

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

Based on 2Q 2023 results



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## Strong CEE franchise coupled with improving contribution from non-Hungarian Group members

2022 / 1H 2023<sup>1</sup>

### PROFITABILITY

**Profit after tax**  
€0.89bn/€1.5bn  
**Adjusted PAT**  
€1.51bn/€1.24bn

**ROE**  
11.0% / 34.7%  
**Adjusted ROE**  
18.8% / 28.4%

### CAPITAL STRENGTH

**CET1 ratio<sup>2</sup>**  
16.1% / 15.2%

**CAR<sup>2</sup>**  
17.5% / 17.5%

### FUNDING & LIQUIDITY

**Net LTD**  
74% / 76%

**LCR**  
172% / 204%

### SIZE

**Total assets**  
€82.0bn/€99.3bn

**of which in EU**  
80% / 80%

### ASSET QUALITY

**Stage 3 ratio**  
4.9% / 4.2%  
**w/o Rus&Ukr**  
4.1% / 3.4%

**Risk cost rate**  
0.73% / 0.03%  
**w/o Rus&Ukr**  
-0.04% / 0.01%

- Dominant market position in CEE countries, ranked no. 1 in 5 countries (based on net loans, HU, BG, SLO, SRB, ME); since 2016 there has been a shift towards Eurozone/ERM-II group members within the Group's overall exposure
- Consolidated banking operation achieved 28% adjusted ROE in 1H 2023, with double digit ROE by all foreign subsidiaries
- Ample liquidity reserves, moderate redemption profile
- Strong and improving capital standing, excellent results achieved at EBA's stress test
- Stable and improving asset quality with prudent provision coverage levels
- Strong commitment to regional leadership position in financing the transition to a low carbon economy
- OTP Group's and member banks' outstanding performance is widely recognised by professional organisations

<sup>1</sup> Based on IFRS financial statements for 31 December 2022 and 30 June 2023, or derived from those, see Footnotes and glossary in Appendix.

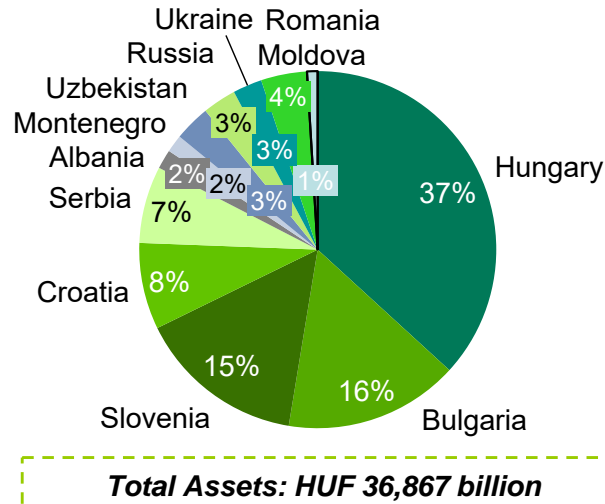
<sup>2</sup> CET1 ratio and CAR above based on IFRS financials and accounting scope of consolidation

**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**

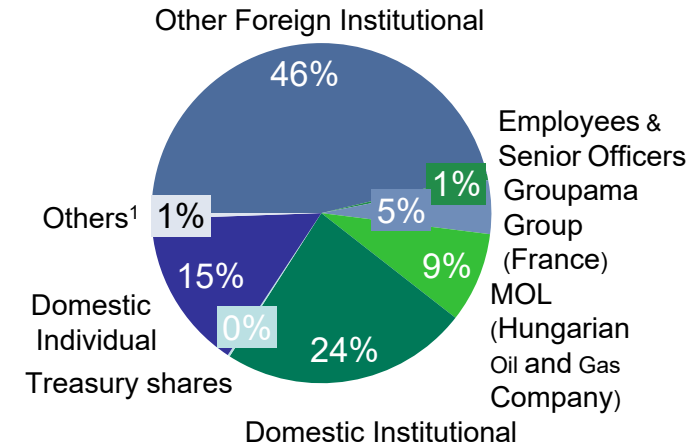
**Major Group Members**



**Total Assets**



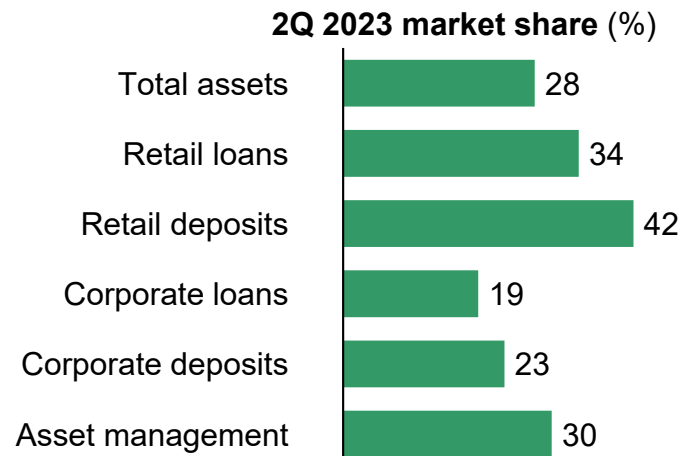
**Ownership structure of OTP Bank**



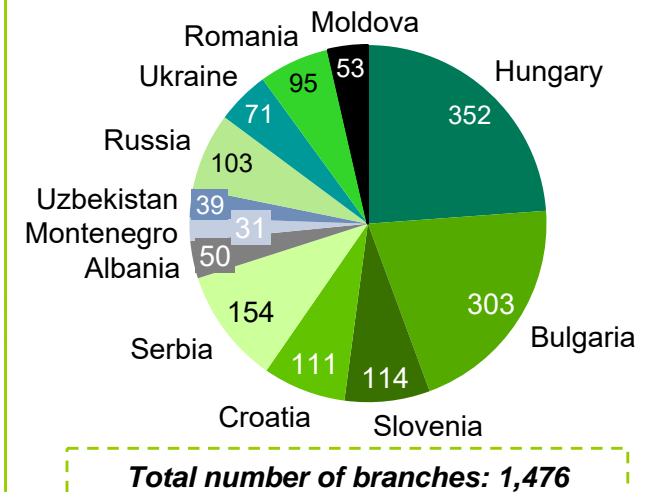
**Dominant position in CEE countries<sup>2</sup>**



**Systemic position in Hungary...**



**Number of Branches**



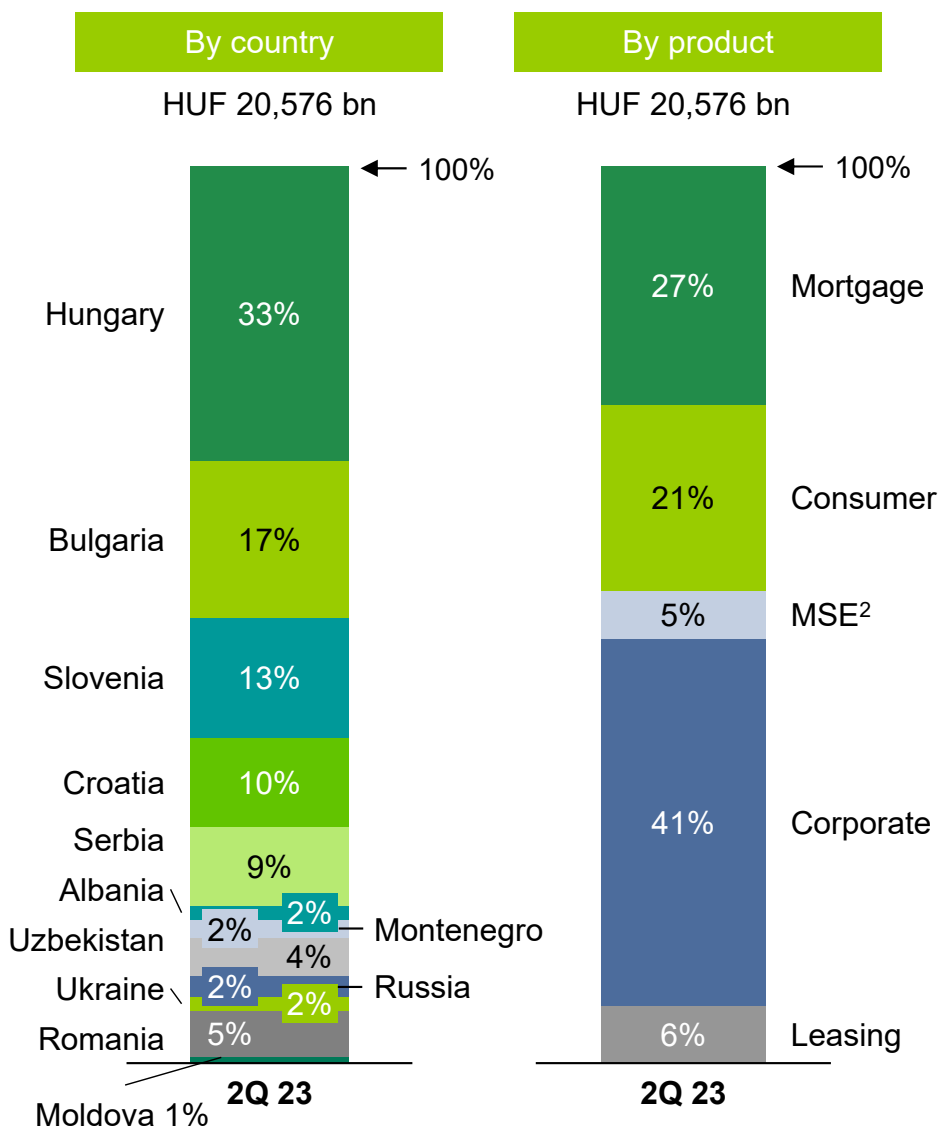
<sup>1</sup> Foreign individuals, international development institutions, government held owner and non-identified shareholders.

