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CREDIT OPINION
3 May 2024

Update

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RATINGS

OTP Bank Nyrt

Domicile	Budapest, Hungary
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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OTP Bank Nyrt

Update following ratings affirmation

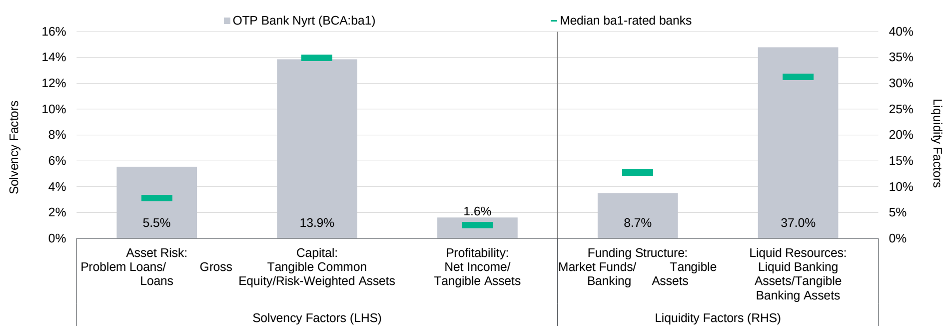
Summary

On 27 March we affirmed OTP Bank Nyrt's (OTP) Baa1 long-term deposit ratings and Baa3 senior unsecured debt ratings with stable outlook.

The bank's deposit and debt ratings are driven by its ba1 standalone Baseline Credit Assessment (BCA); three notches of rating uplift for the deposit ratings and no uplift for the senior unsecured debt following the application of our Advanced Loss Given Failure (LGF) analysis. Our assumption of moderate support from the Government of Hungary (Baa2 stable) results in one notch of uplift for the senior unsecured and no uplift for the deposit ratings because they already exceed the government rating before support considerations.

OTP's ba1 BCA reflects its geographically diversified footprint across countries in Central and Eastern Europe (CEE) and riskier countries such as Russia, Ukraine and Uzbekistan, which complements the growth opportunities in its domestic market. In addition, the ba1 BCA takes into consideration the bank's relatively high level of problem loans, which, however, are highly provisioned; its good capital levels and strong earnings generation as well as its good funding and liquidity position.

Exhibit 1
Key financial ratios



Source: Moody's Ratings

Credit strengths

» Good capitalisation with ample excess capital above regulatory requirements

» Strong profitability supported by high margins

» Stable deposit-based funding structure and sizeable liquidity buffers

Credit challenges

» Relatively high level of problem loans, although well covered by loan loss reserves

» Exposure to countries with a weaker operating environment than that of Hungary, which increases tail risk

Outlook

The stable outlook on OTP's ratings reflects our expectation that the bank's credit profile and liability structure will remain broadly unchanged over the next 12-18 months.

Factors that could lead to an upgrade

» OTP's ratings could be upgraded following an upgrade of its BCA. The bank's senior unsecured, plain subordinated and junior subordinated debt ratings could also be upgraded following the issuance of more junior instruments such that it were to result in lower losses for the relevant creditors.

» OTP's BCA could be upgraded following significant additional improvement in its solvency mainly through higher capitalization and improved asset quality. An expansion into lower risk operating environments could also result in an upgrade of OTP's BCA.

Factors that could lead to a downgrade

» OTP's ratings could be downgraded following a downgrade of its BCA or changes in its liability structure that would result in lower notching following the application of our Advanced LGF.

» OTP's BCA could be downgraded following a significant deterioration in its solvency and its liquidity profile

Key indicators

Exhibit 2
OTP Bank Nyrt (Consolidated Financials) [1]

	09-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (HUF Billion)	39,574.0	32,804.2	27,552.5	23,335.0	20,120.8	19.8[4]
Total Assets (USD Million)	107,896.7	87,427.3	84,426.7	78,722.8	68,294.3	13.0[4]
Tangible Common Equity (HUF Billion)	3,741.4	3,269.9	2,854.0	2,226.4	1,955.1	18.9[4]
Tangible Common Equity (USD Million)	10,200.9	8,714.7	8,745.3	7,510.8	6,636.2	12.1[4]
Problem Loans / Gross Loans (%)	4.6	5.5	5.8	6.3	6.5	5.7[5]
Tangible Common Equity / Risk Weighted Assets (%)	13.9	13.9	14.6	12.8	11.8	13.4[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	20.4	23.4	24.1	28.0	29.4	25.1[5]
Net Interest Margin (%)	3.9	3.6	3.5	3.6	4.1	3.7[5]
PPI / Average RWA (%)	5.5	3.3	3.3	3.1	4.0	3.8[6]
Net Income / Tangible Assets (%)	2.4	1.3	1.7	1.1	2.1	1.7[5]
Cost / Income Ratio (%)	46.4	60.0	57.7	57.6	54.7	55.3[5]
Market Funds / Tangible Banking Assets (%)	11.8	8.7	7.9	8.4	6.8	8.7[5]
Liquid Banking Assets / Tangible Banking Assets (%)	39.6	37.0	37.3	36.9	33.5	36.9[5]
Gross Loans / Due to Customers (%)	73.2	73.1	73.8	75.9	79.6	75.1[5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

