



# **OTP BANK PLC.**

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

**FOR THE NINE MONTH PERIOD  
ENDED 30 SEPTEMBER 2024**

# OTP BANK PLC.

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**OTP BANK PLC.**  
**SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024**  
**(UNAUDITED) (in HUF mn)**

	Note	30 September 2024	31 December 2023	30 September 2023
Cash, amounts due from banks and balances with the National Bank of Hungary		2,437,505	2,708,232	2,462,369
Placements with other banks		2,865,112	2,702,433	2,694,987
Repo receivables		167,299	201,658	252,800
Financial assets at fair value through profit or loss	4.	231,464	257,535	479,619
Financial assets at fair value through other comprehensive income	5.	657,350	559,527	532,974
Securities at amortised cost	6.	4,146,620	2,710,848	2,952,943
Loans at amortised cost	7.	4,524,347	4,681,359	4,723,988
Loans mandatorily measured at fair value through profit or loss	7.	980,630	934,848	890,413
Investments in subsidiaries	8.	2,161,995	2,001,952	2,031,004
Property and equipment		109,888	107,306	96,937
Intangible assets		111,255	98,115	76,597
Right of use assets		63,341	66,222	58,615
Investment properties		4,263	4,203	4,238
Deferred tax assets		-	408	12,670
Current tax assets		3,278	-	1,285
Derivative financial assets designated as hedge accounting relationships		34,565	21,628	36,223
Non-current assets held for sale		-	130,718	-
Other assets		<u>338,885</u>	<u>365,961</u>	<u>670,248</u>
<b>TOTAL ASSETS</b>		<b><u>18,837,797</u></b>	<b><u>17,552,953</u></b>	<b><u>17,977,910</u></b>
Amounts due to banks and deposits from the National Bank of Hungary and other banks		2,120,157	1,761,579	1,901,960
Repo liabilities		634,506	443,694	844,438
Deposits from customers	9.	10,924,086	10,734,325	10,765,624
Leasing liabilities		67,689	68,282	60,840
Liabilities from issued securities	10.	1,517,295	1,163,109	1,118,436
Financial liabilities designated at fair value through profit or loss		18,490	19,786	19,814
Derivative financial liabilities designated as held for trading		110,781	183,565	216,884
Derivative financial liabilities designated as hedge accounting relationships		19,078	27,423	43,869
Deferred tax liabilities		2,246	-	-
Current tax liabilities		19,770	14,393	2,868
Provisions		27,143	22,497	30,244
Other liabilities		245,956	295,399	348,213
Subordinated bonds and loans		<u>346,403</u>	<u>520,296</u>	<u>541,284</u>
<b>TOTAL LIABILITIES</b>		<b><u>16,053,600</u></b>	<b><u>15,254,348</u></b>	<b><u>15,894,474</u></b>
Share capital		28,000	28,000	28,000
Retained earnings and reserves		2,831,796	2,276,759	2,061,946
Treasury shares		<u>(75,599)</u>	<u>(6,154)</u>	<u>(6,510)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>2,784,197</u></b>	<b><u>2,298,605</u></b>	<b><u>2,083,436</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>18,837,797</u></b>	<b><u>17,552,953</u></b>	<b><u>17,977,910</u></b>

**OTP BANK PLC.**  
**SEPARATE CONDENSED STATEMENT OF PROFIT OR LOSS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)**  
**(in HUF mn)**