<sup>2</sup> Market shares as a % of total assets unless otherwise noted; latest available data; source: National Banks, Banking Associations, Golden books

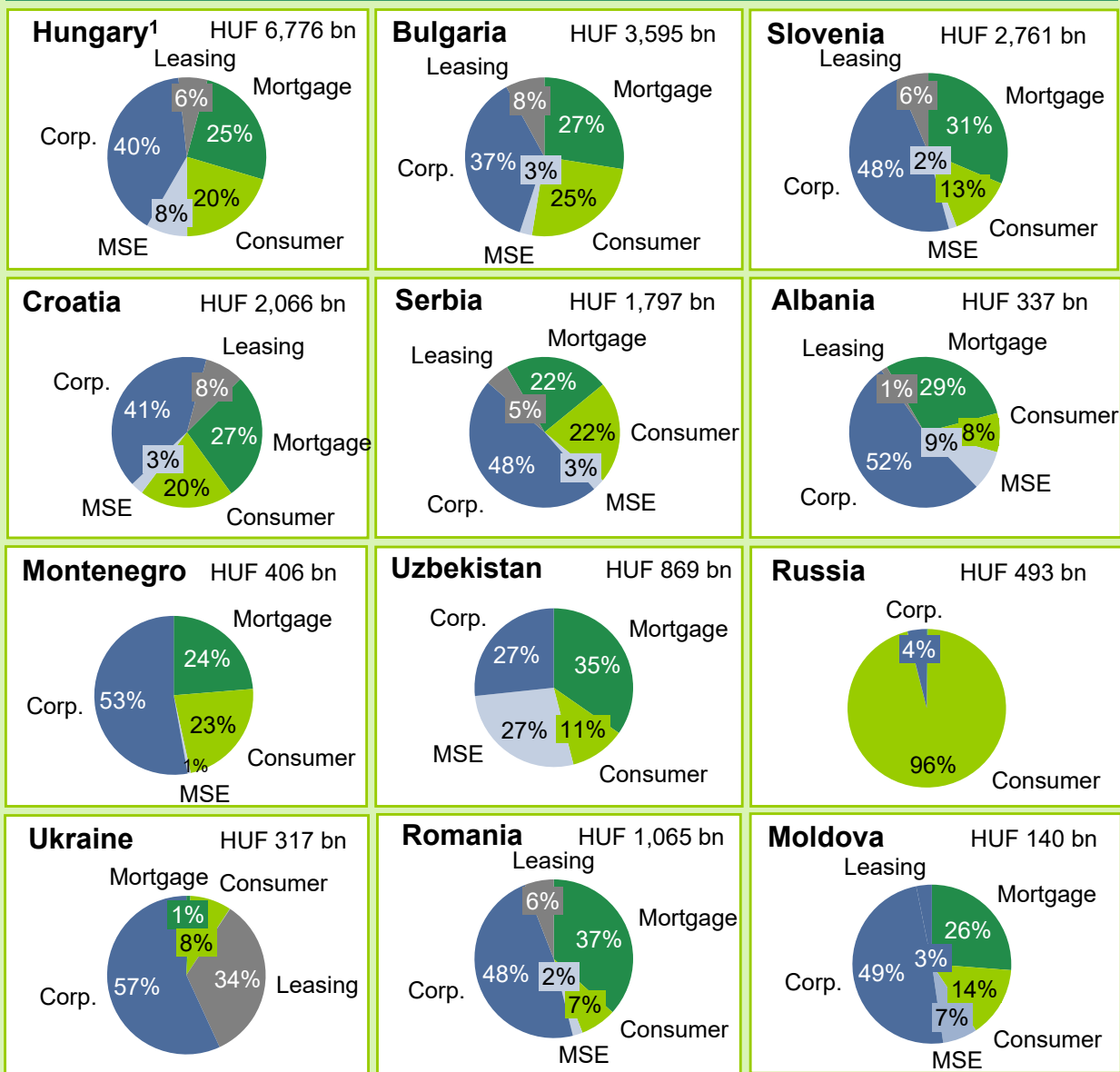
<sup>3</sup> Based on net loans <sup>4</sup> Pro-forma market share, including the assets of NKBM, based on net loans

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

## Breakdown of the consolidated net loan book



## Net loan book, 2Q 23

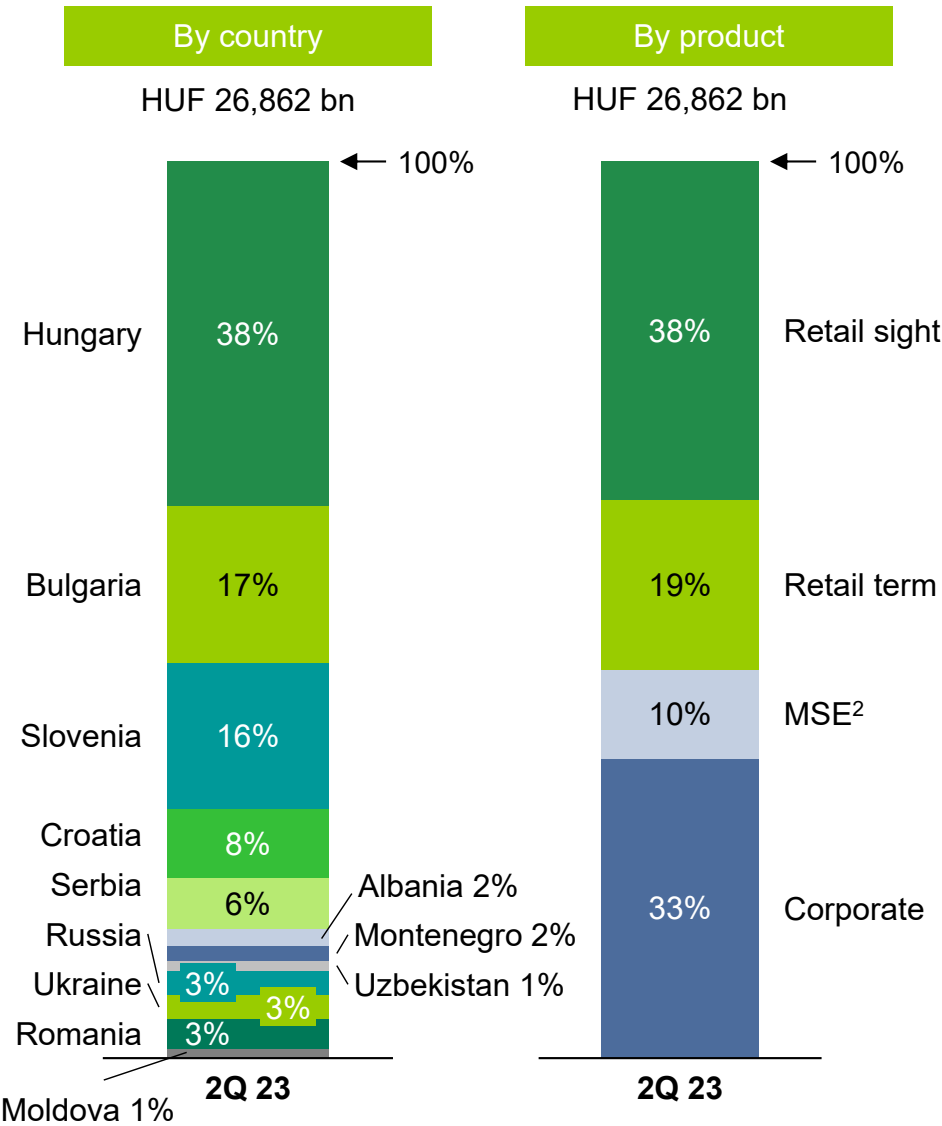


<sup>1</sup> Including OTP Core and Merkantil Group (Hungarian leasing).