Profile

OTP Bank Nyrt (OTP) is Hungary's largest bank with significant foreign operations, boosted by a large number of acquisitions in recent years.

In Hungary, OTP had domestic market shares of around 28% of total assets, 26% of total loans and 28% of total deposits as of year-end 2023. The bank is particularly dominant in the Hungarian retail market, holding a market share of 39% in total retail deposits as of year-end 2023 and around 34% in retail loans. In addition to its strong domestic franchise, OTP has operations in 11 foreign countries.

The purchase of Nova Kreditna Banka Maribor d.d (NKBM, A3 stable, baa3[1]) in February 2023 was the most significant acquisition in the history of OTP, boosting its existing operations in Slovenia and establishing it as the market leader in the country. As of year-end 2023, through its subsidiaries, OTP was the largest bank in terms of net loans also in Bulgaria, Serbia and Montenegro, and the fourth-largest in Albania, Croatia and Moldova. OTP has bank subsidiaries in Romania, Ukraine and Russia as well. Further, on 13 June 2023, OTP became the majority shareholder of Ipoteka Bank (Ipoteka, Ba3 stable, b1), the fifth-largest bank in Uzbekistan as of year-end 2023.[2]

As of year-end 2023, foreign operations accounted for 65% of the bank's assets, up from 58% in 2022, mainly because of acquisitions in Slovenia and Uzbekistan. In terms of profit contribution, OTP's foreign operations accounted for 64% of profit after tax.

Around 50% of OTP's gross loans were to retail clients as of year-end 2023, with more than half of it representing mortgages; 39% of the loans were to corporates; 5% to small businesses; and 6% represented leasing .

On 9 February 2024, OTP announced that it had concluded a sale and purchase agreement to sell its 100% shareholding in OTP Bank Romania and all its other Romanian subsidiaries to Banca Transilvania (Baa2 stable, ba1). The closing of the transaction is expected by the end of 2024.

Detailed credit considerations

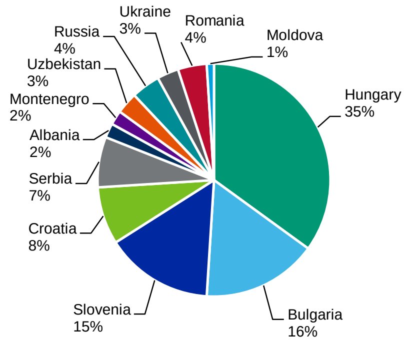
Exposure to countries with a weaker operating environments weigh on OTP's weighted average macro profile

OTP's weighted average "Moderate-" macro profile reflects the dominance of its operations in Hungary (with a Moderate macro profile), Slovenia (Strong-), Croatia (Moderate) and Bulgaria (Moderate-), which together account for around 75% of its total assets. On the other hand, the bank's operations in riskier operating environments, including Russia (Very Weak), Ukraine (Very Weak-) and Uzbekistan (Weak-) weigh adversely on its macro profile.

Exhibit 3

Breakdown of assets by country

As of year-end 2023



Source: Company reports

Relatively high level of problem loans, although well covered by provisions

Our assigned ba3 Asset Risk score is in line with the initial score. This reflects our expectation that the increase in problem loans due to the persistently high interest rate environment will be contained.

OTP's reported stage 3 loans ratio was 4.3% as of year-end 2023, down from 4.9% in 2022, despite a significant increase in stage 3 loans in its Uzbek operations. Overall, the total stock of loan loss reserves/stage 3 loans was a sizeable 105% as of year-end 2023, while the own coverage of total consolidated stage 3 loans[3] was also good at 61%. Riskier, stage 2 loans increased to 13.0% of gross loans compared with 11.6% as of year-end 2022.