	Nine month period ended 30 September 2024	Nine month period ended 30 September 2023	Year ended 31 December 2023
Interest income and similar to interest income total	1,242,805	1,506,958	2,023,079
Interest expenses total	<u>(855,581)</u>	<u>(1,189,762)</u>	<u>(1,556,361)</u>
<b>NET INTEREST INCOME</b>	<b><u>387,224</u></b>	<b><u>317,196</u></b>	<b><u>466,718</u></b>
Risk cost total	(29,885)	12,688	26,687
<b>NET INTEREST INCOME AFTER RISK COST</b>	<b><u>357,339</u></b>	<b><u>329,884</u></b>	<b><u>493,405</u></b>
Gains / (Losses) arising from derecognition of financial assets measured at amortised cost	(8,974)	(10,800)	(19,707)
Modification loss	(1,125)	(6,952)	(9,017)
Net profit from fees and commissions	266,431	237,569	324,130
Net operating income	516,739	343,974	464,606
Other administrative expenses	<u>(393,039)</u>	<u>(392,224)</u>	<u>(528,136)</u>
<b>PROFIT BEFORE INCOME TAX</b>	<b><u>737,371</u></b>	<b><u>501,451</u></b>	<b><u>725,281</u></b>
Income tax expense	<u>(52,998)</u>	<u>(46,779)</u>	<u>(70,293)</u>
<b>PROFIT AFTER INCOME TAX</b>	<b><u>684,373</u></b>	<b><u>454,672</u></b>	<b><u>654,988</u></b>
Earnings per share (in HUF)			
Basic	2,465	1,627	2,344
Diluted	2,465	1,627	2,344

**OTP BANK PLC.**  
**SEPARATE CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTH ENDED 30 SEPTEMBER 2024 (UNAUDITED)**  
**(in HUF mn)**

	Nine month period ended 30 September 2024	Nine month period ended 30 September 2023	Year ended 31 December 2023
<b>PROFIT AFTER INCOME TAX</b>	<b><u>684,373</u></b>	<b><u>454,672</u></b>	<b><u>654,988</u></b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Fair value adjustment of debt instruments at fair value through other comprehensive income	15,220	26,175	37,917
Deferred tax related to fair value adjustment of debt instruments at fair value through other comprehensive income	(1,348)	(2,372)	(3,503)
Gains / (Losses) on separated currency spread of financial instruments designated as hedging instrument	(648)	3,682	3,752
Deferred tax related to (losses) / gains on separated currency spread of financial instruments designated as hedging instrument	58	(331)	(338)
(Losses) / Gains on derivative financial instruments designated as cash flow hedge	<u>959</u>	<u>3,717</u>	<u>5,700</u>
<b>Items that will not be reclassified to profit or loss:</b>			
Fair value adjustment of equity instruments at fair value through other comprehensive income	2,392	2,656	3,308
Deferred tax related to equity instruments at fair value through other comprehensive income	<u>(270)</u>	<u>(300)</u>	<u>(374)</u>
<b>Total</b>	<b><u>16,363</u></b>	<b><u>33,227</u></b>	<b><u>46,462</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b><u>700,736</u></b>	<b><u>487,899</u></b>	<b><u>701,450</u></b>

**OTP BANK PLC.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTH ENDED 30 SEPTEMBER 2024 (UNAUDITED)**  
(in HUF mn)

	Share Capital	Capital reserve	Retained earnings and other reserves	Treasury Shares	Total
<b>Balance as at 1 January 2023</b>	<b>28,000</b>	<b>52</b>	<b>1,655,549</b>	<b>(2,724)</b>	<b>1,680,877</b>
Net profit for the period	-	-	454,672	-	454,672
Other comprehensive income	-	-	33,227	-	33,227
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>487,899</b>	<b>-</b>	<b>487,899</b>
Share-based payment	-	-	2,091	-	2,091
Sale of treasury shares	-	-	-	35,412	35,412
Acquisition of treasury shares	-	-	-	(39,198)	(39,198)
Loss on treasury shares	-	-	355	-	355
Dividend for the year 2022	-	-	(84,000)	-	(84,000)
<b>Other transaction with owners</b>	<b>-</b>	<b>-</b>	<b>(81,554)</b>	<b>(3,786)</b>	<b>(85,340)</b>
<b>Balance as at 30 September 2023</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>2,061,894</u></b>	<b><u>(6,510)</u></b>	<b><u>2,083,436</u></b>
<b>Balance as at 1 January 2024</b>	<b>28,000</b>	<b>52</b>	<b>2,276,707</b>	<b>(6,154)</b>	<b>2,298,605</b>
Net profit for the period	-	-	684,373	-	684,373
Other comprehensive income	-	-	16,363	-	16,363
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>700,736</b>	<b>-</b>	<b>700,736</b>
Share-based payment	-	-	3,017	-	3,017
Sale of treasury shares	-	-	-	34,058	34,058
Acquisition of treasury shares	-	-	-	(103,503)	(103,503)
Loss on sale of treasury shares	-	-	1,284	-	1,284
Dividend for the year 2023	-	-	(150,000)	-	(150,000)
<b>Other transaction with owners</b>	<b>-</b>	<b>-</b>	<b>(145,699)</b>	<b>(69,445)</b>	<b>(215,144)</b>
<b>Balance as at 30 September 2024</b>	<b><u>28,000</u></b>	<b><u>52</u></b>	<b><u>2,831,744</u></b>	<b><u>(75,599)</u></b>	<b><u>2,784,197</u></b>