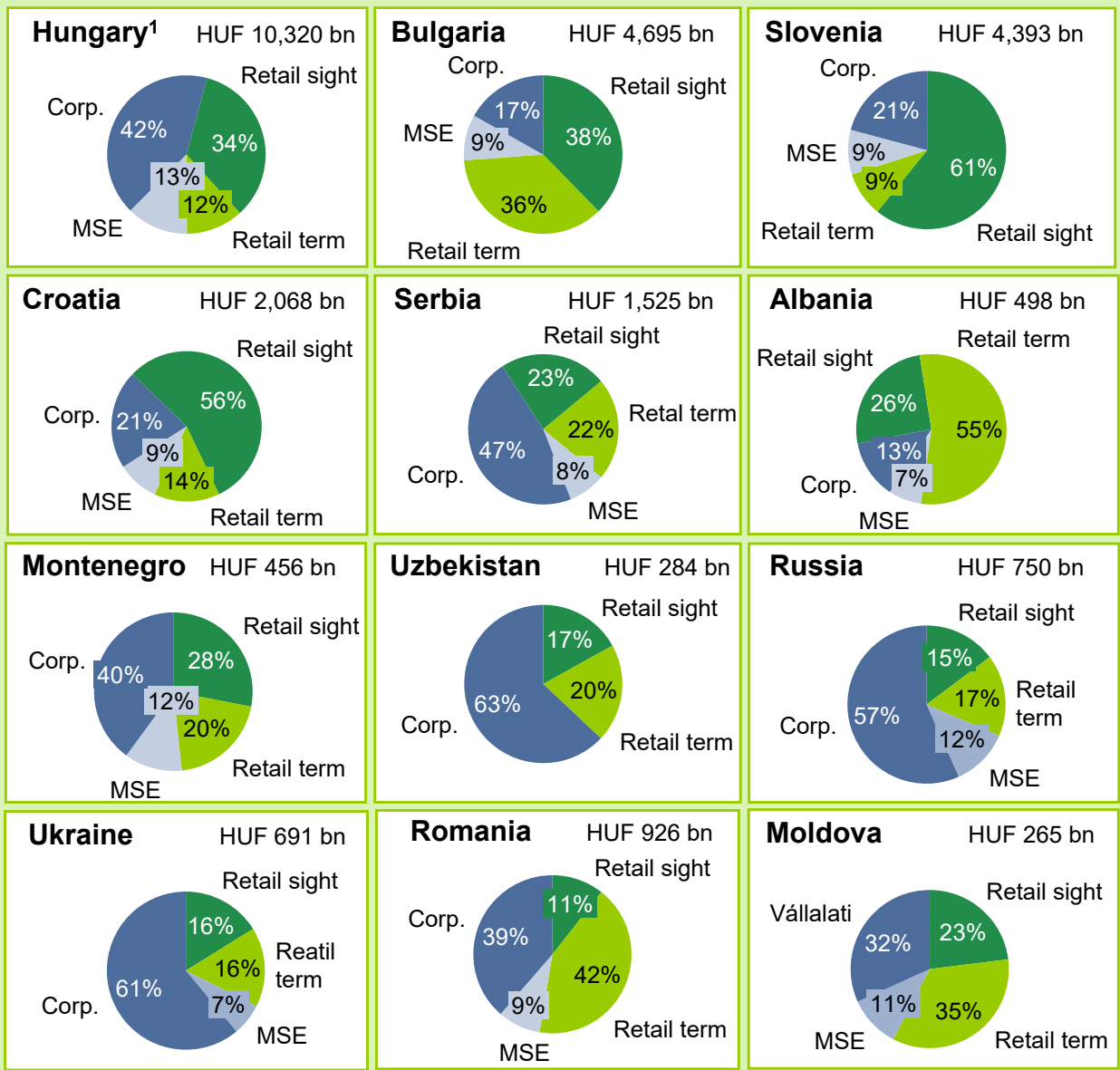
<sup>2</sup> MSE = micro and small enterprises.

**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**

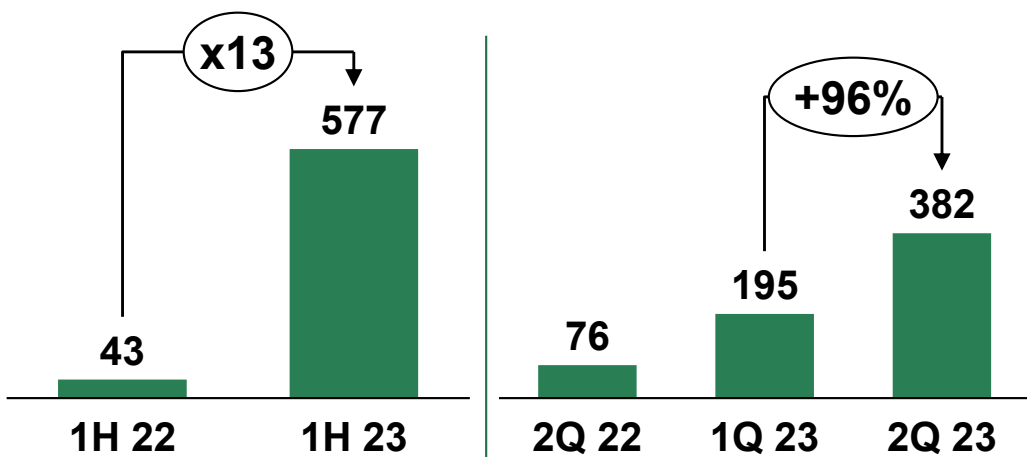


<sup>1</sup> Including OTP Core and Merkantil Group (Hungarian leasing).

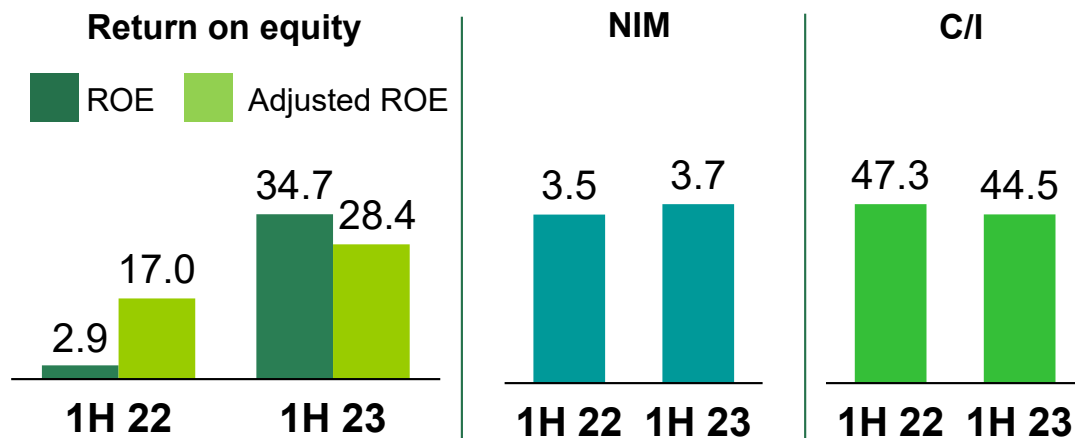
<sup>2</sup> MSE = micro and small enterprises.