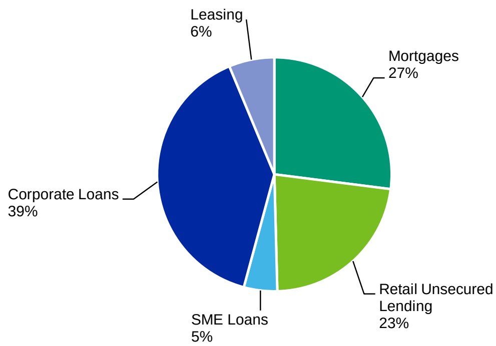
The bulk of the bank's problem loans is generated from its large operations in Hungary, Bulgaria and Croatia, and in weaker operating environments such as Russia, Ukraine and Uzbekistan. The ratio of stage 3 loans to gross loans in its Hungarian operations decreased to 4.0% as of year-end 2023 from 4.9% in 2022, but remained above the average stage 3 loans ratio of Hungarian banks of 3.0%. The high asset risk from the bank's sizeable problem loans in Russia and Ukraine[4] was largely mitigated by loan loss reserves of 95% and 78%, respectively, of stage 3 loans as of year-end 2023. Conversely, for the Uzbek operations[5], only 38% of stage 3 exposure was covered by provisions.[6]

Historically, OTP has held higher problem loans stocks than its Hungarian peers because it runs its own workout unit through its subsidiary, OTP Factoring Ltd. As a result, problem loans may sit on the bank's balance sheet for longer. The group runs similar operations in other countries it operates.

Exhibit 4

OTP's loan book is evenly distributed between retail and corporate loans

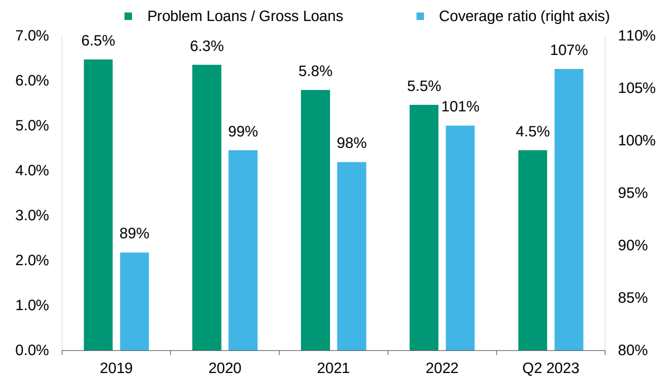
As a percentage of gross loans, year-end 2023



Source: Company reports

Exhibit 5

OTP's problem loans are fully covered by provisions



Our definition of problem loans includes loans classified both as stage 3 and purchased or originated credit-impaired financial asset (POCI).
Coverage ratio = Loan loss reserves/problem loans.
Sources: Company filings and Moody's Ratings

Strong capitalization

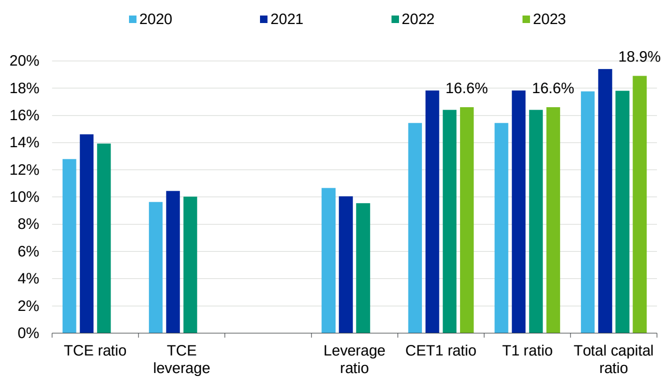
We assign a baa3 Capital score to OTP, in line with the bank's initial score. The assigned score balances OTP's strong internal capital generation against its growth aspirations, particularly through acquisitions.

The bank's Common Equity Tier 1 (CET1) capital ratio was 16.6% as of year-end 2023, slightly up from 16.4% in 2022. The improvement in the bank's capitalization was because of the exceptionally high internally generated capital in 2023 that offset the expansion in risk-weighted assets (RWA) owing to the acquisition of NKBM and Ipoteka. The reported CET1 ratio is net of the expected dividend payout of HUF150 billion (corresponding to 15% of 2023 net income) and of the HUF60 billion (6% of net income) allocated for share repurchase in February 2024.

OTP estimates a very limited impact of the potential deconsolidation of its Russian activities on its CET1 ratio of just 11 basis points (bps) compared with 137 bps in September 2022[7]. Further, OTP expect's the sale of the Romanian operations will boost the capital adequacy ratio (CAR) by around 52 bps at the time of the closing of the transaction.

