ratio	74%	-
Liquidity coverage ratio (LCR)	224%	≥ 100%
Net stable funding ratio (NSFR)	123%	≥ 100%

The CET1 ratio decreased by 1.3 pps q-o-q:

- **On one hand, CET1 capital decreased by HUF 115 billion:**

  -HUF 33 billion: impact of quarterly profit after tax

  -HUF 80 billion: effect of changes in the fair value of available-for-sale financial instruments, mainly due to changes in the yield on government securities

  -HUF 28 billion: due to the transitional effects of IFRS 9

  -HUF 15 billion: deductions due to the deferred tax increased

  +HUF 40 billion: effect of write-off of Russian goodwill

- **On the other hand, risk-weighted assets (RWA) increased by HUF 633 billion:**

  -HUF 60 billion: effect of changes in foreign exchange rates

  +HUF 554 billion: the effect of organic growth

  +HUF 139 billion: increase in non-credit risk RWA

[1] In the absence of additional core capital (AT1), the Tier 1 regulatory requirement is also effective for the CET1 rate.
[2] Indicators calculated for the scope of accounting (IFRS) consolidation. In the absence of additional core capital (AT1), the Tier 1 rate is the same as the CET1 rate.

The total volume of adjustment items represented -HUF 122 billion in 1Q 2022, relating mainly to the Russian goodwill impairment charges and impairments on Russian bonds held by OTP Bank Hungary and DSK Bank Bulgaria

(in HUF billion)	1Q 21	4Q 21	1Q 22	Q-o-Q	Y-o-Y
Consolidated after tax profit	**93.3**	**121.1**	**-33.4**		
Adjustments (total)	**-24.0**	**-2.2**	**-122.0**		**409%**
Dividends and net cash transfers (after tax)	0.1	-0.1	0.0		-62%
Goodwill/investment impairment charges (after tax)	0.7	2.6	-56.3 (1)		
Special tax on financial institutions (after tax)	-18.9	0.0	-20.2 (2)		7%
Expected one-off negative effect of the debt repayment moratorium in Hungary (after tax)	0.0	0.3	0.0		
Effect of acquisitions (after tax)	-3.5	-6.7	-2.5	-62%	-27%
Result of the treasury share swap agreement (after tax)	-2.4	2.2	-8.5 (3)		261%
Impairments on Russian government bonds at OTP Core and DSK Bank booked in 1Q 2022 (after tax)	-	-	-34.5 (4)		
Consolidated adjusted after tax profit	**117.3**	**123.3**	**88.6**	**-28%**	**-24%**

1. The Russian goodwill was fully impaired in 1Q, entailing altogether HUF 41 billion negative equity impact. Part of this amount appeared in the P&L, and there was another mitigating part recognised directly against equity. This line also includes the HUF positive tax shield effect of the investment impairment booked in the case of the Russian, Ukrainian and Moldovan subsidiaries (the impairments themselves are eliminated on consolidated level, but their tax shield is still recognized in the consolidated P&L).

2. According to IFRS the full amount of the Hungarian special banking tax shall be booked in a lump-sum in the first quarter.

3. The negative figure reflects the relative share price changes and the updated model calculation for dividend pay-outs.

4. As of 31 March 2022 the face value of Russian bonds held by OTP Core and DSK Bank was HUF 102 billion equivalent. In 1Q 2022 impairments in the amount of HUF 38 billion were booked against these exposures, and the book value of the bonds measured at fair value (AFS) was also affected by the fair value adjustment. The remaining net book value of this bond portfolio is HUF 40 billion.

The decline in adjusted profit after tax was mainly due to the surge in risk costs. The 1Q corporate tax burden was shaped by the write-off of Russian deferred tax assets in the amount of HUF 6.4 billion; in addition to this, the 1Q effective corporate tax rate was upward driven by the fact that no deferred tax assets were recognized in Russia and Ukraine

(HUF billion)	1Q 2021	4Q 2021	2021	1Q 2022	Q-o-Q FX-adjusted	Y-o-Y FX-adjusted
Adjusted profit after tax	**117.3**	**123.3**	**496.9**	**88.6**	**-25%**	**-24%**
Profit before tax	138.4	147.6	587.9	118.1	-17%	-14%
Operating profit	146.9	176.9	660.4	190.97	10%	30%
Total income	301.1	362.4	1313.1	361.2	1%	20%
Net interest income	203.2	247.5	884.0	239.8	-1%	18%
Net fees and commissions	71.9	87.3	325.5	85.7	0%	19%
Other net non-interest income	26.0	27.6	103.6	35.7	33%	37%
Operating expenses	-154.2	-185.5	-652.7	-170.2	-7%	10%
Total risk cost	-8.5	-29.3	-72.5	-72.9	147%	749%
Corporate tax	-21.1	-24.3	-91.0	-29.5	24%	39%

OTP's outstanding performance is traditionally recognized not only by capital markets, but professional organizations, too

'Best Bank in CEE 2018 and 2021'
'Best Bank in Hungary 2017, 2018, 2020 and 2021'
'Best Bank in Bulgaria 2021'
'Best Bank in Montenegro 2020 and 2021'
'Best Bank in Albania 2020 and 2021'

'Best Bank in CEE 2021'
'Best Bank in Hungary 2020 and 2021'
'Bank of the Year in Croatia in 2021'
'Bank of the Year in Montenegro in 2021'
'Bank of the Year in Slovenia in 2020 and 2021'

'Best Bank in CEE 2022'
'Best Bank in Hungary in 2022' since 2012 in all consecutive years
'Best Bank in Montenegro in 2022'
'Best Bank in Slovenia in 2022'

'Bank of the Year in 2021'
'Mobile Banking Solution of the Year 2021'
'UX Solution of the Year 2021'
'Sustainable Bank of the Year 2021'
'Marketing Communication Campaign of the Year 2021'

'Best Consumer Digital Bank in Hungary in 2019, 2020 and 2021'

'Safest Bank in Hungary in 2020 and 2021'

'Best SME Bank in CEE and in Hungary in 2022 '

'Best FX providers in Hungary in 2017, 2018, 2019, 2020, 2021 and 2022'
'Best FX providers in Bulgaria in 2021 and 2022'
'Best FX providers in Slovenia in 2022'

'Best Private Bank in CEE in 2022'
'Best Private Bank in Hungary in 2020 and 2021 and 2022'
'Best Private Bank in Montenegro in 2022'

'Best Private Bank in Hungary'

'Best Bank for Sustainable Finance in Hungary for 2022'

'OTP LAB has again earned the "Best Financial Innovation Labs" award from Global Finance Magazine in 2022.'

OTP’s way to a sustainable world: dedicated permanent ESG organization, strategic focus, and visible results

ORGANIZATION

The **whole organization of the Bank and its Subsidiaries are involved in the ESG transformation**, that is steered by the ESG Committee, managed by the Green Program Director as Leader of ESG business transformation.

Board of Directors
Board member responsible for ESG

ESG Committee
Standing Executive Committee

Task: Formulating strategy, plans and policies in relation to ESG, supporting management bodies, responsible for execution of the strategy
Chair: Delegate of Board of Directors

ESG Subcommittee
Operating Committee of ESG Committee

Task: operating body supporting the work of ESG Committee
Chair: Green Program Director responsible for ESG business transformation of the OTP Group

ESG risk management | **ESG business transformation** | **ESG control function**

STRATEGY

OTP Bank has successfully started implementing its ESG strategy, the main results are as follows:

Green mortgage bond issuance:
In August 2021 OTP Mortgage Bank was the first to issue a green mortgage bond on the domestic market.

Current volume of issued green mortgage bonds: **HUF 95 billion**

Green Home Programme:
In October 2021 OTP Bank was amongst the first banks joining the programme.

Contracted amount of Green Housing loans: **HUF 21 billion**
Validated[1] Green Housing loans: **HUF 4 billion**

Green corporate lending:
OTP’s Green Lending Framework was the first among domestic banks approved by the National Bank of Hungary. The approval will allow OTP to begin financing green projects of corporate customers.

Validated[1] corporate green loans and green bonds: **HUF 67.5 billion**

OTP Bank, as the first bank in Hungary, has become an official **Signatory of the *UN Principles for Responsible Banking.***

RATINGS

OTP Bank’s improving sustainability performance has been recognized with upgraded ratings by the major ESG rating agencies:

SUSTAINALYTICS – a Morningstar company: **20.3** (MEDIUM)

SEVERE – HIGH – MEDIUM – LOW – NEGLIGIBLE

MSCI: **A**

CCC – B – BB – BBB – A – AA – AAA

CDP – DRIVING SUSTAINABLE ECONOMIES: **B-** (most recent update)

D – C – B- – A

Source: Company data
[1] Accounted for in the Green Capital Relief Program of the National Bank of Hungary.

In 1Q 2022 the Russian and Ukrainian as well as the Romanian and Montenegrin operations suffered losses. This was partly offset by stronger q-o-q results in Hungary, Bulgaria and Croatia, shaped by favourable risk cost developments

	1Q 2021	4Q 2021	2021	1Q 2022	Q-o-Q	Y-o-Y
	HUF billion					
Adjusted profit after tax	**117.3**	**123.3**	**496.9**	**88.6**	**-28%**	**-24%**
OTP Core (Hungary)	56.0	45.9	213.4	94.0	105%	68%
DSK Group (Bulgaria)	18.3	10.7	76.8	21.1	96%	15%
OTP Bank Croatia	5.1	8.3	33.4	11.1	34%	116%
OTP Bank Serbia	6.8	11.4	32.1	10.9	-5%	60%
SKB Bank (Slovenia)	3.1	4.4	16.8	4.9	13%	61%
OTP Bank Romania	0.5	3.3	4.3	-1.8		
OTP Bank Ukraine	8.8	10.2	39.0	-34.4		
OTP Bank Russia	8.0	13.4	37.6	-27.2		
CKB Group (Montenegro)	2.0	-1.2	4.1	-1.2	0%	
OTP Bank Albania	1.1	1.6	5.5	2.3	40%	114%
OTP Bank Moldova	1.5	1.5	5.9	-0.5		
Merkantil Group (Hungary)	1.6	1.5	8.0	4.4	196%	169%
OTP Fund Management (Hungary)	0.8	3.3	6.1	1.2	-64%	38%
Other Group members	3.7	9.1	13.8	3.9	-57%	8%
Adjustment to the profit after tax of OTP Core						
Profit after tax w/o received dividend	28.9	20.3	158.9	-78.4		
Profit after tax	78.3	32.6	203.5	27.8	-15%	-65%
Adjusted profit after tax	56.0	45.9	213.4	94.0	105%	68%

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OTP Group achieved a profit after tax of HUF 28 billion excluding the Russian and Ukrainian operations, while the Russian operation suffered a loss of HUF 27 billion and the Ukrainian one a loss of HUF 35 billion in 1Q 2022

	OTP Group without Russia and Ukraine				OTP Bank Russia			OTP Bank Ukraine		
P&L (HUF billion)	**2021**	**4Q 2021**	**1Q 2022**	**Q-o-Q**	**2021**	**4Q 2021**	**1Q 2022**	**2021**	**4Q 2021**	**1Q 2022**
Net interest income	731	204	200	-2%	91	25	21	62	19	19
Net fees and commissions	285	76	78	2%	26	8	5	14	4	3
Other net non-interest income	95	24	34	44%	1	0	1	7	4	1
Total income	**1,111**	**303**	**312**	**3%**	**118**	**33**	**26**	**84**	**26**	**23**
Personnel expenses	-290	-85	-70	-18%	-34	-9	-9	-17	-5	-5
Depreciation	-64	-17	-16	-2%	-6	-2	-1	-2	-1	-1
Other expenses	-214	-59	-62	5%	-16	-4	-4	-10	-3	-2
Operating expenses	**-568**	**-162**	**-149**	**-8%**	**-56**	**-15**	**-14**	**-29**	**-9**	**-8**
Operating profit	**543**	**142**	**163**	**15%**	**62**	**18**	**12**	**55**	**17**	**15**
Provision for impairment on loan losses	-27	-17	15		-13	0	-27	-6	-4	-47
Other provision	-23	-6	-6	-3%	-2	-1	-6	-2	-1	-2
Total risk costs	**-50**	**-23**	**9**		**-15**	**-2**	**-33**	**-7**	**-5**	**-49**
Profit before tax	**493**	**119**	**173**	**45%**	**47**	**17**	**-20**	**47**	**12**	**-34**
Corporate tax	-73	-19	-22	18%	-10	-3	-7	-8	-2	0
Adjusted profit after tax	**420**	**100**	**150**	**51%**	**38**	**13**	**-27**	**39**	**10**	**-34**
Adjustments	-40	-2	-122		0	0	0	0	0	0
of which Russian gov. bond impairment	*0*	*0*	*-35*		*0*	*0*	*0*	*0*	*0*	*0*
of which investment and goodwill impairment	*0*	*2*	*-56*		*0*	*0*	*0*	*0*	*0*	*0*
Profit after tax	**380**	**97**	**28**	**-71%**	**37**	**13**	**-27**	**39**	**10**	**-35**
Performance Indicators										
Adjusted ROE	17.9%	16.5%	23.4%		18.2%	23.1%	-53.3%	28.8%	26.3%	-94.1%
Performing loan growth (FX-adjusted)	+14%	+4%	+3%		+18%	+9%	-7%	+41%	+8%	+5%
Net interest margin	3.09%	3.18%	3.05%		13.2%	13.1%	10.9%	7.5%	7.8%	8.1%
Cost/income ratio	51.1%	53.3%	47.6%		47.2%	45.5%	52.9%	34.5%	34.1%	33.8%
Credit risk cost / average gross loan volumes	0.19%	0.44%	-0.41%		2.0%	0.2%	16.3%	1.1%	2.6%	28.8%

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Total income practically remained flat q-o-q, but increased by 20% y-o-y with Hungary being the primary growth driver

TOTAL INCOME	1Q 2022 (HUF billion)	Y-o-Y (HUF billion)	Y-o-Y (%)	Q-o-Q (HUF billion)	Q-o-Q (%)
OTP Group	361	60	20%	-1	0%
OTP CORE (Hungary)	166	41	33%	17	11%
DSK Group (Bulgaria)	48	5	12%	1	2%
OBH (Croatia)	22	2	11%	-1	-3%
OBSrb (Serbia)	21	1	5%	0	-2%
SKB Banka (Slovenia)	11	1	10%	0	0%
OBR (Romania)	14	3	29%	2	14%
OBU (Ukraine)	23	6	34%/27%[1]	-3	-12%/-7%[1]
OBRu (Russia)	26	-2	-6%/0%[1]	-7	-21%/-9%[1]
CKB Group (Montenegro)	6	0	7%	0	-2%
OBA (Albania)	4	1	20%	0	-1%
OBM (Moldova)	5	2	45%	0	-11%
Others	16	0	2%	-10	-39%

[1] FX-adjusted change.