**OTP BANK PLC.**  
**SEPARATE CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024 (UNAUDITED)**  
**(in HUF mn)**

	<b>Six month period ended 30 June 2024</b>	<b>Nine month period ended 30 September 2023</b>	<b>Year ended 31 December 2023</b>
<b>Profit before income tax</b>	<b>737,371</b>	<b>501,451</b>	<b>725,281</b>
Net accrued interest	65,544	2,685	3,136
Income tax paid	(37,966)	(19,964)	(19,213)
Depreciation and amortization	44,663	36,899	50,834
Loss allowance / (Release of loss allowance)	40,361	(15,748)	(102,219)
Share-based payment	3,017	2,091	3,292
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	(29,991)	(74,204)	(95,953)
Unrealised gains on fair value adjustment of derivative financial instruments	(15,901)	(91,153)	(76,357)
Gains on securities	7,531	9,685	18,890
Interest expense from leasing liabilities	(2,043)	1,413	(2,081)
Foreign exchange (loss) / gain	51,727	(6,381)	(20,842)
Proceeds from sale of tangible and intangible assets	(70)	(1,221)	(1,225)
Net change in assets and liabilities in operating activities	<u>193,726</u>	<u>(632,756)</u>	<u>(634,062)</u>
<b>Net cash provided by / (used in) operating activities</b>	<b><u>1,057,969</u></b>	<b><u>(287,203)</u></b>	<b><u>(150,519)</u></b>
<b>Net (used in) / provided by cash used in investing activities</b>	<b><u>(1,217,549)</u></b>	<b><u>370,361</u></b>	<b><u>518,615</u></b>
<b>Net cash (used in) / provided by financing activities</b>	<b><u>(147,697)</u></b>	<b><u>769,804</u></b>	<b><u>845,059</u></b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b><u>(307,277)</u></b>	<b><u>852,962</u></b>	<b><u>1,213,155</u></b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b><u>1,564,925</u></b>	<b><u>351,770</u></b>	<b><u>351,770</u></b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>1,257,648</u></b>	<b><u>1,204,732</u></b>	<b><u>1,564,925</u></b>

**NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS**

**1.1. General information**

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

**1.2. Accounting**

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

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

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

**NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024**

**1) Capital increase at Monicomp Ltd.**

See details about the event in Note 8.

**2) Capital increase at JSCMB 'IPOTEKA BANK'**

See details about the event in Note 8.

**3) Capital increase at OTP Real Estate Ltd.**

See details about the event in Note 8.

**4) OTP Bank is selling its Romanian operations**

See details about the event in Note 8.

**5) EUR 600 million bond issuance**

See details about the event in Note 10.

**6) EUR 700 million Green Senior Preferred bond issuance**

See details about the event in Note 10.

**7) EUR 400 million Green bond recall**

See details about the event in Note 10.

**8) EUR 500 million Subordinated bond recall (XS2022388586)**

Notes EUR 500 million Due 15 July 2029 have been redeemed and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.

**9) CNY 300 million bond issuance**

See details about the event in Note 10.

### **NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

In the section below, the measures and developments which have been made since the reporting date, and – in OTP Bank's view – are relevant and have materially influenced / can materially influence the operation of the Bank.

OTP Bank excludes any liability for the completeness and accuracy of the measures presented herein. Post-balance sheet events cover the period until 31 October 2024.