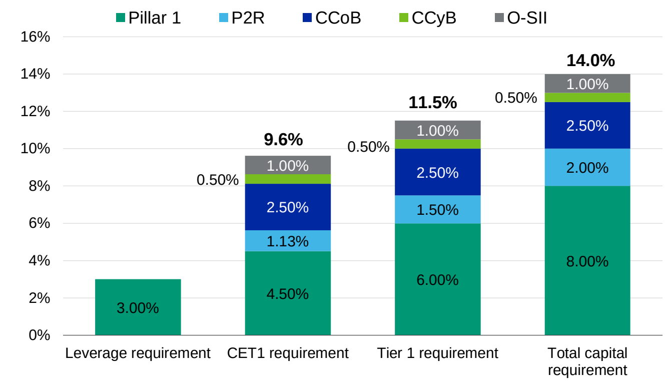
OTP maintains a sizeable capital buffer close to five percentage points above regulatory requirements making it well place for the planned introduction of the 0.5% countercyclical capital buffer (CCyB) in Hungary in July 2024. As a result, OTP´s institution-specific CCyB will increase to 0.7%. As of January 2024 OTP´s Pillar 2 Requirement (P2R) was lowered to 1.6% for CAR, 1.2% for T1 and 0.9% for CET 1.

Exhibit 6
High internal capital generation offset the effect of acquisitions



Sources: Company filings and Moody's Ratings

Exhibit 7
OTP's capital requirements
As of December 2023



Source: Company filings

Robust profitability, fostered by the high interest rate environment

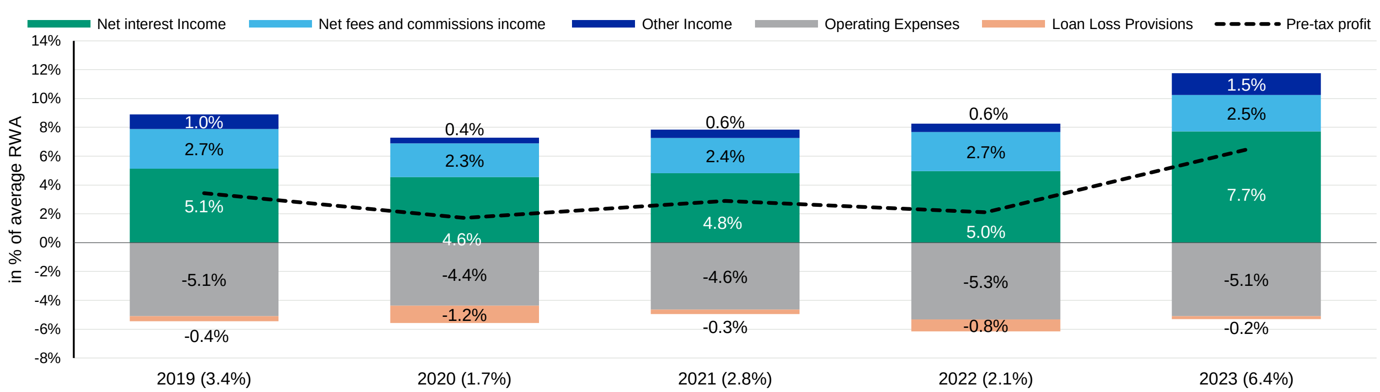
We assign a baa2 score for Profitability, one notch higher than the initial score, to reflect our expectation that OTP's profitability will remain strong, benefitting from still high interest rates across the markets where it operates.

OTP has a strong ability to generate earnings and maintains a high return on assets, reflecting its dominant position in its home market, as well as the strong profit contribution from its foreign operations, which accounted for 64% of the bank's net profit in 2023.

In 2023, the bank reported net income of HUF990 billion, resulting in a return on assets (RoA) of 2.5%, compared with HUF347 billion a year earlier. The significant increase in net income was driven by higher net interest margin (NIM) - with the NIM growing to 3.9% in 2023, up from 3.5% the year before, a strong increase in fees and commissions by 20%, a decline in the cost of risk to 16bps in 2023 from 73bps in 2022 and the significantly lower impact of one-off costs which was also moderated by the badwill OTP benefitted from its acquisitions in Slovenia and Uzbekistan.

For 2024, OTP expects stable NIM, and increasing operating and credit costs. The bank also expects a further reduction in the Hungarian windfall tax to HUF6 billion, and anticipates the cost from the introduction of a bank tax in Slovenia will likely be around HUF11 billion.

Exhibit 8
High margins and low cost of risk boosted OTP´s profitability



Source: Moody's Ratings

Stable deposit-based funding structure

Our baa3 assigned Funding Structure score is in line with the initial score, capturing the bank's strong funding profile, predominantly consisting of stable and granular deposits, but also OTP's reliance on market funding to meet its Minimum Requirement for own funds and Eligible Liabilities (MREL) requirements.