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

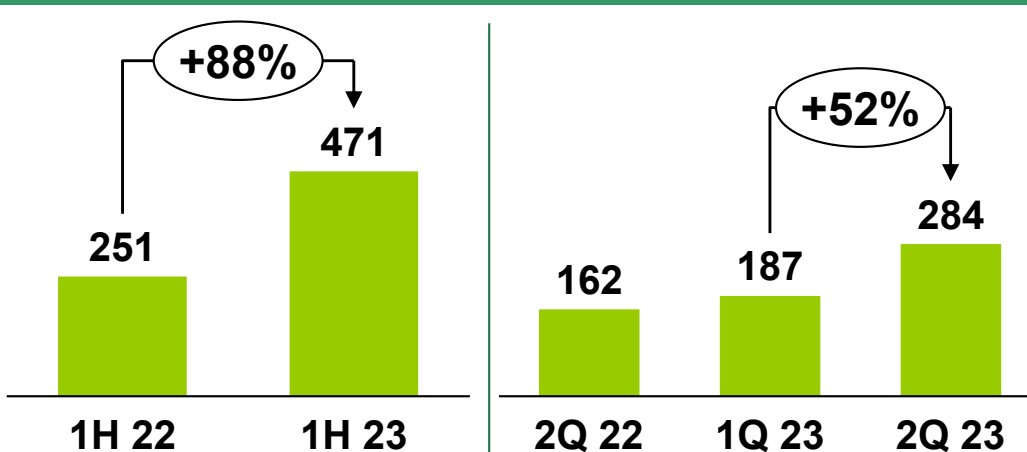
### Consolidated profit after tax (HUF billion)



### 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 <sup>1</sup>	-91.3	0.0	-0.5	-0.5
Others	-12.6	10.5	6.9	17.4
<b>Total</b>	<b>-208.1</b>	<b>7.6</b>	<b>98.1</b>	<b>105.8</b>

<sup>1</sup> 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.

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

P&L (in HUF billion)	OTP Group (consolidated)					
	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%
<b>Total income</b>	<b>755</b>	<b>1,005</b>	<b>25%</b>	<b>457</b>	<b>547</b>	<b>21%</b>
<b>Operating expenses</b>	<b>-357</b>	<b>-448</b>	<b>20%</b>	<b>-225</b>	<b>-222</b>	<b>0%</b>
<b>Operating profit</b>	<b>398</b>	<b>557</b>	<b>30%</b>	<b>232</b>	<b>325</b>	<b>41%</b>
Provision for impairment on loan losses	-74	-3	-97%	-6	3	
Other risk cost	-31	3		-3	6	
<b>Total risk cost</b>	<b>-105</b>	<b>0</b>		<b>-9</b>	<b>9</b>	
<b>Profit before tax</b>	<b>293</b>	<b>557</b>	<b>72%</b>	<b>223</b>	<b>335</b>	<b>52%</b>
Corporate tax	-43	-86	78%	-36	-51	46%
<b>Adjusted profit after tax</b>	<b>251</b>	<b>471</b>	<b>71%</b>	<b>187</b>	<b>284</b>	<b>54%</b>
Adjustments	-208	106		8	98	
<b>Profit after tax</b>	<b>43</b>	<b>577</b>	<b>1264%</b>	<b>195</b>	<b>382</b>	<b>108%</b>

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% <sup>1</sup>		+11%/+1% <sup>1</sup>	+6%/+2% <sup>1</sup>	
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

<sup>1</sup> Without acquisitions.



## 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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>2</sup>	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 <sup>3</sup>	9.1%	13.4%	14.1%	13.3%	13.5%	12.7%	16.5%	14.4%	15.4%	17.5%	16.1%	15.2%

<sup>1</sup> Excluding one-off items. <sup>2</sup> Provision for impairment on loan and placement losses-to-average gross loans ratio.

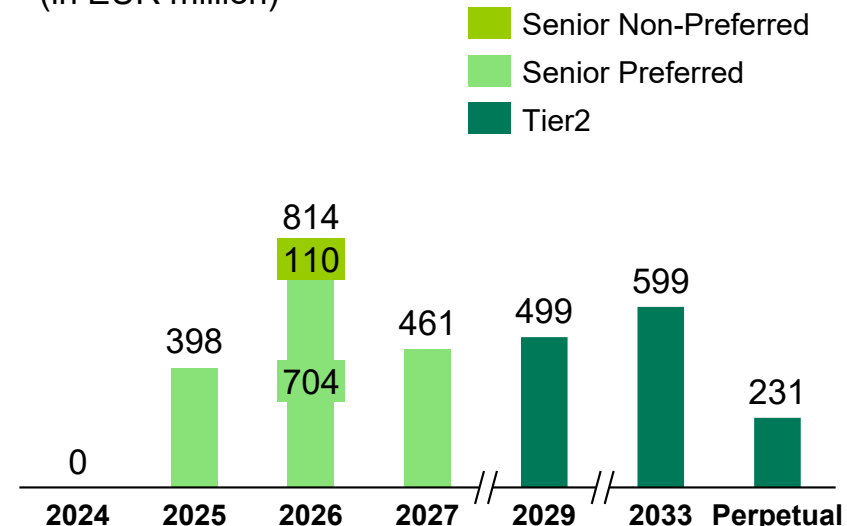
<sup>3</sup> Until 2006 calculated from Hungarian Accounting Standard based unconsolidated figures as 'quasi CET1' divided by RWA, whereby 'quasi CET1' is calculated as Primary capital less proportional deductions. From 2007 the consolidated CET1 ratio is calculated according to Basel 3 regulation, based on IFRS financials.

# 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	Maturity	Call	Actual Coupon	External obligation of OTP Group
XS2626773381	Sr Preferred	25.05.2027	25.05.2026	7.50%	\$ 500 mn
XS2560693181	Sr Preferred	04.03.2026	04.03.2025	7.35%	€ 649 mn
XS2536446649	Sr Preferred	29.09.2026	29.09.2025	7.25%	\$ 60 mn
XS2499691330	Sr Preferred	13.07.2025	13.07.2024	5.50%	€ 398 mn
XS2642536671	Sr Non-Preferred	27.06.2026	27.06.2025	7.50%	€ 110 mn
XS2586007036	Tier 2	15.05.2033	02.15 - 05.15. 2028	8.75%	\$ 650 mn
XS2022388586	Tier 2	15.07.2029	15.07.2024	2.88%	€ 499 mn
XS0274147296	Tier 2	Perpetual	Quarterly	6.75%	€ 231 mn

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

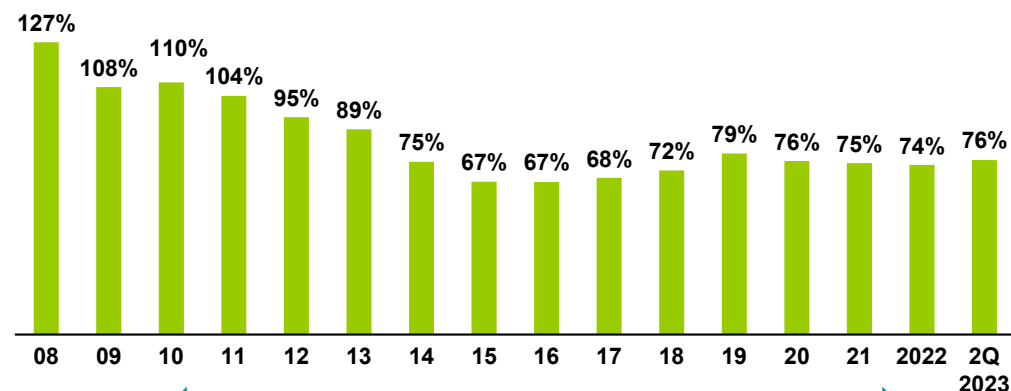


## Major ratios suggest strong liquidity position

	OTP Bank	KBC Group	Erste Group	Raiffeisen Bank	Intesa Sanpaolo	UniCredit
Loan / Deposit (%)	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 (%)	204	154	149	186	171	160
Net Stable Funding Ratio (%)	145	145	140	139	126	133*