- On 16 October 2024, OTP Bank Plc issued Senior Preferred Bonds with a total nominal value of EUR 500 million. The bonds were rated 'Baa3' by Moody's and 'BBB+' by Scope Ratings. The bonds were listed on the Luxembourg Stock Exchange.
- The government has announced the launch of a 21-step 'New Economic Policy Action Plan' (Decision 1311/2024 (X. 21.)), with the objective of achieving economic growth of between 3-6 percent in the next years. As of early November, the currently being developed, banking sector related key initiatives of the Action Plan are the following (based on the communication of the Government and submitted bills):
  - A 3-year wage agreement to reach a minimum wage of EUR 1.000 and an average wage of HUF 1 million by 2028.
  - Work Loan Program, the programme is designed for young people aged 17-25 who are not eligible for student loans and who are employed in Hungary for at least 20 hours a week, or entrepreneurs who have an average income and who have been working or running a business in Hungary for a minimum of five years. The maximum amount of the interest-free, free use, state-guaranteed loan facility is HUF 4 million, with a term of 10 years. The scheme also provides support for childbearing, with repayments suspended for two years following the birth of the first and second child, and half of the current debt waived for the second child and the full debt waived for the third one.
  - Home renovation program will be reintroduced to support families in towns with fewer than 5,000 residents, covering up to 50% of labour- and material costs with a cap of HUF 3 million. A subsidised home renovation mortgage loan with an interest rate of 3% up to HUF 6 million is available to advance investment costs. Those who have already availed themselves of the 2021-2022 home renovation subsidy are only eligible to utilise the new subsidy up to the amount of the HUF 3 million that remains unused at that time.
  - Eligibility of voluntary pension fund savings for housing loan repayments, repayment of secured loans, and modernisation or renovation of existing housing: it can be used on a total of three times only in the year of 2025. The total amount of voluntary pension savings could be depleted, but only up to the balance available as of 30 September 2024.
  - If certain conditions are met, a 5% interest rate cap will be applied voluntarily by banks on newly granted housing loans, which banks will propose by mid-November: The Ministry for the National Economy has announced that the government will provide financial assistance to young people looking to purchase their first home, while the president of the Hungarian Banking Association said at a conference that the banks' proposal would make the interest rate cap available only to first-time home buyers for green home loans; and introduce a square metre limit and a house price cap.
  - Maintaining the 5% VAT rate for new housing until the end of 2026.
  - Sándor Demján programme to support Hungarian businesses: launch of capital, investment- and export finance sub-programmes. As part of this, from 1 November 2024, Hungarian micro, small and medium-sized enterprises will be eligible for the Széchenyi Card Programme's investment-type loan products at a fixed interest rate of 3.5% instead of the previous 5%. In addition to lower interest rates, Garantiqa will also waive guarantee fees for businesses until mid-2025.
- At its meeting on 22 October 2024, the Hungarian National Bank left the base rate unchanged at 6.5%.

**NOTE 3:           SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD [continued]**

- On 25 October 2024, Standard and Poor's Global has left unchanged Hungary's long-term and short-term sovereign debt rating (BBB-) in foreign and local currency with a stable outlook.
- On October 28, 2024, the Hungarian national Bank decided to apply softer debt brake limits for green collateral and loan targets defined under the terms of the Green Capital Allowance Program (ZTP) from January 2025 to facilitate bank financing of green real estate:
  - The credit coverage limit is increased from 80% to 90% as a general rule.
  - The income-related limit will be increased to 60% for green HUF-denominated loans with an interest rate fixed for at least 10 years, regardless of the amount of the income.
- According to the report of the Hungarian Central Statistical Office (KSH) as of 30 October 2024, the Hungarian economy's performance in 3Q 2024 was 0.7% lower than in the previous quarter, and declined by 0.8% on a yearly basis.
- On 31 October 2024, the Bank published its fee schedules effective from 1 January 2025. According to this, for retail customers, fees for transfers will increase by 15 basis points, for cash withdrawals by 30 basis points in accordance with the rules of transaction fees modified in August this year. The maximum fee for transfers will be HUF 25,000.