The bank's market funding increased to around 12% of its total tangible banking assets (TBA) as of year-end 2023 from 8.7% in 2022. This increase was driven by higher interbank liabilities and several issuances to the market over the course of 2023. Further, OTP issued €600 million senior unsecured bond in January 2024 which will increase its market funds by 0.6% of TBA.

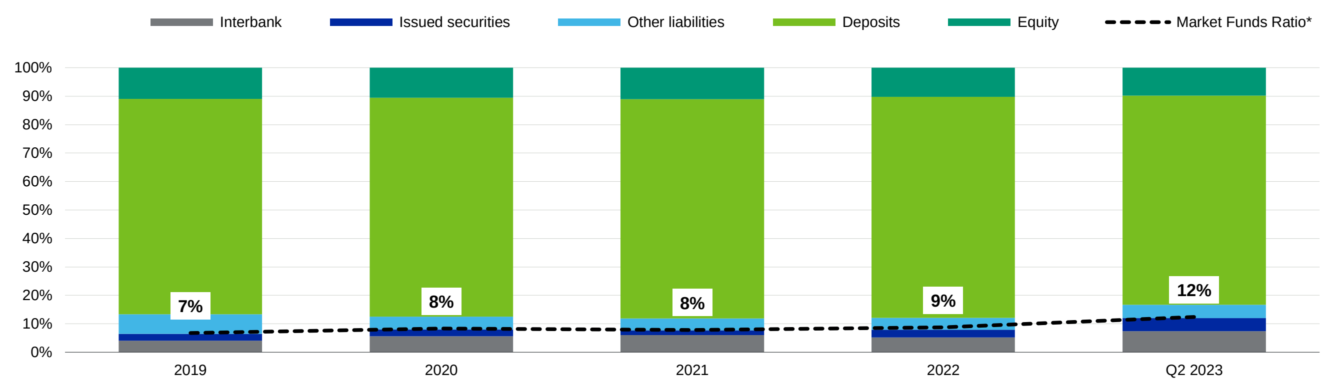
OTP´s MREL ratio was 25.1% as of year-end 2023, with over a 100-bps buffer over the regulatory minimum of 24.0% of RWA[8], applicable as of 1 January 2024. OTP also has to meet its 13.5% subordination requirement by 16 December 2024[9]. OTP currently follows a hybrid approach with two resolution entities in the group; OTP and NKBM.

Despite the increase in market funds for regulatory reasons, OTP's funding remains primarily based on deposits, which accounted for 83% of its total liabilities as of year-end 2023. At the group level, 66% of deposits were from retail clients and micro and small enterprises, with the remainder from corporate customers, which we consider more volatile and confidence-sensitive.

Our assessment also takes into account the funding independence of OTP's main subsidiaries. Only the bank's Serbian subsidiary relies on funding from the parent bank, although this funding allocation is constrained by the intragroup lending limit of a maximum of 25% of regulatory consolidated total capital under Basel III rules. OTP Bank Russia, which used to rely on funding from its parent gradually repaid the bulk of its intragroup liabilities over the last two years[10]. Ipoteka Bank has a high reliance on funding provided by the government but OTP management does not plan to replace this with funding from the headquarters.

Exhibit 9

The bank is mainly deposit-funded



*Market funds ratio = Market funds/TBA.