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

## Consolidated Net loans/(Deposits + Retail bonds) ratio



25%

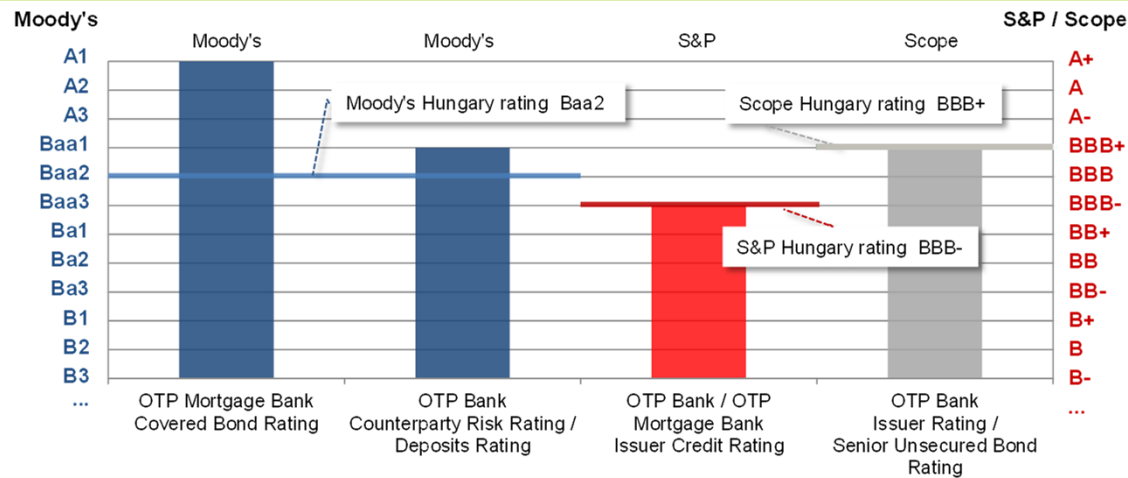
Share of total wholesale debt in OTP Group Total Assets in 2008 and in 2Q 2023

7%

\* Data as of 31 March 2023

# 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	
<b>OTP Bank</b>				
Counterparty Rating <sup>1</sup>	Baa1	BBB-	-	
Deposits	Baa1	-	-	
Senior Unsecured Bonds	Baa3(0)	BBB-	BBB+(-)	€400mn \$60mn 13/07/2022 29/09/2022 €650mn \$500mn 01/12/2022 25/05/2023
Non-preferred Senior Bonds	-	-	BBB(-)	€110mn 27/06/2023
Subordinated Tier 2 Bonds	Ba2	BB <sup>3</sup>	BB+	€500mn \$650mn 15/07/2019 15/02/2023
<b>OTP Mortgage Bank</b>				
Counterparty Rating <sup>1</sup>	Baa3	BBB-	-	
Covered Bonds <sup>2</sup>	A1	-	-	HUF 95bn 29/09/2021

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

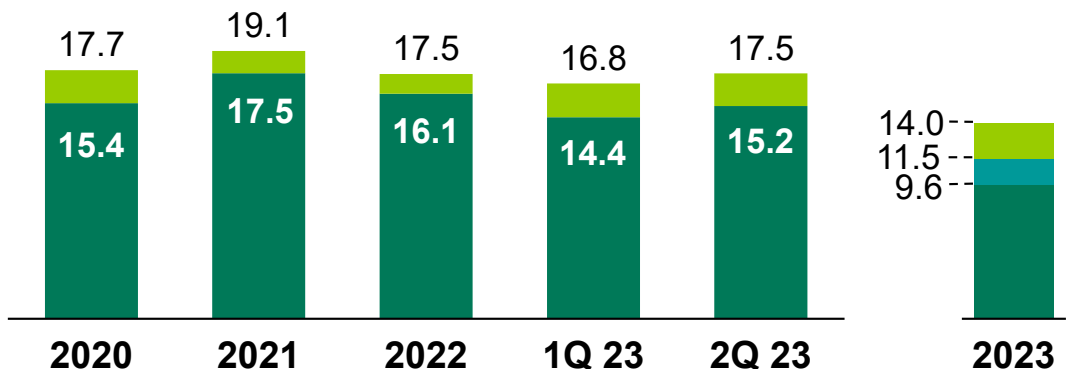
Moody's		S&P	
<b>Macro Factors</b>			
Weighted Macro Profile	Moderate-	Anchor	bbb-
<b>Financial Profile</b>			
Combined Solvency Score	ba2	Business position	+1
Combined Liquidity Score	baa3	Capital and earnings	0
Financial Profile	ba1	Risk position	-1
		Funding and liquidity	+1
<b>Qualitative Adjustments &amp; Support</b>		<b>Stand-Alone Credit Profile</b> bbb	
Total qualitative adjustment & Support	0	<b>External Support</b>	
Adjusted BCA	ba1	Total support	0
<b>Loss Given Failure (LGF) Analysis</b>			
Counterparty Risk / Deposits	+3	<b>Additional Factors</b>	
Senior unsecured (expected)	+1	Additional factors	-1
<b>Counterparty Risk Rating / Deposit Rating</b>	<b>Baa1</b>	<b>Issuer Credit Rating</b> <b>BBB-</b>	
<b>Senior Unsecured Rating (Expected)<sup>3</sup></b>	<b>Baa3</b>	<b>Senior Preferred Notes</b> <b>BBB-</b>	

<sup>1</sup> Long-term Counterparty Risk Rating for Moody's and long-term Resolution Counterparty Rating for S&P Global

<sup>2</sup> Not every covered bond has been assigned a Moody's rating

## Strong capital position, all capital adequacy ratios are well above the regulatory requirements

### CAR and CET1 ratio actual values (%)<sup>1</sup>

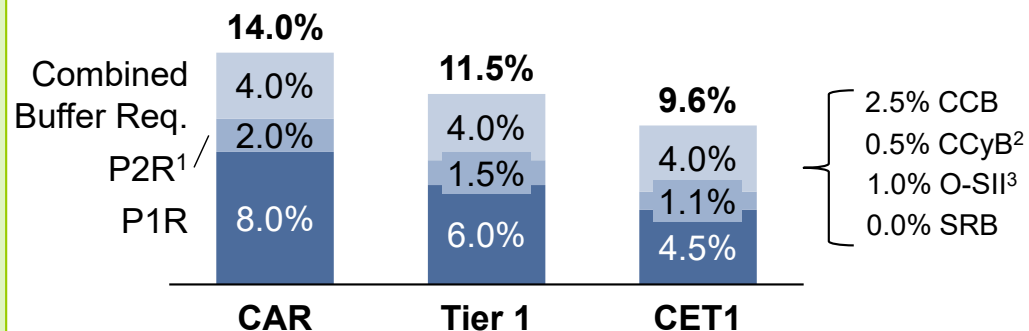


■ Capital adequacy ratio (CAR) ■ Tier 1 ratio ■ CET1 ratio

The +0.79-bps increase in CET from 1Q to 2Q, was driven by the eligible profit (+115 bps), and partly offset by acquisition of Ipoteka Bank (-35 bps impact), as well as net -14 bps impacts on RWA (+31 bps) and CET1 (-45 bps), resulting from FX movements.

### Regulatory minimum requirements (%)<sup>2</sup>

### Regulatory minimum capital requirements for OTP Group in 4Q 2023



<sup>1</sup>The (P1R + P2R) / P1R ratio (SREP rate) for OTP Group is 125% starting from 1 January 2023 and is expected to decrease to 120% from 1 January 2024.

<sup>2</sup>The weighted CCyB requirement on a consolidated basis 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 rise to 0.5% has been postponed by one year and will be effective from 1 July 2024.

<sup>3</sup>The O-SII buffer requirement is 1% from 01. January 2023 and expected to increase to 2% from 2024.