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

	30 September 2024	31 December 2023
<b>Held for trading securities:</b>		
Government bonds	45,656	22,352
Other non-interest bearing securities	341	320
Hungarian government discounted Treasury Bills	2,437	71
Corporate shares and investments	1,175	513
Mortgage bonds	114	111
Other securities	<u>9,334</u>	<u>4,437</u>
<b>Subtotal</b>	<b><u>59,057</u></b>	<b><u>27,804</u></b>
<b>Securities mandatorily measured at fair value through profit or loss</b>		
Shares in investment funds	31,136	31,124
Bonds	(945)	-
Shares	<u>1,981</u>	<u>1,808</u>
<b>Subtotal</b>	<b><u>32,172</u></b>	<b><u>32,932</u></b>
<b>Held for trading derivative financial instruments:</b>		
Foreign currency swaps	40,013	66,324
Interest rate swaps	63,562	65,434
CCIRS and mark-to-market CCIRS swaps	12,612	23,221
Other derivative transactions	<u>24,048</u>	<u>41,820</u>
<b>Subtotal</b>	<b><u>140,235</u></b>	<b><u>196,799</u></b>
<b>Total</b>	<b><u>231,464</u></b>	<b><u>257,535</u></b>

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

	30 September 2024	31 December 2023
Securities at fair value through other comprehensive income		
Government bonds	192,698	189,385
Mortgage bonds	392,430	300,569
Interest bearing treasury bills	169	236
Other securities	47,274	48,160
<i>Listed securities</i>	<u>9,359</u>	<u>11,622</u>
in foreign currency	9,359	11,622
<i>Non-listed securities</i>	<u>37,915</u>	<u>36,538</u>
in HUF	10,599	12,115
in foreign currency	<u>27,316</u>	<u>24,423</u>
<b>Subtotal</b>	<b><u>632,571</u></b>	<b><u>538,350</u></b>
Non-trading equity instruments		
-non-listed securities	<u>24,779</u>	<u>21,177</u>
in HUF	528	528
in foreign currency	<u>24,251</u>	<u>20,649</u>
	<b><u>24,779</u></b>	<b><u>21,177</u></b>
<b>Securities at fair value through other comprehensive income total</b>	<b><u>657,350</u></b>	<b><u>559,527</u></b>

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

	30 September 2024	31 December 2023
Government bonds	2,380,557	2,396,803
Other bonds	1,768,780	315,532
Mortgage bonds	<u>30,156</u>	<u>24,738</u>
<b>Subtotal</b>	<b><u>4,179,493</u></b>	<b><u>2,737,073</u></b>
Loss allowance	<u>(32,873)</u>	<u>(26,225)</u>
<b>Total</b>	<b><u>4,146,620</u></b>	<b><u>2,710,848</u></b>

An analysis of change in the loss allowance on securities at amortised cost:

	30 September 2024	31 December 2023
<b>Balance as at 1 January</b>	<b>26,225</b>	<b>35,850</b>
Loss allowance	15,699	2,287
Release of loss allowance	(9,217)	(10,863)
FX movement	<u>166</u>	<u>(1,049)</u>
<b>Closing balance</b>	<b><u>32,873</u></b>	<b><u>26,225</u></b>

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

Loans measured at fair value through profit or loss

	30 September 2024	31 December 2023
Within one year	46,213	46,131
Over one year	<u>934,417</u>	<u>888,717</u>
<b>Loans measured at fair value through profit or loss total</b>	<b><u>980,630</u></b>	<b><u>934,848</u></b>

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

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

	30 September 2024	31 December 2023
Within one year	2,272,841	2,245,979
Over one year	<u>2,387,164</u>	<u>2,582,795</u>
<b>Loans at amortised cost gross total</b>	<b><u>4,660,005</u></b>	<b><u>4,828,774</u></b>
Loss allowance on loan losses	<u>(135,658)</u>	<u>(147,415)</u>
<b>Loans at amortised cost total</b>	<b><u>4,524,347</u></b>	<b><u>4,681,359</u></b>

An analysis of the loan portfolio by currency (%):