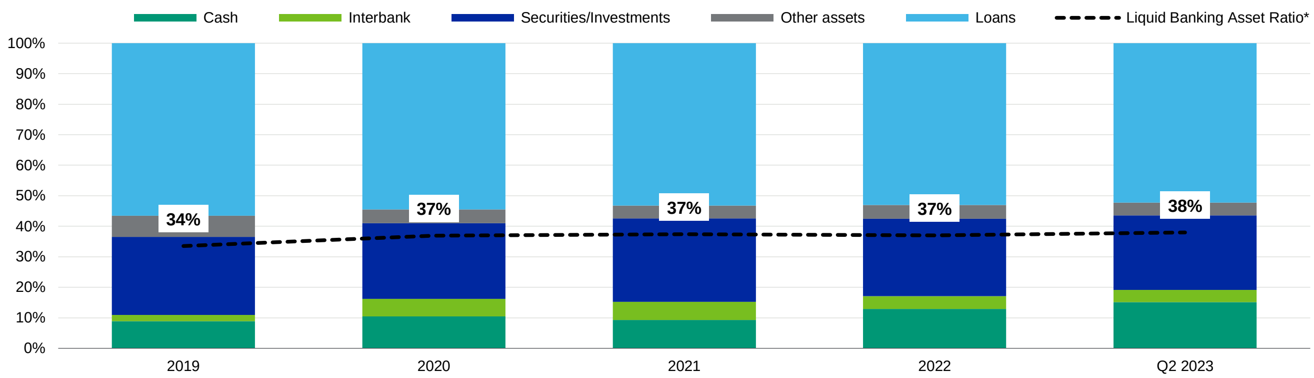
Source: Moody's Ratings

Good liquidity buffers

We assign a baa3 Liquid Resources score, in line with the initial score, reflecting OTP's sizeable liquidity buffers. The bank's liquid resources accounted for around 40% of its TBA as of year-end 2023 and consisted mainly of reserves held at the National Bank of Hungary and investments in Hungarian and other government bonds.

OTP's liquidity coverage ratio, which reflects unrealized mark-to-market losses, was strong at 246% as of year-end 2023, up from 172% in 2022, while its net stable funding ratio was 153%.

Exhibit 10
OTP has abundant liquid assets



*Liquid banking assets ratio = Liquid banking assets/TBA.
Source: Moody's Ratings

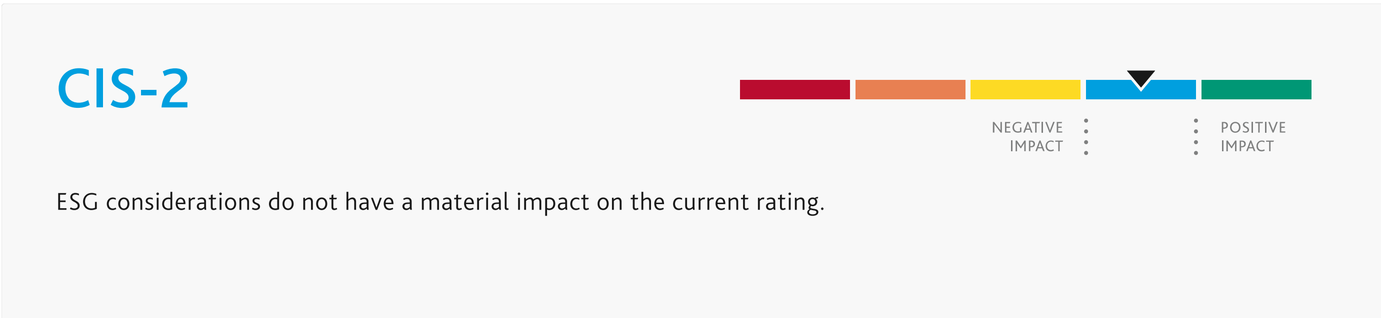
Source of facts and figures cited in this report

Unless noted otherwise, we have sourced data related to systemwide trends and market shares from the central bank. Bank-specific figures originate from banks' reports and Moody's Banking Financial Metrics. All figures are based on our own chart of account and may be adjusted for analytical purposes. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions, published on 1 February 2024.

ESG considerations

OTP Bank Nyrt's ESG credit impact score is CIS-2

Exhibit 11
ESG credit impact score



Source: Moody's Ratings

OTP Bank's ESG Credit Impact Score **CIS-2** indicates that ESG considerations do not have a material impact on the current rating.

Exhibit 12
ESG issuer profile scores

Source: Moody's Ratings

Environmental

OTP Bank faces moderate exposure to environmental risks because of its portfolio exposure to carbon transition risk as the largest bank in Hungary and widely diversified in the Central and Eastern European region. In line with its peers, OTP Bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, OTP Bank is engaging in optimising its loan portfolio towards less carbon-intensive assets.

Social

OTP's exposure to social risks is high, stemming principally from demographics and social trends as well as customer relations. On societal trends, banks in Hungary have been exposed to the government's interventionist policies, which demonstrate its predisposition towards supporting social policy at the detriment of banks' financial performance. Further, the bank faces high industrywide social risks related to customer relations and associated regulatory risks, litigation exposure, and high compliance standards in its diversified operations. These risks are mitigated by OTP's developed policies and procedures. OTP's high cyber and personal data risks are mitigated by the bank's sound IT framework.