The 1Q 2022 net interest income grew by 18% y-o-y with bulk of the growth coming from Hungary and Ukraine. The q-o-q 3% decline was attributable to Hungary and Russia

NET INTEREST INCOME	1Q 2021 (HUF billion)	4Q 2021 (HUF billion)	2021 (HUF billion)	1Q 2022 (HUF billion)	1Q 2022 Y-o-Y (HUF billion)	1Q 2022 Y-o-Y (%)	1Q 2022 Q-o-Q (HUF billion)	1Q 2022 Q-o-Q (%)
OTP Group	**203**	**248**	**884**	**240**	37	18%	-8	-3%
OTP CORE (Hungary)	**82**	**108**	**369**	**104**	22	27%	-4	-4% (1)
DSK Group (Bulgaria)	**28**	**30**	**113**	**30**	2	8%	0	1%
OBH (Croatia)	**15**	**16**	**61**	**15**	1	5%	0	-3%
OBSrb (Serbia)	**16**	**16**	**62**	**16**	0	0%	0	-2%
SKB Banka (Slovenia)	**7**	**7**	**28**	**7**	0	1%	0	-2%
OBR (Romania)	**8**	**10**	**36**	**11**	3	30%	1	9%
OBU (Ukraine)	**13**	**19**	**62**	**19**	6	46%/39%[1]	0	1%/7%[1]
OBRu (Russia)	**22**	**25**	**91**	**21**	-1	-6%/0%[1]	-5	-18%/-6%[1] (2)
CKB Group (Montenegro)	**4**	**4**	**17**	**4**	0	5%	0	1%
OBA (Albania)	**2**	**3**	**11**	**3**	1	26%	0	4%
OBM (Moldova)	**2**	**3**	**10**	**3**	1	45%	0	12%
Merkantil (Hungary)	**5**	**5**	**21**	**5**	0	2%	-1	-12%
Corporate Centre	**0**	**1**	**1**	**2**	2		0	33%
Others	**0**	**1**	**2**	**1**	1		0	4%

1 At OTP Core the interest income on retail loans shrank by HUF 2 billion q-o-q, as a combined result of a slight increase in quarterly average volumes, and the drop in average interest rate levels. Most retail loans have an interest rate fixation period for at least five years, thus the interest on these loans does not change despite of rising interest rate environment.

On the other hand, the Bank realized higher interest revenues on corporate loans, most of which have variable interest rates and grew in their volumes. Further interest income was generated from securities mainly because of continued volume growth, while the average yield showed only a marginal q-o-q increase.

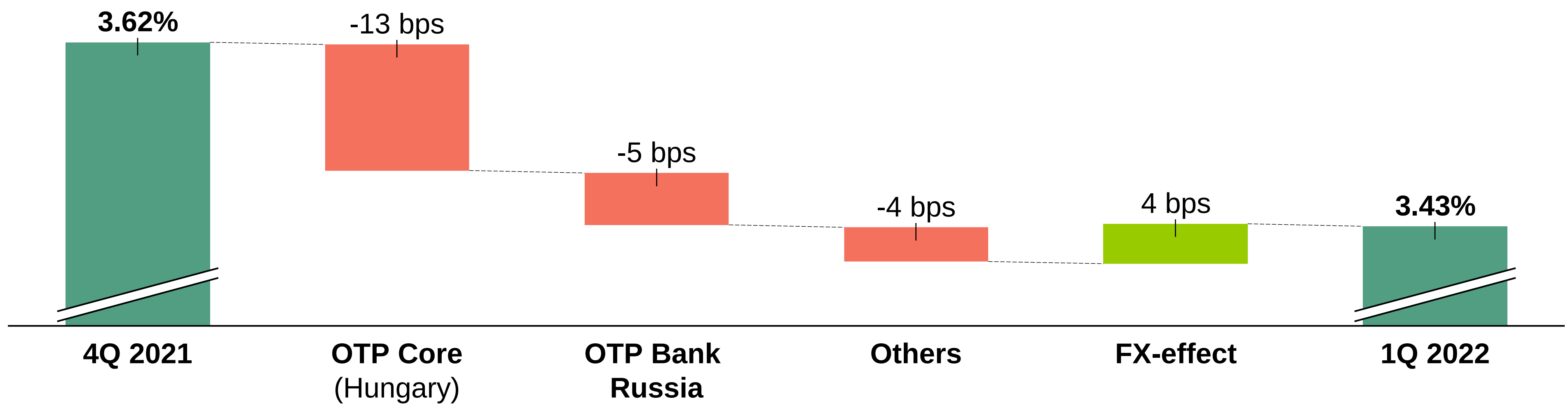
In 1Q 2022, the revaluation result of the interest rate swaps was negative, partly because of higher long-term yields.

2 The q-o-q decrease was the result of the shrinking portfolio and declining net interest margin. The NIM contraction was caused by the increase of volumes and average interest rate of time deposits midst higher rate environment, whilst bulk of the loans have a fixed rate.

[1] FX-adjusted change.

The consolidated net interest margin shrank by 19 bps q-o-q, mainly due to the narrowing Hungarian and Russian margins

Drivers behind the q-o-q decline of the consolidated net interest margin



OTP Core's net interest income contracted by HUF 4 billion q-o-q, and the net interest margin decreased by 26 basis points due to the following factors:

-29 bps NIM decline was caused by the lower swap result;
+9 bps related to the mostly floating rate corporate and MSE loans that reprice gradually in the higher rate environment;
-4 bps related to retail loans, as their average interest rate declined q-o-q. Bulk of the loans to households have an interest rate fixation period for at least ten years;
+11 bps explained by the joint effect of higher interest income on financial assets (mainly attributable to higher interest rates on central bank deposits), and higher interest expenditures on customer deposits (mainly in the corporate segment);
-13 bps composition and other effects, mainly triggered by the dilution coming from fast deposit growth and higher repo liabilities.

Consolidated performing loans grew by 3% q-o-q, which is the same as the growth rate without Russia and Ukraine. The Hungarian PIT refund caused a decline in the consumer loan portfolio, while mortgage demand (mainly green housing loans) surged, but disbursements have not yet occurred

Q-o-Q performing (Stage 1 + 2) LOAN volume changes adjusted for FX-effect – 1Q 2022

	Cons.	Core[2] (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	**404**	**18**	**154**	**67**	**62**	**45**	**40**	**28**	**-47**	**20**	**12**	**1**
Total	3%	0%	6%	4%	4%	5%	4%	5%	-7%	6%	6%	1%
Consumer	0%	-2%	3%	1%	1%	0%	4%	-2%	-4%	3%	5%	-2%
Mortgage	2%	1%	3%	4%	3%	2%	4%			2%	5%	-1%
Corporate[1]	5%	1%	10%	6%	6%	11%	4%	10%	-21%	9%	6%	3%
Leasing	1%	0%	4%	4%	-2%	1%	4%	0%			3%	-1%

Core mortgage breakdown:

Housing loan	**Home equity**
1%	-1%

[1] Loans to MSE and corporate clients.
[2] Changes of leasing volumes of Merkantil Group in Leasing line.

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Consolidated customer deposits increased by 4% q-o-q, and by 7% in Hungary partly as a result of the PIT refund. Ukrainian and Russian deposits also increased

Q-o-Q DEPOSIT volume changes adjusted for FX-effect – 1Q 2022

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	792	705	81	-38	-13	10	-13	17	46	1	8	-14
Total	4%	7%	2%	-2%	-1%	1%	-2%	3%	12%	0%	3%	-6%
Retail	2%	5%	0%	-1%	-2%	0%	1%	8%	-5%	-2%	1%	-8%
Corporate[1]	6%	9%	9%	-5%	1%	1%	-4%	0%	37%	2%	12%	-4%
Deposits – Net loans gap (HUF billion)	5,777	5,490	990	95	-511	211	-200	82	-81	27	37	73

[1] Including MSE. MLE and municipality deposits.

In 1Q 2022 the 19% y-o-y improvement of net fees was driven by stronger business activity in Hungary and Bulgaria. The 2% q-o-q decline was largely due to the subdued lending activity in Russia and base effect at OTP Fund Management

NET FEE INCOME	1Q 2021 (HUF billion)	4Q 2021 (HUF billion)	2021 (HUF billion)	1Q 2022 (HUF billion)	1Q 2022 Y-o-Y (HUF billion, %)		1Q 2022 Q-o-Q (HUF billion, %)	
OTP Group	72	87	326	86	14	19%	-2	-2%
OTP CORE (Hungary)	33	38	151	41	8	23%	3	8%
DSK Group (Bulgaria)	12	15	55	15	3	26%	1	6%
OBH (Croatia)	4	5	18	5	1	23%	0	6%
OBSrb (Serbia)	3	4	14	4	0	11%	0	-8%
SKB Banka (Slovenia)	3	4	13	4	1	25%	0	1%
OBR (Romania)	1	1	4	1	0	16%	0	-2%
OBU (Ukraine)	3	4	14	3	0	-7%/-11%[1]	-1	-20%/-14%[1]
OBRu (Russia)	6	8	26	5	-1	-14%/-8%[1]	-3	-34%/-24%[1]
CKB Group (Montenegro)	1	1	5	1	0	26%	0	-8%
OBA (Albania)	0	0	2	0	0	12%	0	-8%
OBM (Moldova)	1	1	2	1	0	9%	0	-8%
Fund mgmt. (Hungary)	2	5	10	2	0	28%	-2	-52%

1 At OTP Core the quarterly dynamics were driven by higher transaction volumes owing to the PIT refund, alleviating the seasonal decline in activity. Expenses paid to card companies were lower in 1Q because of technical reasons, resulting in q-o-q improvement of net fees by HUF 1.5 billion. The other one-off items barely affected the q-o-q change in net fee income.

2 At DSK the q-o-q and y-o-y increase in net fee income can be primarily attributed to stronger business activity, higher service fee income from expanding loan volumes – especially in in the large corporate segment –, as well as to the increase in the number and volume of financial transactions.

3 In Russia, net fees and commissions dropped both in yearly and quarterly comparison, largely because of the lower fee income on loan sales in the wake of the subdued lending activity.

4 The 1Q 2022 income from assets under management showed a q-o-q decrease as a result of a higher 4Q 2021 base, when the annual success fees were realized. The fee income grew 28% y-o-y, owing to lower sales and custody fee expenses.

[1] FX-adjusted change.

The other net non-interest income jumped by 29% q-o-q, thanks to the OTP Core division, largely explained by base effect as well as increased market volatility

OTHER INCOME	1Q 2021 (HUF billion)	4Q 2021 (HUF billion)	2021 (HUF billion)	1Q 2022 (HUF billion)	1Q 2022 Y-o-Y (HUF billion, %)		1Q 2022 Q-o-Q (HUF billion, %)	
OTP Group	**26**	**28**	**104**	**36**	10	37%	8	29%
OTP CORE (Hungary)	**10**	**3**	**26**	**21**	11	116%	18	617%
DSK Group (Bulgaria)	**3**	**3**	**11**	**3**	0	-16%	0	-13%
OBH (Croatia)	**1**	**2**	**10**	**1**	1	55%	0	-23%
OBSrb (Serbia)	**1**	**2**	**7**	**2**	1	38%	0	9%
SKB Banka (Slovenia)	**0**	**0**	**1**	**0**	0	68%	0	14%
OBR (Romania)	**2**	**1**	**6**	**2**	0	29%	1	68%
OBU (Ukraine)	**1**	**4**	**7**	**1**	0	10%	-2	-68%
OBRu (Russia)	**0**	**0**	**1**	**1**	0	251%	0	75%
CKB Group (Montenegro)	**0**	**0**	**1**	**0**	0	-66%	0	-48%
OBA (Albania)	**0**	**0**	**1**	**0**	0	-28%	0	-41%
OBM (Moldova)	**1**	**1**	**3**	**1**	0	77%	0	17%
Others	**7**	**11**	**29**	**3**	-4	-53%	-8	-71%

1 At OTP Core the HUF 18 billion q-o-q growth was mainly explained by:

- base effect: the gain on securities improved by HUF 6 billion q-o-q, largely as a result of a one-off negative item in 4Q;
- increased market volatility: HUF 9 billion q-o-q higher result was realized on the Gains and losses on derivative financial instruments line, largely because of the positive FVA of FX swaps creating RUB.

2 The decrease at OBU is due to the higher base as a result of the reclassification of card expenses in 4Q in the amount of HUF 1.1 billion from other expenses to card commissions.

3 The HUF 8 billion q-o-q decrease was mainly due to entities newly consolidated in 2021, partly induced by the seasonally weaker revenues of agricultural companies, but technical factors played a role, too (explaining altogether HUF 5 billion q-o-q decline). Also, the revaluation of investments at PortfoLion resulted in -HUF 3 billion q-o-q effect.

Consolidated operating costs grew by 10.3% y-o-y adjusted for FX effect

OPERATING COSTS	1Q 2022 (HUF billion)	Y-o-Y (HUF billion)	Y-o-Y (%)	Y-o-Y, FX-adjusted (HUF billion)	Y-o-Y, FX-adjusted (%)
OTP Group	170	16	**10.4%**	16	**10.3%**
OTP CORE (Hungary)	75	12	18%	12	18% ①
DSK Group (Bulgaria)	19	1	4%	1	3%
OBH (Croatia)	12	1	6%	0	4%
OBSrb (Serbia)	11	0	0%	0	-1% ②
SKB Banka (Slovenia)	7	1	11%	1	10%
OBR (Romania)	12	1	12%	1	12% ③
OBU (Ukraine)	8	1	24%	1	17% ④
OBRu (Russia)	14	0	-3%	0	3%
CKB Group (Montenegro)	3	0	5%	0	4%
OBA (Albania)	2	0	12%	0	10%
OBM (Moldova)	2	0	18%	0	12%
Merkantil (Hungary)	2	0	-11%	0	-11%
Others	5	0	-3%	0	-3%

1 At OTP Core the cost increase was 18% y-o-y: personnel expenses rose on account of 4% higher average headcount and the wage increases. Within other expenses mainly the costs related to hardware, office equipment, other services used, real estate (partly because of the temporary simultaneous operation while moving into the new HQ office building), and supervisory fees[1] showed significant increase (the latter because of the increase in deposit protection fees, effective from the end of 2021).
In a favorable development, starting from 1 January 2022 the Government reduced the tax burden on companies by 4 pps.

