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

Investor presentation

Based on 2Q 2023 results

otpbank

OTP Group - Highlights

Dominant position in CEE countries:
No. 1 in 5 countries (based on net loans); 3.5-fold loan growth over the last 6 years, 11 acquisitions; >40% of net loans in Eurozone / ERM 2, ~80% within the EU

Strong profitability:
35% ROE, 28% adjusted ROE (without one-offs) in 1H 2023

Strong liquidity position:
76% net LTD, wholesale debt to asset ratio at 7%, LCR ratio exceeding 200%

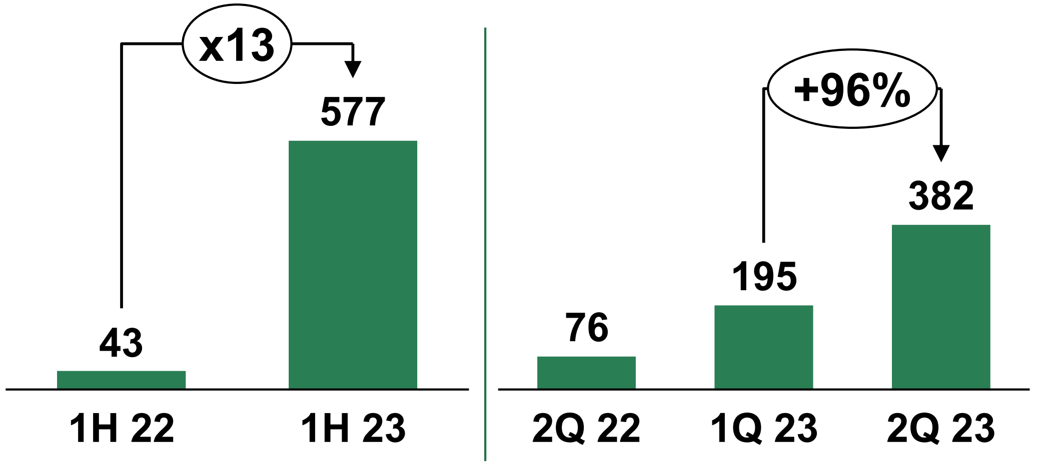
Strong capital position:
4th best result on the recent EBA stress test, CET1 ratio at 15.2%

Strong portfolio quality:
Close to zero credit risk cost rate in 1H 2023, Stage 3 ratio further down to 4.2%, own provision coverage of Stage 1 + 2 loans at 2.1%

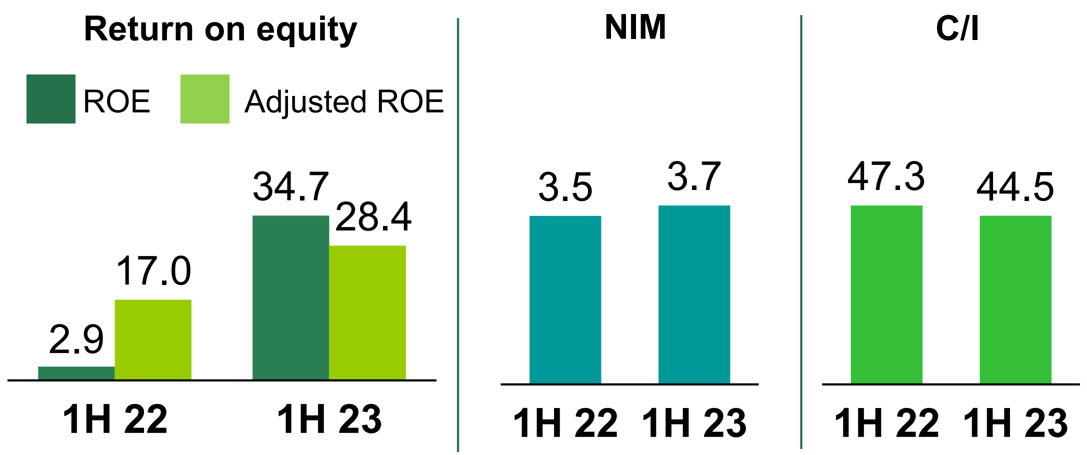
Strong commitment to ESG

In 1H 2023 OTP Group posted HUF 577 billion profit after tax, partially supported by the badwill of two acquisitions closed in the first half-year, as well as the improvement of adjusted profit

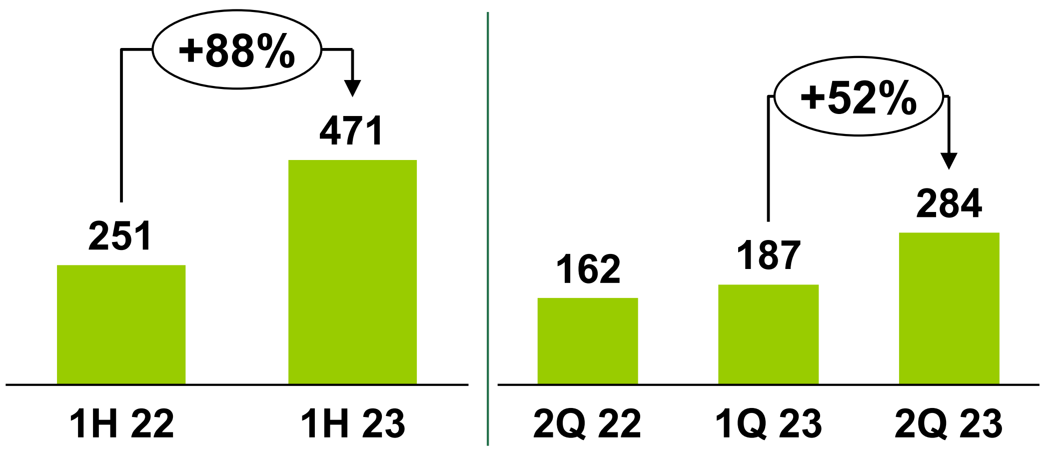
Consolidated profit after tax
(HUF billion)



Key performance indicators of OTP Group
(%)



Consolidated adjusted profit after tax
(HUF billion)



Main adjustment items
(after tax, HUF billion)

	1H 22	1Q 23	2Q 23	1H 23
Effect of acquisitions	-5.9	84.9	84	168.9
Special tax on financial institutions	-88.1	-88.1	25.6	-62.5
Interest rate cap extension	-10.1	0.3	-17.9	-17.6
Effect of the Russia-Ukraine war[1]	-91.3	0.0	-0.5	-0.5
Others	-12.6	10.5	6.9	17.4
Total	**-208.1**	**7.6**	**98.1**	**105.8**

[1] Goodwill impairment, the tax effect of the impairment on investments, and the impairment recognized on the Russian government bonds held in OTP Core and DSK Bank's books.

otpbank

The increase in the Group's semi-annual adjusted profit after tax was mainly shaped by dynamic income growth and close to zero total risk cost, partly offset by the operating cost pressure

	OTP Group (consolidated)					
P&L (in HUF billion)	**1H 2022**	**1H 2023**	**1H Y-o-Y FX-adj. w/o acq.**	**1Q 2023**	**2Q 2023**	**2Q Q-o-Q FX-adj. w/o acq.**
Net interest income	506	653	20%	312	341	10%
Net fees and commissions	182	221	14%	103	118	14%
Other net non-interest income	67	131	94%	42	89	114%
Total income	**755**	**1,005**	**25%**	**457**	**547**	**21%**
Personnel expenses	-174	-228	24%	-108	-120	13%
Depreciation	-39	-46	12%	-23	-23	-2%
Other expenses	-143	-174	17%	-94	-80	-14%
Operating expenses	**-357**	**-448**	**20%**	**-225**	**-222**	**0%**
Operating profit	**398**	**557**	**30%**	**232**	**325**	**41%**
Provision for impairment on loan losses	-74	-3	-97%	-6	3	
Other risk cost	-31	3		-3	6	
Total risk cost	**-105**	**0**		**-9**	**9**	
Profit before tax	**293**	**557**	**72%**	**223**	**335**	**52%**
Corporate tax	-43	-86	78%	-36	-51	46%
Adjusted profit after tax	**251**	**471**	**71%**	**187**	**284**	**54%**
Adjustments	-208	106		8	98	
Profit after tax	**43**	**577**	**1264%**	**195**	**382**	**108%**

Main performance indicators	1H 2022	1H 2023	Y-o-Y	1Q 2023	2Q 2023	Q-o-Q
Adjusted ROE	17.0%	28.4%	11.4%p	23.0%	33.5%	10.5%p
Performing loan growth (FX-adjusted)	+7%	+18%/+3%[1]		+11%/+1%[1]	+6%/+2%[1]	
Net interest margin	3.50%	3.72%	0.22%p	3.66%	3.77%	0.11%p
Cost / Income ratio	47.3%	44.5%	-2.7%p	49.3%	40.6%	-8.7%p
Credit risk cost ratio	0.86%	0.03%	-0.83%p	0.12%	-0.06%	-0.18%p

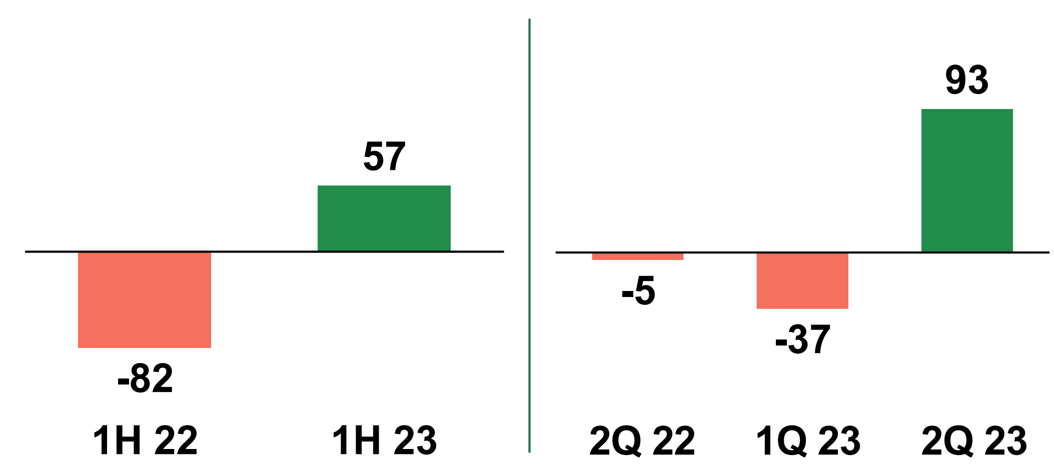
[1] Without acquisitions.

otpbank

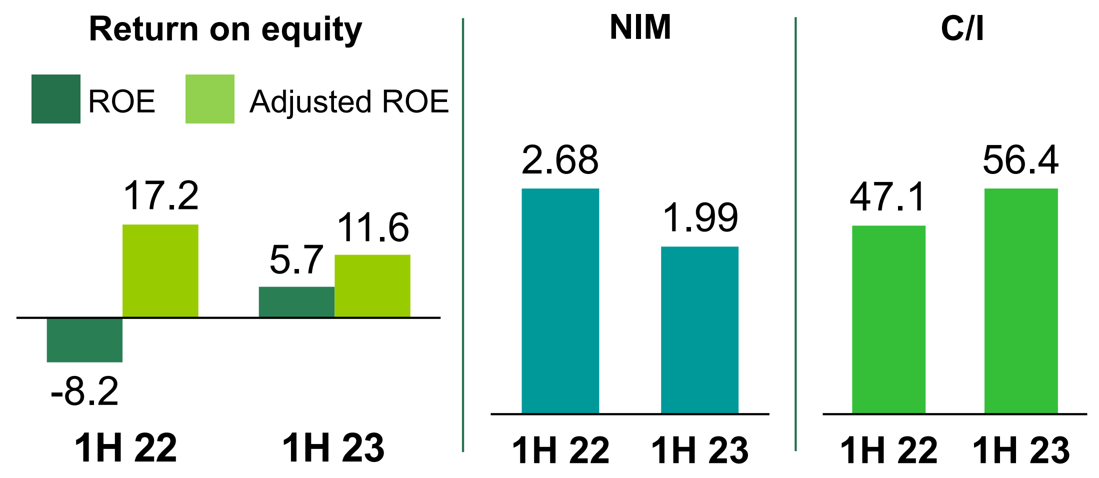
OTP CORE

In the first half of the year, OTP Core achieved HUF 57 billion profit after tax excluding dividends from subsidiaries. The half-year adjusted result is 32% lower than last year

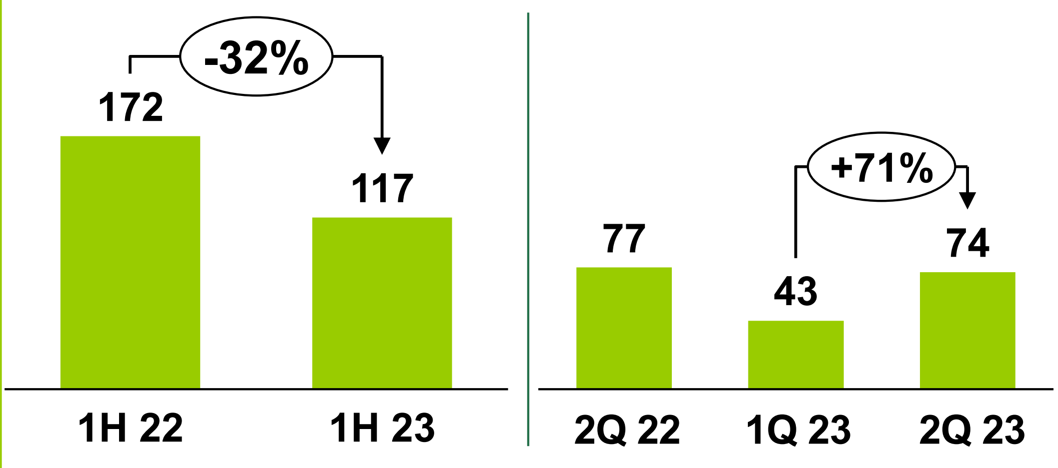
OTP Core profit after tax
(without dividends received from subsidiaries, HUF billion)



Highlighted key performance indicators of OTP Core
(%)



OTP Core adjusted profit after tax
(HUF billion)



Main one-off adjustment items at OTP Core
(after tax, HUF billion, without received dividends)

	1H 22	1Q 23	2Q 23	1H 23
Windfall tax	-66.0	-61.2	25.0	-36.2
Special banking tax	-19.2	-24.0	0.0	-24.0
Interest rate cap extension	-10.1	0.0	-16.3	-16.3
Effect of the Russia-Ukraine war[1]	-145.2	0.0	5.3	5.3
Others	-13.5	5.4	5.6	11.0
Total	**-254.1**	**-79.7**	**19.5**	**-60.2**

[1] Impairment of investments and the amount of the impairment recognized on the Russian bonds on OTP Core's balance sheet.

otpbank

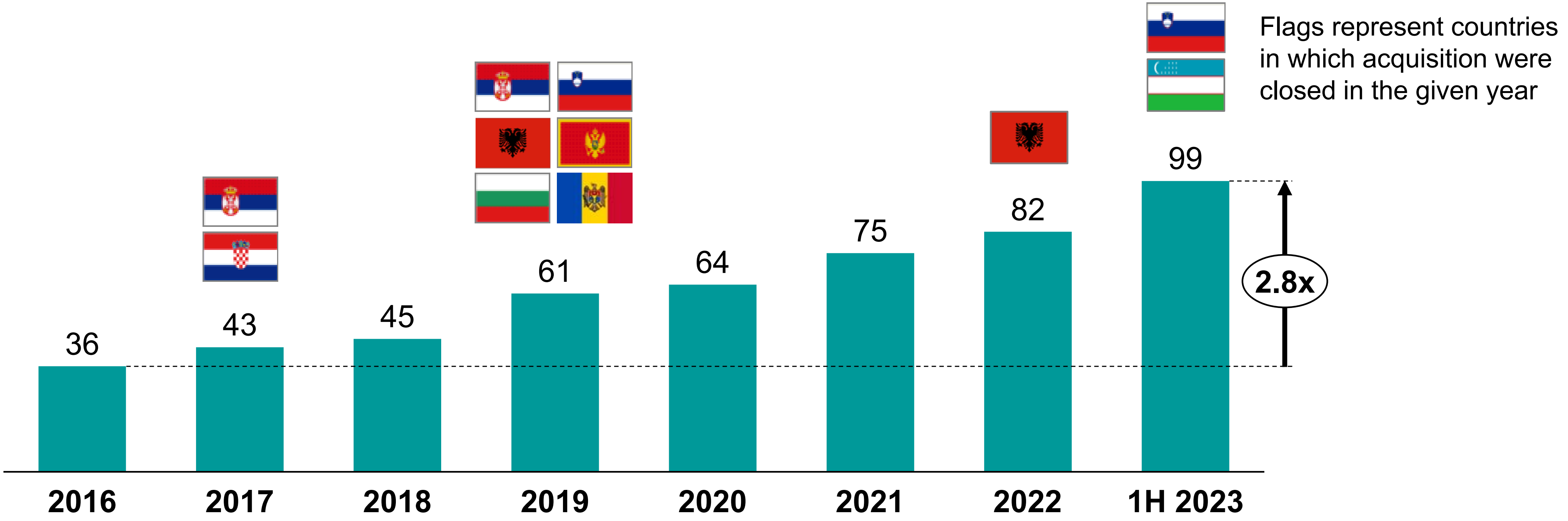
In 1H 2023 foreign subsidiary banks in the CEE region substantially increased their profit after tax, their ROE indicators were typically between 15-25%. The Russian and Ukrainian subsidiaries continued their profitable operation in 2Q as well

	Profit after tax[1] (HUF billion)		ROE		Cost / income ratio	
	1H 2022	1H 2023	1H 2022	1H 2023	1H 2022	1H 2023
DSK Group (Bulgaria)	50	89	15%	24%	40%	35%
SKB + NKBM (Slovenia)	10	15 + 39[2] = 54	11%	22%	58%	36%
OTP Bank Croatia	23	30	13%	16%	52%	47%
OTP Bank Serbia	22	31	14%	18%	48%	38%
OTP Bank Albania	5	8	26%	26%	45%	45%
CKB Group (Montenegro)	0	9	1%	18%	52%	39%
OTP Bank Russia	-15	51	-13%	36%	55%	35%
OTP Bank Ukraine	-34	30	-51%	47%	29%	26%
OTP Bank Romania	-1	14	-1%	16%	77%	72%
OTP Bank Moldova	2	9	10%	31%	41%	41%

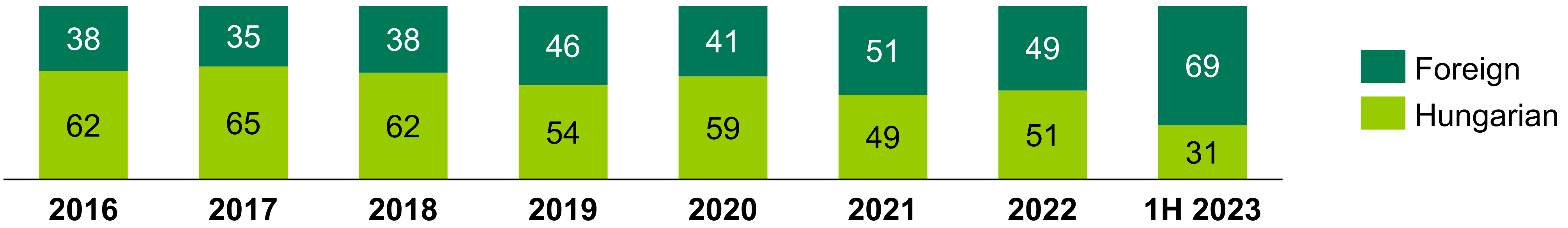
[1] Without adjustment items.
[2] NKBM contribution from February 2023.