Governance

OTP faces low governance risks, and its risk management, policies and procedures are in line with industry practices and suitable for the bank's risk appetite.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

OTP is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an operational resolution regime. We assume a residual Tangible Common Equity (TCE) of 3% and post-failure losses of 8% of TBA, 26% junior deposits over total deposits (equivalent to the EU average), a 25% runoff of junior wholesale deposits and a 5% runoff of preferred deposits. Furthermore, we take into account the full depositor preference in Hungary, whereby junior deposits are preferred over senior debt creditors. Under the Hungarian banking and company insolvency laws, all deposits — including institutional deposits — rank senior to senior unsecured debt in bank liquidation and resolution.

Because OTP's agreed resolution approach is a hybrid with two resolution points of entry; OTP is the point of entry for most of its European operations except certain domestic subsidiaries, Russia, Ukraine and Uzbekistan and NKBM is the second point of entry which by year-end 2024 will consolidate all of OTP's Slovenian operations. Therefore, in our analysis, we use OTP's consolidated assets and exclude from the balance sheet "at-failure" the deposits and the assets of OTP's Slovenian, Ukrainian, Russian and Uzbek subsidiaries. OTP's Hungarian leasing subsidiary is also excluded from the resolution perimeter.

Because of the volume and subordination of the different tranches of bail-in-able debt issued by the bank and the residual equity that we expect in a resolution scenario, our LGF analysis shows:

» extremely low loss given failure because of the loss absorption provided by the volume of deposits, and significant senior and subordinated debt. This results in a Preliminary Rating Assessment (PRA) of baa1, three notches above the bank's Adjusted BCA of ba1.

» moderate loss given failure for the bank's senior unsecured debt resulting in a PRA of ba1.

» high loss given failure for its Ba2 subordinated bond rating and Ba3(hyb) junior subordinated bond, one notch below the bank's BCA. The Ba3(hyb) junior subordinated bond rating includes an additional negative notch capturing the risk of losses to bondholders due to the coupon-skip mechanism.

Government support considerations

We assume a moderate probability of government support for OTP's senior creditors in the event of its failure. Our assumption reflects OTP's importance in its domestic market as the largest bank Hungary, with a particularly strong retail deposit franchise balanced against the limits the BRRD sets on the government to provide such support. Our government support assessment results in one notch of uplift in the bank's Senior unsecured bond rating to Baa3. There is no uplift for the bank's deposit ratings as a result of government support because at Baa1 the deposits are already at a higher level than the sovereign rating.

Counterparty Risk (CR) Assessment

OTP's CR Assessment is Baa1(cr)/P-2(cr)

The CR Assessment is three notches above the bank's Adjusted BCA. The CR Assessment is driven by the seniority of the counterparty obligations and the volume of liabilities subordinated to them under our Advanced LGF framework.

Counterparty Risk Ratings (CRRs)

OTP's CRRs are Baa1/P-2

OTP's CRRs are three notches above its Adjusted BCA of ba1, reflecting the extremely low loss given failure stemming from a high volume of subordinated instruments.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may significantly differ from that suggested by raw data alone (although it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 13

OTP Bank Nyrt

MACRO FACTORS							
WEIGHTED MACRO PROFILE	**MODERATE -**	**100%**					
FACTOR	**HISTORIC RATIO**	**INITIAL SCORE**	**EXPECTED TREND**	**ASSIGNED SCORE**	**KEY DRIVER #1**	**KEY DRIVER #2**	
Solvency							
Asset Risk							
Problem Loans / Gross Loans	5.5%	ba3	↑	ba3	Expected trend		
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	13.9%	baa3	↑↑	baa3	Risk-weighted capitalisation	Capital retention	
Profitability							
Net Income / Tangible Assets	1.6%	baa3	↑	baa2	Return on assets	Expected trend	
Combined Solvency Score		ba1		ba1			
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets	8.7%	baa3	↓	baa3	Extent of market funding reliance		
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets	37.0%	baa3	↓	baa3	Stock of liquid assets		
Combined Liquidity Score		baa3		baa3			
Financial Profile				ba1			
Qualitative Adjustments				Adjustment			
Business Diversification				0			
Opacity and Complexity				0			
Corporate Behavior				0			
Total Qualitative Adjustments				0			
Sovereign or Affiliate constraint				Baa2			
BCA Scorecard-indicated Outcome - Range				baa3 - ba2			
Assigned BCA				ba1			
Affiliate Support notching				0			
Adjusted BCA				ba1			