2 Cost savings stemmed from cost synergies extracted from the acquisition.

3 The Romanian cost growth was due to higher headcount and wage hikes, and higher depreciation relating to the developments made in accordance with the growth strategy.

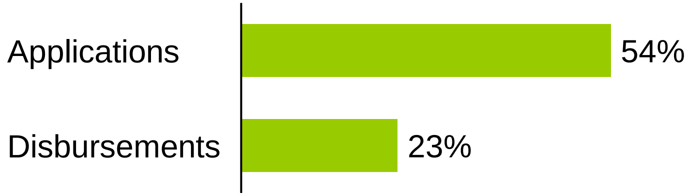
4 In Ukraine operating expenses grew mainly because of personnel expenses, owing to financial support for staff members, relocation expenses for security reasons, as well as real estate amortization.

[1] On 13 April 2022 the Hungarian Deposit Insurance Fund notified the Hungarian Group members about their payment obligation upon the compensation of Sberbank Hungary's customers. The altogether HUF 28.5 billion extraordinary contribution will be booked in 2Q 2022, however the P&L impact may be mitigated by the refund obligation by the Fund, depending on the proceeds from the sale of Sberbank assets (this transaction is expected to happen in 2Q 2022).

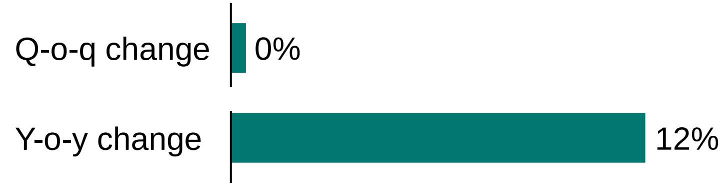
OTP CORE

In Hungary mortgage applications jumped by 54% y-o-y, mainly due to the newly launched subsidized green housing loans. OTP maintained its market share of above 30% both in new mortgage and cash loan flows

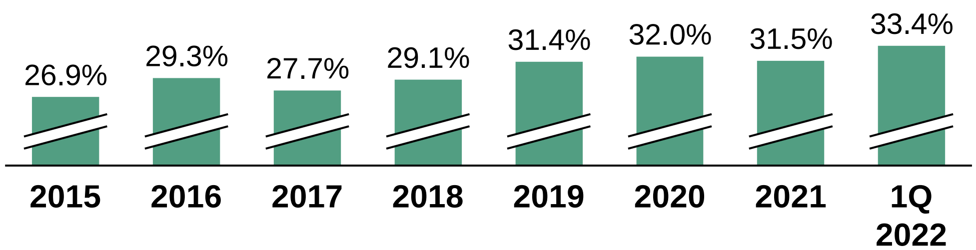
Y-o-y change of mortgage loan applications and disbursements in 1Q 2022



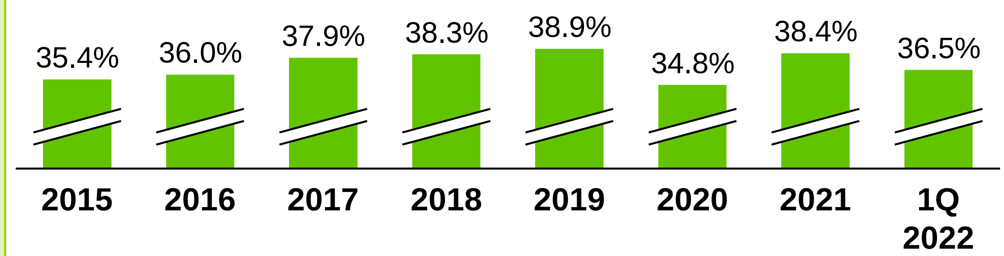
Performing (Stage 1+2) cash loan volume growth
(FX-adjusted)



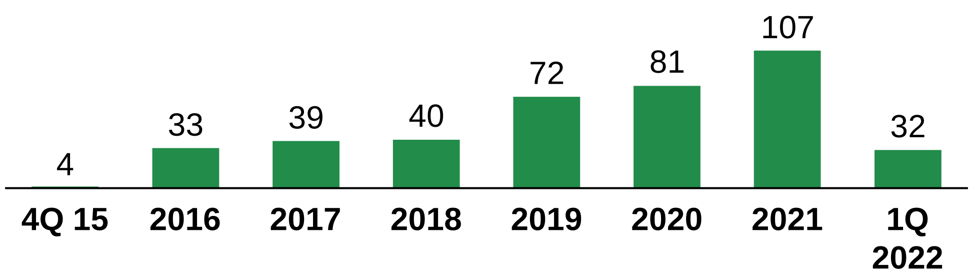
OTP's market share in mortgage loan contractual amounts



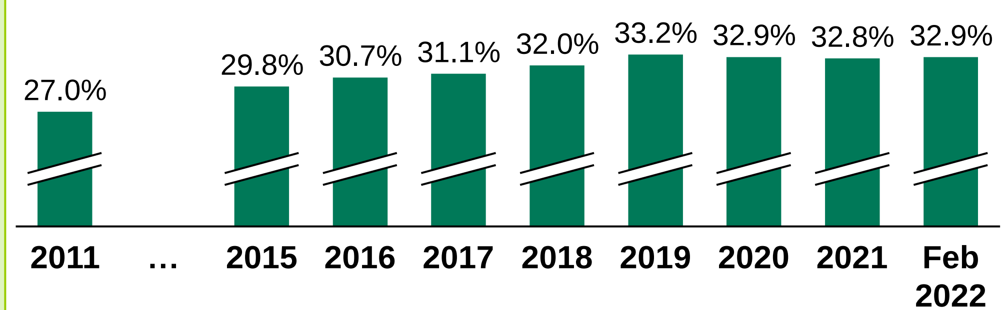
Market share in newly disbursed cash loans



The amount of non-refundable CSOK subsidies contracted at OTP Bank since the launch of the programme
(HUF billion)



OTP Bank's market share in household savings



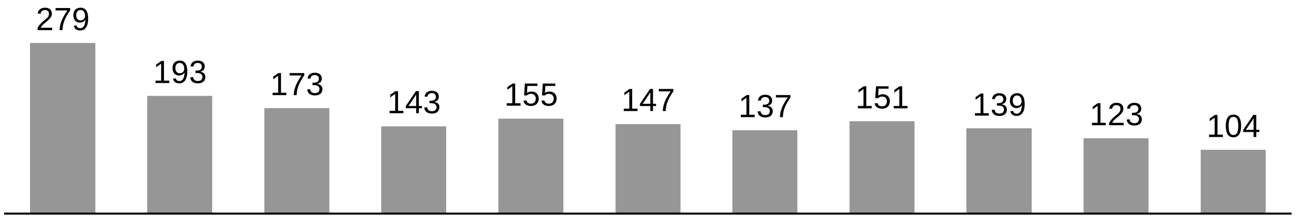
OTP CORE

OTP Bank maintained its market share above 40% in baby loan flows. The subsidized green housing loans generated huge demand, thus the total available amount of HUF 300 billion has already been exhausted

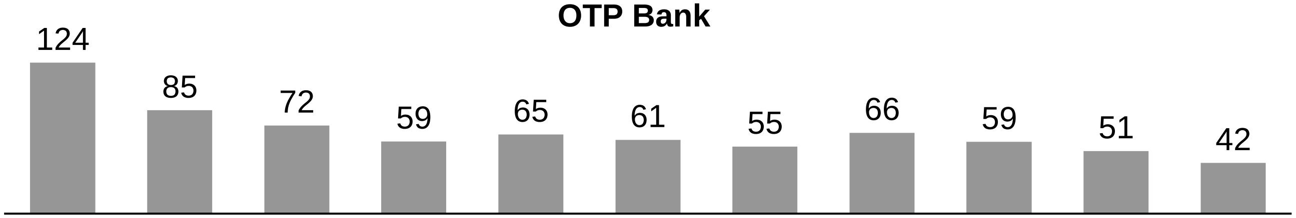
Baby loans

Contractual amount (HUF billion)

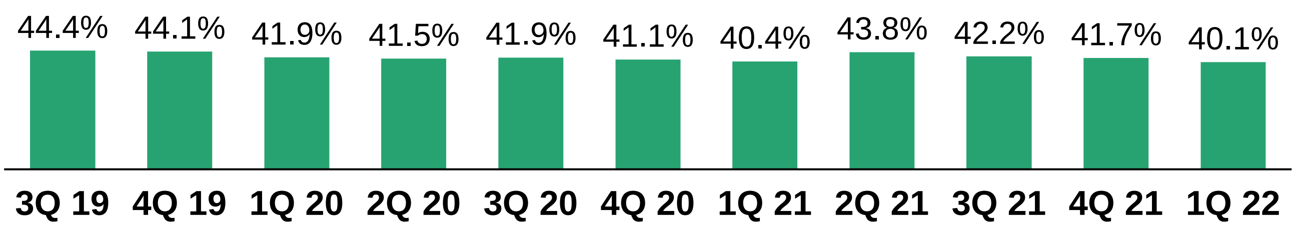
Market[1]



OTP Bank

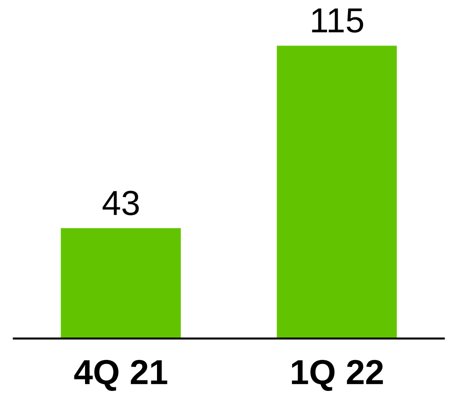


OTP's market share calculated from the contractual amount

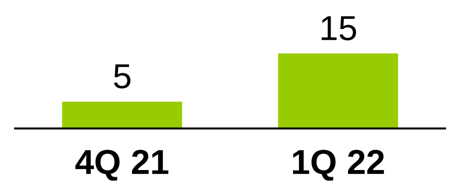


Green Home Programme[2]

Applications for green housing loans (HUF billion)



Disbursed amount (HUF billion)



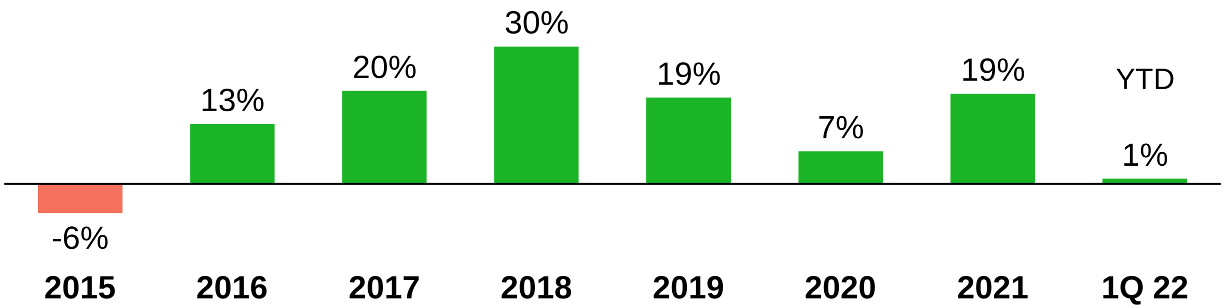
[1] Based on NBH statistics.
[2] The programme is available since October 2021.

OTP CORE

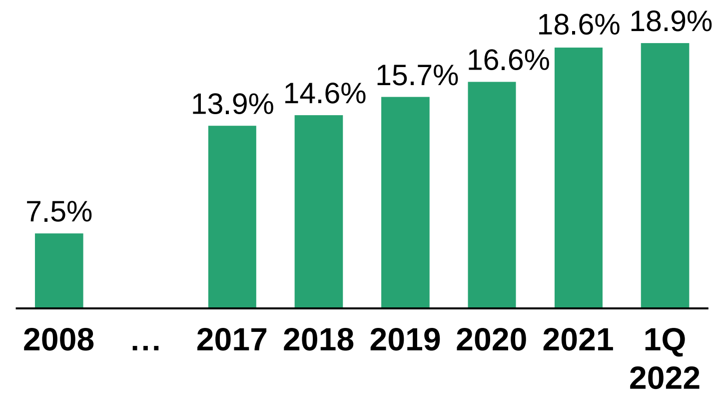
The micro and small enterprise loans grew by 3% q-o-q. The *Széchenyi Card Go!* scheme, introduced in last July, had a favourable effect on loan dynamics. OTP's corporate loan market share improved further in 1Q

Performing corporate loan volume changes

(DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)

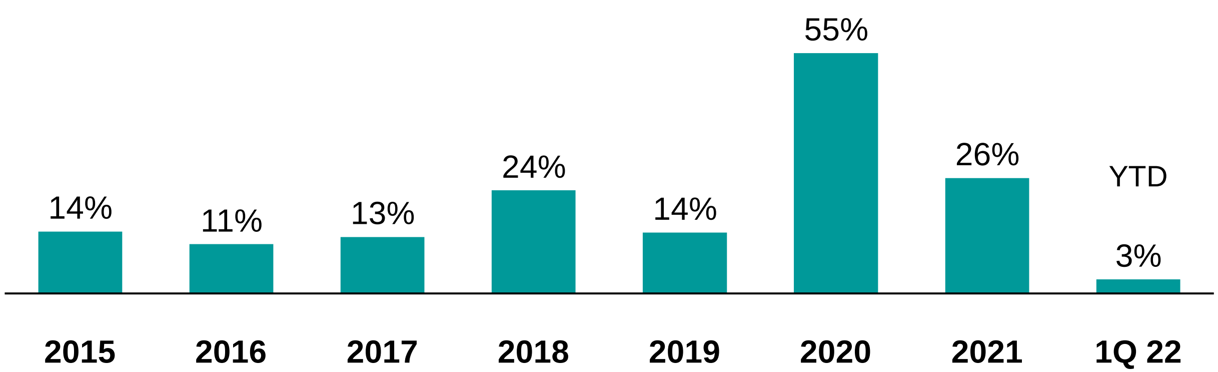


OTP Group's market share in loans to Hungarian companies[1]