Due to the acquisitions completed in recent years and the dynamic organic growth, consolidated total assets approached EUR 100 billion, while profit contribution of foreign operations gradually increased, hitting almost 70% in 1H 2023

Total assets development of OTP Group (in EUR billion)



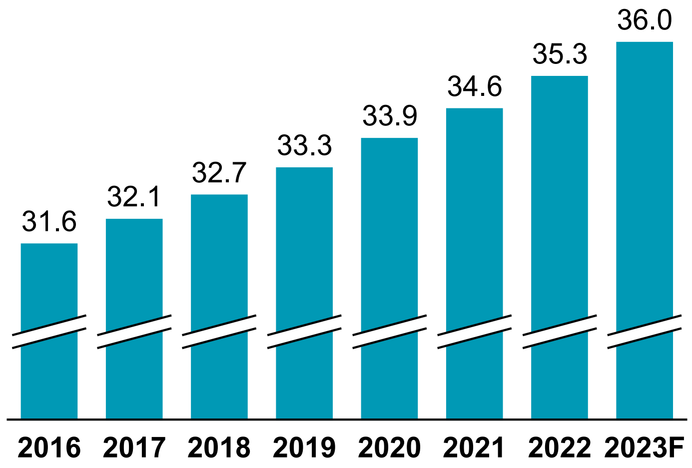
Contribution of Hungarian and foreign operations to the adjusted profit after tax (%)



UZBEKISTAN

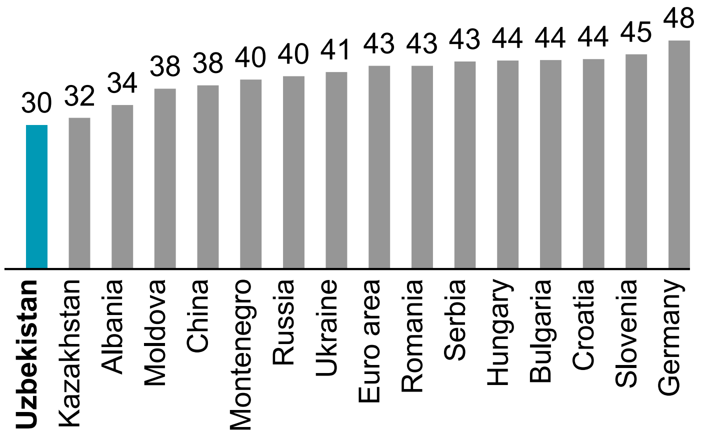
Uzbekistan's economy has significant growth potential. The population is young and rapidly growing, while the educational indicators demonstrate a favourable position even in global comparison

Population (million)



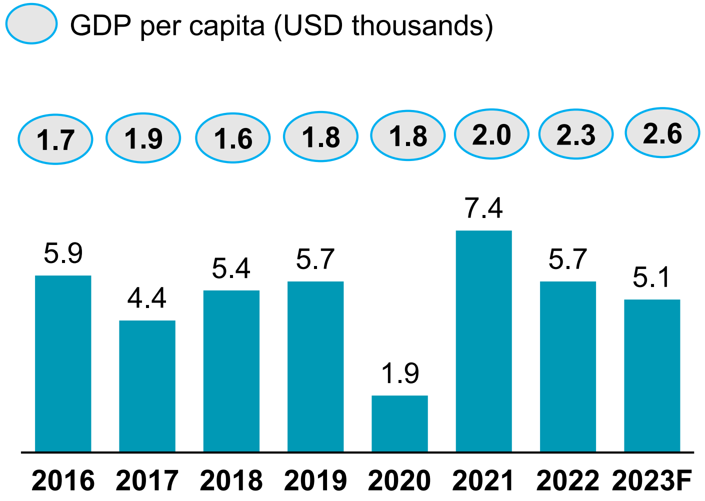
Source: IMF

Comparison of the median age (2020)



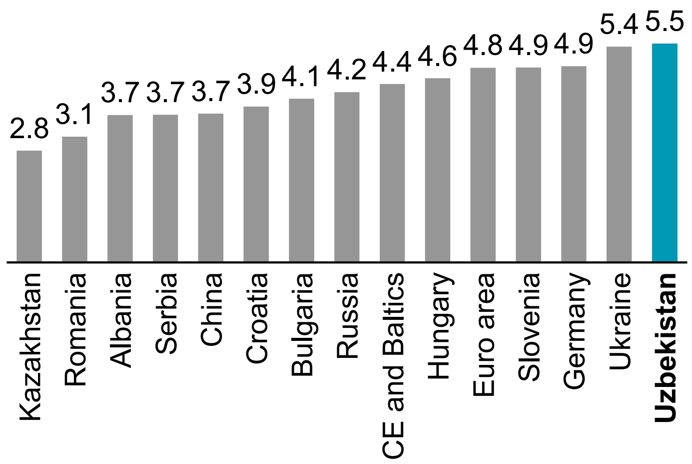
Source United Nations

GDP growth (y-o-y, %)



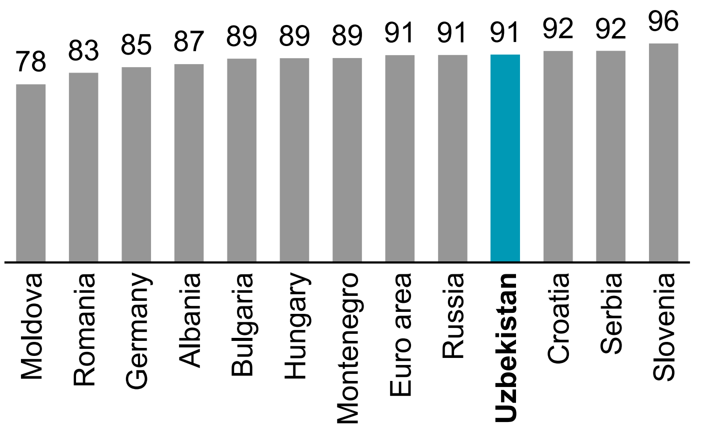
Source: IMF

Educational spending to GDP (%)



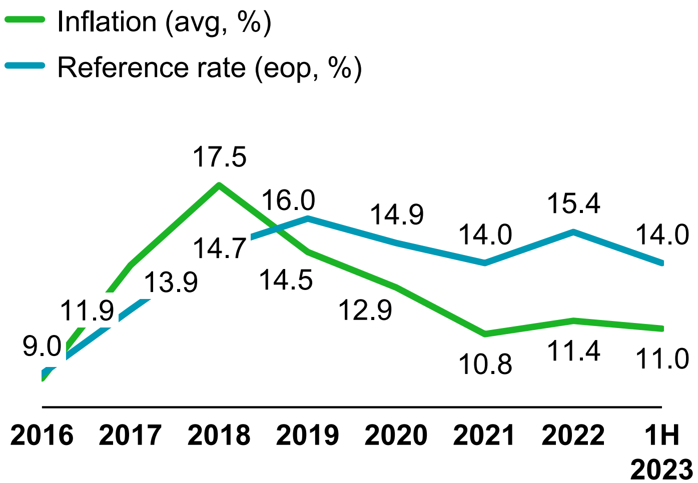
Source: World Bank

Secondary school enrolment (net, %)



Source: World Bank

Inflation and reference rate (%)



Source: OTP Research Department

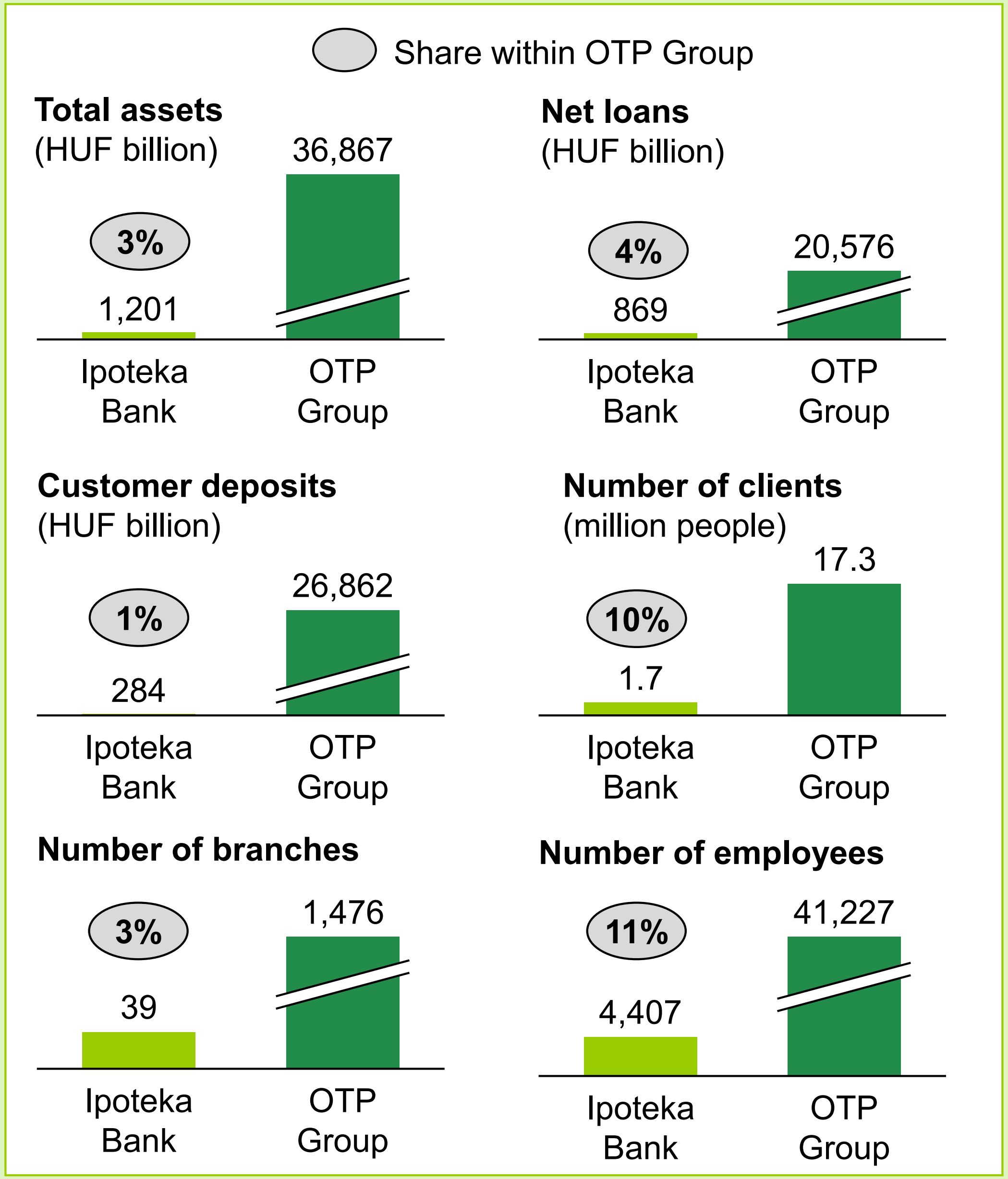
IPOTEKA BANK

In terms of total assets, Ipoteka Bank is the fifth largest bank in Uzbekistan with a market share of 7.7%, and it is also the largest player in the mortgage market with a market share of around 25%

IFRS, HUF billion / %	2020	2021	2022
Profit after tax	**12**	**25**	**44**
Total assets	925	1,206	1,492
Net loans	690	878	1,099
Customer deposits	261	409	421
Interbank liabilities	549	647	847
Shareholders' equity	115	148	210
ROE	10.7%	19.8%	23.9%
Net loan-to-deposit ratio	264%	215%	261%

Market share and equity of Uzbek banks[1]
(As of 1 July 2023, EUR billion)

	Bank	Total assets	Market share	Shareholders' equity
1	NBU	9.4	20.2%	1.4
2	Uzpromstroybank	5.3	11.5%	0.7
3	Agrobank	4.7	10.3%	0.8
4	Asaka bank	3.9	8.4%	0.5
5	**Ipoteka Bank**	**3.6**	**7.7%**	**0.5**
6	People's bank	2.8	6.0%	0.4
7	Kapital bank	2.6	5.7%	0.3
8	Qishloq Qurilish bank	2.0	4.3%	0.2



[1] Source: National Bank of Uzbekistan.

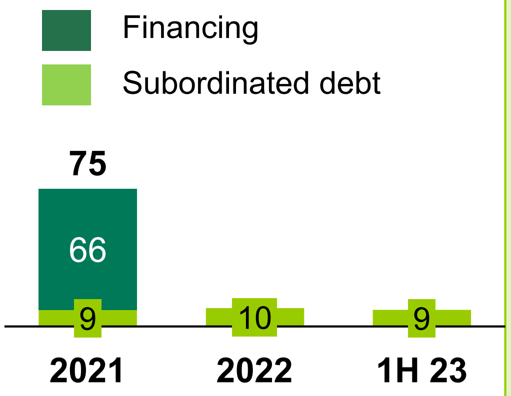
Russian consumer loans expanded by 16% y-o-y, while corporate lending dropped by 64%. In Ukraine the provisioning level improved further. In both countries there is a substantial free capital above the regulatory minimum requirement

OTP Russia

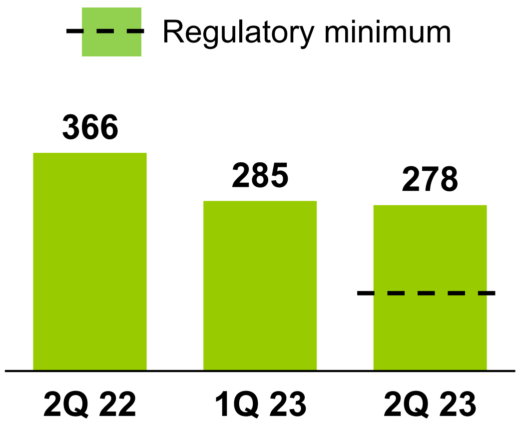
Volume changes
(FX-adjusted)

	Y-o-Y
Performing consumer (Stage 1+2) loans	16%
Corporate loans	-64%
Customer deposits	56%

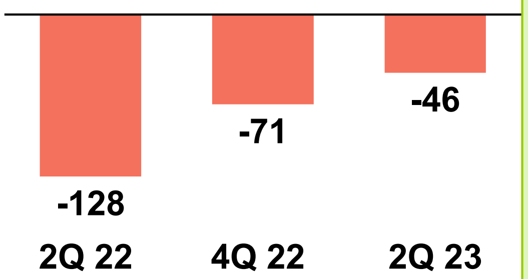
Gross intragroup financing and subordinated debt capital
(in HUF billion)



OTP Russia's equity
(in HUF billion)



Impact of the potential deconsolidation of the Russian operation on the Group's CET1 ratio
(basis points)

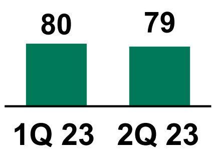


OTP Ukraine

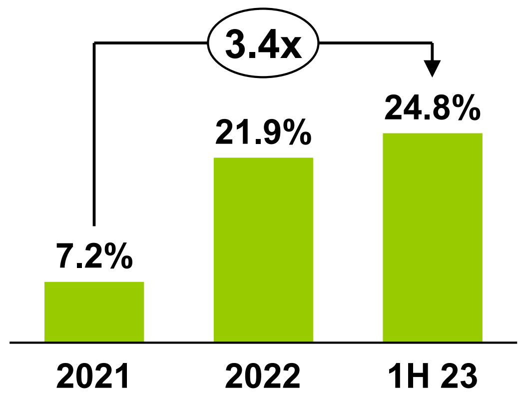
Volume changes
(FX-adjusted)

	Y-o-Y	Q-o-Q
Performing (Stage 1+2) loans	-38%	-11%
Customer deposits	11%	-5%

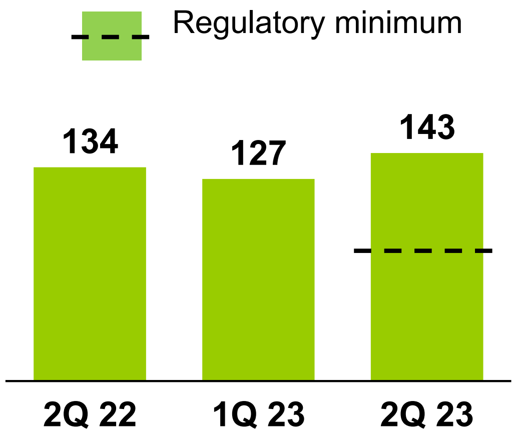
Intragroup financing
(gross, HUF billion)



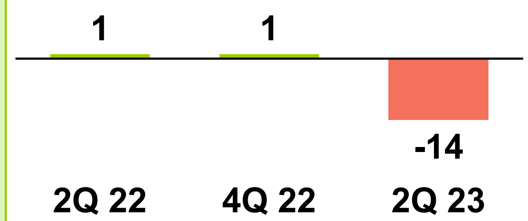
Total provisions to total gross loans ratio



OTP Ukraine's equity
(in HUF billion)



Impact of the potential deconsolidation of the Ukrainian operation on the Group's CET1 ratio
(basis points)



otpbank

In 2Q 2023 the Group's FX-adjusted total income grew by 21% without the NKBM acquisition, driven primarily by Hungary

Effect of NKBM acquisition

TOTAL INCOME without one-off items	1H 2023 (HUF billion)	2Q 2023 (HUF billion)	1H 2023 Y-o-Y (HUF billion)		2Q 2023 Q-o-Q (HUF billion)	
OTP Group	**1,005**	**547**	185 64 249	33%/25%[1]	72 18 90	20%/21%[1]
OTP CORE (Hungary)	**349**	**199**	13	4%	49	33%
DSK Group (Bulgaria)	**146**	**76**	45	45%	5	7%/11%[2]
SKB+NKBM (Slovenia)	**97**	**58**	9 64 74	316%/39%[1]	1 18 19	49%/9%[1]
OBH (Croatia)	**56**	**29**	10	21%	2	7%/11%[2]
OBSrb (Serbia)	**63**	**32**	17	38%	1	5%/9%[2]
OBA (Albania)	**16**	**8**	8	105%	0	5%
CKB Group (Montenegro)	**18**	**9**	5	42%	1	8%/12%[2]
OBRu (Russia)	**107**	**58**	47	78%	9	19%/36%[2]
OBU (Ukraine)	**55**	**26**	4	7%/32%[2]	-2	-7%/-2%[2]
OBR (Romania)	**33**	**16**	5	16%	-1	-7%/-2%[2]
OBM (Moldova)	**13**	**6**	3	28%	-2	-26%
Others	**52**	**31**	20	36%	9	41%

[1] Changes without the effect of NKBM acquisition and FX-adjusted.
[2] FX-adjusted change.

Semi-annual FX-adjusted net interest income grew 20% organically, as stronger foreign contributions offset the weaker Hungarian performance. The q-o-q NII growth at OTP Core was driven by technical factors

Effect of NKBM acquisition

NET INTEREST INCOME	1H 2023 (HUF billion)	2Q 2023 (HUF billion)	1H 2023 Y-o-Y (HUF billion)		2Q 2023 Q-o-Q (HUF billion)	
OTP Group	653	341	99 / 48 / 147	29%/20%[1]	16 / 13 / 29	9%/10%[1]
OTP CORE (Hungary)	187	97	-32	-15%	8	8%
DSK Group (Bulgaria)	104	55	42	67%	5	10%/15%[2]
SKB+NKBM (Slovenia)	73	43	10 / 48 / 58	404%/68%[1]	1 / 13 / 14	45%/11%[1]
OBH (Croatia)	41	21	9	28%	1	3%/7%[2]
OBSrb (Serbia)	49	25	16	48%	1	3%/7%[2]
OBA (Albania)	13	7	7	112%	0	5%
CKB Group (Montenegro)	14	7	5	49%	0	5%/9%[2]
OBRu (Russia)	60	30	14	31%	-1	-2%/15%[2]
OBU (Ukraine)	46	22	6	15%/42%[2]	-2	-6%/-1%[2]
OBR (Romania)	34	17	10	41%	1	4%/9%[2]
OBM (Moldova)	10	4	3	42%	-2	-28%
Merkantil (Hungary)	13	6	3	33%	-1	-11%
Others	8	6	10		4	209%

1 At OTP Core the 2Q NII increased by HUF 7.6 billion due to one-off items and technical factors:

- the semi-annual amount of interest subsidies for certain loans, to the tune of HUF 5.4 billion, was recognized in one sum in 2Q;
- an item recognized in 1Q related to the consolidation of interest income earned on securities transferred within the Group was corrected in 2Q (+HUF 3.8 billion q-o-q NII effect);
- calendar effect: +HUF 1 billion q-o-q.