	30 September 2024	31 December 2022
In HUF	64%	61%
In foreign currency	<u>36%</u>	<u>39%</u>
<b>Total</b>	<b><u>100%</u></b>	<b><u>100%</u></b>

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

An analysis of the change in the loss allowance on loans at amortised cost is as follows:

	<b>30 September 2024</b>	<b>31 December 2023</b>
<b>Balance as at 1 January</b>	<b>147,415</b>	<b>174,880</b>
Loss allowance	210,370	257,173
Release of loss allowance	(200,357)	(241,580)
Use of loss allowance	(20,473)	(35,043)
Partial write-off	(2,649)	(5,263)
FX movement	<u>1,352</u>	<u>(2,752)</u>
<b>Closing balance</b>	<b><u>135,658</u></b>	<b><u>147,415</u></b>

**NOTE 8: INVESTMENTS IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (in HUF mn)**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Investments in subsidiaries:		
Controlling interest	2,554,409	2,390,718
Other	<u>27,323</u>	<u>29,349</u>
<b>Subtotal</b>	<b><u>2,581,732</u></b>	<b><u>2,420,067</u></b>
Impairment loss	<u>(419,737)</u>	<u>(418,115)</u>
<b>Total</b>	<b><u>2,161,995</u></b>	<b><u>2,001,952</u></b>

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

	<b>30 September 2024</b>	<b>31 December 2023</b>
<b>Balance as at 1 January</b>	<b>418,115</b>	<b>542,769</b>
Impairment loss for the period	8,223	348
Reversal of impairment loss	(2,089)	(87,345)
Use of impairment loss	<u>(4,512)</u>	<u>(37,657)</u>
<b>Closing balance</b>	<b><u>419,737</u></b>	<b><u>418,115</u></b>

**Significant events related to investments**

The Metropolitan Court of Registration has registered a capital increase at Monicomp Ltd. The registered capital of Monicomp Ltd. was increased to HUF 320,500,000 from HUF 226,500,000.

The Uzbek Court of Registration has registered a capital increase at JSCMB 'IPOTEKA BANK'. The registered capital of JSCMB 'IPOTEKA BANK' was increased to UZS 3,834,217,638,941 from UZS 2,989,584,338,941. As a consequence of the capital increase the ownership ratio of OTP Bank Plc. increased to 79.58%.

The Metropolitan Court of Registration has registered a capital increase at OTP Real Estate Ltd. The registered capital of OTP Real Estate Ltd. was increased to HUF 1,101,000,000 from HUF 1,100,000,000.

The Bank has concluded a share sale and purchase agreement to sell its directly and indirectly owned 100% shareholding in OTP Bank Romania S.A. to Banca Transilvania S.A. (hereinafter referred to as: BT). OTP Group is also selling its 100% shareholdings in its other Romanian subsidiaries, OTP Leasing Romania IFN S.A. and OTP Asset Management S.A.I. S.A. to BT under the transaction. The selling price is EUR 347.5 million.

Legal merger process of two slovenian subsidiary, SKB Banka and Nova KBM, has ended on 22 August 2024. After that operative merger process also has ended successfully during the period.

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

	30 September 2024	31 December 2023
Within one year:		
In HUF	8,636,995	7,747,906
In foreign currency	<u>2,262,770</u>	<u>2,962,206</u>
	<b><u>10,899,765</u></b>	<b><u>10,710,112</u></b>
Over one year:		
In HUF	<u>24,321</u>	<u>24,213</u>
	<b><u>24,321</u></b>	<b><u>24,213</u></b>
<b>Total</b>	<b><u>10,924,086</u></b>	<b><u>10,734,325</u></b>

An analysis of deposits from customers by type, not including accrued interest, is as follows:

	30 September 2024		31 December 2023	
<b>Retail deposits</b>	<b>4,798,336</b>	<b>44%</b>	<b>4,422,120</b>	<b>41%</b>
Household deposits	4,798,336	44%	4,422,120	41%
<b>Corporate deposits</b>	<b>6,125,750</b>	<b>56%</b>	<b>6,312,205</b>	<b>59%</b>
Deposits to medium and large corporates	5,111,636	47%	5,402,710	51%
Municipality deposits	<u>1,014,114</u>	<u>9%</u>	<u>909,495</u>	<u>8%</u>
<b>Total</b>	<b><u>10,924,086</u></b>	<b><u>100%</u></b>	<b><u>10,734,325</u></b>	<b><u>100%</u></b>