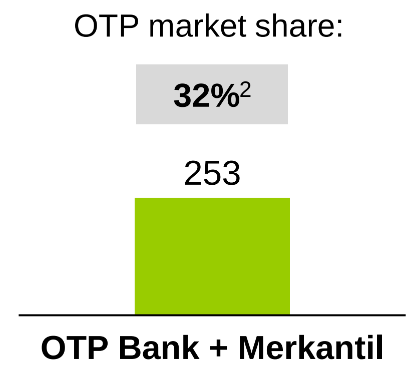
Performing loan volume changes in the micro and small companies segment

(DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)



Disbursed amount and market share under the *Széchenyi Card Go!* scheme

(from the start until 31 March 2022, HUF billion)



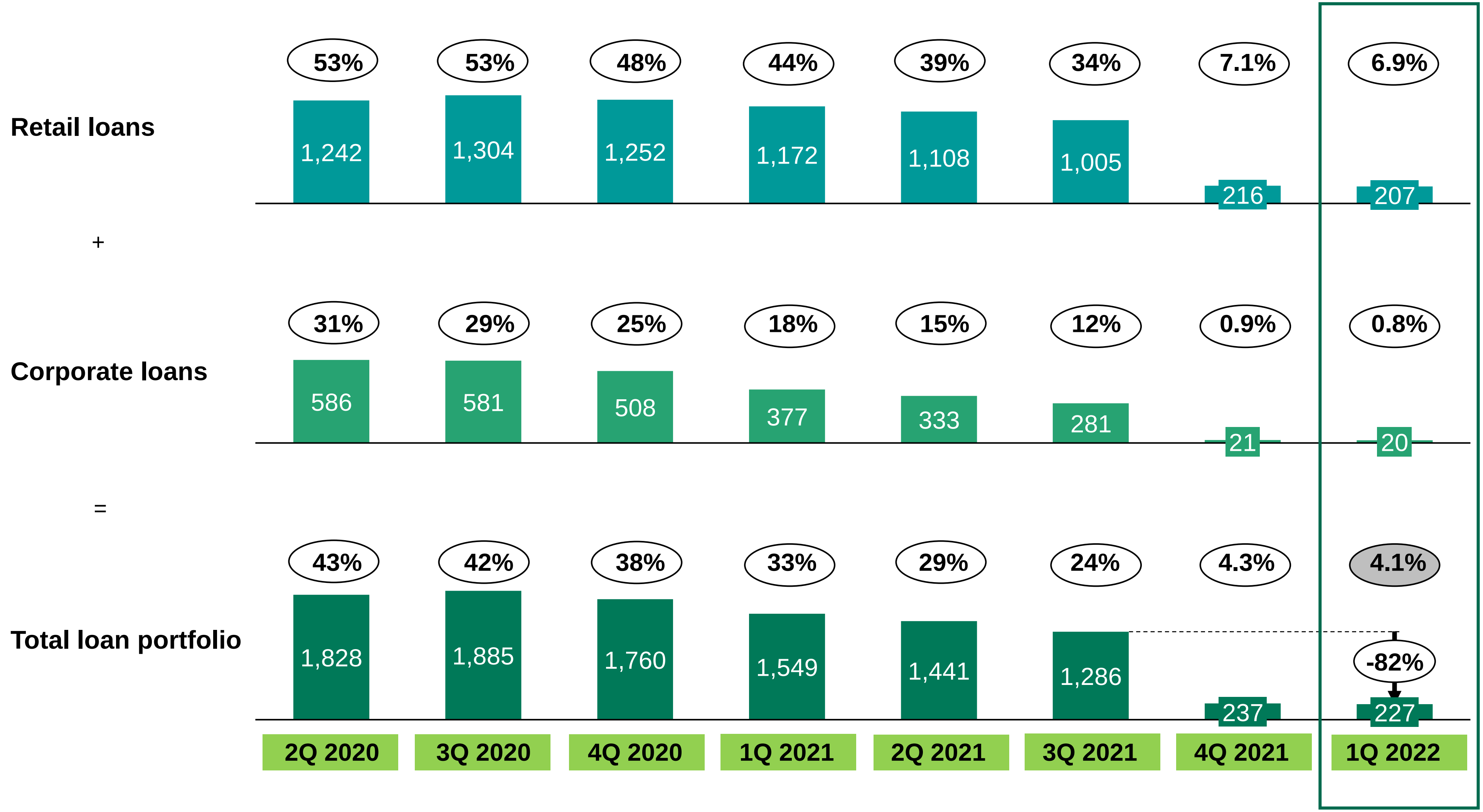
[1] Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil, based on central bank data (Supervisory Balance Sheet data provision until 2016 and Monetary Statistics from 2017.

[2] Market share of OTP Bank. Source: KAVOSZ.

OTP CORE

At OTP Core loans under the moratorium comprised HUF 227 billion, representing 4.1% of the total loan book. Eligible clients who apply for the moratorium by the end of July can remain in the scheme till the end of 2022

OTP Core – volumes participating in the repayment moratorium (in HUF billion and as a % of outstanding loans)

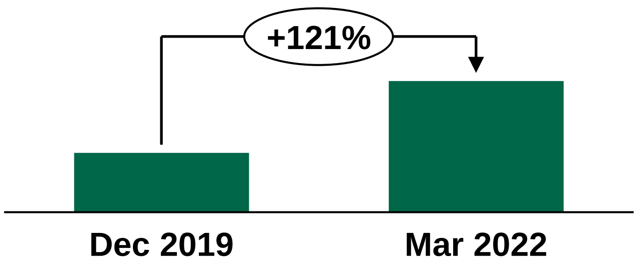


Digital channels kept on gaining ground in Hungary: the share of digitally active, especially mobile banking customers increased, similar to the number of digital transactions. Our market share in the card business remained stably high

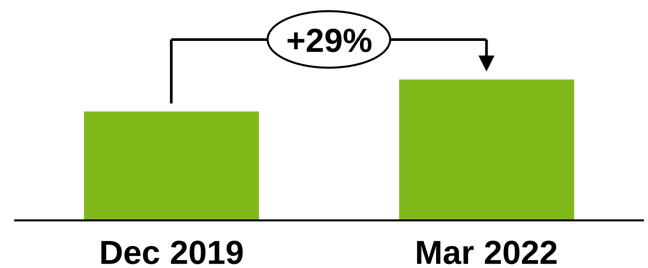
DIGITAL ACTIVITY

The digital activity of OTP clients has increased significantly which was supported by online campaigns, customer education in branches and continuous development of our digital services

The number of OTP mobile banking app users doubled in the last 2 years, exceeding 1.67 million users at the end of 1Q2022

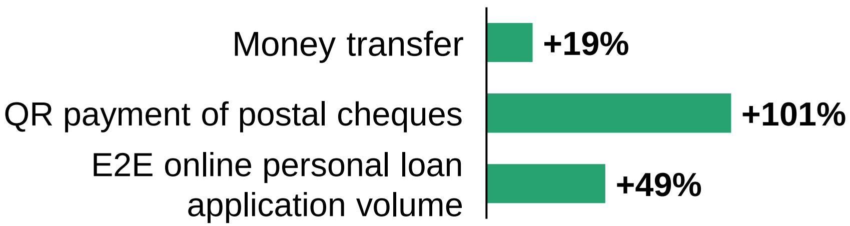


The share of digitally active[1] retail OTP clients increased by a quarter in the last 2 years

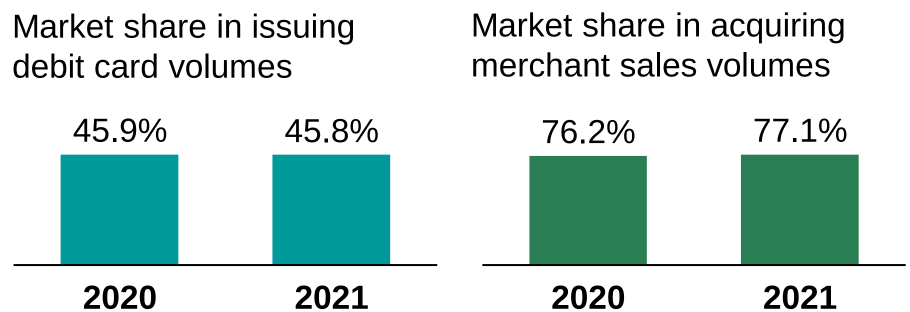


The number of transactions via OTP's digital channels increased significantly

(increase in the number of transactions between 2020 and 2021)



OTP has a dominant market position both as a card issuer and card acquirer



[1] Customers who have logged in to the internet- and/or mobile banking application at least once in 3 months.

As a ground-breaking development, in 2021 both the Internet- and MobileBank was renewed, from March 2022 the new MobileBank became the primary mobile banking channel of OTP, resulting in a jump in digital customer service level

DIGITAL DEVELOPMENTS

There were no obstacles to digital developments thanks to the agile operation, therefore we were able to launch new services and processes

Mastercard Év Bankja 2021

1. place

New Internet- & MobileBank

Mastercard Év Bankja 2021

Mobile banking solution of the year

Marketing communication campaign of the year

Our new digital channels have relevant functionality in all retail businesses:

- Lending - E2E personal loan request also to non-OTP clients
- Savings – Portfolio view
- Daily Banking – PFM (Personal Finance Manager

VideoBank service

Our customers can contract for retail account, POS loan, OTPdirekt via VideoBank using remote customer verification. In addition, from 2021 consulting service is also available via VideoBank.

Selfie current account opening

Mastercard Év Bankja 2021

UX solution of the year

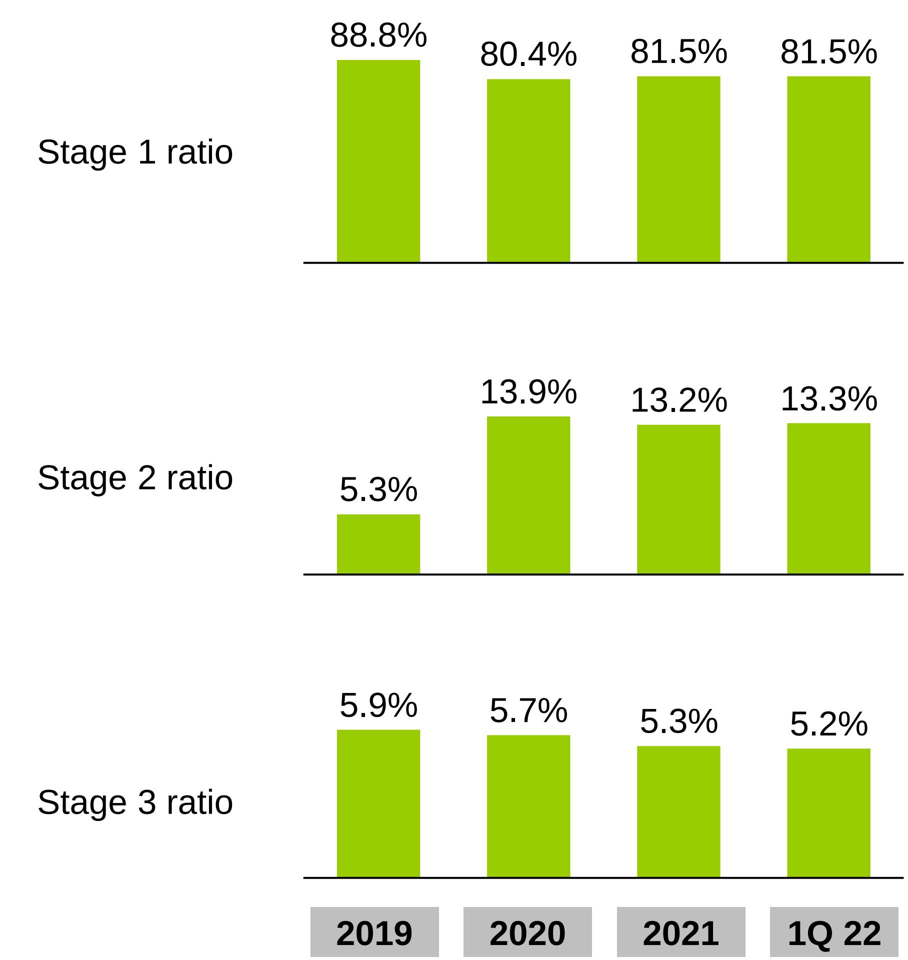
Our future clients can open a new retail account at any time in a few minutes without the help of a branch officer from their home using the SmartBank mobile application.

Branch & Contact Center front-end system migration

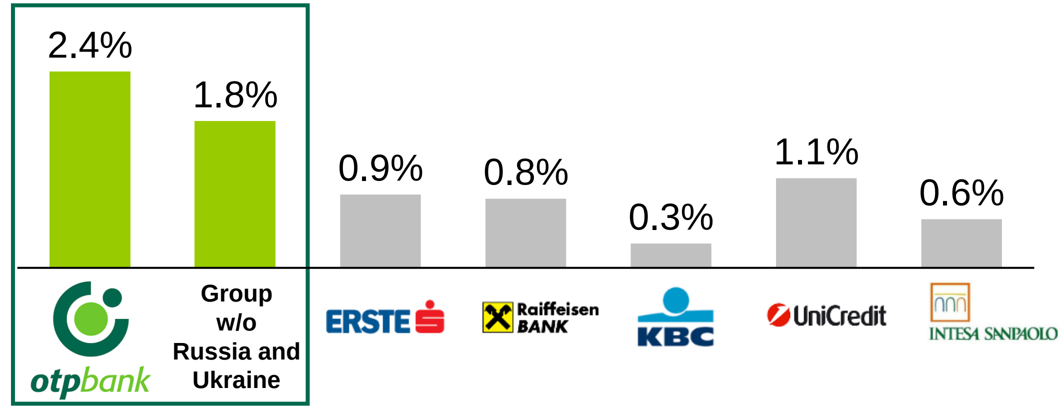
A new, modern, user-friendly front-end system was developed for personal and contact center customer service colleagues enabling them to serve our clients faster and in a more personalized way.