Without these items, NII would have declined q-o-q by HUF 2.6 billion, mainly because of the changes of the mandatory reserve rules from April, and the changes in the balance sheet structure: higher share of non-interest-bearing assets, increasing share of higher rate liabilities, lower weight of deposits. These negative factors were mitigated by the starting of the rate cutting cycle and the continued rise of EUR rates.

2 In EUR-linked countries, group members benefited from rising rates exerting a positive effect on margins.

3 In Russia and Ukraine 1H NII increase was driven by higher interest earned on central bank placements.

[1] Changes without the effect of NKBM acquisition and FX-adjusted.
[2] FX-adjusted change.

otpbank

The consolidated net interest margin improved q-o-q, thanks to the continuation of positive trends at CEE Group members. As a result of technical and one-off items, the Hungarian margin grew by 10 bps q-o-q from close to its historic lows

NET INTEREST MARGIN	2Q 2022	1Q 2023	2Q 2023
OTP Group	3.57%	3.66%	3.77%
OTP CORE (Hungary)	2.69%	1.94%	2.05%
DSK Group (Bulgaria)	2.62%	3.41%	3.73%
SKB+NKBM (Slovenia)	1.99%	3.28%[1]	3.16%
OBH (Croatia)	2.48%	2.74%	2.96%
OBSrb (Serbia)	2.89%	3.77%	3.84%
OBA (Albania)	3.46%	4.23%	4.37%
CKB Group (Montenegro)	3.48%	4.37%	4.68%
OBRu (Russia)	9.63%	11.91%	10.70%
OBU (Ukraine)	8.38%	9.63%	8.97%
OBR (Romania)	3.37%	4.05%	4.47%
OBM (Moldova)	4.85%	6.60%	4.68%

1 OTP Core's 2Q margin was substantially lower than a year earlier:
- the mandatory minimum reserve requirement was raised and the rate was diverted from the 18% O/N rate, in 2Q the central bank paid 9.75%;
- unfavorable changes in the balance sheet structure:
  - on the asset side, the proportion of non-interest-bearing assets increased, mainly at the expense of financial assets;
  - on the liability side the weight of deposits decreased against higher rate liabilities;
  - due to fixed rate Hungarian government bonds and high proportion of fixed rate loans.

The q-o-q improvement was due to one-offs and technical factors boosting NII; without those, NIM would have declined 9 bps q-o-q, partly due to declining NII without one-offs and the 2% increase in the quarterly average total assets.

2 NIM of CEE group members was boosted by the rising interest rate environment.

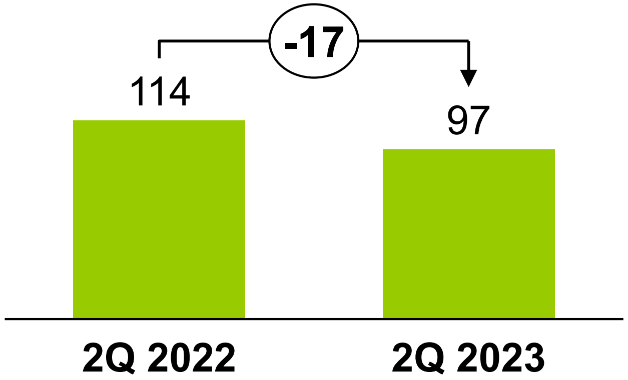
3 The Russian, Ukrainian and Moldovan NIM decreased q-o-q, mainly due to lower rates earned on placements with the central bank.

[1] NKBM's profit figures were consolidated into the Group's from February 2023, while its balance sheet from the end of February, which based on the net interest margin calculation methodology, distorted the margin of the Slovenian operation upwards in 1Q.

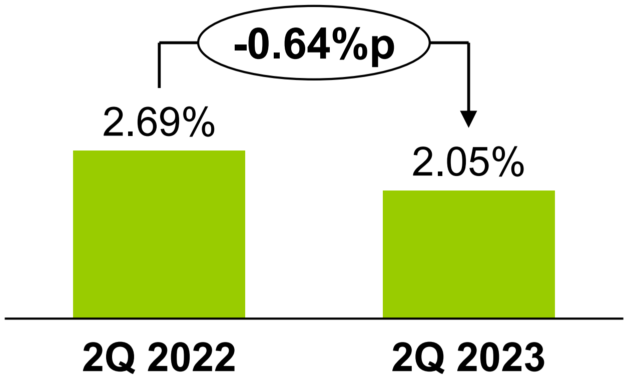
OTP CORE

At OTP Core the significant y-o-y drop of net interest margin was mainly due to the negative impact of the changes in the mandatory reserve rules, the NKBM acquisition and the shrinking deposit volumes

OTP Core - net interest income
(HUF billion)



OTP Core - net interest margin



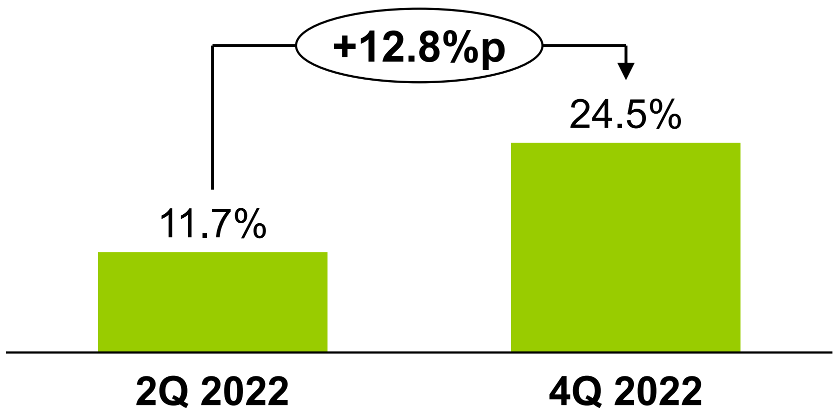
Decomposition of y-o-y NII / NIM decline	Δ NII	Δ NIM
Mandatory reserves: the minimum reserve ratio was increased from 1% to 5% in October 2022 and to 10% in April 2023. The central bank paid the base rate (13%) instead of the O/N rate (18%) starting from October, and 0% on 25% of the reserves starting from April 2023.	-23 bn	-54 bps
Acquisitions: interest bearing assets decreased and non-interest-bearing investments increased due to the NKBM acquisition (HUF 297 bn) in 1Q 2023.	-13 bn	-30 bps
Deposits: deposits decreased from HUF 11,122 billion to 10,621 billion. The NII impact was calculated with the assumption of fix 12% deposit margin.	-11 bn	-24 bps
MREL issuances: altogether HUF 861 billion equivalent new MREL eligible instruments were issued after 2Q 2022, elevating interest expenses and increasing the average funding costs. The impact was calculated with 3% average spread over the benchmark.	-6 bn	-25 bps
Interest rate hikes: the average key reference rate was 6.57% in 2Q 2022 and 17.44% in 2Q 2023 with negative NII effect at OTP Core due to high proportion of assets with fix rate (government bonds, loans).	-4 bn	-8 bps
Customer loans: new customer loan disbursements generated additional interest income.	+15 bn	+35 bps
EUR open position: strategic EUR 1 billion short position was opened in February in order to hedge OTP's investments in the Eurozone.	+14 bn	+33 bps
Interest subsidies: as a one-off effect, interest subsidies on subsidized housing (CSOK) loans were corrected in June retrospectively for 1H 2023.	+5 bn	+13 bps
Others	+6 bn	-2 bps
Total	**-17 bn**	**-64 bps**

otpbank

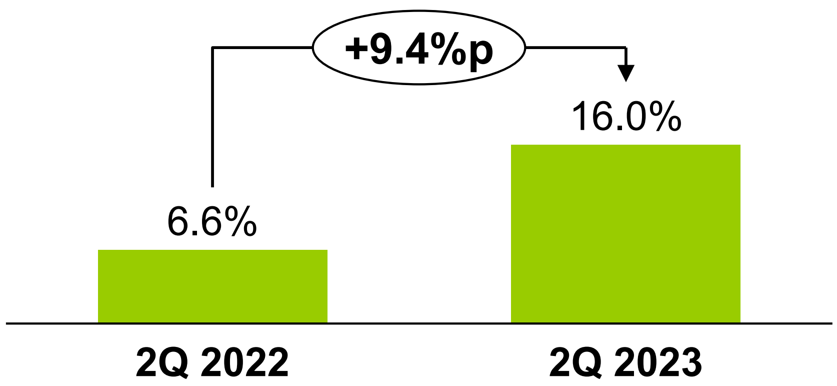
HUNGARY

In the wake of high inflation and high retail government bond yields, significant structural changes occurred on the Hungarian retail savings market. The total retail savings grew 12% y-o-y, within that deposits suffered outflows, but retail government bonds and investment funds gained popularity

Inflation, y-o-y

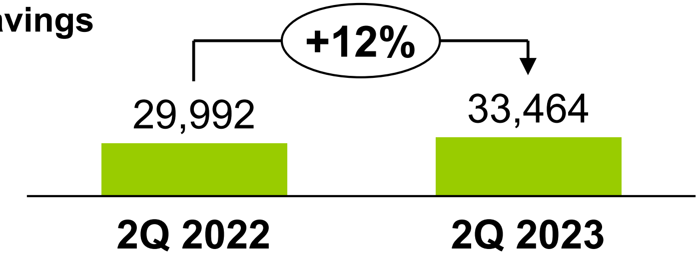


Retail government bond yield
(inflation indexed PMÁP)

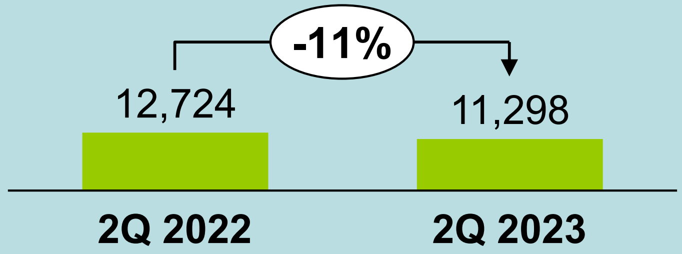


Retail market volumes in Hungary (HUF billion)

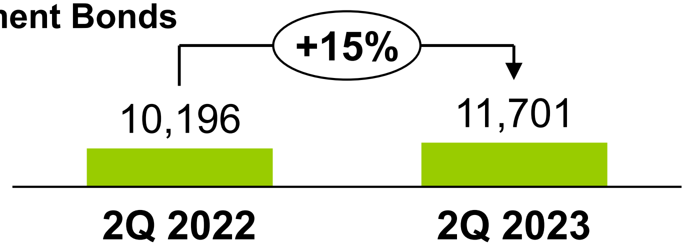
Total Retail Savings



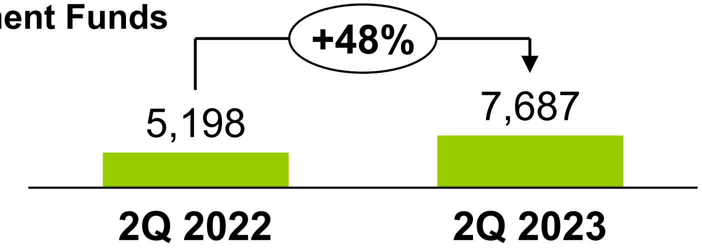
Retail Deposits



Retail Government Bonds



Retail Investment Funds

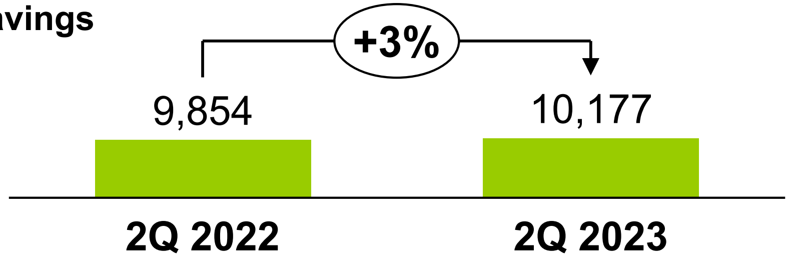


OTP CORE

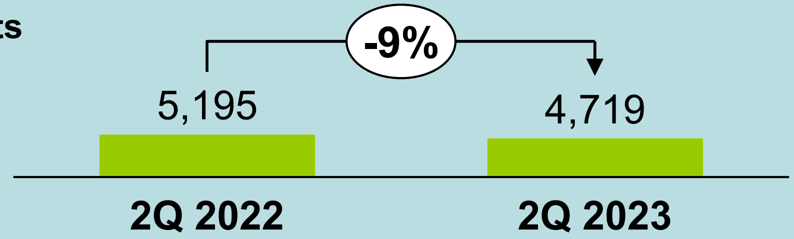
Despite declining retail deposit volumes, OTP's deposit market share increased by 0.9 pp y-o-y

Retail savings volumes at OTP Core (HUF billion)

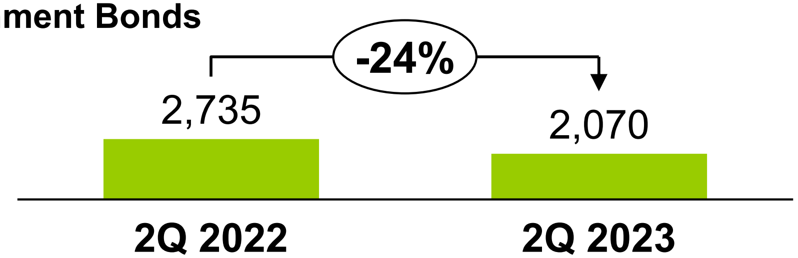
Total Retail Savings



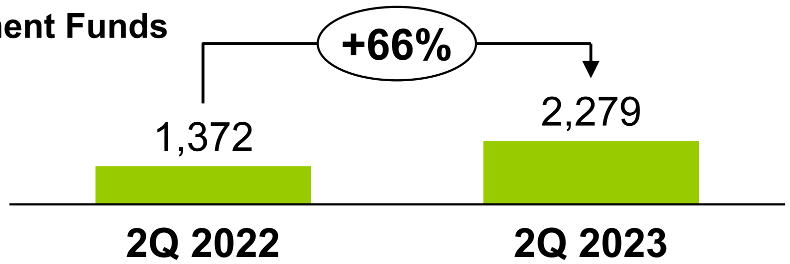
Retail Deposits



Retail Government Bonds

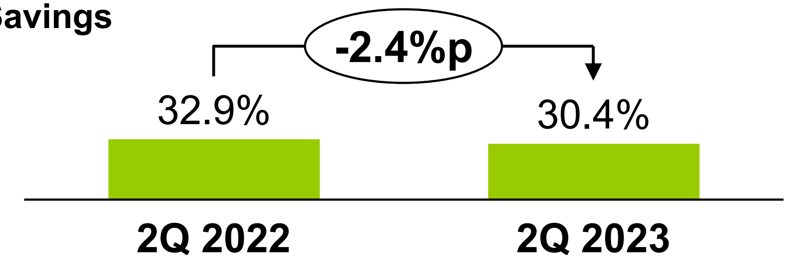


Retail Investment Funds

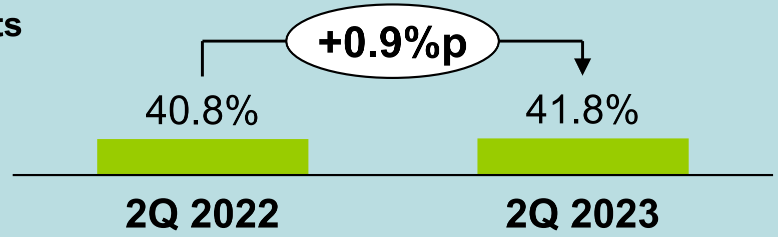


OTP's market share in Hungary

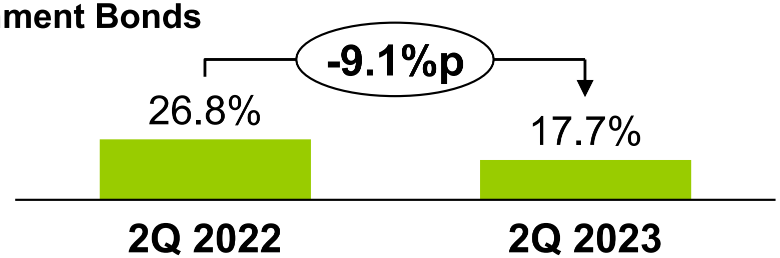
Total Retail Savings



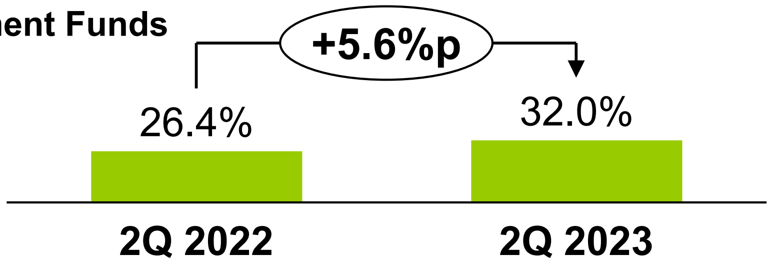
Retail Deposits



Retail Government Bonds



Retail Investment Funds



otpbank

Consolidated performing loans increased by 2% q-o-q organically, driven primarily by Bulgaria and Croatia, whereas Ukrainian and Moldovan volumes continued to shrink

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

	Cons.	Core[2] (Hungary)	DSK (Bulgaria)	SKB+ NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	OBA (Albania)	CKB (Monten.)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	1,233 / 348[3]	73	232	-7	47	2	0	6	19	-40	7	-9
Total	6% / 2%[3]	1%	7%	0%	2%	0%	0%	1%	4%	-11%	1%	-6%
Consumer	6% / 3%[3]	6%	3%	0%	2%	2%	-2%	5%	4%	-14%	-1%	-11%
Mortgage	8% / 2%[3]	3%	5%	-1%	4%	0%	2%	3%			-3%	-4%
Corporate[1]	6% / 1%[3]	-2%	12%	0%	-1%	-1%	-1%	-1%	1%	-13%	3%	-5%
Leasing	4%	4%	4%	2%	17%	2%	7%			-7%	7%	-1%

Core mortgage breakdown:

Housing loan	Home equity
2%	5%

[1] Loans to MSE and corporate clients.
[2] In the Leasing row the leasing volume change applies to Merkantil Group (Hungarian leasing).
[3] Changes without the Ipoteka Bank acquisition.

Consolidated performing loans grew by 18% in the first half of the year, within that the organic growth (excluding the Nova KBM and Ipoteka Bank acquisitions) reached 3%

YTD performing (Stage 1+2) LOAN volume changes, adjusted for FX-effect

	Cons.	Core[2] (Hungary)	DSK (Bulgaria)	SKB+ NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	OBA (Albania)	CKB (Monten.)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBM (Moldova)
YTD nominal change (HUF billion)	**3,085 / 546[3]**	**150**	**417**	**1,655 / 1[4]**	**68**	**-33**	**-4**	**12**	**23**	**-78**	**-17**	**-14**
Total	18% / 3%[3]	2%	13%	150% / 0%[4]	3%	-2%	-1%	3%	5%	-20%	-2%	-9%
Consumer	14% / 5%[3]	8%	5%	275% / 2%[4]	3%	1%	-8%	8%	7%	-29%	-6%	-21%
Mortgage	20% / 2%[3]	2%	8%	116% / -1%[4]	5%	-1%	1%	5%			-7%	-9%
Corporate[1]	20% / 3%[3]	1%	24%	212% / 0%[4]	0%	-3%	-1%	0%	-35%	-21%	2%	-5%
Leasing	5%	4%	9%	3%	24%	0%	17%			-15%	7%	-2%

Core mortgage breakdown:

Housing loan	Home equity
1%	6%

[1] Loans to MSE and corporate clients.
[2] In the Leasing row the leasing volume change applies to Merkantil Group (Hungarian leasing).
[3] Changes without the NKBM and Ipoteka Bank acquisitions.
[4] Changes without NKBM acquisition.

otpbank

Consolidated customer deposits decreased by 1% q-o-q without the Ipoteka Bank acquisition, mainly as a consequence of outflows affecting Hungarian retail and corporate segments

Q-o-Q DEPOSIT volume changes, adjusted for FX-effect

	Cons.	Core[3] (Hungary)	DSK (Bulgaria)	SKB+ NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	OBA (Albania)	CKB (Monten.)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	49 / -234[2]	-416	23	26	29	50	5	-2	141	-35	9	8
Total	0% / -1%[2]	-4%	0%	1%	1%	3%	1%	0%	23%	-5%	1%	3%
Retail	1% / 0%[2]	-2%	2%	2%	2%	0%	1%	2%	2%	0%	-1%	7%
Corporate[1]	-1% / -2%[2]	-6%	-4%	-2%	1%	6%	1%	-3%	36%	-7%	3%	-2%

[1] Including MSE, MLE and municipality deposits.
[2] Changes without the Ipoteka Bank acquisition.
[3] Including retail bonds.