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

	30 September 2024	31 December 2023
Within one year:		
In HUF	86,470	161,217
In foreign currency	<u>45,991</u>	<u>26,670</u>
	<b><u>132,461</u></b>	<b><u>187,887</u></b>
Over one year:		
In HUF	36,937	43,025
In foreign currency	<u>1,347,897</u>	<u>932,197</u>
	<b><u>1,384,834</u></b>	<b><u>975,222</u></b>
<b>Total</b>	<b><u>1,517,295</u></b>	<b><u>1,163,109</u></b>

**A significant event related to the bond issue and redemption****Issuance of EUR 600 mn bond**

The Bank have been issued notes (ISIN: XS2754491640 on 31 January 2024 as value date in the aggregate nominal amount of EUR 600 million. The notes are rated 'Baa3' by Moody's Investor Services Cyprus Ltd. and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

**Issuance of EUR 700 mn bond**

The Bank have been issued notes (ISIN: XS2838495542) on 12 June 2024 as value date in the aggregate nominal amount of EUR 700 million. The notes are rated 'BBB-' by S&P Ratings Europe Limited and 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

**NOTE 10: LIABILITIES FROM ISSUED SECURITIES (in HUF mn)****Recall of EUR 400 mn green bond**

EUR 400 million Notes (XS2499691330) have been redeemed and the principal amount, together with accrued and unpaid interest was paid to the holders of the Notes.

**Issuance of CNY 300 mn bond**

The Bank have been issued notes (ISIN: XS2871018136) on 31 July 2024 as value date in the aggregate nominal amount of CNY 300 million. The notes are rated 'BBB+' by Scope Ratings GmbH. The notes are listed on the Luxembourg Stock Exchange.

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

In the normal course of business, the Bank becomes a party to various financial transactions that are not reflected on the statement of financial position and are referred to as off-balance sheet financial instruments. The following represents notional amounts of these off-balance sheet financial instruments, unless stated otherwise.

**Contingent liabilities and commitments**

	<b>30 September 2024</b>	<b>31 December 2023</b>
Loan commitments	2,345,619	1,987,539
Guarantees arising from banking activities	2,008,717	1,999,747
<i>from this: Payment undertaking liabilities (related to issue of mortgage bonds) of OTP Mortgage Bank</i>	1,126,665	1,177,213
Factoring loan commitments	431,482	366,181
Confirmed letters of credit	<u>7,081</u>	<u>8,626</u>
<b>Contingent liabilities and commitments total in accordance with IFRS 9</b>	<b><u>4,792,899</u></b>	<b><u>4,362,093</u></b>
Legal disputes (disputed value)	4,636	4,586
Contingent liabilities related to payments from shares in venture capital fund	18,506	20,803
Other	<u>29</u>	<u>19</u>
<b>Contingent liabilities and commitments total in accordance with IAS 37</b>	<b><u>73,283</u></b>	<b><u>25,408</u></b>
<b>Total</b>	<b><u>4,866,182</u></b>	<b><u>4,387,501</u></b>

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

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation. Provision due to legal disputes was HUF 1.995 million and HUF 1.931 million as at 30 September 2024 and 31 December 2023, respectively.