### Ukrainian and Russian operations in OTP Group

	Ukraine	Russia
2Q 2023		
Share in Group Total assets (%)	2.6	3.1
Share in Group Net loans (%)	1.5	2.4
Deconsolidation impact on 1Q 2023 consolidated CET1 (basis points)	-14	-46
CAR	41.2%	24.1%

### Consolidated MREL requirements

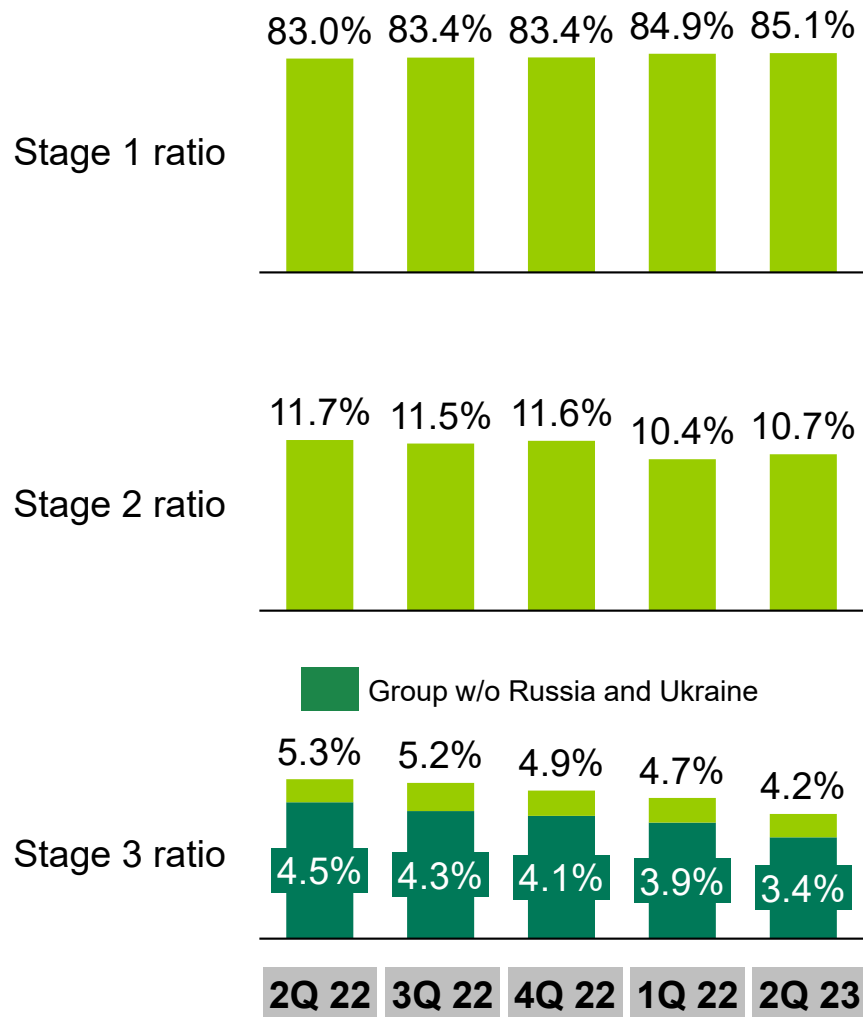
- The consolidated MREL requirement has to be met by 1 January 2024. Required level is 19.12% of the Group's total risk exposure amount (TREA or RWA) and 5.74% of the Group's total exposure measure (TEM).
- Mandatory intermediate target level that had to be met by 1 January 2022 was 14.45% of the Group's 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.

<sup>1</sup> 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. <sup>2</sup> In the absence of additional core capital (AT1), the Tier 1 regulatory requirement is also effective for the CET1 rate.

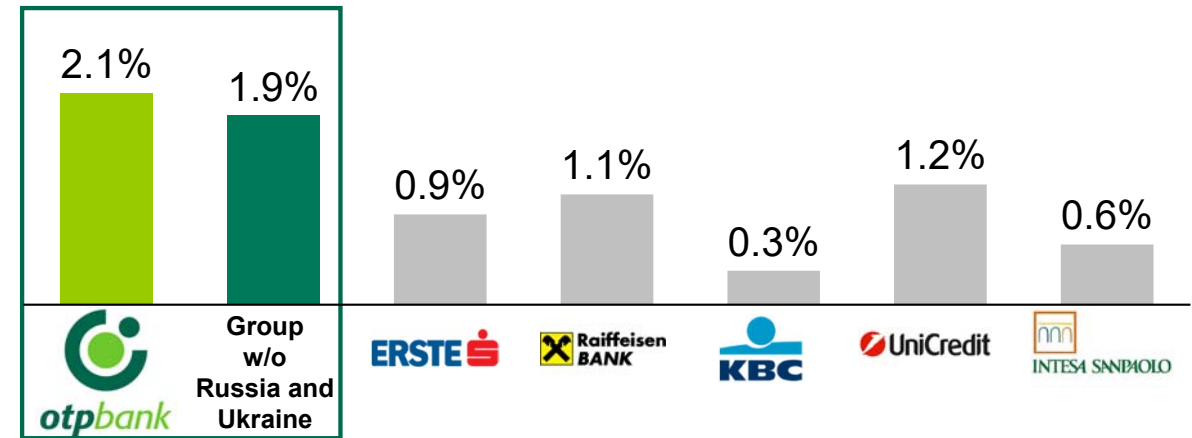
Abbreviations: P1R: Pillar 1 requirement; P2R: Pillar 2 req.; CCB: Capital conservation buffer; CCyB: Countercyclical buffer; O-SII: Other Systemically Important Institutions buffer; SRB: Systemic Risk buffer.

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

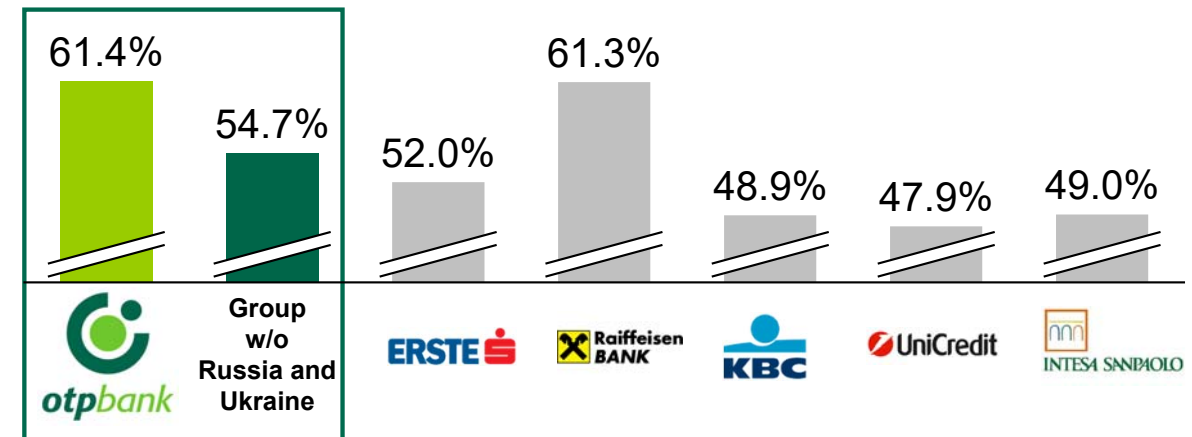
Development of the Group's main credit quality indicators



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).



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 75<sup>th</sup> 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

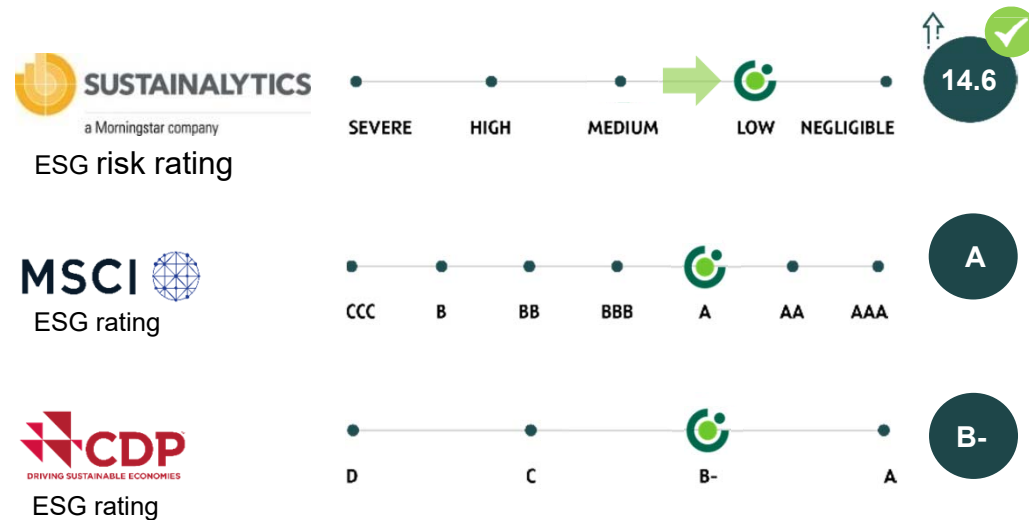
#### Transparent responsibility

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.