Consolidated customer deposits decreased by 1% in the first six month without the effect of acquisitions

YTD DEPOSIT volume changes, adjusted for FX-effect

	Cons.	Core[3] (Hungary)	DSK (Bulgaria)	SKB+ NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	OBA (Albania)	CKB (Monten.)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBM (Moldova)
YTD nominal change (HUF billion)	**3,027** / **-298**[2]	**-527**	**161**	**3,033** / **-8**[4]	**-139**	**86**	**3**	**-31**	**295**	**-21**	**0**	**17**
Total	13% / -1%[2]	-5%	4%	223% / -1%[4]	-6%	6%	1%	-6%	65%	-3%	0%	7%
Retail	18% / 0%[2]	-2%	4%	284% / 0%[4]	-2%	0%	1%	1%	13%	-2%	4%	11%
Corporate[1]	6% / -2%[2]	-7%	2%	136% / -2%[4]	-15%	11%	-1%	-12%	109%	-3%	-4%	1%
Deposits – Net loans gap (HUF billion)	**6,286**	**4,255**	**1,100**	**1,618**	**2**	**-271**	**161**	**49**	**256**	**375**	**-138**	**125**

[1] Including MSE, MLE and municipality deposits.
[2] Changes without the NKBM and Ipoteka Bank acquisitions.
[3] Including retail bonds.
[4] Changes without NKBM acquisition.

In 2Q the 14% q-o-q increase in net fees was driven by OTP Core and Hungarian Fund Management, as well as seasonality

Effect of NKBM acquisition

NET FEE INCOME	1H 2023 (HUF billion)	2Q 2023 (HUF billion)	1H 2023 Y-o-Y (HUF billion)		2Q 2023 Q-o-Q (HUF billion)	
OTP Group	221	118	26 13 39	22%/14%[1]	11 4 15	14%/14%[1]
OTP CORE (Hungary)	94	50	8	9%	6	13%
DSK Group (Bulgaria)	35	18	2	7%	0	2%
SKB+NKBM (Slovenia)	21	12	0 13	164%/-7%[1]	0 4	48%/8%[1]
OBH (Croatia)	12	6	1	8%	1	13%
OBSrb (Serbia)	9	4	1	6%	0	6%[2]
OBA (Albania)	2	1	1	80%/65%[2]	0	7%
CKB Group (Montenegro)	3	2	1	18%	1	33%
OBRu (Russia)	19	10	7	54%/58%[2]	1	11%/31%[2]
OBU (Ukraine)	6	3	1	11%/35%[2]	-1	-16%
OBR (Romania)	3	1	0	19%	-1	-39%
OBM (Moldova)	1	1	0	-11%	0	-16%
Fund mgmt. (Hungary)	9	5	5	107%	2	46%

1 At OTP Core net fees went up by 13% q-o-q, driven by the increase of certain fees effective from March by the rate of previous year's average inflation, as well as due to the negative one-off items emerged in the first quarter (+HUF 3.3 billion effect q-o-q).

2 In Russia 58% y-o-y increase in local currency terms mostly as a result of higher account management fees and commission income related to transactions.

3 In Romania net fees dropped q-o-q mainly as a result of a technical effect offset against risk costs line. This explains HUF 0.6 billion from the HUF 0.7 billion q-o-q decline.

4 At OTP Fund Management fee income more than doubled y-o-y which, on the one hand, reflects the growth in AUM, and on the other hand, the increase in the average fund management fee rate.

[1] Changes without the effect of NKBM acquisition and FX-adjusted.
[2] FX-adjusted change.

otpbank

Other net non-interest income more than doubled q-o-q, driven mainly by the positive fair value adjustment of baby loans and subsidized CSOK housing loans at OTP Core

Effect of NKBM acquisition

OTHER INCOME	1H 2023 (HUF billion)	2Q 2023 (HUF billion)	1H 2023 Y-o-Y (HUF billion)		2Q 2023 Q-o-Q (HUF billion)	
OTP Group	131	89	61 / 64	94%/94%[1]	45 / 47	113%/114%[1]
OTP CORE (Hungary)	68	52	38	124%	36 ①	225%
DSK Group (Bulgaria)	7	3	1	17%	-1	-19%
SKB+NKBM (Slovenia)	3	2	0 / 3	249%/ -17%[1]	0 / 2	168%/ -25%[1]
OBH (Croatia)	3	2	0	0%	1	37%
OBSrb (Serbia)	5	3	1	18%	0	19%[2]
OBA (Albania)	1	0	0	72%/60%[2]	0	1%
CKB Group (Montenegro)	0	0	0	44%	0	-58%
OBRu (Russia)	28	18	26		9 ②	96%
OBU (Ukraine)	3	1	-3 ③	-54%/-42%[2]	0	-4%
OBR (Romania)	-4	-2	-6	-265%	-1 ④	101%
OBM (Moldova)	2	1	0	4%	0	-26%
Others	13	8	4	42%	2	40%

1 At OTP Core the HUF 36 billion q-o-q jump can be attributed to:
- in 2Q a significant positive fair value adjustment was accounted for the subsidized housing (CSOK) and baby loans which are measured at fair value, which improved this line's q-o-q dynamics by HUF 34 billion. This can largely be explained by the decline in the discount rates, as a result of the q-o-q decline in long-term yields, based on which the net present value of future cash flows are calculated;
- higher gain on securities.

2 At the Russian subsidiary the q-o-q increase can be explained by the stronger foreign currency conversion income.

3 The Ukrainian y-o-y setback was due to the exceptionally high foreign currency conversion income realized in the base period.

4 In Romania the q-o-q decline was in connection with the deterioration in the result of intra-group swap transactions, offset against NII.

[1] Changes without the effect of NKBM acquisition and FX-adjusted.
[2] FX-adjusted change.

Amid high inflationary environment semi-annual FX-adjusted operating costs grew by 20% without the NKBM acquisition

Effect of NKBM acquisition

OPERATING COSTS	1H 2023 (HUF billion)	Y-o-Y (HUF billion)	Y-o-Y	Y-o-Y, FX-adjusted (HUF billion)	Y-o-Y, FX-adjusted
OTP Group	448	70 / 20 / 91	25%/**20%**[1]	69 / 20 / 90	26%/**20%**[1]
OTP CORE (Hungary)	196	38	24%	38 (1)	24%
DSK Group (Bulgaria)	51	10	25%	9 (2)	22%
SKB+NKBM (Slovenia)	35	1 / 22	163/11%[1]	1 / 20 / 21	158/9%[1]
OBH (Croatia)	27	2	10%	2	8%
OBSrb (Serbia)	24	2	8%	1	6%
OBA (Albania)	7	4	105%	3 (3)	89%
CKB Group (Montenegro)	7	0	6%	0	4%
OBRu (Russia)	38	5	14%	4	15%
OBU (Ukraine)	14	0	-2%	2	19%
OBR (Romania)	24	2	8%	1	6%
OBM (Moldova)	6	1	26%	1	23%
Merkantil (Hungary)	6	1	23%	1	23%
Others	13	3	37%	3	37%

1 At OTP Core the followings were the drivers behind the 24% cost growth:
- personnel expenses rose by 40% on account of 4% higher average headcount and the implemented wage increases in the course of 2022 and effective from March 2023;
- amortization increased by 10%;
- other costs grew by 13%, driven by, among others:
  - o higher cost of real-estate (partly related to the new M12 head office building completed in April 2022);
  - o jump in energy costs;
  - o increasing supervisory fees (mostly due to the increase in deposit and insurance protection fee rates effective from the end of 2022).

2 At DSK, unlike in the base period, the total annual supervisory fees were booked in a lump sum in the first quarter of 2023 – excluding this item, the y-o-y growth would have been 7%.

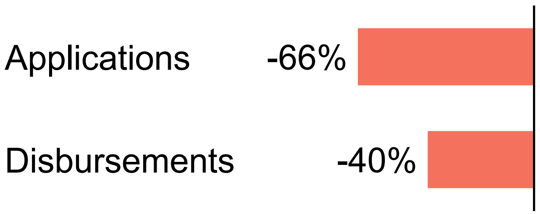
3 The newly acquired Albanian bank was consolidated from August 2022, explaining most of the cost increase.

[1] Changes without the NKBM acquisition.

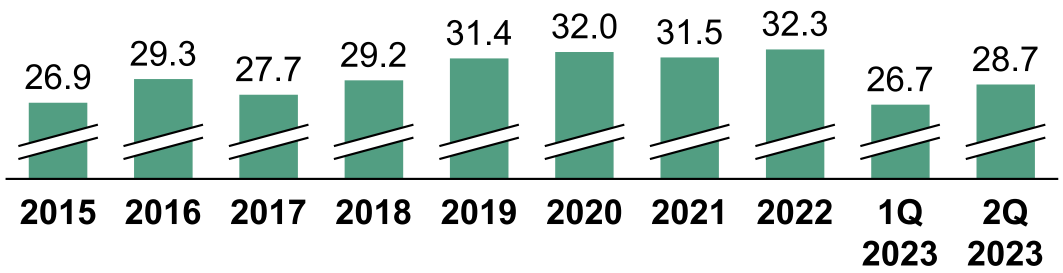
OTP CORE

In Hungary applications for mortgage loans dropped 66% y-o-y in 1H, but OTP's market share improved q-o-q. OTP's market share in cash loan sales was above 41%, and its retail deposit market share further improved

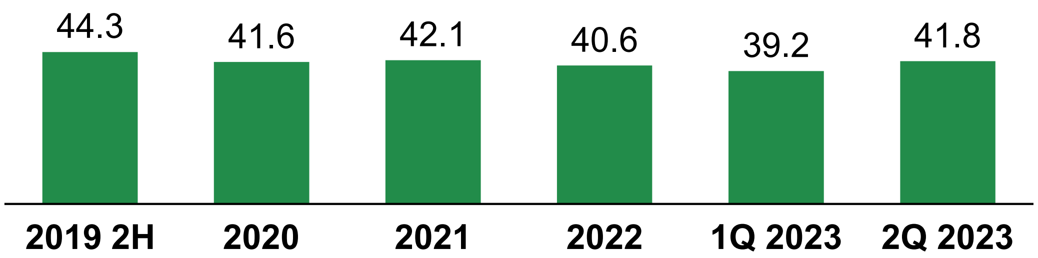
Y-o-y change of mortgage loan applications and disbursements in 1H 2023



OTP's market share in mortgage loan contractual amounts

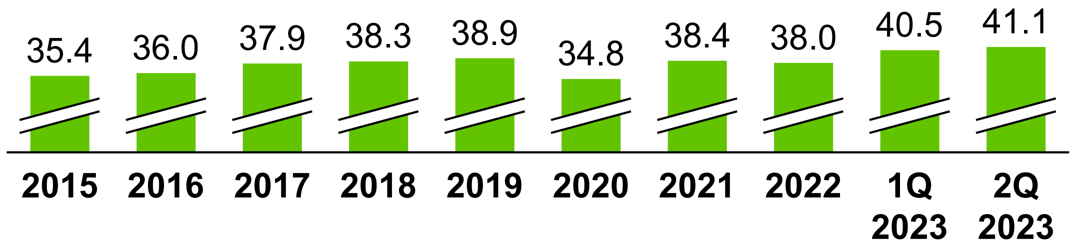


OTP's market share calculated from the baby loans contractual amount (%)

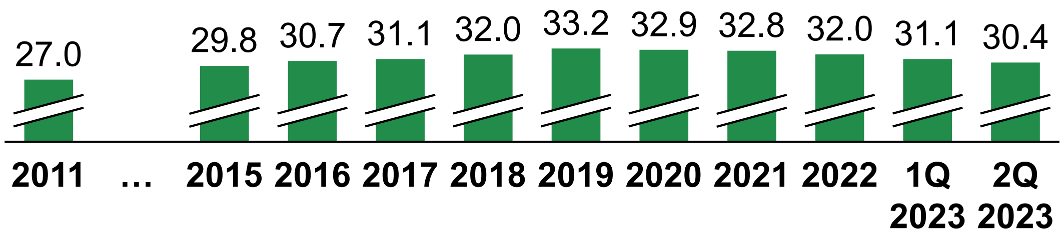


Performing (Stage 1+2) cash loan volume growth (FX-adjusted)

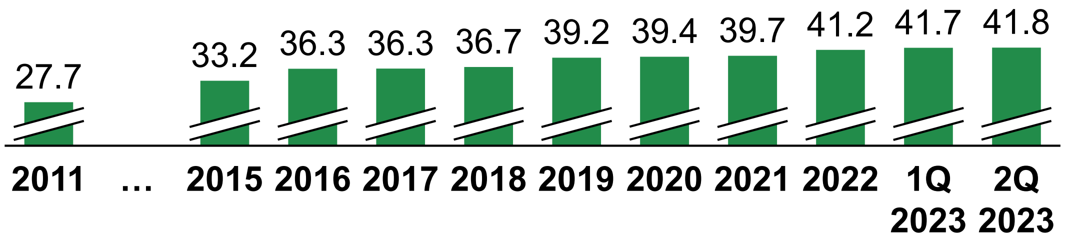
Market share in newly disbursed cash loans



OTP Bank's market share in retail savings



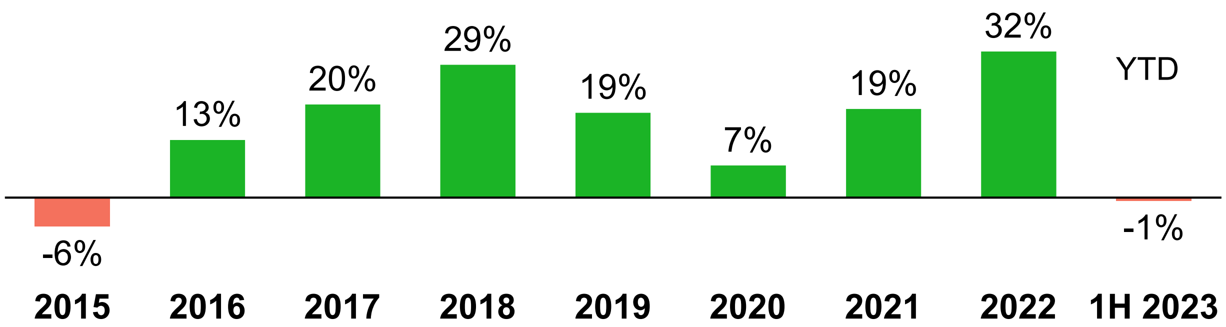
OTP Bank's market share in retail deposits



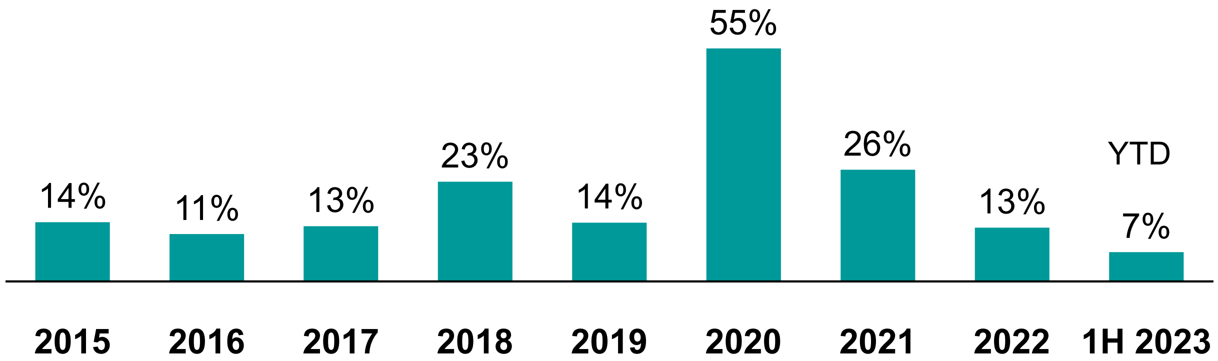
OTP CORE

Micro and small business loans continued to grow, while corporate loans decreased slightly during the first half of the year. The popularity of subsidized lending schemes remained intact

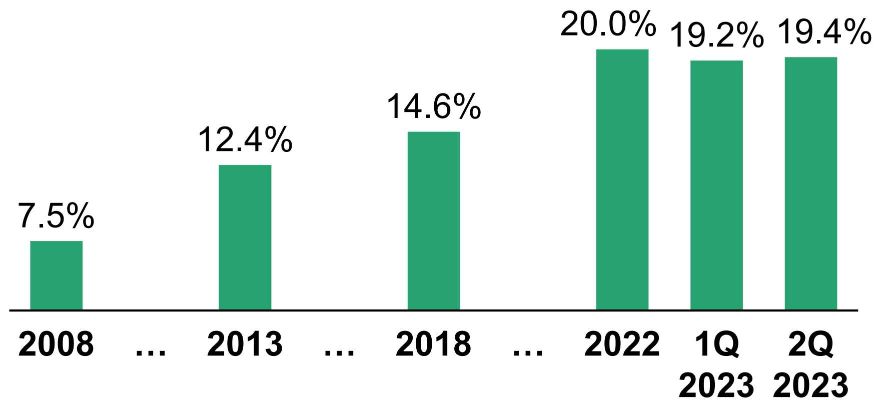
Performing corporate loan volume changes
(DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)



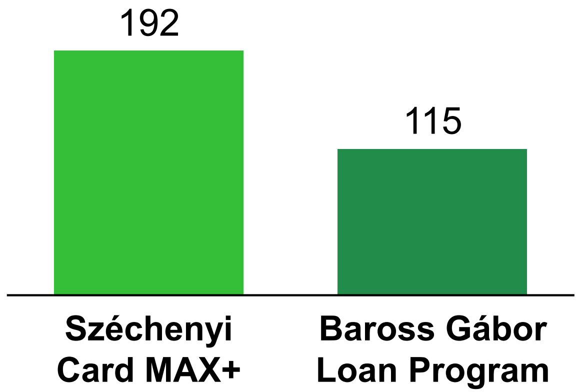
Performing loan volume changes in the micro and small companies segment
(DPD0-90 loan changes until 2018, Stage 1+2 from 2019, FX-adjusted)



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



Contracted loan amount under the *Széchenyi Card MAX+ Program and Baross Gábor Reindustrialisation Loan Program*[2]
(in the case of Széchenyi MAX+, from the start until 30 June 2023, in the case of the Gábor Baross Loan Program, from the start in February until the end of June, HUF billion)

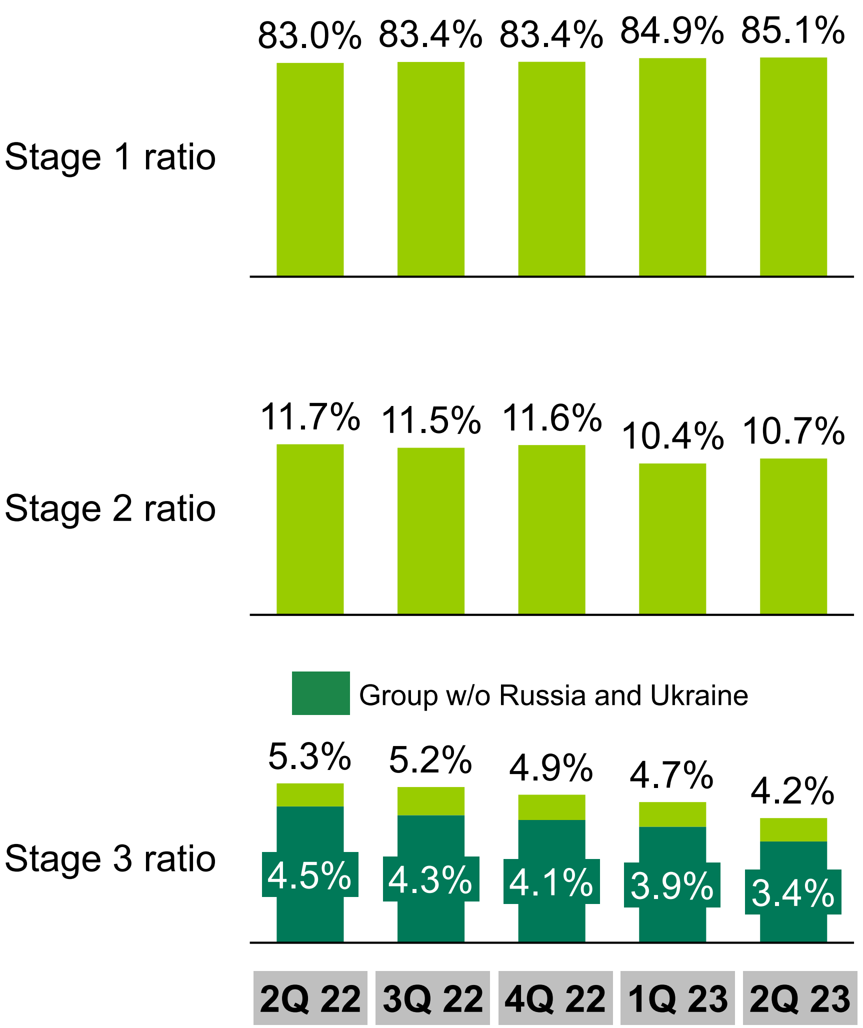


[1] Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil, based on central bank data (Supervisory Balance Sheet data provision until 2016 and Monetary Statistics from 2017).
[2] Source: KAVOSZ, OTP. The Széchenyi Card MAX+ Program has offered preferential rate loans to customers from 23 December 2022; the Baross Gábor Reindustrialisation Loan Program was launched in 1 February 2023.