The Stage 3 rate continued to decline in the first quarter of 2022. The management's provisioning policy remained conservative compared to regional banking groups, especially regarding the coverage of performing loans

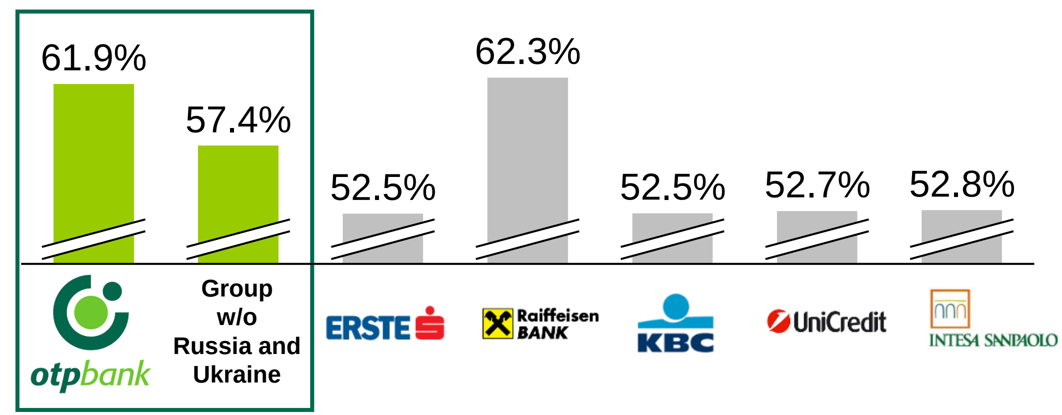
Development of the Group's main credit quality indicators



Own coverage of Stage 1+2 loans compared to regional peers at the end of 1Q 2022



Own coverage of Stage 3 loans compared to regional peers at the end of 1Q 2022



Source: company reports (estimates in some cases).

Development of the Stage 1, Stage 2 and Stage 3 ratios

		Cons.	Core (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB[2] (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)	Merk.[3] (Hungary)
Stage 1 ratio[1]	4Q 19	88.8%	91.4%	88.6%	83.2%	96.0%	98.9%	83.9%	73.8%	75.0%	88.8%	93.8%	97.8%	94.3%
	4Q 20	80.4%	77.9%	81.3%	76.6%	88.8%	82.9%	80.2%	82.4%	74.8%	81.4%	79.5%	92.0%	82.4%
	4Q 21	81.5%	78.0%	84.0%	80.0%	89.9%	86.0%	79.8%	87.1%	76.5%	76.7%	87.0%	91.9%	75.3%
	1Q 22	81.5%	78.3%	85.3%	80.8%	91.0%	88.0%	80.6%	62.2%	73.4%	78.7%	90.3%	91.6%	82.7%
Stage 2 ratio[1]	**4Q 19**	5.3%	4.2%	4.3%	10.5%	1.8%	0.0%	8.7%	8.9%	12.0%	3.9%	3.1%	0.8%	2.0%
	4Q 20	13.9%	18.0%	11.3%	14.7%	8.6%	15.6%	13.3%	7.2%	11.3%	11.4%	17.5%	5.1%	14.1%
	4Q 21	13.2%	17.4%	9.8%	12.1%	7.2%	12.7%	14.5%	6.6%	12.1%	16.3%	9.7%	6.2%	21.8%
	1Q 22	13.3%	17.0%	8.8%	11.7%	6.1%	10.7%	14.1%	31.2%	14.4%	14.8%	6.7%	6.6%	14.8%
Stage 3 ratio[1]	**4Q 19**	5.9%	4.3%	7.2%	6.3%	2.2%	1.1%	7.5%	17.3%	13.0%	7.3%	3.1%	1.4%	3.6%
	4Q 20	5.7%	4.2%	7.4%	8.7%	2.6%	1.5%	6.5%	10.4%	13.9%	7.2%	3.0%	3.0%	3.5%
	4Q 21	5.3%	4.6%	6.2%	8.0%	2.9%	1.3%	5.7%	6.3%	11.4%	7.0%	3.3%	1.8%	2.9%
	1Q 22	5.2%	4.7%	6.0%	7.5%	2.9%	1.2%	5.3%	6.6%	12.2%	6.5%	3.1%	1.9%	2.5%

[1] In % of total gross loans.
[2] SKB's stage rates are impacted by the accounting treatment of purchased receivables.
[3] This column includes Merkantil Bank in 4Q 2019, and Merkantil Bank Ltd., Merkantil Bérlet Ltd., OTP Real Estate Leasing Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd. from 1Q 2020.

Development of the own provision coverage ratios in different Stage categories

		Cons.	Core (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB[1] (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)	Merk.[2] (Hungary
Stage 1 own coverage	4Q 19	1.1%	0.8%	1.1%	0.8%	0.4%	0.4%	1.3%	0.9%	5.3%	1.1%	1.2%	1.0%	0.4%
	4Q 20	1.0%	0.8%	1.0%	0.8%	0.8%	0.5%	1.0%	1.9%	4.6%	1.3%	1.3%	1.1%	0.2%
	4Q 21	1.0%	1.0%	1.0%	0.6%	0.7%	0.3%	1.0%	1.9%	3.8%	1.0%	1.2%	1.3%	0.4%
	1Q 22	1.1%	0.7%	1.0%	0.5%	0.6%	0.3%	1.0%	6.5%	5.9%	1.2%	1.1%	2.3%	0.4%
Stage 2 own Coverage	4Q 19	10.7%	12.4%	8.5%	3.5%	5.8%	n/a	5.7%	8.3%	27.4%	4.8%	10.1%	23.6%	4.7%
	4Q 20	10.4%	10.1%	12.6%	5.7%	8.5%	4.3%	9.0%	15.9%	43.1%	9.3%	10.4%	19.5%	3.8%
	4Q 21	10.0%	8.9%	15.5%	5.9%	6.1%	5.0%	8.4%	18.5%	31.1%	6.5%	11.4%	13.6%	5.3%
	1Q 22	10.4%	8.1%	16.7%	5.4%	5.8%	4.9%	8.8%	14.1%	37.6%	8.1%	13.4%	19.7%	4.9%
Stage 1+2 own Coverage	**4Q 19**	1.6%	1.3%	1.4%	1.1%	0.5%	0.4%	1.7%	1.7%	8.4%	1.2%	1.5%	1.2%	0.5%
	4Q 20	2.4%	2.5%	2.4%	1.6%	1.5%	1.2%	2.2%	3.0%	9.7%	2.3%	2.9%	2.1%	0.8%
	4Q 21	2.3%	2.5%	2.5%	1.3%	1.1%	0.9%	2.1%	3.0%	7.5%	1.9%	2.3%	2.1%	1.5%
	1Q 22	2.4%	2.0%	2.5%	1.1%	0.9%	0.8%	2.1%	9.0%	11.1%	2.3%	2.0%	3.4%	1.1%
Stage 3 own Coverage	**4Q 19**	65.2%	55.4%	62.0%	63.6%	50.0%	8.7%	53.7%	77.9%	93.4%	68.2%	33.1%	39.7%	63.4%
	4Q 20	62.3%	54.5%	65.6%	53.9%	53.6%	36.3%	54.6%	74.3%	93.4%	63.9%	54.2%	48.0%	66.5%
	4Q 21	60.5%	42.7%	68.2%	61.4%	53.6%	56.1%	57.5%	69.6%	95.1%	66.0%	73.3%	54.3%	60.0%
	1Q 22	61.9%	45.9%	69.0%	62.4%	53.8%	59.8%	58.6%	73.1%	97.5%	67.4%	74.5%	56.1%	48.7%

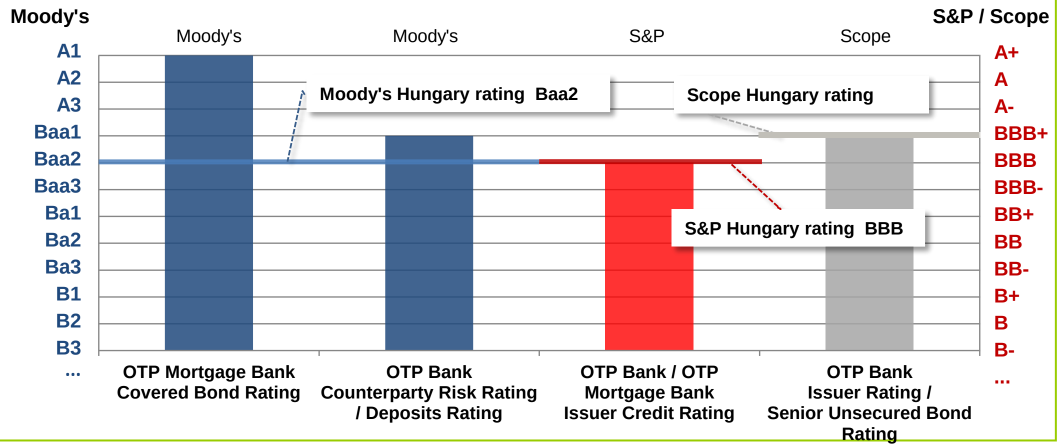
[1] The SKB acquisition was completed in 4Q 2019. The Stage 3 receivables were netted off with the already created provisions at the time of the consolidation, which automatically reduced the own coverage of Stage 3 loans.
[2] This column includes Merkantil Bank in 4Q 2019, and Merkantil Bank Ltd., Merkantil Bérlet Ltd., OTP Real Estate Leasing Ltd., NIMO 2002 Ltd., SPLC-P Ltd., SPLC Ltd. from 1Q 2020.

otpbank

While OTP Bank ratings closely correlate with the sovereign ceilings, subsidiaries' ratings enjoy the positive impact of parental support

(rating outlook)
- \+ positive
- \- negative
- 0 stable
- +* on watch possible upgrade
- -* on watch possible downgrade

Hungarian sovereign, OTP Bank and OTP Mortgage Bank ratings



Credit ratings of OTP Group member banks

	Moody's	S&P	Scope	
OTP Bank	-	BBB(0)	BBB+(0)	
Counterparty Rating[1]	Baa1(+*)	BBB	-	
Deposits	Baa1(+*)	-	-	
Senior Unsecured Bonds	-	-	BBB+(0)	
Non-preferred Senior Unsecured Bonds	-	-	BBB(0)	
Subordinated Tier 2 Bonds	Ba1(-*)	-	BB+(0)	EUR 500mn 15/07/2019
OTP Mortgage Bank	Baa2(-*)	BBB(0)	-	
Counterparty Risk Rating	Baa1(+*)	-	-	
Covered Bonds	A1	-	-	HUF 95bn 29/09/2021

Sovereign ratings[2] of OTP Group member countries

	Moody's		S&P Global		Fitch
...		...		...	
Aa3		**AA-**	SV(0)	**AA-**	
A1		**A+**		**A+**	
A2		**A**		**A**	SV(0)
A3	SV(0)	**A-**		**A-**	
Baa1	BG(0)	**BBB+**		**BBB+**	
Baa2	**HU(0)**	**BBB**	BG(0) **HU(0)**	**BBB**	BG(+) CR(+) **HU(0)**
Baa3	RO(0)	**BBB-**	CR(0) RO(0)	**BBB-**	RO(-)
Ba1	CR(+*)	**BB+**	SRB(0)	**BB+**	SRB(0)
Ba2	SRB(0)	**BB**		**BB**	
Ba3		**BB-**		**BB-**	
B1	ALB(0) MN(0)	**B+**	ALB(0)	**B+**	
B2		**B**	MN (0)	**B**	
B3	MO(-)	**B-**		**B-**	
Caa1		**CCC+**	UA(-)	**CCC+**	
Caa2		**CCC**		**CCC**	UA
Caa3	UA(-)	**CCC-**		**CCC-**	
Ca		**CC**		**CC**	
C		**C**		**C**	

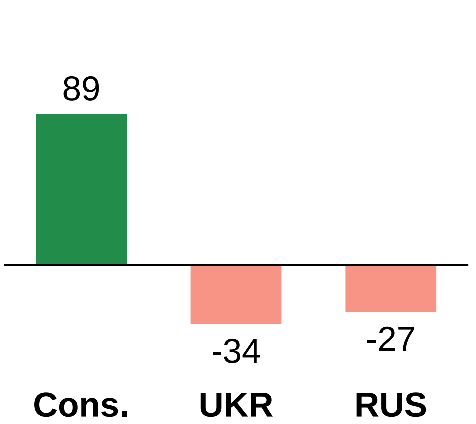
Last update: 24 June 2022

[1] Long-term Counterparty Risk Rating for Moody's and long-term Resolution Counterparty Rating for S&P Global

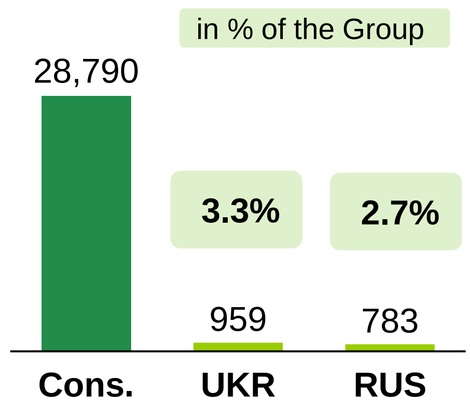
[2] Sovereign ratings: long term foreign currency government bond ratings; Abbreviations: ALB – Albania, BG - Bulgaria, CR - Croatia, HU - Hungary, MN - Montenegro, MO – Moldova, RO - Romania, RU - Russia, SRB - Serbia, SV – Slovenia, UA - Ukraine

Regarding both Russia and Ukraine, a „going concern" approach is applied. Under an extremely negative scenario of deconsolidating both entities and writing down the outstanding gross intragroup funding as well, the effect for the consolidated CET1 ratio would be 0 bp in the case of Ukraine and -60 bps for Russia

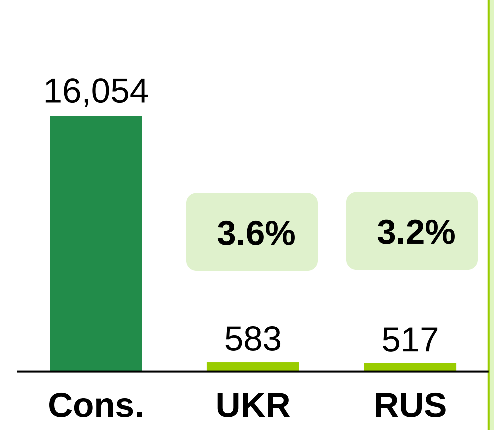
Adjusted profit after tax
(1Q 2022, in HUF billion)