## 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.



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'



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



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



'Bank of the Year in 2022'



'Best Investment Bank in CEE in 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 Hungary'

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













## Further information on OTP Group





# 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 <sup>2</sup> (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 <sup>3</sup>	150	417	1,655 1 <sup>4</sup>	68	-33	-4	12	23	-78	-17	-14
<b>Total</b>	18% 3% <sup>3</sup>	2%	13%	150% 0% <sup>4</sup>	3%	-2%	-1%	3%	5%	-20%	-2%	-9%
<b>Consumer</b>	14% 5% <sup>3</sup>	8%	5%	275% 2% <sup>4</sup>	3%	1%	-8%	8%	7%	-29%	-6%	-21%
<b>Mortgage</b>	20% 2% <sup>3</sup>	2%	8%	116% -1% <sup>4</sup>	5%	-1%	1%	5%			-7%	-9%
	<b>Housing loan</b>		<b>Home equity</b>									
	1%		6%									
<b>Corporate<sup>1</sup></b>	20% 3% <sup>3</sup>	1%	24%	212% 0% <sup>4</sup>	0%	-3%	-1%	0%	-35%	-21%	2%	-5%
<b>Leasing</b>	5%	4%	9%	3%	24%	0%	17%			-15%	7%	-2%

<sup>1</sup> Loans to MSE and corporate clients.













<sup>2</sup> In the Leasing row the leasing volume change applies to Merkantil Group (Hungarian leasing).

<sup>3</sup> Changes without the NKBM and Ipoteka Bank acquisitions.

<sup>4</sup> Changes without NKBM acquisition.

## 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 <sup>3</sup> (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 <sup>2</sup>	-527	161	3,033 -8 <sup>4</sup>	-139	86	3	-31	295	-21	0	17
<b>Total</b>	13% -1% <sup>2</sup>	-5%	4%	223% -1% <sup>4</sup>	-6%	6%	1%	-6%	65%	-3%	0%	7%
<b>Retail</b>	18% 0% <sup>2</sup>	-2%	4%	284% 0% <sup>4</sup>	-2%	0%	1%	1%	13%	-2%	4%	11%
<b>Corporate<sup>1</sup></b>	6% -2% <sup>2</sup>	-7%	2%	136% -2% <sup>4</sup>	-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

<sup>1</sup> Including MSE, MLE and municipality deposits.

<sup>2</sup> Changes without the NKBM and Ipoteka Bank acquisitions.

<sup>3</sup> Including retail bonds.

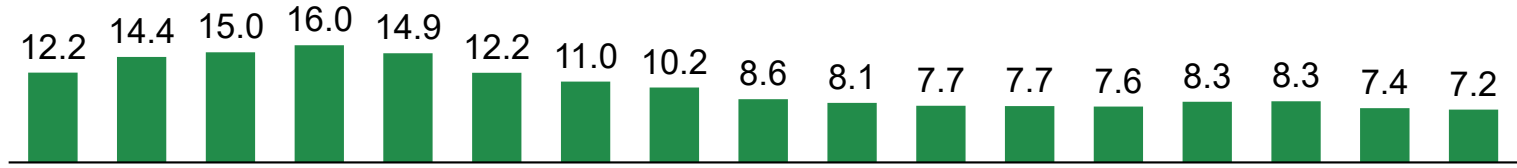
<sup>4</sup> Changes without NKBM acquisition.

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

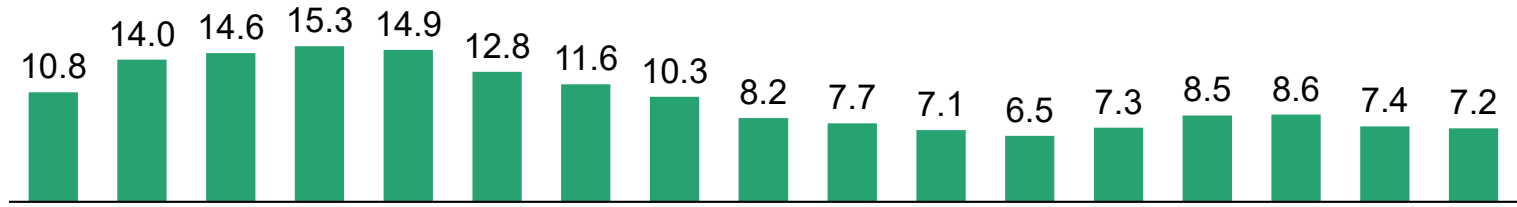
Market penetration levels in Hungary in ...

Net customer loan to deposit ratio in the Hungarian credit institution system  
 118% → 77%  
 1Q 2009 → 1Q 2023

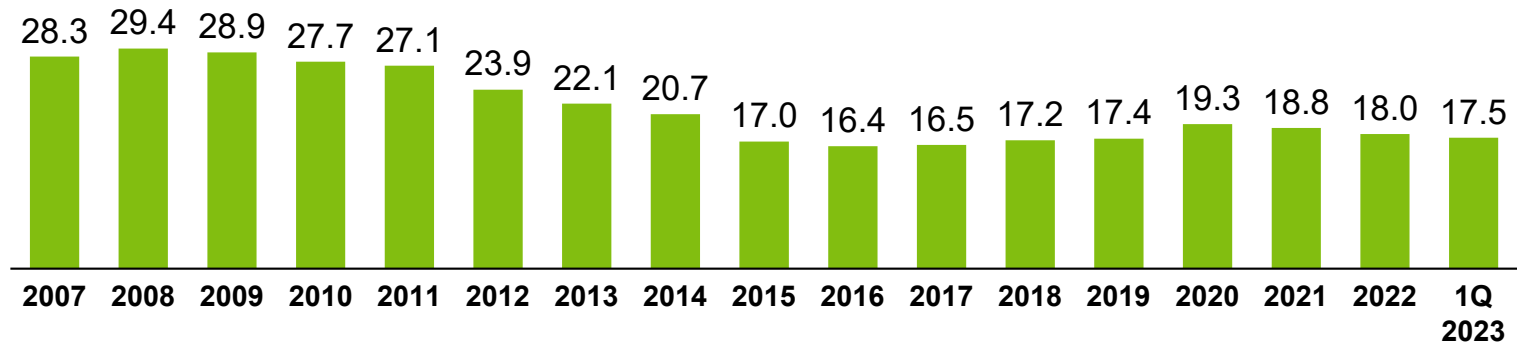
housing loans (in % of GDP)



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



corporate loans (in % of GDP)