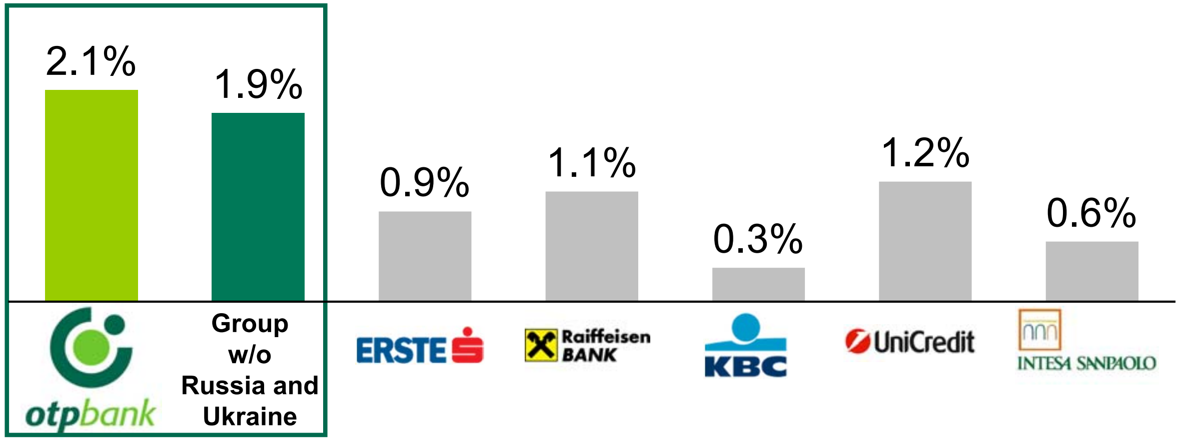
otpbank

Stage 3 ratio continued to follow a declining trend. Provisioning policy remained conservative compared to regional banking groups

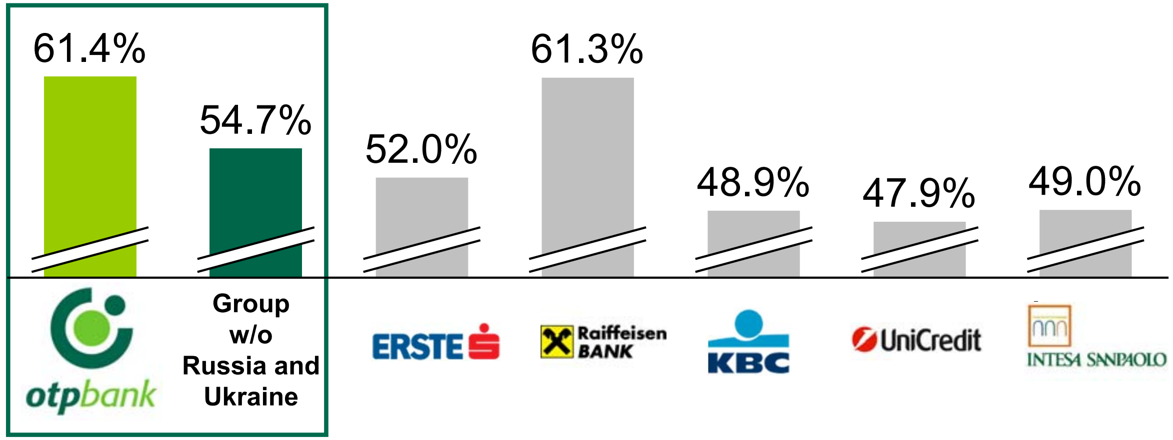
Development of the Group's main credit quality indicators



Own coverage of Stage 1+2 loans compared to regional peers at the end of 2Q 2023



Own coverage of Stage 3 loans compared to regional peers at the end of 2Q 2023



Source: company reports (estimates in some cases).

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

		Cons.	Core (Hungary)	DSK (Bulgaria)	SKB+ NKBM[2] (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	OBA (Albania)	CKB (Monten.)	Ipoteka (Uzbek.)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBM (Moldova)	Merk. (Hung. leasing)
Stage 1 ratio[1]	4Q 20	80.4%	77.9%	81.3%	82.9%	76.6%	88.8%	79.5%	81.4%	-	74.8%	82.4%	80.2%	92.0%	82.4%
	4Q 21	81.5%	78.0%	84.0%	86.0%	80.0%	89.9%	87.0%	76.7%	-	76.5%	87.1%	79.8%	91.9%	75.3%
	4Q 22	83.4%	83.6%	88.6%	88.2%	83.3%	86.6%	85.8%	87.0%	-	72.7%	41.4%	80.6%	81.2%	85.2%
	2Q 23	85.1%	81.3%	90.3%	93.2%	87.0%	85.2%	85.3%	87.8%	97.3%	66.8%	45.0%	80.9%	82.4%	86.2%
Stage 2 ratio[1]	4Q 20	13.9%	18.0%	11.3%	15.6%	14.7%	8.6%	17.5%	11.4%	-	11.3%	7.2%	13.3%	5.1%	14.1%
	4Q 21	13.2%	17.4%	9.8%	12.7%	12.1%	7.2%	9.7%	16.3%	-	12.1%	6.6%	14.5%	6.2%	21.8%
	4Q 22	11.6%	11.5%	7.8%	10.6%	11.7%	10.9%	9.3%	8.1%	-	11.6%	40.5%	14.1%	16.0%	12.1%
	2Q 23	10.7%	14.6%	6.7%	5.7%	8.8%	12.0%	9.0%	7.6%	-	17.4%	30.2%	13.9%	14.2%	11.2%
Stage 3 ratio[1]	4Q 20	5.7%	4.2%	7.4%	1.5%	8.7%	2.6%	3.0%	7.2%	-	13.9%	10.4%	6.5%	3.0%	3.5%
	4Q 21	5.3%	4.6%	6.2%	1.3%	8.0%	2.9%	3.3%	7.0%	-	11.4%	6.3%	5.7%	1.8%	2.9%
	4Q 22	4.9%	4.9%	3.5%	1.2%	4.9%	2.5%	4.9%	4.9%	-	15.7%	18.1%	5.2%	2.8%	2.7%
	2Q 23	4.2%	4.1%	3.0%	1.1%	4.2%	2.7%	5.7%	4.6%	2.7%	15.8%	24.8%	5.2%	3.3%	2.6%

[1] In % of total gross loans.
[2] SKB's stage rates are impacted by the accounting treatment of purchased receivables.

Development of the own provision coverage ratios in different Stage categories

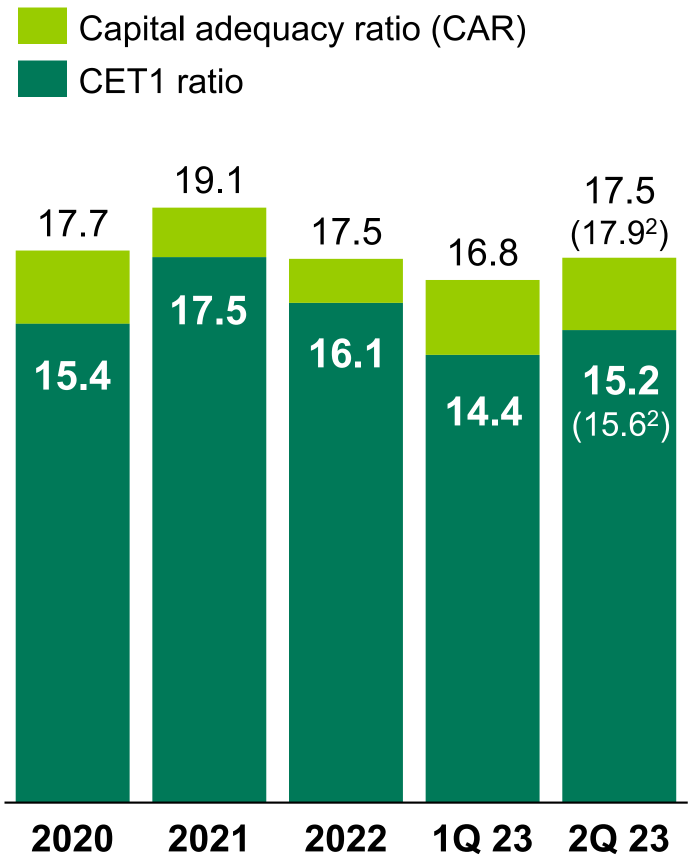
		Cons.	Core (Hungary)	DSK (Bulgaria)	SKB+ NKBM[1] (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	OBA (Albania)	CKB (Monten.)	Ipoteka (Uzbek.)	OBRu (Russia)	OBU (Ukraine)	OBR (Romania)	OBM (Moldova)	Merk. (Hung. leasing)
Stage 1 own coverage	4Q 20	1.0%	0.8%	1.0%	0.5%	0.8%	0.8%	1.3%	1.3%	-	4.6%	1.9%	1.0%	1.1%	0.2%
	4Q 21	1.0%	1.0%	1.0%	0.3%	0.6%	0.7%	1.2%	1.0%	-	3.8%	1.9%	1.0%	1.3%	0.4%
	4Q 22	1.0%	0.8%	1.1%	0.2%	0.5%	0.9%	1.0%	1.2%	-	5.1%	2.1%	1.1%	2.3%	0.4%
	2Q 23	1.1%	1.1%	1.0%	0.4%	0.5%	1.0%	0.8%	1.3%	4.5%	3.0%	1.9%	1.1%	1.8%	0.6%
Stage 2 own Coverage	4Q 20	10.4%	10.1%	12.6%	4.3%	5.7%	8.5%	10.4%	9.3%	-	43.1%	15.9%	9.0%	19.5%	3.8%
	4Q 21	10.0%	8.9%	15.5%	5.0%	5.9%	6.1%	11.4%	6.5%	-	31.1%	18.5%	8.4%	13.6%	5.3%
	4Q 22	10.7%	8.6%	16.0%	2.4%	7.3%	7.0%	9.4%	8.9%	-	31.5%	18.1%	9.6%	18.3%	4.5%
	2Q 23	10.0%	8.9%	15.0%	2.7%	7.8%	7.8%	7.6%	9.1%	-	23.2%	17.3%	8.6%	14.9%	5.6%
Stage 1+2 own Coverage	**4Q 20**	2.4%	2.5%	2.4%	1.1%	1.6%	1.5%	2.9%	2.3%	-	9.7%	3.0%	2.2%	2.1%	0.8%
	4Q 21	2.3%	2.5%	2.5%	0.9%	1.3%	1.1%	2.3%	1.9%	-	7.5%	3.0%	2.1%	2.1%	1.5%
	4Q 22	2.2%	1.8%	2.3%	0.4%	1.4%	1.6%	1.8%	1.8%	-	8.8%	10.0%	2.4%	5.0%	1.0%
	2Q 23	2.1%	2.3%	2.0%	0.5%	1.2%	1.8%	1.5%	1.9%	4.5%	7.2%	8.1%	2.2%	3.7%	1.2%
Stage 3 own Coverage	**4Q 20**	62.3%	54.5%	65.6%	36.3%	53.9%	53.6%	54.2%	63.9%	-	93.4%	74.3%	54.6%	48.0%	66.5%
	4Q 21	60.5%	42.7%	68.2%	56.1%	61.4%	53.6%	73.3%	66.0%	-	95.1%	69.6%	57.5%	54.3%	60.0%
	4Q 22	61.0%	43.2%	60.2%	68.4%	70.6%	59.8%	54.4%	64.4%	-	93.6%	75.3%	54.1%	61.3%	53.1%
	2Q 23	61.4%	51.4%	61.4%	45.2%	70.9%	62.6%	51.1%	64.9%	-	93.6%	75.3%	51.9%	66.7%	43.5%

[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.

otpbank

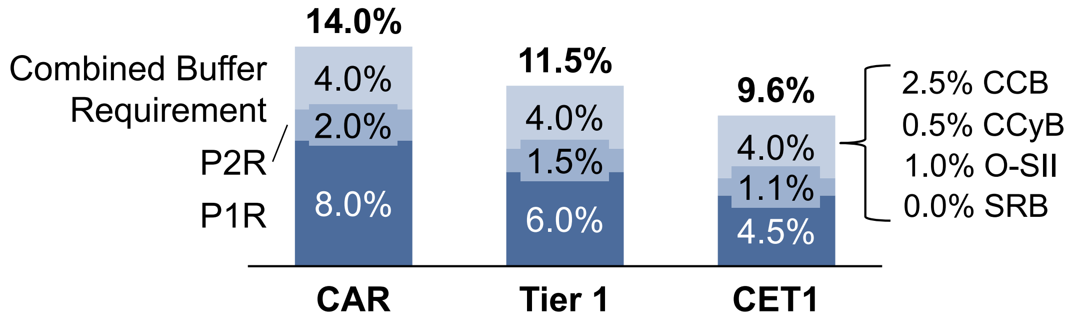
The Group's capital position is stable. Capital adequacy ratios are well above the regulatory requirements and improved q-o-q despite the consolidation of Ipoteka Bank, thanks to the inclusion of eligible 2Q profit

CAR and CET1 ratios (%)[1]



The **80 bps q-o-q increase of the CET1 ratio** was driven mainly by the inclusion of quarterly eligible profit (+115 bps impact), partly offset by the acquisition effect of Ipoteka Bank (-35 bps) and FX movements (-14 bps in total, as a combined effect of FX impact on RWA at +31 bps and CET1 capital at -45 bps).

Regulatory minimum capital requirements for OTP Group in 4Q 2023



Notes:

In the absence of additional core capital (AT1), the Tier 1 regulatory requirement is also effective for the CET1 rate.

As for P2R, the (P1R + P2R) / P1R ratio (Supervisory Review and Evaluation Process, SREP rate) for OTP Group is 125% from 1 January 2023 and is expected to decrease to 120% from 1 January 2024. The final joint decision on additional capital requirements is expected to be made by the Competent Authorities (National Bank of Hungary, European Central Bank, National Bank of Romania, National Bank of Slovenia and National Bank of Croatia) by the end of 2023.

The weighted consolidated CCyB requirement is 0.28% in 1H 2023, due to 1.5% CCyB in Bulgaria, 0.5% in Romania, and 0.5% in Croatia. Further increases are expected in 2H 2023, therefore the consolidated CCyB is expected to be 0.49% as of 31 December 2023. In Bulgaria, the relevant buffer will increase to 2.0% (in 3Q 2023), in Romania to 1% (in 4Q 2023), as well as in Croatia to 1% (in 4Q 2023), while in Slovenia to 0.5% (in 4Q 2023), respectively. In Hungary, the increase to 0.5% has been postponed by one year and will be effective from 1 July 2024.

The O-SII buffer requirement is 1% from 1 January 2023 and expected to increase to 2% from 2024.

Consolidated MREL requirements

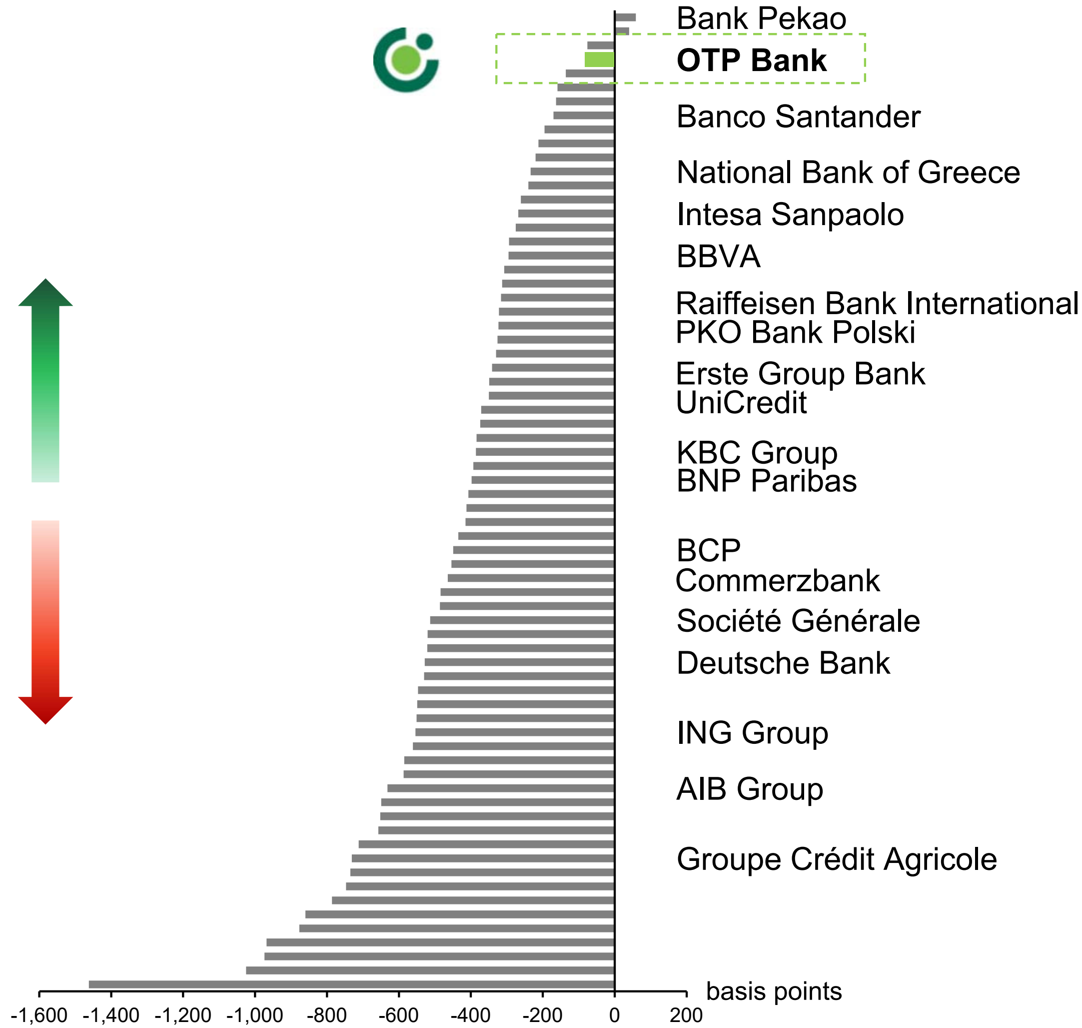
- The consolidated MREL requirement has to be met by 1 January 2024. Required level is 19.12% of the Group's total risk exposure amount (TREA or RWA) and 5.74% of the Group's total exposure measure (TEM).
- Mandatory intermediate target level that had to be met by 1 January 2022 was 14.45% of the Group's TREA or RWA and 5.89% of the Group's TEM.
- The minimum level of subordination applicable from 16 December 2024 is set at 13.5% of TREA or RWA, 5% of TEM and 8% of TLOF.
- OTP Group has to meet the combined buffer requirement in addition to the MREL TREA requirement / MREL TREA subordination requirement.
- The MNB established the requirement on the basis of the Joint Decision of the Resolution College, which is operated jointly with the Resolution Authorities of the subsidiaries.