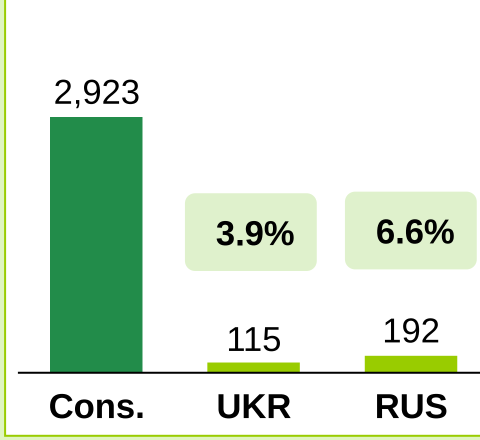
Total assets
(1Q 2022, in HUF billion)



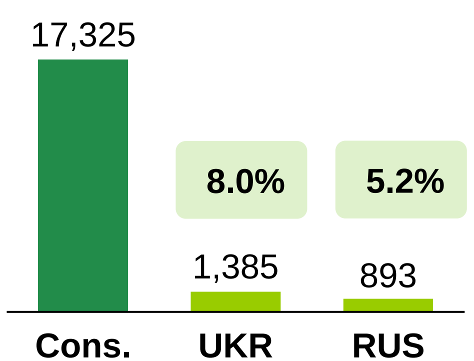
Net loans
(1Q 2022, in HUF billion)



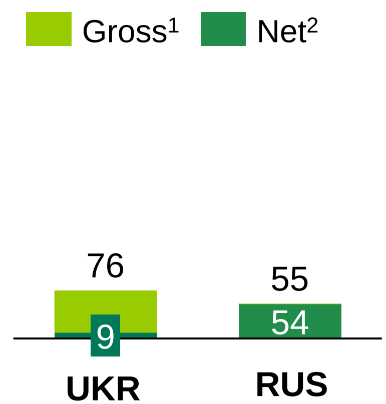
Shareholders' equity
(1Q 2022, in HUF billion)



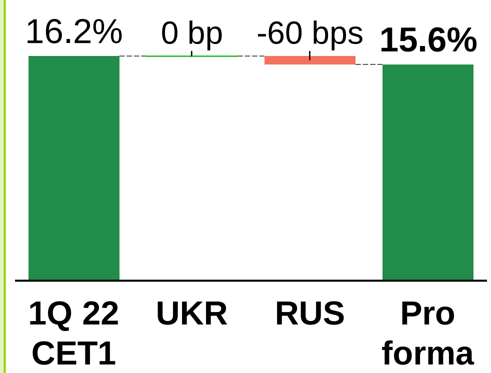
Risk weighted assets
(1Q 2022, in HUF billion)



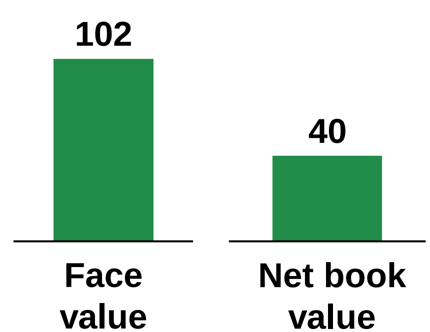
Intragroup funding
(1Q 2022, in HUF billion)



Consolidated capital effect[3]
(on CET1, based on 1Q 2022 data)



Russian bond exposures (1Q 2022, w/o the Russian bank, HUF bn)



[1] HUF equivalent of the intragroup funding provided by the Group to the given country.
[2] Gross funding less deposit placements by the entities in the given country to other Group members.
[3] Estimated CET1 impact of the Russian and Ukrainian operations, based on 1Q 2022 data. Calculation under an extremely negative scenario of deconsolidating both entities and writing down the outstanding gross intragroup funding, as well.

Concerning the management expectations for 2022 there is a high degree of uncertainty, however excluding the Russian and Ukrainian operations the management expects financial indicators to be similar to 2021

Management guidance for 2022

The management's expectations for the 2022 performance of the Group without the Russian and Ukrainian operations are as follows:

- **Performing (Stage 1+2) organic loan volume growth might be close to 10%** y-o-y (FX-adjusted);
- The **net interest margin may stabilize**;
- The **operating cost efficiency ratio may be similar** to 2021;
- The **credit risk cost ratio may be around the 2021 level** provided the macroeconomic expectations won't deteriorate significantly;
- **The adjusted profitability indicator (ROE) may be similar to the 2021 level of 18%.**

Following the high risk provisions booked in 1Q 2022, **the Russian subsidiary is expected to deliver positive earnings for the rest of 2022.**

It is difficult to forecast how the operating environment will develop in Ukraine, therefore there is a **high level of uncertainty concerning the expectations**. 1Q risk provisioning was in line with our macroeconomic assumption of a 30% decline of GDP in 2022 and a rebound of similar magnitude in 2023. However, even under such scenario there might be an additional provisioning need in 2022, depending on potential Stage migrations.

Both in **Ukraine and Russia** OTP management applies **a „going concern" approach**.

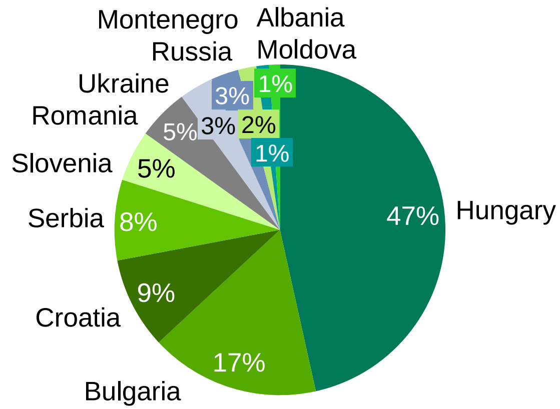
Under an extremely negative scenario of **deconsolidating both entities and writing down the outstanding gross intragroup funding** as well, the effect for the consolidated CET1 ratio would be 0 bp in the case of Ukraine and **-60 bps for Russia**.

Further details and financials

OTP offers universal banking services to around 16 million active customers in 11 countries across the CEE/CIS Region

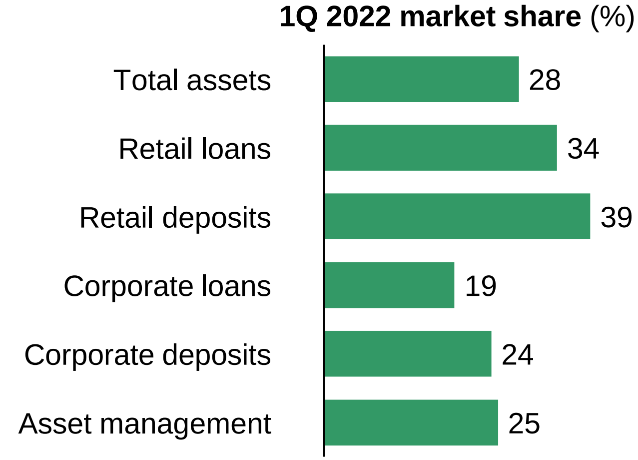
Major Group Members in Europe

Total Assets

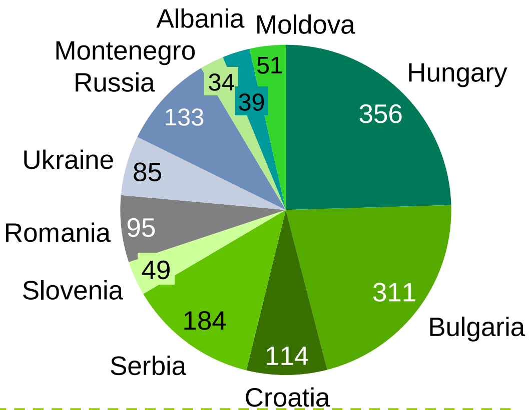


Total Assets: HUF 28,790 billion

Systemic position in Hungary…

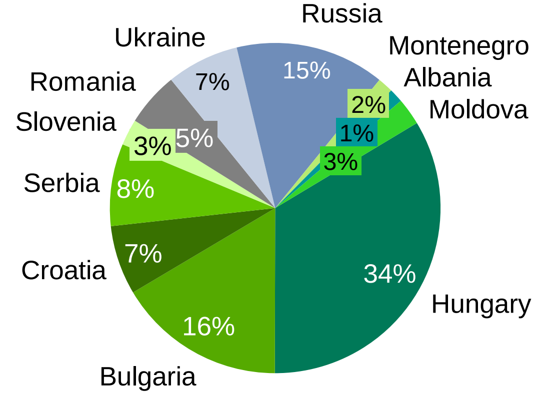


Number of Branches



Total number of branches: 1,451

Headcount



Total headcount: 33,464[1]

... as well as in other CEE countries

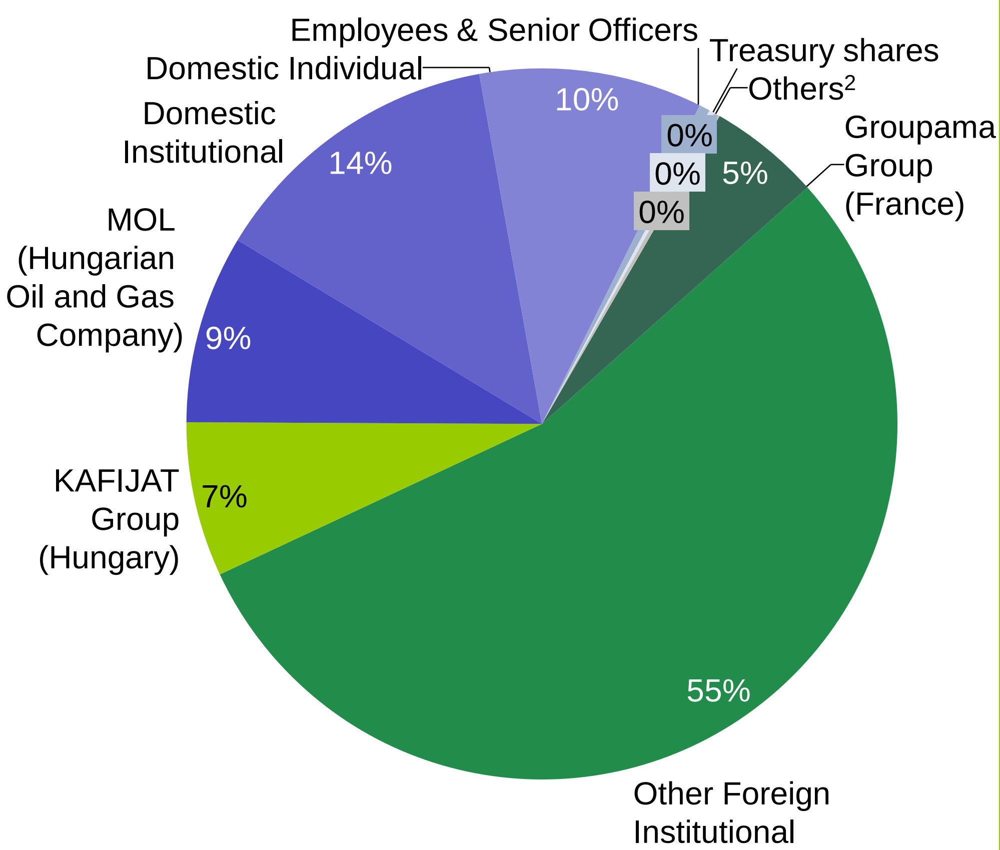
Bulgaria	No. 2 in Total assets No. 1 in Retail deposits No. 1 in Retail loans
Serbia	No. 2 in Total assets No. 1 in Gross loans
Slovenia	No. 3 in Total assets
Croatia	No. 4 in Total assets
Russia[2]	No. 1 in POS lending No. 10 in Credit card business No. 20 in Cash loan business
Montenegro	No. 1 in Total assets

[1] Excluding selling agents employed at OTP Bank Russia and at OTP Bank Ukraine.
[2] Estimated market positions, including OTP MFO.