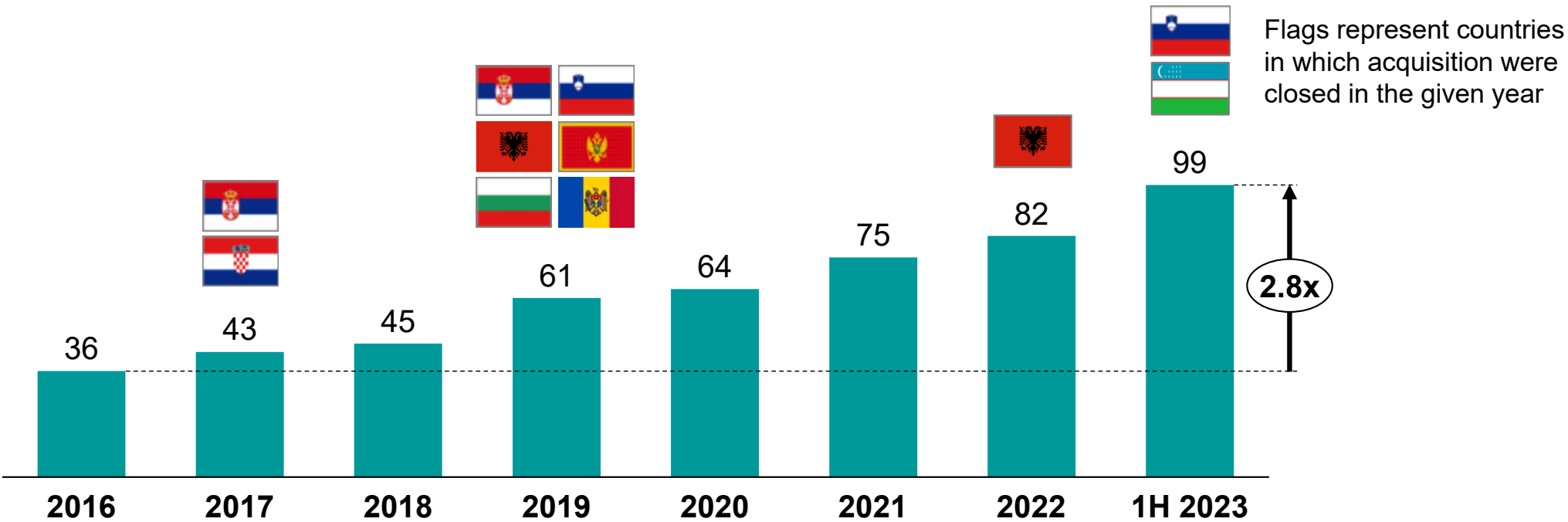
1Q 2023 data for other CEE/CIS countries (in % of GDP)

34.8	Slovakia	9.2	Russia
26.6	Montenegro <sup>1</sup>	8.2	Serbia
26.0	Czechia	7.9	Albania
16.1	Poland	7.2	Romania
14.8	Croatia	5.2	Uzbekistan
13.5	Slovenia	4.3	Moldova
10.0	Bulgaria	0.4	Ukraine
15.0	Croatia	6.1	Uzbekistan
12.3	Serbia	4.5	Romania
10.0	Bulgaria	4.4	Slovenia
8.9	Poland	3.9	Albania
8.8	Russia	3.8	Ukraine
6.2	Czechia	3.5	Moldova
38.9	Russia	19.7	Albania
30.7	Uzbekistan	18.8	Czechia
24.9	Bulgaria	17.3	Slovenia
23.7	Montenegro	14.5	Ukraine
23.6	Serbia	12.9	Poland
21.6	Slovakia	12.8	Moldova
20.9	Croatia	12.6	Romania

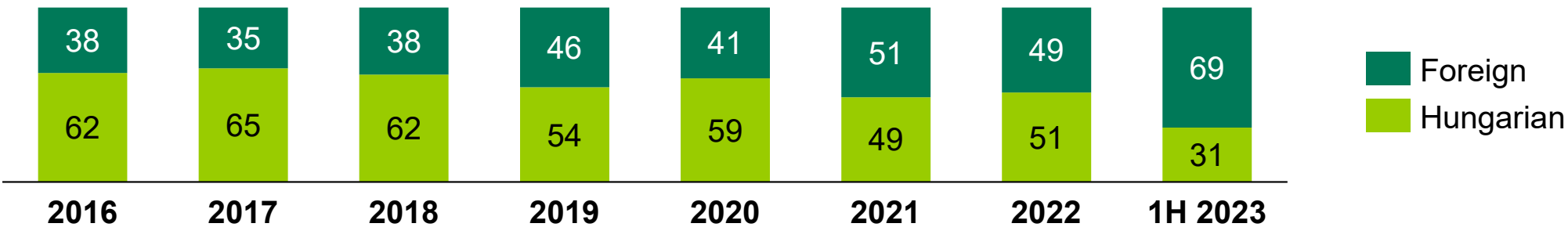
<sup>1</sup> Total households loan penetration.

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 (%)**



**In the last 6 years 11 acquisitions were completed. As a result of the Ipoteka Bank acquisition in Uzbekistan, OTP Group entered the Central Asian region**

Target (seller, date of closing)		Net loans (HUF billion)		Market share (before/after acq. <sup>1</sup> , %)		Book value (EUR million)		
2017	 <b>Splitska banka</b> , Croatia (SocGen, 2Q 2017)	(Nov 18)	 631	<b>4.8</b>	<b>11.2</b>	(4Q 16)	 496	
	 <b>Vojvodjanska banka</b> , Serbia (NBG, 4Q 2017)	(1Q 19)	 266	<b>1.5</b>	<b>5.7</b>	(3Q 17)	 174	
2019	 <b>SocGen Expressbank</b> , Bulgaria (SocGen, 1Q 2019)	(1Q 19)	 774	<b>14.0</b>	<b>19.9</b>	(4Q 18)	 421	
	 <b>SocGen Albania</b> (SocGen, 1Q 2019)	(1Q 19)	 124		<b>6.0</b>	(4Q 18)	 58	
	 <b>SocGen Moldova</b> (SocGen, 3Q 2019)	(3Q 19)	 102		<b>14.0</b>	(4Q 18)	 86	
	 <b>SocGen Montenegro</b> (SocGen, 3Q 2019)	(3Q 19)	 126		<b>17.6</b>	<b>30.4</b>	(4Q 18)	 66
	 <b>SocGen Serbia</b> (SocGen, 3Q 2019)	(3Q 19)	 716		<b>5.3</b>	<b>13.7</b>	(4Q 18)	 381
	 <b>SKB Banka</b> , Slovenia (SocGen, 4Q 2019)	(4Q 19)	 827		<b>8.5</b>		(4Q 18)	 356
2022	 <b>Alpha Bank SH.A.</b> , Albania (Alpha Intl. Holdings, 3Q 2022)	(4Q 20)	 99	<b>6.2</b>	<b>10.9</b>	(4Q 20)	 73	
2023	 <b>Nova KBM</b> , Slovenia (Apollo Global & EBRD, 1Q 2023)	(4Q 22)	 2,068	<b>8.2</b>	<b>29.3</b>	(4Q 22)	 993	
	 <b>Ipoteka Bank</b> , Uzbekistan (Uzbek State, 2Q 2023)	(1Q 23)	 981		<b>7.7</b>	(1Q 23)	 506	
<b>Acquisitions total:</b>			 6,714			 3,610		

<sup>1</sup> 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.

## Footnotes and Glossary

### Slide 4

Profit after tax and Total assets calculated with 391.33 / 380.90 (2022 / 1H 2023) HUF/EUR average exchange rate and 400.25 / 371.13 (4Q 2022 / 1H 2023) HUF/EUR closing exchange rate

CET1 ratio: Common Equity Tier1 ratio under accounting scope of consolidation, including the unaudited interim profit and deducting the indicated dividend amount

CAR: Capital Adequacy Ratio under IFRS including the unaudited interim profit and deducting the indicated dividend amount

Net LTD: consolidated net loans / (customer deposits + retail bonds) ratio

### Glossary

Adjustments or Adjusted or (adj.)	In order to present Group level trends in a comprehensive way, where indicated, the presented profit and loss statement lines or metrics calculated therefrom are adjusted by OTP Bank.
CEE/CIS	Central and Eastern Europe / Commonwealth of Independent States
CET1	Common Equity Tier 1
CET1 ratio	Common Equity Tier 1 / risk weighted assets
EBA	European Banking Authority
ECB	European Central Bank
ESG	Environmental, Social, Governance
FX	Foreign currency
ICES	Income Certificates Exchangeable for Shares
Leverage ratio	The leverage ratio is calculated pursuant to Article 429 of CRR
Liquidity Coverage Ratio (LCR)	(Stock of High Quality Liquid Assets) / (Total net cash outflows over the next 30 calendar days)
M&A	Merger and acquisition
MLE	Medium and large sized enterprises
MREL	Minimum requirement for own funds and eligible liabilities
MSE	Micro and small sized enterprises
NII	Net interest income
Net interest margin (NIM)	Net interest income / average total assets
NSFR	Net Stable Funding Ratio
Performing loans	Stage 1 + Stage 2 loans
POS	Point of sale loans
Return on Equity (ROE)	Net profit / average equity
Risk cost rate	Provision for impairment on loan and placement losses / Average gross customer loans
Stage 3 ratio	Stage 3 loans / gross customer loans
TLOF	Total liabilities and own funds
Total revenue margin	Total revenues / average total assets



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