[1] Indicators calculated based on the accounting (IFRS) scope of consolidation, unless otherwise indicated. In the absence of additional core capital (AT1), the Tier 1 rate is the same as the CET1 rate.
[2] Calculated based on the prudential scope of consolidation, according to the disclosure published on 29 August 2023.
Abbreviations: P1R: Pillar 1 requirement; P2R: Pillar 2 req.; CCB: Capital conservation buffer; CCyB: Countercyclical buffer; O-SII: Other Systemically Important Institutions buffer; SRB: Systemic Risk buffer.

The capital strength and stability of OTP Bank has been demonstrated again by the outcome of the latest stress test conducted by the European Banking Authority in cooperation with the National Bank of Hungary

OTP Bank achieved the 4th best result among the 70 participating banks of the EU-wide stress test

Decrease of the fully loaded consolidated CET1 ratio over the three-year period under the adverse scenario:



OTP Bank enjoyed high rankings even in peer comparison in the EU-wide stress test

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

	CET1 rate end-2025	Ranking	CET1 rate decrease	Ranking
otpbank	**14.5%**	**13.**	**-0.77%p**	**4.**
INTESA SANPAOLO	10.8%	36.	-2.68%p	15.
Raiffeisen Bank International	12.4%	23.	-3.16%p	21.
ERSTE	10.8%	36.	-3.41%p	26.
UniCredit Group	12.5%	21.	-3.49%p	27.
KBC	11.4%	30.	-3.86%p	32.

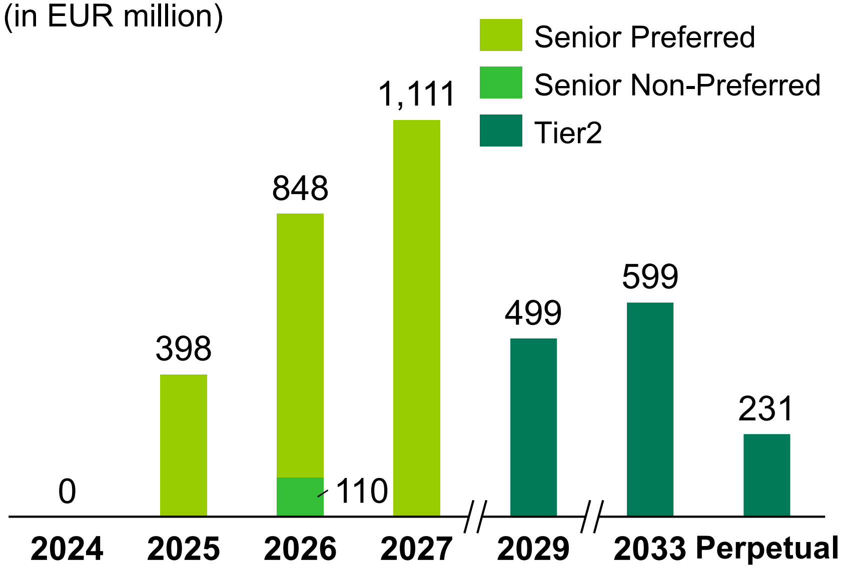
Source: EBA

Robust liquidity position with 76% net loan to deposit ratio, 204% LCR, 145% NSFR and moderate maturity profile with marginal refinancing needs

OTP Bank outstanding FX wholesale debt

ISIN	Instrument	Issue date	Call date	Maturity date	Actual Coupon	External obligation of OTP Group
XS2703264635	Sr Preferred	13/10/2023	13/10/2025	13/10/2026	8.100%	RON 170 mn
XS2698603326	Sr Preferred	05/10/2023	05/10/2026	05/10/2027	6.125%	EUR 650 mn
XS2626773381	Sr Preferred	25/05/2023	25/05/2026	25/05/2027	7.500%	USD 500 mn
XS2560693181	Sr Preferred	01/12/2022	04/03/2025	04/03/2026	7.350%	EUR 649 mn
XS2536446649	Sr Preferred	29/09/2022	29/09/2025	29/09/2026	7.250%	USD 60 mn
XS2499691330	Sr Preferred	13/07/2022	13/07/2024	13/07/2025	5.500%	EUR 398 mn
XS2642536671	Sr Non-Pref.	27/06/2023	27/06/2025	27/06/2026	7.500%	EUR 110 mn
XS2586007036	Tier 2	15/02/2023	15/02-15/05/2028	15/05/2033	8.750%	USD 650 mn
XS2022388586	Tier 2	15/07/2019	15/07/2024	15/07/2029	2.880%	EUR 499 mn
XS0274147296	Tier 2	07/11/2006	Quarterly	Perpetual	6.754%	EUR 231 mn

OTP Bank FX wholesale debt maturity profile
(in EUR million)

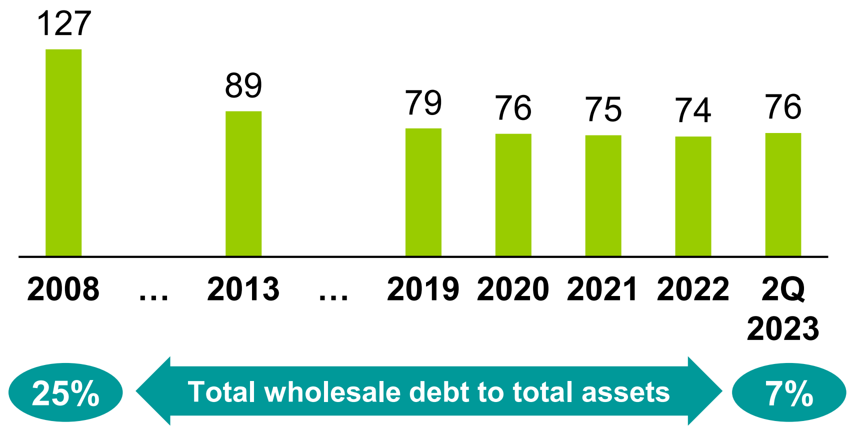


Major ratios suggest strong liquidity position

2Q 2023	otpbank	KBC	ERSTE	Raiffeisen BANK	INTESA SANPAOLO	UniCredit
Net Loan / Deposit Ratio (%)	**76**	78	85	85	79	90
Basel III Leverage Ratio (%)	**9.0**	5.4	6.2	7.3	5.7	5.9
Liquidity Coverage Ratio (LCR, %)	**204**	154	149	186	171	160
Net Stable Funding Ratio (NSFR, %)	**145**	145	140	139	126	133

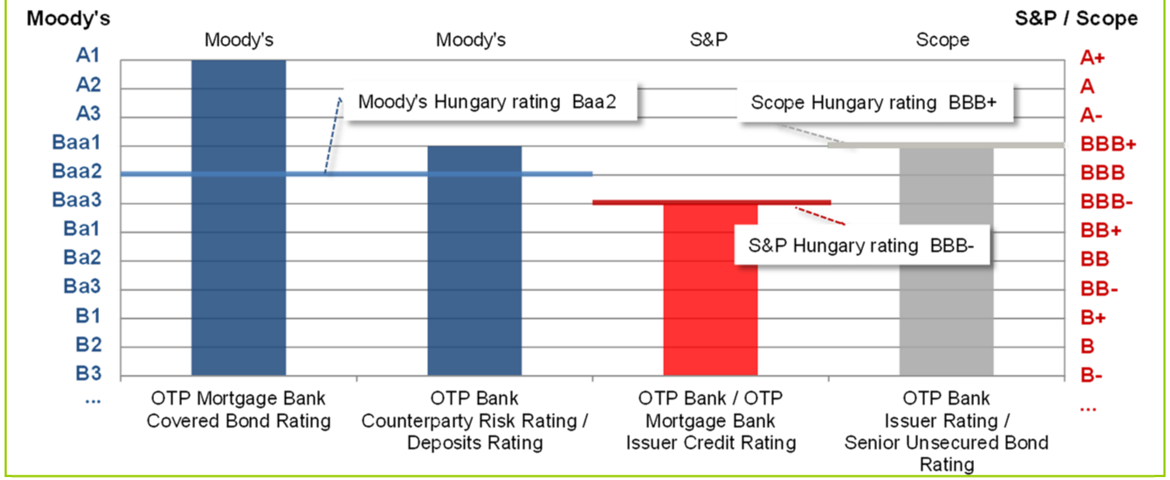
Source: SNL / S&P Capital IQ, Company Financials.

Consolidated net loan / (deposit + retail bond) ratio (%)



OTP Bank ratings closely correlate with the sovereign ceilings

Hungarian sovereign, OTP Bank and OTP Mortgage Bank ratings



Long-term credit ratings of OTP Group member banks

	Moody's	S&P	Scope	
OTP Bank	-	BBB-	BBB+	
Counterparty Rating[1]	Baa1	BBB-	-	
Deposits	Baa1	-	-	
Senior Preferred Bonds	Baa3(0)	BBB-	BBB+(-)	**€400mn** 13/07/22 **$60mn** 29/09/22 **€650mn** 01/12/22 **$500mn** 25/05/23 **€650mn** 05/10/23 **RON170mn** 13/10/23
Non-preferred Senior Bonds	-	-	BBB(-)	**€110mn** 27/06/23
Subordinated Tier 2 Bonds	Ba2	BB[3]	BB+	**€500mn** 15/07/19 **$650mn** 15/02/23
OTP Mortgage Bank	Baa3	BBB-	-	
Counterparty Rating[1]	Baa1	BBB-	-	
Covered Bonds[2]	A1	-	-	**HUF 95bn** 29/09/2021

Composition of main ratings by Moody's and S&P

Moody's

Macro Factors	
Weighted Macro Profile	**Moderate-**
Financial Profile	
Combined Solvency Score	ba2
Combined Liquidity Score	baa3
Financial Profile	**ba1**
Qualitative Adjustments & Support	
Total qualitative adjustment & Support	**0**
Adjusted BCA	**ba1**
Loss Given Failure (LGF) Analysis	
Counterparty Risk / Deposits	+3
Senior unsecured (expected)	+1
Counterparty Risk Rating / Deposit Rating	**Baa1**
Senior Unsecured Rating	**Baa3**

S&P

Macro Factors	
Anchor	**bbb-**
Bank-Specific Factors	
Business position	+1
Capital and earnings	0
Risk position	-1
Funding and liquidity	+1
Stand-Alone Credit Profile	**bbb**
External Support	
Total support	**0**
Additional Factors	
Additional factors	**-1**
Issuer Credit Rating	**BBB-**
Senior Preferred Notes	**BBB-**

[1] Long-term Counterparty Risk Rating for Moody's and long-term Resolution Counterparty Rating for S&P Global.
[2] Not every covered bond has been assigned a Moody's rating.

otpbank

The delivery of ESG obligations and goals set by the Bank's ESG strategy are on track according to schedule. At the beginning of July OTP's ESG risk rating by Sustainalytics improved further

ESG RESULTS AND TARGETS

	2Q 2023 Actual	Long-term KPIs
Building the green credit portfolio	Corporate: **HUF 184 billion** Retail: **HUF 132 billion**	Green loans of **HUF 1,500 billion** in total **by 2025** for the Group
Responsible employer	**Employee engagement** was 70% on group level	Steady increase in employee engagement, to reach global 75th percentile (in 2022: 78%)
Reducing own emissions	**Net carbon neutrality** reached (by purchasing green energy and offsets)	**Total carbon neutrality** by 2030 for OTP Bank
Transparent responsibility	OTP Bank Plc. is **signatory of UN PRB;** Integrated Report	OTP Bank will become a member of **S&P Dow Jones Sustainability Index** by 2025

ESG RATINGS

OTP Bank's improving sustainability performance has been recognized with rating upgrades by the major ESG rating agencies.

SUSTAINALYTICS a Morningstar company

ESG risk rating

SEVERE – HIGH – MEDIUM – LOW – NEGLIGIBLE

14.6

MSCI

ESG rating

CCC – B – BB – BBB – A – AA – AAA

A

CDP DRIVING SUSTAINABLE ECONOMIES

ESG rating

D – C – B- – A

B-

GREEN FINANCE

Green Loan Framework

In 2022 OTP Group has **developed its Green Loan Framework** - the first of its kind in Hungary - based on international standards.

Sustainable Finance Framework

In July 2022, OTP Group issued its first series of green bonds through its **Sustainable Finance Framework**, which was the first Hungarian green bond on the international bond market.

Contribution to UN SDG's

Green investments

In the area of **investment services**, the screening of sustainability preferences and objectives have been integrated into the investment advisory and portfolio management processes.

otpbank

OTP Group's outstanding performance has traditionally been recognized by professional organizations, too

'Best Bank in CEE 2018 and 2021'
'Best Digital Bank in CEE 2022'
'Best Bank in Hungary 2017, 2018, 2020, 2021, 2022 and 2023'
'Best Bank in Albania 2020, 2021, 2022 and 2023'
'Best Bank in Slovenia 2023'

'Bank of the Year in CEE 2021 and 2022'
'Bank of the Year in Hungary 2020, 2021 and 2022'
'Bank of the Year in Albania in 2022'
'Bank of the Year in Bulgaria in 2022'
'Bank of the Year in Serbia in 2022'
'Bank of the Year in Slovenia in 2020, 2021 and 2022'

'Best Bank in CEE 2023'
'Best Bank in Hungary in 2023' since 2012 in all consecutive years
'Best Bank in Croatia in 2023'
'Best Bank in Montenegro in 2023'
'Best Bank in Romania in 2023'
'Best Bank in Slovenia in 2023'

'Bank of the Year in 2022'

'Best Consumer Digital Bank in Hungary in 2019, 2020, 2021, 2022 and 2023'

'Best Investment Bank in CEE in 2023'

'Best SME Bank in CEE in 2022'
'Best SME Bank in Hungary in 2022 and 2023'

'Best FX providers in Hungary in 2017, 2018, 2019, 2020, 2021, 2022 and 2023'
'Best FX providers in Bulgaria in 2021, 2022 and 2023'
'Best FX providers in Serbia in 2023'

'Best Private Bank in Emerging Markets in 2023'
'Best Private Bank in CEE in 2022 and 2023'
'Best Private Bank in Hungary in 2020, 2021, 2022 and 2023'

'Best Private Bank in Hungary'

'Best Bank for Sustainable Finance in Hungary in 2023'
'Outstanding Leadership in Sustainable Finance in CEE in 2023'
' Outstanding Financial Leadership in Sustaining Communities in CEE in 2023'

'OTP LAB has again earned the "Best Financial Innovation Labs" award from Global Finance Magazine in 2023.'

In light of the stronger than expected 1H results, management upgraded its guidance for 2023

Updated Management Guidance for 2023

The organic performing loan volume growth may reach 5% y-o-y (FX-adjusted).

Based on the 1H 2023 trends, management forecasts y-o-y lower credit risk cost rate and cost-to-income ratio for the whole year, therefore adjusted ROE in 2023 may substantially exceed the level of 18.8% seen in 2022.

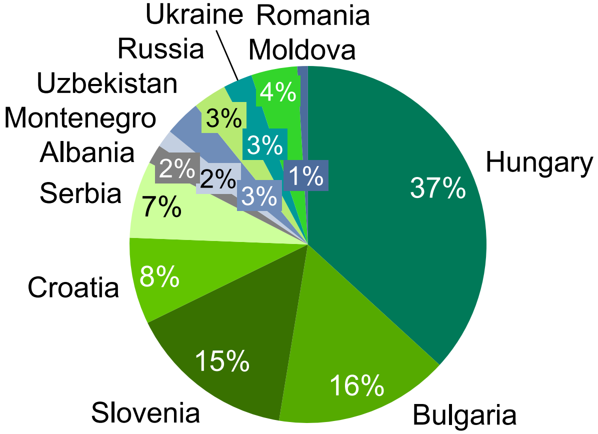
For the remaining part of the year OTP Bank is expected to issue one more MREL-eligible benchmark size Senior Preferred bond.