OTP Bank offers a unique investment opportunity to access the CEE banking sector. The Bank is a well diversified and transparent player without strategic investors

Market capitalization: EUR 7.5 billion[1]

Ownership structure of OTP Bank on 31 March 2022

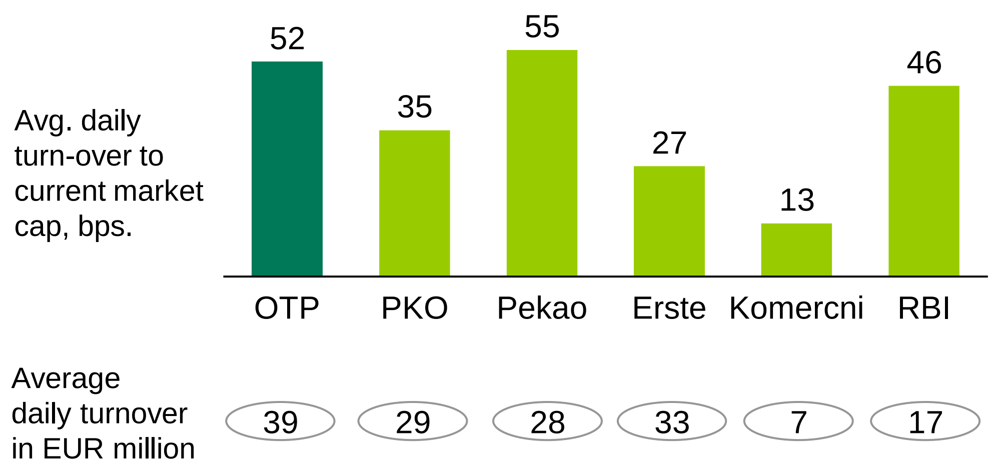


Total number of ordinary shares: 280,000,010, each having a nominal value of HUF 100 and representing the same rights

Since the IPO in 1995 / 1997, OTP Bank has not raised capital on the market, nor received equity from the state

No direct state involvement, the Golden Share was abolished in 2007

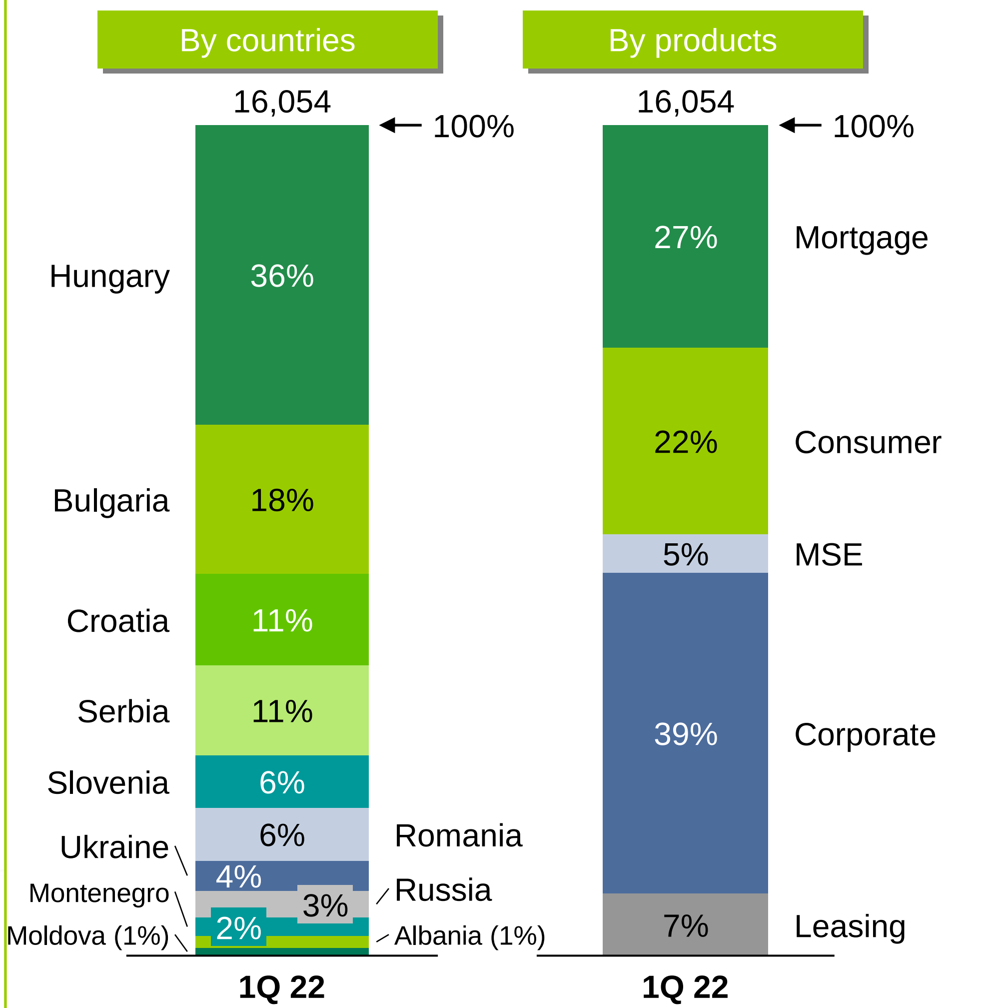
OTP is one of the most liquid stocks in a peer group comparison in terms of average daily turnover[3]

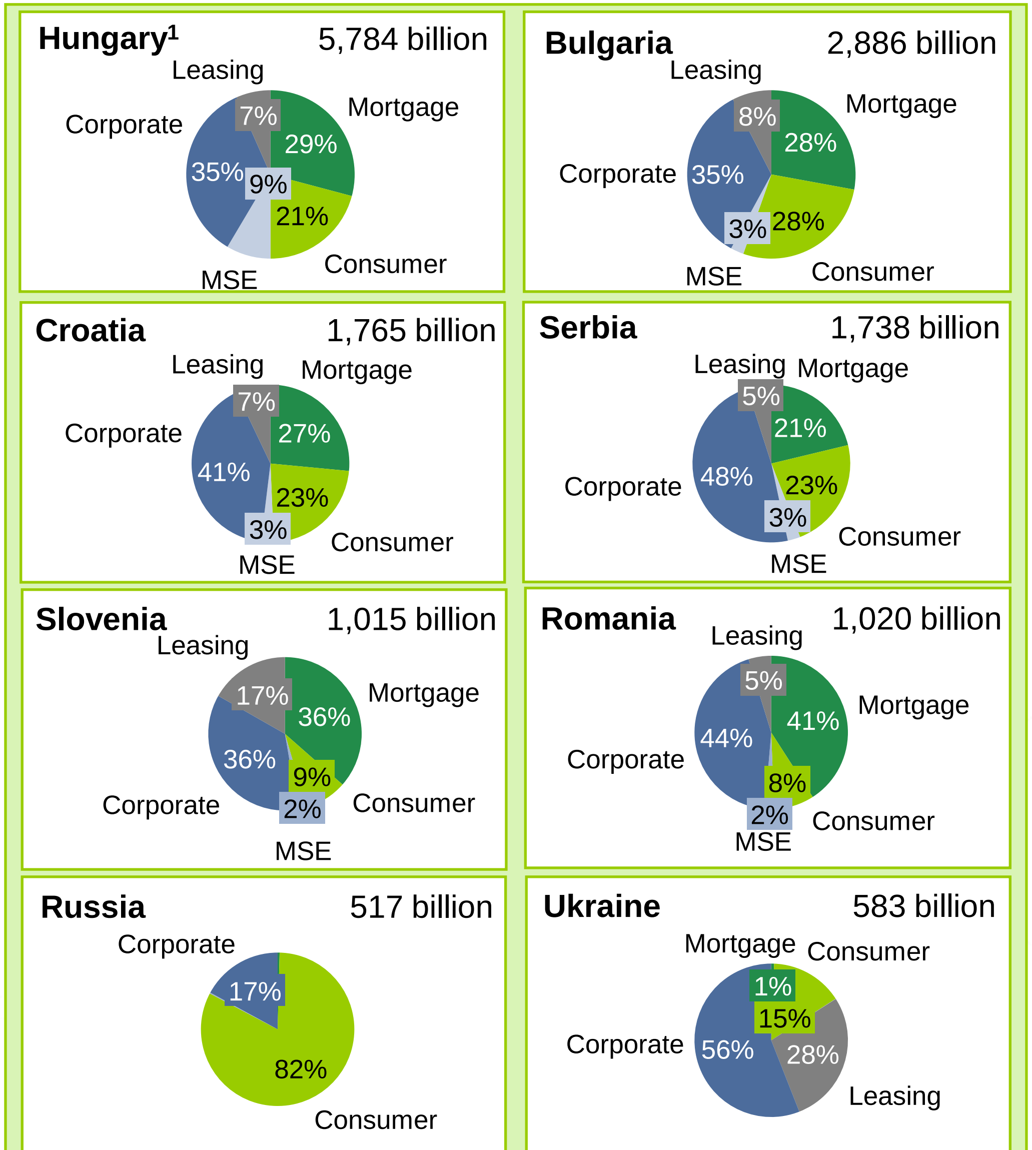


[1] On 6 May 2022.
[2] Foreign individuals, International Development Institutions, government held owner and non-identified shareholders.
[3] Based on the last 6M data (end date: 6 May 2022) on the primary stock exchange.

Almost 80% of the total net loan book is invested in EU countries, with Hungary having the dominant share. Retail lending remains the leading product

Breakdown of the consolidated net loan book
(in HUF billion)

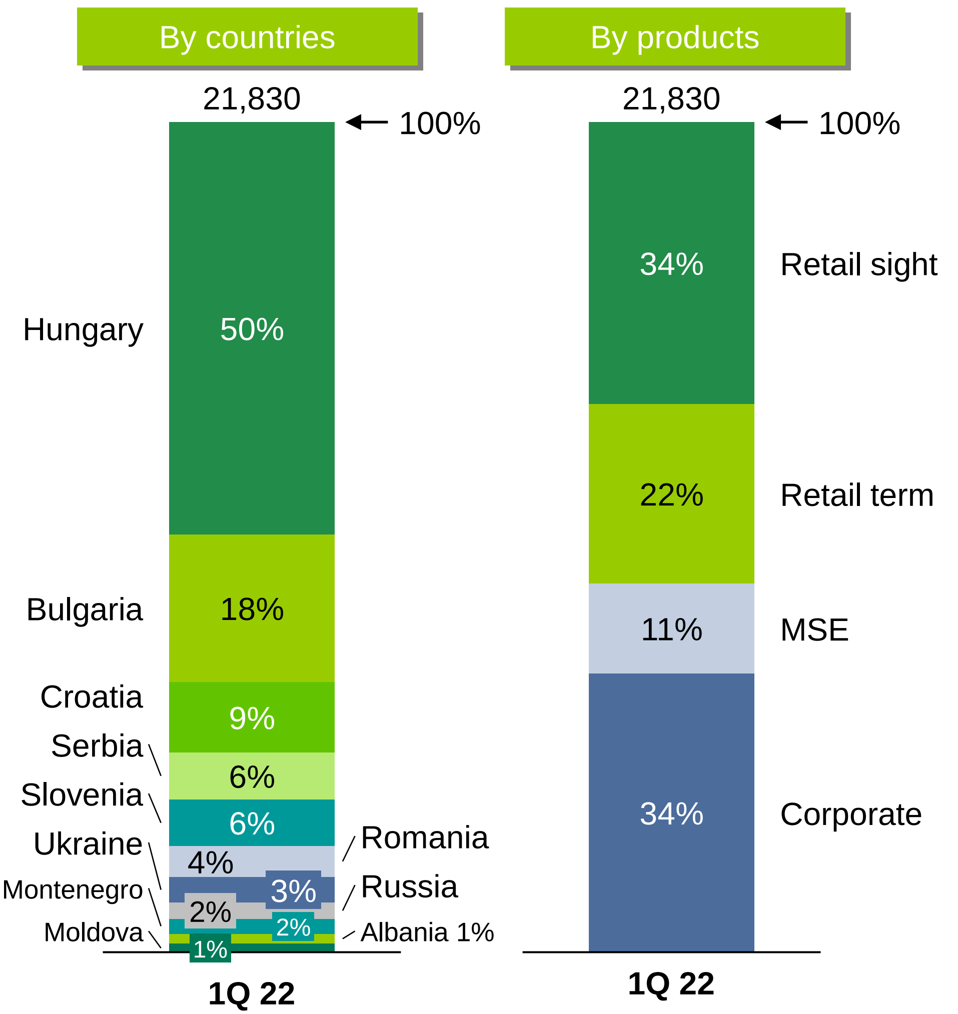




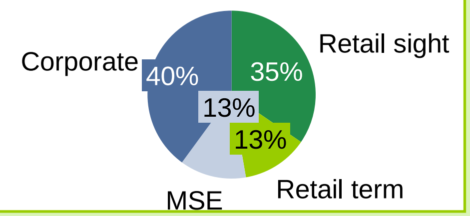
[1] Including OTP Core and Merkantil Group (Hungarian leasing).

Hungary contributes to half of the deposit book, Bulgaria is the second largest deposit holder in the Group. Retail placements account for 56% of the deposit base

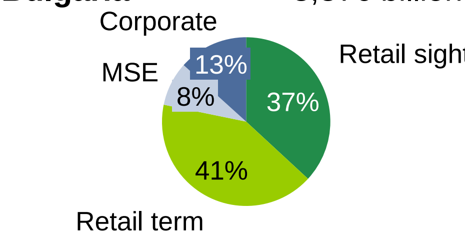
Breakdown of the consolidated deposit base
(in HUF billion)



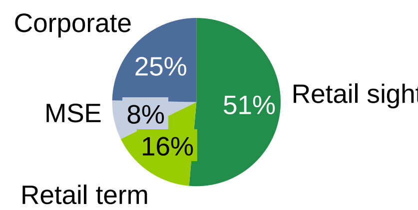
Hungary[1] 10,846 billion



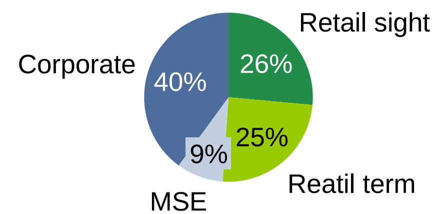
Bulgaria 3,876 billion



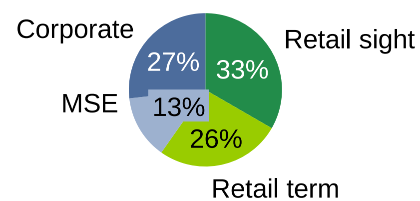
Croatia 1,860 billion



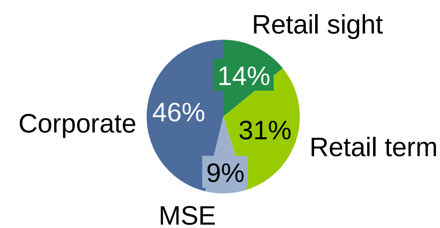
Serbia 1,228 billion



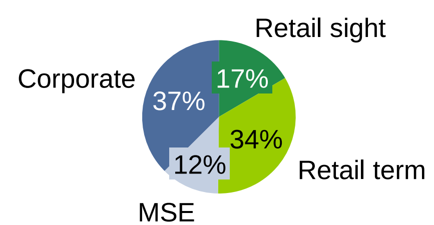
Slovenia 1,226 billion



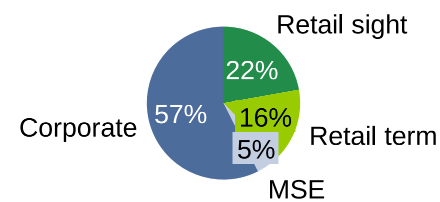
Romania 820 billion



Russia 436 billion



Ukraine 666 billion



[1] Including OTP Core and Merkantil Group (Hungarian leasing).