BALANCE SHEET	IN-SCOPE (HUF MILLION)	% IN-SCOPE	AT-FAILURE (HUF MILLION)	% AT-FAILURE
Other liabilities	2,792,537	10.3%	6,267,471	23.0%
Deposits	22,370,747	82.2%	18,390,813	67.6%
Preferred deposits	16,554,353	60.9%	14,397,262	52.9%
Junior deposits	5,816,394	21.4%	3,993,551	14.7%
Senior unsecured bank debt	655,053	2.4%	1,132,053	4.2%
Junior senior unsecured bank debt	42,716	0.2%	70,716	0.3%
Dated subordinated bank debt	432,568	1.6%	432,568	1.6%
Junior subordinated bank debt	89,703	0.3%	89,703	0.3%
Equity	815,979	3.0%	815,979	3.0%
Total Tangible Banking Assets	27,199,303	100.0%	27,199,303	100.0%

DEBT CLASS	DE JURE WATERFALL		DE FACTO WATERFALL		NOTCHING		LGF NOTCHING GUIDANCE VS. ADJUSTED BCA	ASSIGNED LGF NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT
	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	INSTRUMENT VOLUME + SUBORDINATION	SUB-ORDINATION	DE JURE	DE FACTO				
Counterparty Risk Rating	24.0%	24.0%	24.0%	24.0%	3	3	3	3	0	baa1
Counterparty Risk Assessment	24.0%	24.0%	24.0%	24.0%	3	3	3	3	0	baa1 (cr)
Deposits	24.0%	5.2%	24.0%	9.3%	2	3	3	3	0	baa1
Senior unsecured bank debt	24.0%	5.2%	9.3%	5.2%	2	0	0	0	0	ba1
Dated subordinated bank debt	4.9%	3.3%	4.9%	3.3%	-1	-1	-1	-1	0	ba2
Junior subordinated bank debt	3.3%	3.0%	3.3%	3.0%	-1	-1	-1	-1	-1	ba3

INSTRUMENT CLASS	LOSS GIVEN FAILURE NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT	GOVERNMENT SUPPORT NOTCHING	LOCAL CURRENCY RATING	FOREIGN CURRENCY RATING
Counterparty Risk Rating	3	0	baa1	0	Baa1	Baa1
Counterparty Risk Assessment	3	0	baa1 (cr)	0	Baa1(cr)	
Deposits	3	0	baa1	0	Baa1	Baa1
Senior unsecured bank debt	0	0	ba1	1		Baa3
Dated subordinated bank debt	-1	0	ba2	0		Ba2
Junior subordinated bank debt	-1	-1	ba3	0		Ba3 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 14

Category	Moody's Rating
OTP BANK NYRT	
Outlook	Stable
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	ba1
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)
Senior Unsecured	Baa3
Subordinate	Ba2
Jr Subordinate	Ba3 (hyb)
IPOTEKA BANK	
Outlook	Stable
Counterparty Risk Rating -Fgn Curr	Ba3/NP
Counterparty Risk Rating -Dom Curr	Ba2/NP
Bank Deposits	Ba3/NP
Baseline Credit Assessment	b1
Adjusted Baseline Credit Assessment	ba3
Counterparty Risk Assessment	Ba2(cr)/NP(cr)
OTP JELZALOGBANK ZRT. (OTP MORTGAGE BANK)	
Outlook	Stable
Counterparty Risk Rating	Baa1/P-2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)
Bkd Issuer Rating -Dom Curr	Baa3
NOVA KREDITNA BANKA MARIBOR D.D.	
Outlook	Stable
Counterparty Risk Rating	A3/P-2
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Senior Unsecured -Dom Curr	Baa2

Source: Moody's Ratings

Endnotes

1 The bank ratings shown here are the bank's deposit rating, outlook and BCA.

2 As of year-end 2023, Ipoteka Bank reported total assets of HUF1,188 billion and held a market share of 7.3%. In addition, it was the market leader in mortgage lending.

3 Including loan loss reserves for stage 3 loans only.

4 In Russia the stage 3 ratio improved to 13.5% from 15.7% in 2022. In Ukraine, the ratio of stage 3 loans to gross loans significantly increased to 21.7% as of December 2023 from 18.1% as of year-end 2022.

5 Ipoteka Bank's stage 3 ratio jumped to 11.9% as of year-end 2023 from 2.6% six months earlier, mostly due to sector-specific adverse developments that led to the migration of a sizeable part of the corporate portfolio into stage 3.

6 At the time of the acquisition of Ipoteka, OTP recorded the value of the stage 3 exposure net of the existing provisions. According to OTP, the effective provisioning ratio is 56%.

7 The reduction is due to the repayment of an intragroup loan by the Russian subsidiary in the forth quarter of 2022 and the distribution of dividends by the latter in 2023.

8 Including the combined buffer requirement (CBR)

9 In addition OTP will need to meet its combined capital buffer.

10 Only a small HUF10 billion subordinated loan was outstanding as of December 2023.

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