Further details and financials

OTP Group offers universal banking services to around 17.3 million active customers. OTP is present in 12 countries, in most of them with a dominant market position

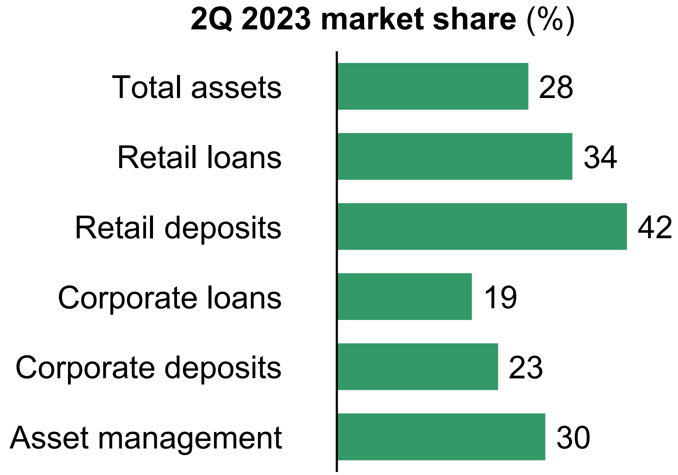
Major Group Members

Total Assets[1]

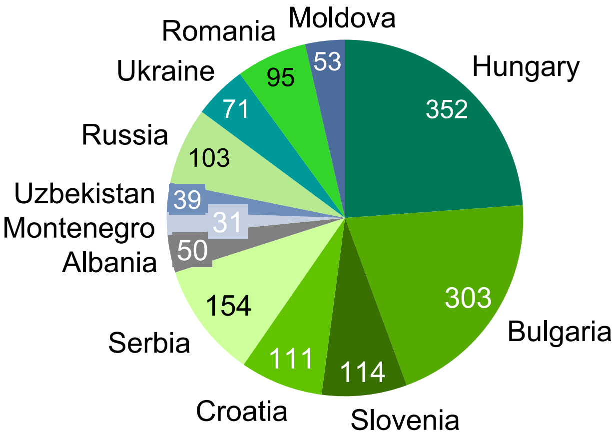


Total Assets: HUF 36,867 billion

Systemic position in Hungary

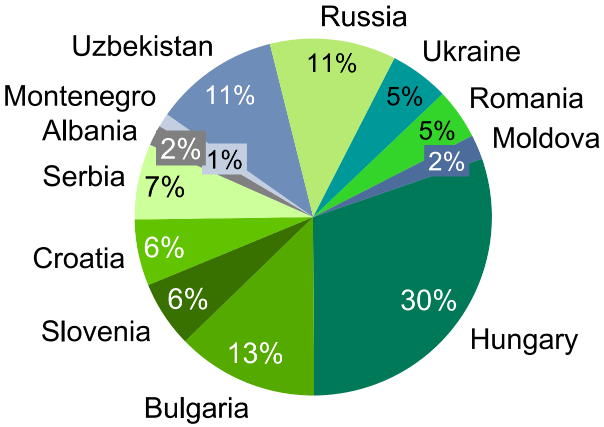


Number of Branches[1]



Total number of branches: 1,476

Headcount[1]



Total headcount: 38,917[2]

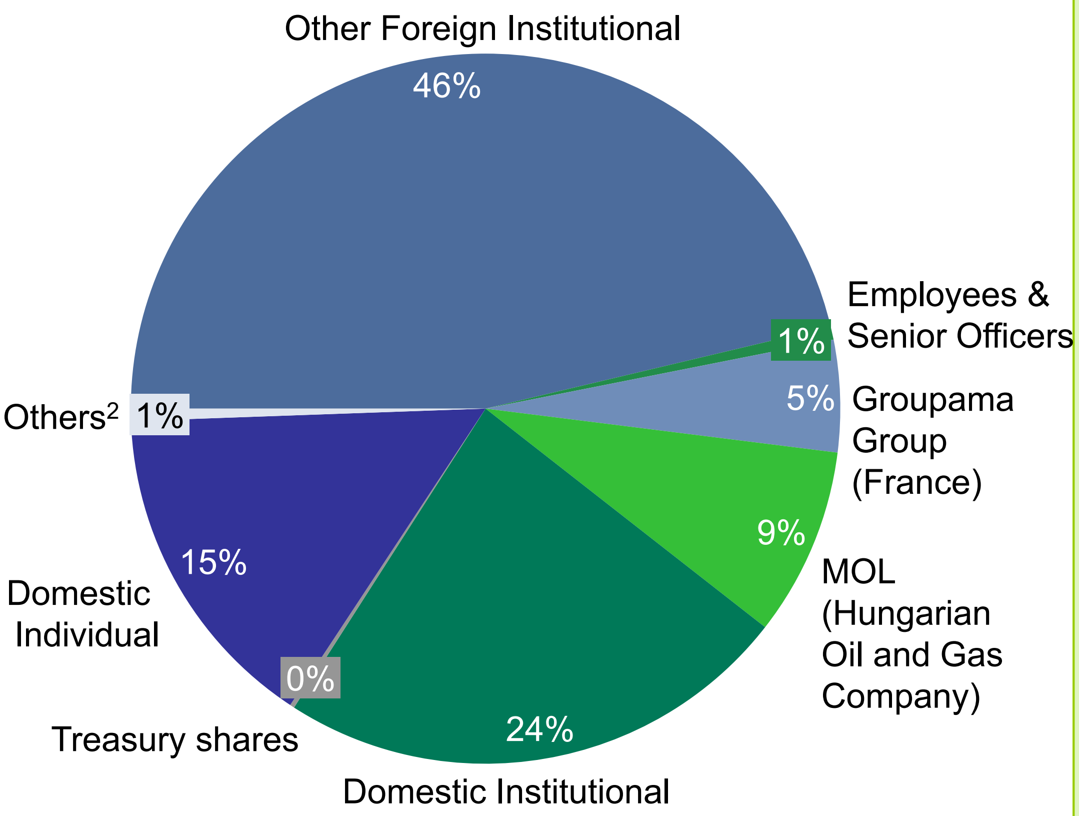
Dominant position in CEE countries[3]

[1] As at 2Q 2023. [2] Excluding selling agents employed at OTP Bank Russia and at OTP Bank Ukraine.
[3] Market shares as a % of total assets unless otherwise noted; latest available data; source: National Banks, Banking Associations, Golden books. [4] Based on net loans. [5] Pro forma, including both SKB and Nova KBM, based on net loans.

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 10.0 billion[1]

Ownership structure of OTP Bank on 30 June 2023

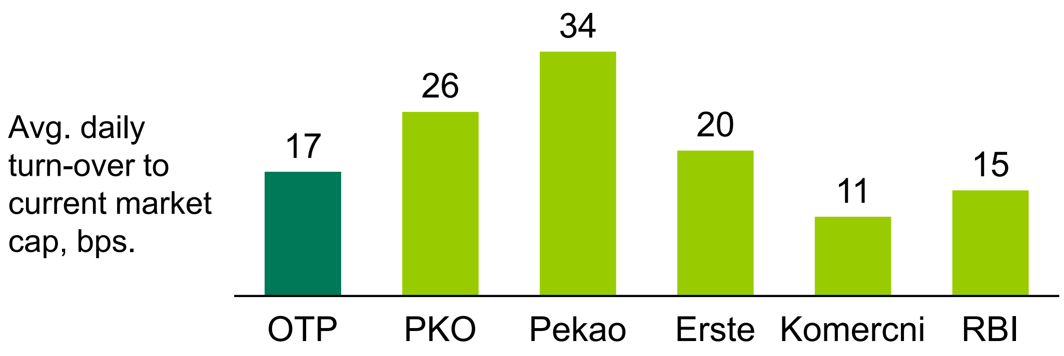


Total number of ordinary shares: 280,000,010, each having a nominal value of HUF 100 and representing the same rights.

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]



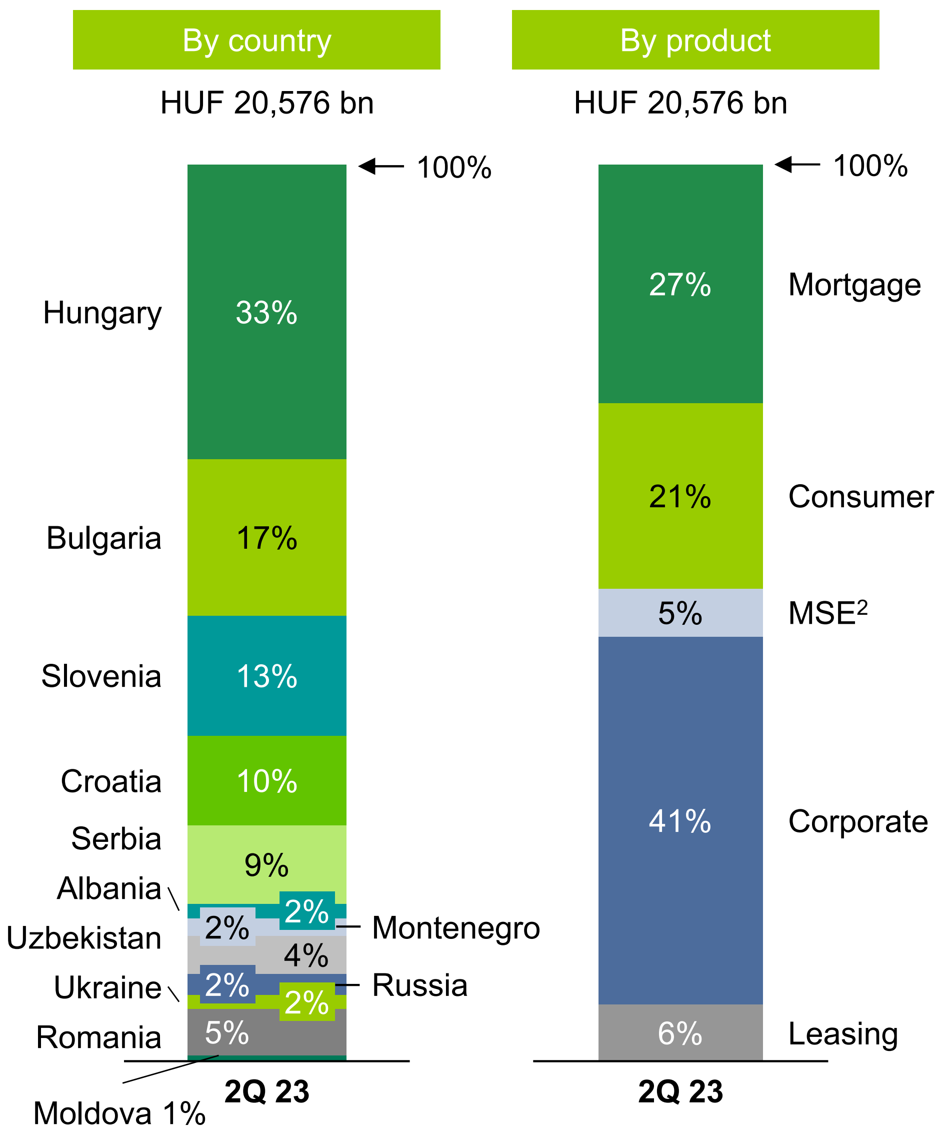
	OTP	PKO	Pekao	Erste	Komercni	RBI
Average daily turnover in EUR million	12	19	15	24	6	7

[1] On 8 August 2023.
[2] Foreign individuals, international development institutions, government held owner and non-identified shareholders.
[3] Based on the last 6M data (end date: 8 August 2023) on the primary stock exchange.

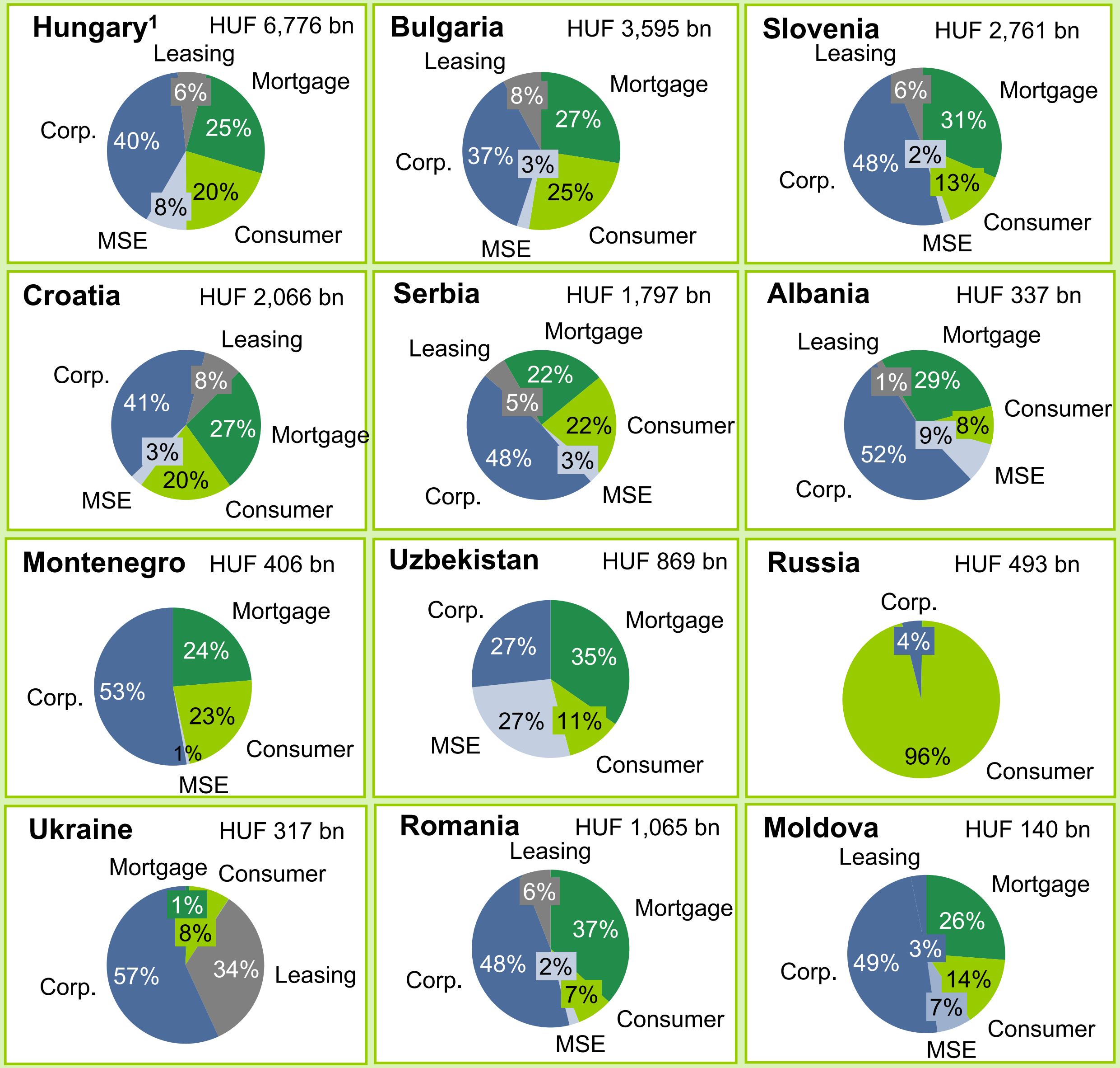
otpbank

79% of the total net loan book is invested in EU countries, Hungary's share within the Group is decreased to 33%

Breakdown of the consolidated net loan book



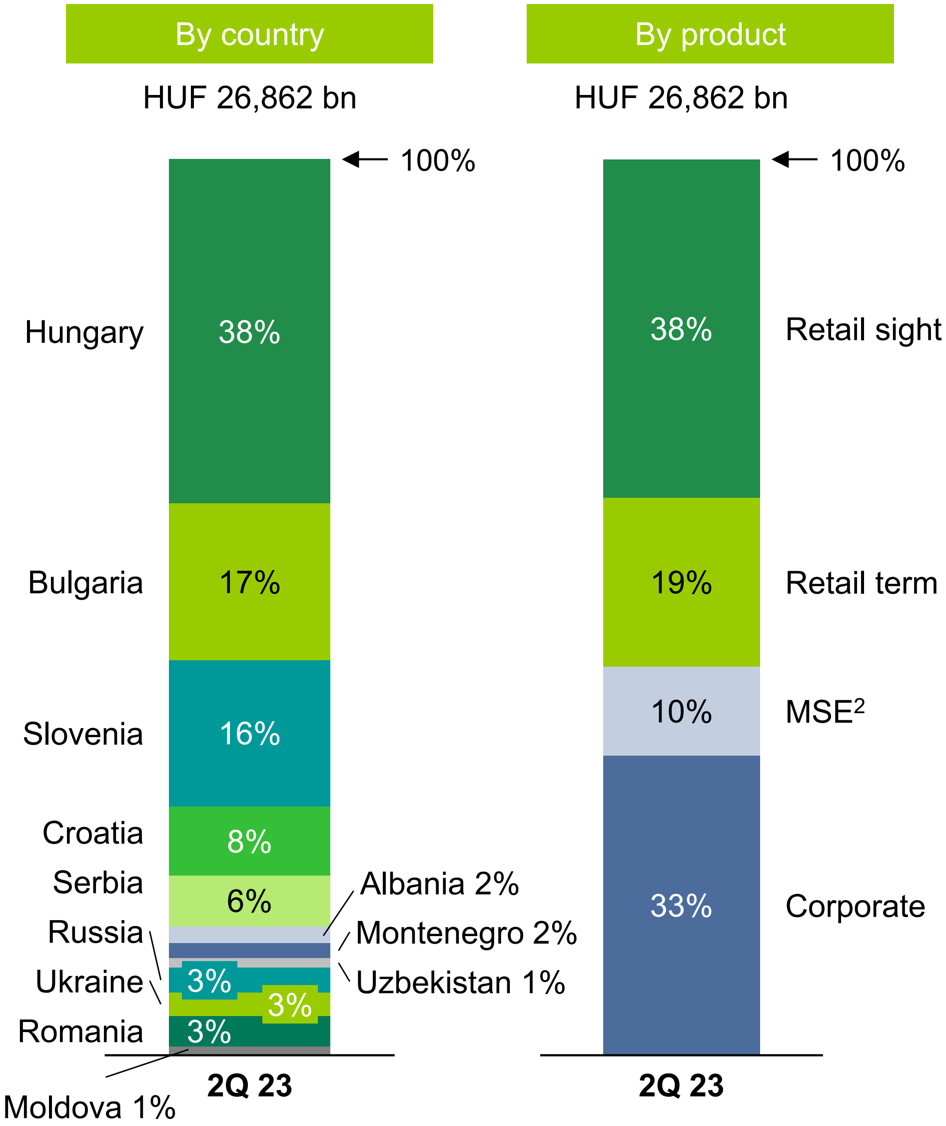
Net loan book, 2Q 23



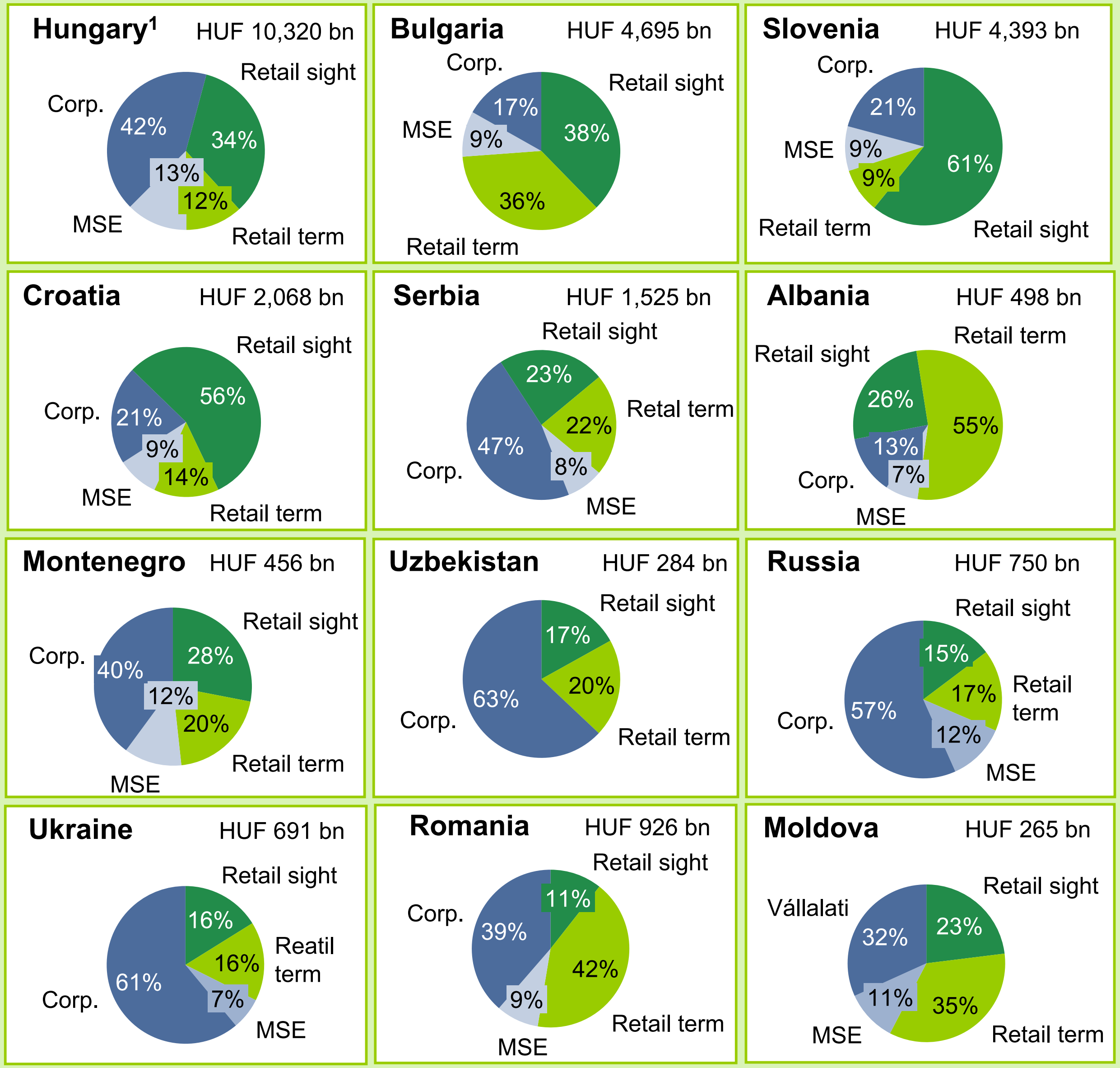
[1] Including OTP Core and Merkantil Group (Hungarian leasing).
[2] MSE = micro and small enterprises.