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The adjusted ROE for the period decreased to 12.1% shaped by surging risk costs but improved cost efficiency

	2003-2008 average	2009-2013 average	2014	2015	2016	2017	2018	2019	2020	2021	1Q 2022
ROE (from profit after tax)	29.4%	8.3%	-7.4%	5.1%	15.4%	18.5%	18.7%	20.3%	10.9%	17.0%	-4.6% / 4.4%[5]
ROE (from adj. profit after tax)	29.0%	11.6%	8.5%	9.6%	15.4%	18.7%	19.1%	20.6%	13.0%	18.5%	12.1% / 23.4%[5]
Total Revenue Margin[1]	8.60%	8.17%	7.74%	6.98%	6.79%	6.71%	6.33%	6.28%	5.37%	5.21%	5.17% / 4.75%[5]
Net Interest Margin[1]	6.02%	6.28%	5.96%	5.12%	4.82%	4.56%	4.30%	4.12%	3.61%	3.51%	3.43% / 3.05%[5]
Net Fee & Comm. Margin	1.50%	1.47%	1.59%	1.55%	1.62%	1.75%	1.58%	1.65%	1.34%	1.29%	1.23% / 1.18%[5]
Other income Margin[1]	1.08%	0.41%	0.19%	0.31%	0.35%	0.41%	0.44%	0.52%	0.41%	0.41%	0.51% / 0.52%[5]
Operating Costs / Average Assets	4.47%	3.80%	3.85%	3.66%	3.70%	3.68%	3.57%	3.31%	2.90%	2.59% / 2.67%[4]	2.43% / 2.26%[5]
Cost / Income (without one-offs)	51.9%	46.5%	49.8%	52.0%	54.4%	54.9%	56.3%	52.7%	54.1%	49.7% / 51.2%[4]	47.1% / 47.6%[5]
Credit Risk Cost Rate[2]	0.90%	3.37%	3.68%	3.18%	1.14%	0.43%	0.23%	0.28%	1.15%	0.30%	1.42% / -0.41%[5]
CET1 capital ratio[3]	9.1%	13.4%	14.1%	13.3%	13.5%	12.7%	16.5%	14.4%	15.4%	17.5%	16.2%

[1] Excluding one-off items. [2] Provision for impairment on loan and placement losses-to-average gross loans ratio. [3] Until 2006 calculated from Hungarian Accounting Standard based unconsolidated figures as 'quasi CET1' divided by RWA, whereby 'quasi CET1' is calculated as Primary capital less proportional deductions. From 2007 the CET1 ratio is calculated according to Basel 3 regulation, based on IFRS financials.
[4] Adjusted for the shifting of Hungarian local business tax and innovation contribution from costs to the corporate tax line from 2021.
[5] OTP Group excluding the Russian and Ukrainian operations.

The Hungarian loan penetration levels are still low in regional comparison implying good volume growth potential. This is also the case for Romania, as well as for the Bulgarian housing loan segment

Market penetration levels in Hungary in ...

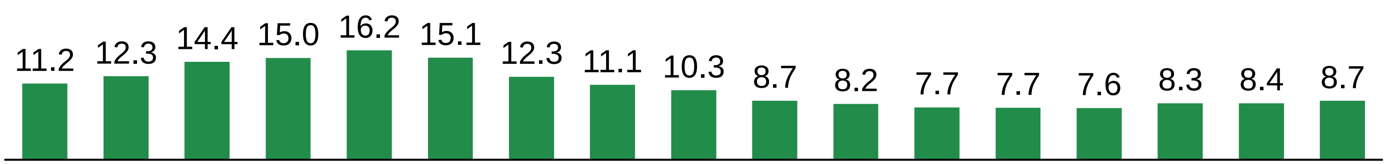
Net loan to deposit ratio in the Hungarian credit institution system[1]

168% → **87%**

1Q 2009 → 1Q 2022

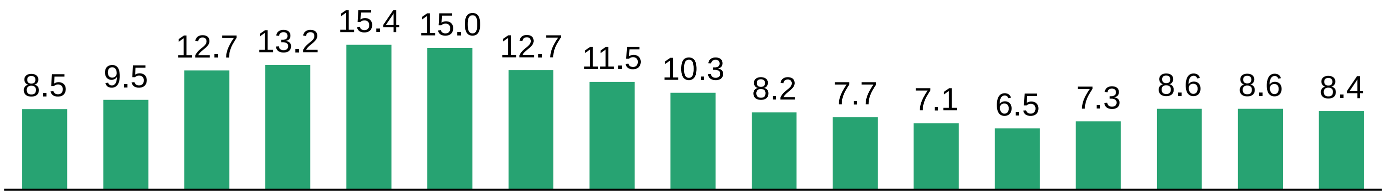
1Q 2022 data for other CEE/CIS countries (in % of GDP)

housing loans (in % of GDP)



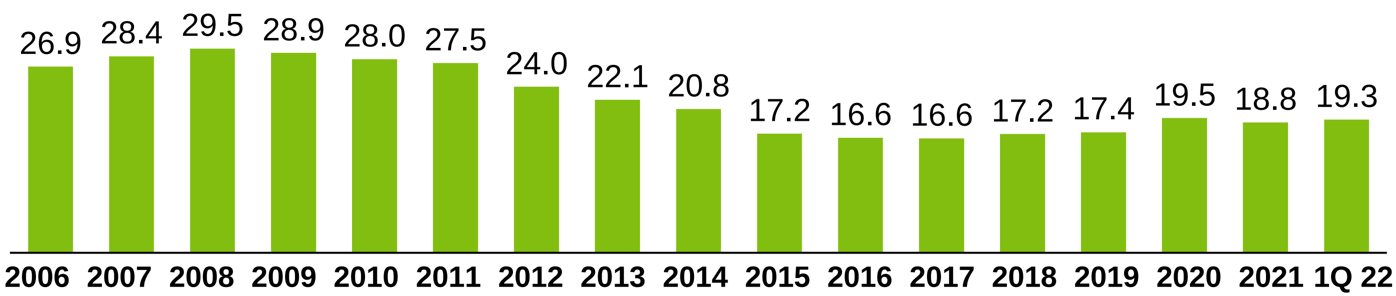
39.4	Slovakia	**10.7**	Bulgaria
28.3	Montenegro	**9.1**	Russia
28.2	Czechia	**8.5**	Romania
20.8	Serbia	**8.1**	Albania
20.1	Poland	**4.9**	Moldova
15.7	Croatia	**0.5**	Ukraine
14.3	Slovenia		

consumer loans (incl. home equities) (in % of GDP)



16.8	Croatia	**6.3**	Czechia
12.9	Serbia	**5.3**	Romania
11.3	Bulgaria	**5.0**	Slovenia
10.1	Poland	**4.4**	Moldova
9.7	Russia	**4.3**	Albania
7.9	Slovakia	**3.8**	Ukraine

corporate loans (in % of GDP)



28.5	Bulgaria	**20.4**	Czechia
25.5	Montenegro	**18.4**	Slovenia
23.5	Serbia	**13.8**	Poland
23.2	Albania	**13.5**	Moldova
22.6	Slovakia	**13.0**	Romania
21.5	Croatia	**12.2**	Ukraine

[1] Latest available data. According to the supervisory balance sheet data provision.

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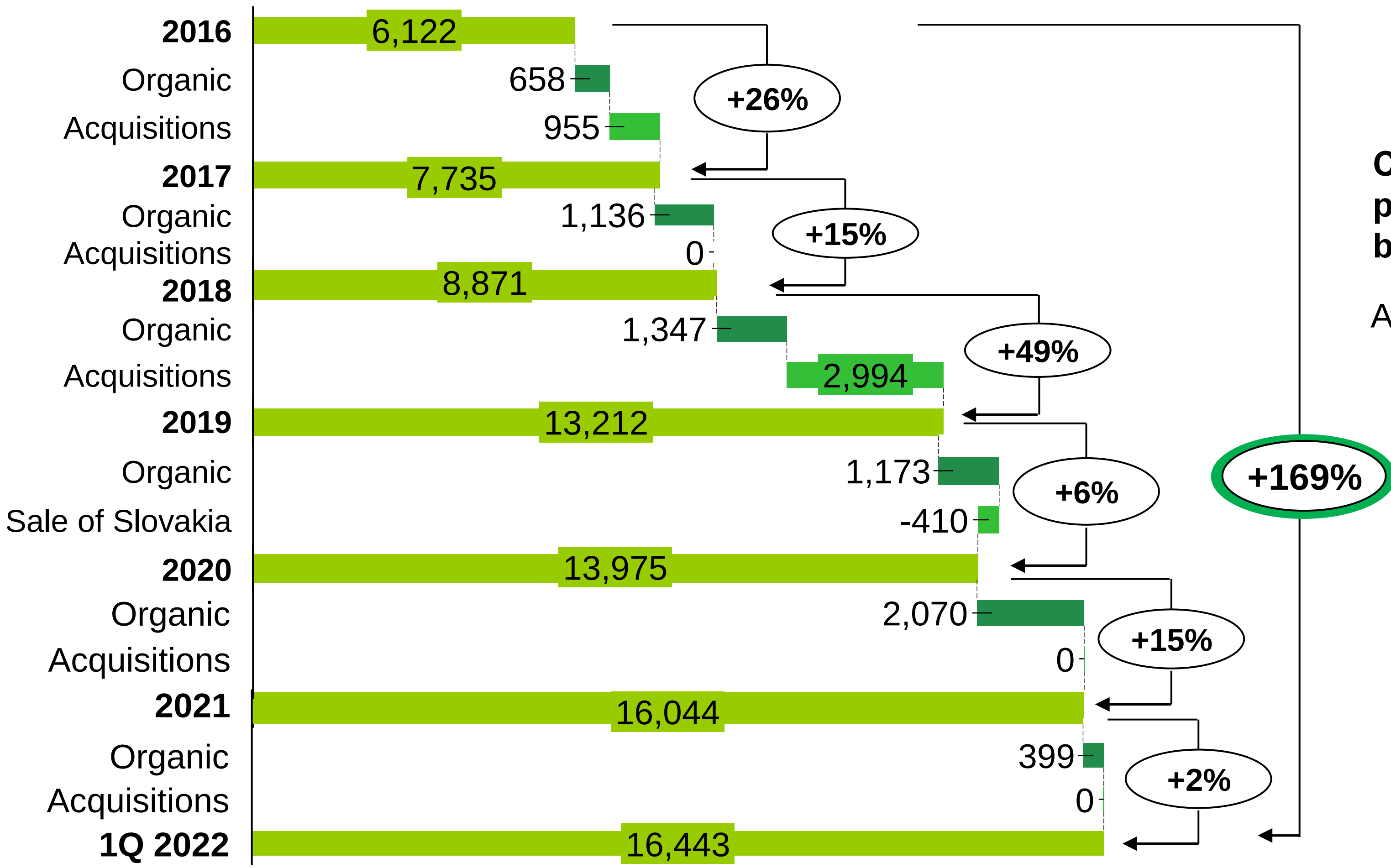
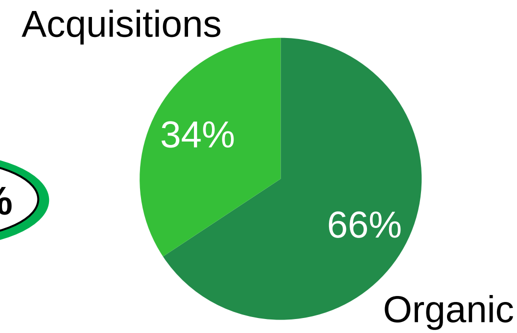
OTP Group's performing loans grew to 2.7-fold between 2016 and 1Q 2022, driven by both organic growth and acquisitions

OTP Group – performing (DPD0-90) loan growth[1]

FX-adjusted, in HUF billion



Components of the Group's performing loan growth between 2016 – 1Q 2022



[1] Performing loan data of acquisitions: Splitska banka: 2Q 2017; Vojvodjanska banka: 4Q 2017 (estimate); Expressbank, SG Albania, SG Montenegro, SG Moldova, SG Serbia and SG Slovenia: 4Q 2019. As for the sale of Slovakia, its 3Q 2020 loan figure was displayed.
Organic loan growth is calculated as total growth less acquisitions-related growth (latter includes the sale of Slovakia).

Acquisitions completed in the last few years materially improved OTP's positions in many countries. The financial closure of the Slovenian Nova KBM and Albanian acquisitions is waiting for regulatory approvals

Year	Target (seller, date of closing)		Net loan volumes (in HUF billion)	Market share in total assets (before/after acquisition[1], %)			Book value (in EUR million)
2017	**Splitska banka**, Croatia (SocGen, 2Q 2017)	(Nov 18)	631	4.8	11.2	(4Q 16)	496
2017	**Vojvodjanska banka**, Serbia (NBG, 4Q 2017)	(1Q 19)	266	1.5	5.7	(3Q 17)	174
2019	**SocGen Expressbank**, Bulgaria (SocGen, 1Q 2019)	(1Q 19)	774	14.0	19.9	(4Q 18)	421
2019	**SocGen Albania** (SocGen, 1Q 2019)	(1Q 19)	124		6.0	(4Q 18)	58
2019	**SocGen Moldova** (SocGen, 3Q 2019)	(3Q 19)	102		14.0	(4Q 18)	86
2019	**SocGen Montenegro** (SocGen, 3Q 2019)	(3Q 19)	126	17.6	30.4	(4Q 18)	66
2019	**SocGen Serbia** (SocGen, 3Q 2019)	(3Q 19)	716	5.3	13.7	(4Q 18)	381
2019	**SKB Banka**, Slovenia (SocGen, 4Q 2019)	(4Q 19)	827		8.5	(4Q 18)	356
2021	**Alpha Bank SH.A.**, Albania (Alpha Int. Holdings, signed but not closed)	(4Q 20)	99	6.2	10.9	(4Q 20)	73
2021	**Nova KBM**, Slovenia (Apollo Global and EBRD, signed but not closed)	(4Q 20)	1,633	8.2	28.7	(4Q 20)	992
	Acquisitions total:		**5,988**				**3,417**

[1] Reference date of market share data: Croatia: 2Q 2017, Serbia - Vojvodjanska 4Q 2016, Bulgaria: 1Q 2019, Albania - SocGen: 4Q 2018, Serbia - SocGen 2Q 2019, Moldova: 2Q 2019, Montenegro: 2Q 2019, SKB Slovenia: 4Q 2018, Nova KBM Slovenia: 4Q 2020, Albania – Alpha: 3Q 2021.

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Investor Relations & Debt Capital Markets

Tel: + 36 1 473 5460; + 36 1 473 5457

Fax: + 36 1 473 5951

E-mail: investor.relations@otpbank.hu

www.otpbank.hu

otpbank