38% of the consolidated deposit book is held in Hungary, while Bulgaria and Slovenia together hold another third. Household volumes account for 57% of the total deposit base

Breakdown of the consolidated deposit base



Deposit base, 2Q 23



[1] Including OTP Core and Merkantil Group (Hungarian leasing).
[2] MSE = micro and small enterprises.

otpbank

The consolidated adjusted ROE exceeded 28% in 1H 2023

	2003-2008 average	2009-2013 average	2014	2015	2016	2017	2018	2019	2020	2021	2022	1H 2023
ROE	29.4%	8.3%	-7.4%	5.1%	15.4%	18.5%	18.7%	20.3%	10.9%	17.0%	11.0%	34.7%
ROE (adjusted)	29.0%	11.6%	8.5%	9.6%	15.4%	18.7%	19.1%	20.6%	13.0%	18.5%	18.8%	28.4%
Total Revenue Margin[1]	8.60%	8.17%	7.74%	6.98%	6.79%	6.71%	6.33%	6.28%	5.37%	5.21%	5.31%	5.72%
Net Interest Margin[1]	6.02%	6.28%	5.96%	5.12%	4.82%	4.56%	4.30%	4.12%	3.61%	3.51%	3.51%	3.72%
Net Fee&Comm. Margin	1.50%	1.47%	1.59%	1.55%	1.62%	1.75%	1.58%	1.65%	1.34%	1.29%	1.27%	1.26%
Other income Margin[1]	1.08%	0.41%	0.19%	0.31%	0.35%	0.41%	0.44%	0.52%	0.41%	0.41%	0.53%	0.75%
Operating Costs / Average Assets	4.47%	3.80%	3.85%	3.66%	3.70%	3.68%	3.57%	3.31%	2.90%	2.59%	2.53%	2.55%
Cost / Income	51.9%	46.5%	49.8%	52.0%	54.4%	54.9%	56.3%	52.7%	54.1%	49.7%	47.6%	44.5%
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%	0.73%	0.03%
CET1 ratio[3]	9.1%	13.4%	14.1%	13.3%	13.5%	12.7%	16.5%	14.4%	15.4%	17.5%	16.1%	15.2% / 15.6%[4]

[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 RWAs, whereby 'quasi CET1' is calculated as Primary capital less proportional deductions.
[4] Calculated based on the prudential scope of consolidation, according to the disclosure published on 29 August 2023.

otpbank

Macro expectations tend to improve

	Hungary			Bulgaria			Slovenia			Croatia		
	2022	2023F	2024F	2022	2023F	2024F	2022	2023F	2024F	2022	2023F	2024F
GDP growth (annual, %)	4.6	-1.0	2.0	3.4	1.7	2.1	2.5	1.9	2.3	6.2	2.6	2.1
Unemployment (%)	3.6	4.1	4.0	4.2	4.2	4.1	4.0	3.5	3.2	7.0	6.5	6.5
Budget balance (% of GDP)	-6.2	-5.2[2]	-2.9[2]	-2.8	-3.4	-3.1	-3.0	-4.6	-2.8	0.4	-1.0	-1.0
Inflation (avg / eop, %)	14.5/24.5	17.9/7.1	4.8/4.0	15.3	9.8	4.1	9.3	7.1	3.3	10.7	8.5	4.3
Reference rate[1] (eop, %)	16.1	10.0	6.25	1.4	4.0	3.2	2.0	4.0	3.2	2.0	4.0	3.2

	Serbia			Albania			Montenegro			Uzbekistan		
	2022	2023F	2024F	2022	2023F	2024F	2022	2023F	2024F	2022	2023F	2024F
GDP growth (annual, %)	2.3	1.7	3.0	4.9	3.2	3.8	6.1	4.7	3.3	5.7	5.4	5.1
Unemployment (%)	9.4	10.0	9.5	11.3	10.2	9.4	15.0	15.2	14.7	8.9	8.4	7.9
Budget balance (% of GDP)	-3.1	-3.3	-2.7	-3.8	-3.0	-3.0	-4.3	-5.1	-4.6	-3.9	-3.3	-2.9
Inflation (avg, %)	11.9	12.5	5.5	6.7	4.5	3.0	13.0	8.5	3.0	11.4	9.9	8.9
Reference rate[1] (eop, %)	5.0	6.0	5.0	2.75	3.0	3.0	-	-	-	15.4	13.8	11.6

	Russia			Ukraine			Romania			Moldova		
	2022	2023F	2024F	2022	2023F	2024F	2022	2023F	2024F	2022	2023F	2024F
GDP growth (annual, %)	-2.1	2.3	1.2	-29.1	1.0	3.9	4.7	1.9	2.5	-5.9	3.1	4.0
Unemployment (%)	3.9	3.2	3.4	21.0	20.0	17.0	5.6	5.8	5.5	3.1	4.5	4.3
Budget balance (% of GDP)	-2.1	-2.6	-1.8	-16.3	-17.0	-15.0	-6.2	-5.5	-5.0	-3.3	-4.0	-3.5
Inflation (avg, %)	13.8	5.8	6.2	20.2	15.2	10.5	13.7	10.4	6.0	28.8	13.0	5.5
Reference rate[1] (eop, %)	7.5	12.0	9.5	25.0	18.0	15.0	6.75	7.0	6.25	20.0	6.0	5.0

Source: OTP Research Department

[1] Base rates, except for: Hungary: 3M BUBOR; Croatia and Slovenia: ECB deposit facility rate; Bulgaria: Leonia Plus interbank rate; Albania: 3M Tribor; Moldova: 91 days T-bill.

[2] Government target.

otpbank

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 ...

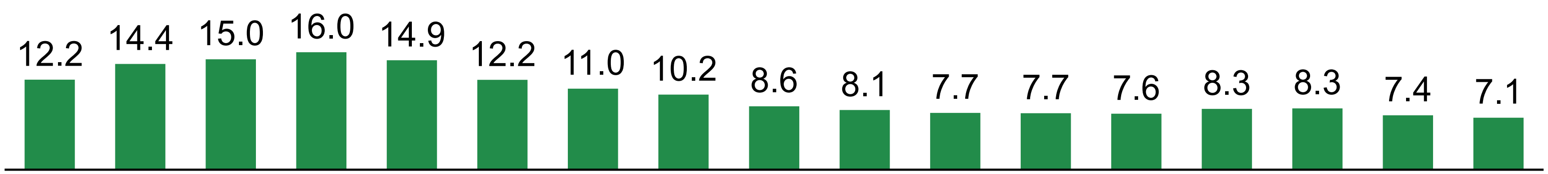
Net customer loan to deposit ratio in the Hungarian credit institution system

118% → 81%

1Q 2009 → 2Q 2023

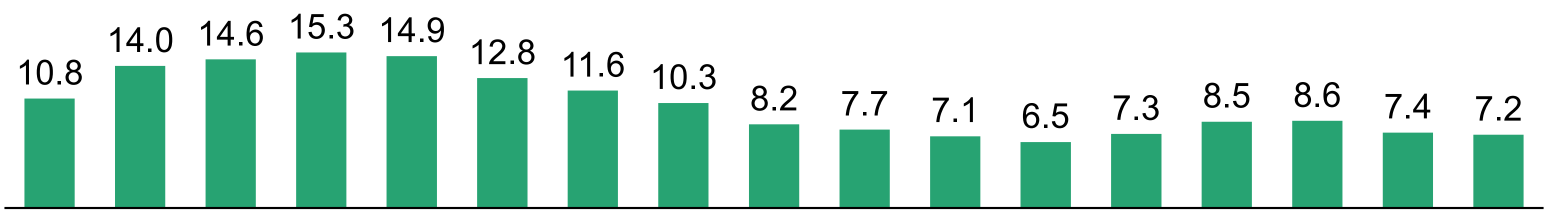
2Q 2023 data for other CEE/CIS countries (in % of GDP)

housing loans (in % of GDP)



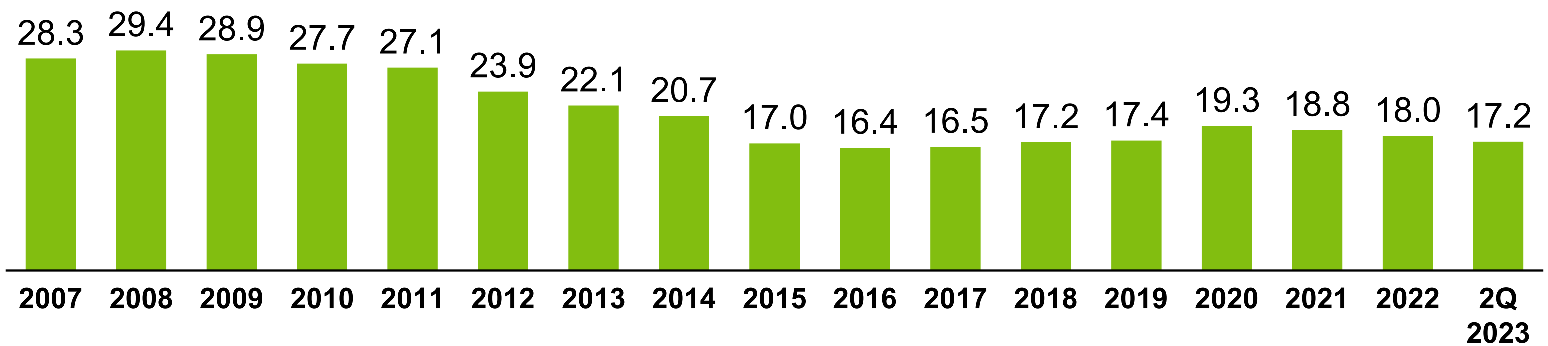
34.1	Slovakia	**10.3**	Bulgaria
26.3	Montenegro[1]	**10.1**	Russia
25.3	Czechia	**7.7**	Albania
19.7	Serbia	**7.0**	Romania
16.2	Poland	**5.4**	Uzbekistan
14.9	Croatia	**4.2**	Moldova
13.3	Slovenia	**0.3**	Ukraine

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



14.8	Croatia	**5.9**	Uzbekistan
11.8	Serbia	**4.4**	Romania
10.3	Slovakia	**4.3**	Slovenia
10.2	Bulgaria	**3.9**	Albania
9.5	Russia	**3.5**	Moldova
9.2	Poland	**3.2**	Ukraine
6.2	Czechia		

corporate loans (in % of GDP)



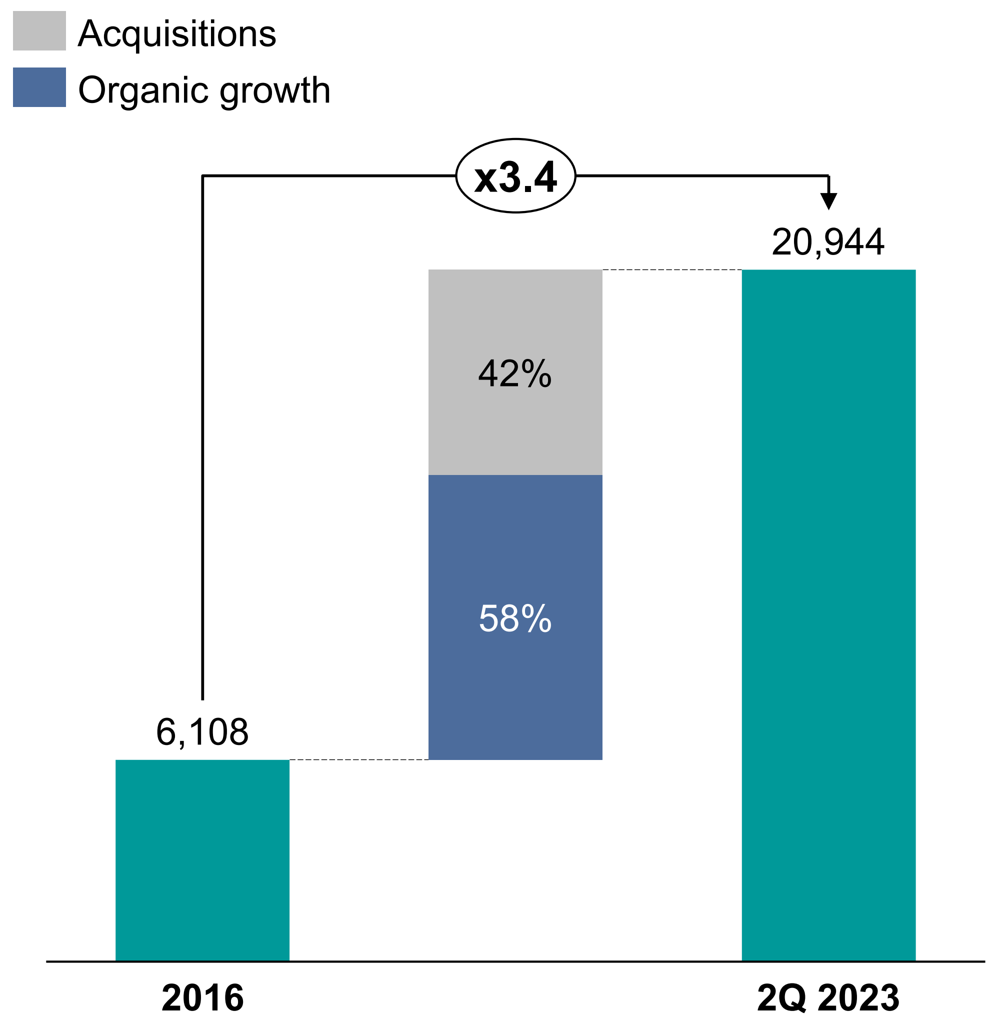
41.7	Russia	**19.0**	Albania
33.4	Uzbekistan	**18.5**	Czechia
24.6	Bulgaria	**17.3**	Slovenia
23.5	Montenegro	**12.9**	Poland
22.1	Serbia	**12.5**	Romania
21.3	Slovakia	**12.4**	Moldova
20.9	Croatia	**11.3**	Ukraine

[1] Total households loan penetration.

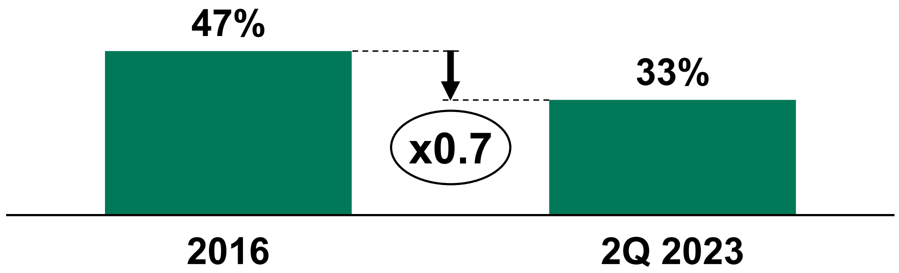
otpbank

Successful acquisitions played a great role in the almost 3.5-fold growth in consolidated loan book over the last 6.5 years. At the same time, the composition of the Group shifted towards Eurozone / ERM 2 countries

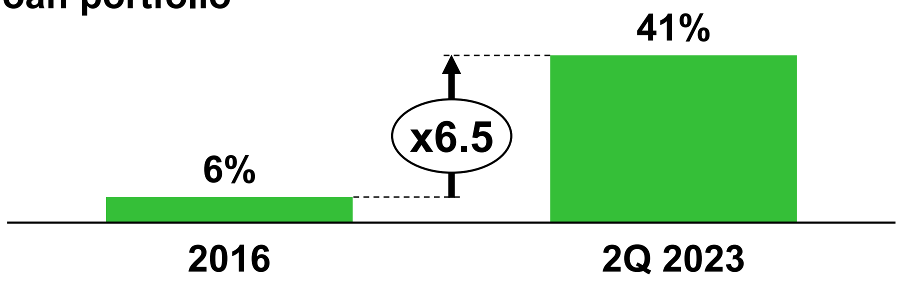
Consolidated performing loan growth
(FX-adjusted, HUF billion)



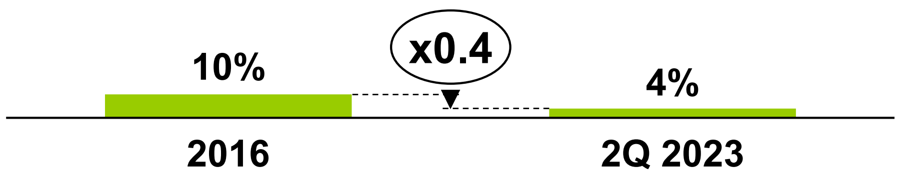
Share of Hungary in the Group's net loan portfolio



Share of Eurozone and ERM 2 countries[1] in the Group's net loan portfolio



Share of Russia and Ukraine in the Group's net loan portfolio



[1] 2016: Slovakia, 1Q 2023: Bulgaria, Croatia, Slovenia.

In the last 6.5 years 11 acquisitions were completed. As a result of the Ipoteka Bank acquisition in Uzbekistan, OTP Group entered the Central Asian region

Year	Target (seller, date of closing)	Net loans (HUF billion)		Market share (before/after acq.[1], %)		Book value (EUR million)	
				before	after		
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
2022	**Alpha Bank SH.A.**, Albania (Alpha Intl. Holdings, 3Q 2022)	(4Q 20)	99	**6.2**	**10.9**	(4Q 20)	73
2023	**Nova KBM**, Slovenia (Apollo Global & EBRD, 1Q 2023)	(4Q 22)	2,068	**8.2**	**29.3**	(4Q 22)	993
2023	**Ipoteka Bank**, Uzbekistan (Uzbek State, 2Q 2023)	(1Q 23)	981		**7.7**	(1Q 23)	506
	Acquisitions total:		**6,714**				**3,610**

[1] Reference date of market share data: Croatia: 2Q 2017, Serbia – Vojvodjanska 4Q 2016, Bulgaria: 1Q 2019, Albania – SocGen: 4Q 2018, Moldova: 2Q 2019, Montenegro: 2Q 2019, Serbia – SocGen 2Q 2019, Slovenia – SKB: 4Q 2018, Albania – Alpha: 3Q 2021, Slovenia – Nova KBM: 4Q 2022, Uzbekistan: July 2023.

Important Information, disclaimers and contacts

Referring to both equity and fixed income investors:

This presentation has been prepared by OTP Bank Nyrt. ("**OTP Bank**") and is the sole responsibility of OTP Bank. This presentation and the information contained herein is strictly confidential to the recipient, have been furnished to you solely for your information and may not be further distributed to the press or any other person, and may not be disclosed, reproduced or transmitted in any form, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws.

This presentation 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 historic 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 presentation 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 presentation. 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 presentation 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 presentation or that the information contained herein is correct as at any time subsequent to its date.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities in the United States or any other jurisdiction. Nothing contained herein shall form the basis of any contract or commitment whatsoever. The making of this presentation does not constitute a recommendation regarding any securities. No securities have been or will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, any securities may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into, the United States and may only be offered or sold outside the United States in accordance with Regulation S under the Securities Act.

The distribution of this presentation in other jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of other jurisdictions.

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

The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein (and whether any information has been omitted from the presentation) or any other material discussed at the presentation. OTP Bank and its directors, officers, employees, affiliates, advisers and representatives disclaim all liability whatsoever (in negligence or otherwise) for any loss however arising, directly or indirectly, from any use of this presentation or its contents or otherwise arising in connection with this presentation.

The information presented herein is an advertisement and does not comprise a prospectus for the purposes of the EU Prospectus Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

Referring to fixed income investors only:

In member states of the EEA, this presentation is directed only at persons who are "qualified investors" within the meaning of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"). This presentation must not be acted on or relied on in any member state of the EEA by persons who are not qualified investors. Any investment or investment activity is available only to qualified investors in any member state of the EEA. In the United Kingdom, this presentation is directed only at persons who are "qualified investors" within the meaning of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"). In addition, in the United Kingdom, this presentation is only directed at, and being distributed to qualified investors (i) who have professional experience in matters relating to investments and who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) who fall within Article 49 of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended, in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This presentation must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. Any investment or investment is available only to relevant persons in the United Kingdom.

Investor Relations & Debt Capital Markets

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

E-mail: investor.relations@otpbank.hu; www.otpbank.hu

otpbank