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

**Fair value of derivative instruments**

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

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

	30 September 2024					31 December 2023				
	Before netting		Netting	After netting		Before netting		Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets	Liabilities
<b>Held for trading derivative financial instruments</b>										
<b>Interest rate derivatives</b>										
Interest rate swaps	114,274	(100,793)	97,114	17,160	(3,679)	130,230	(113,742)	110,939	19,291	(2,803)
Cross currency interest rate swaps	6,143	(5,932)	-	6,143	(5,932)	8,644	(6,532)	-	8,644	(6,532)
OTC options	671	(671)	-	671	(671)	818	(818)	-	818	(818)
Forward rate agreement	610	(532)	610	-	78	-	(214)	-	-	(214)
<b>Total interest rate derivatives (OTC derivatives)</b>	<b>121,698</b>	<b>(107,928)</b>	<b>97,724</b>	<b>23,974</b>	<b>(10,204)</b>	<b>139,692</b>	<b>(121,306)</b>	<b>110,939</b>	<b>28,753</b>	<b>(10,367)</b>
From this: Interest rate derivatives cleared by NBH	684	-	-	684	-	1,132	-	-	1,132	-
<b>Foreign exchange derivatives</b>										
Foreign exchange swaps	34,250	(14,839)	-	34,250	(14,839)	54,528	(32,818)	-	54,528	(32,818)
Foreign exchange forward	5,039	(7,614)	-	5,039	(7,614)	6,551	(10,129)	-	6,551	(10,129)
OTC options	1,465	(1,298)	-	1,465	(1,298)	1,016	(871)	-	1,016	(871)
Foreign exchange spot conversion	331	(292)	-	331	(292)	347	(303)	-	347	(303)
<b>Total foreign exchange derivatives (OTC derivatives)</b>	<b>41,085</b>	<b>(24,043)</b>	<b>-</b>	<b>41,085</b>	<b>(24,043)</b>	<b>62,442</b>	<b>(44,121)</b>	<b>-</b>	<b>62,442</b>	<b>(44,121)</b>
From this: Foreign exchange derivatives cleared by NBH	-	-	-	-	-	-	-	-	-	-

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

**Fair value of derivative instruments**

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

	30 September 2024					31 December 2023				
	Before netting		Netting	After netting		Before netting		Netting	After netting	
	Assets	Liabilities		Assets	Liabilities	Assets	Liabilities		Assets	Liabilities
Equity stock and index derivatives										
Commodity Swaps	16,110	(15,841)	-	16,110	(15,841)	32,402	(32,490)	-	32,402	(32,490)
Equity swaps	-	(814)	-	-	(814)	126	(3,826)	-	126	(3,826)
<b>OTC derivatives</b>	<b>16,110</b>	<b>(16,655)</b>	<b>-</b>	<b>16,110</b>	<b>(16,655)</b>	<b>32,528</b>	<b>(36,316)</b>	<b>-</b>	<b>32,528</b>	<b>(36,316)</b>
Exchange traded futures and options	412	(305)	-	412	(305)	433	(451)	-	433	(451)
<b>Total equity stock and index derivatives</b>	<b>16,522</b>	<b>(16,960)</b>	<b>-</b>	<b>16,522</b>	<b>(16,960)</b>	<b>32,961</b>	<b>(36,767)</b>	<b>-</b>	<b>32,961</b>	<b>(36,767)</b>
Derivatives held for risk management not designated in hedges										
Interest rate swaps	64,907	(67,817)	18,505	46,402	(49,312)	68,380	(91,634)	22,237	46,143	(69,397)
Foreign exchange swaps	5,763	(7,598)	-	5,763	(7,598)	11,796	(20,284)	-	11,796	(20,284)
Foreign exchange spot conversion	-	-	-	-	-	-	-	-	-	-
Forward	20	-	-	20	-	127	-	-	127	-
Cross currency interest rate swaps	6,469	(2,664)	-	6,469	(2,664)	14,577	(2,629)	-	14,577	(2,629)
<b>Total derivatives held for risk management not designated in hedges</b>	<b>77,159</b>	<b>(78,079)</b>	<b>18,505</b>	<b>58,654</b>	<b>(59,574)</b>	<b>94,880</b>	<b>(114,547)</b>	<b>22,237</b>	<b>72,643</b>	<b>(92,310)</b>
From this: Total derivatives cleared by NBH held for risk management	24,026	-	-	24,026	-	33,042	-	-	33,042	-
<b>Total Held for trading derivative financial instruments</b>	<b>256,464</b>	<b>(227,010)</b>	<b>116,229</b>	<b>140,235</b>	<b>(110,781)</b>	<b>329,975</b>	<b>(316,741)</b>	<b>133,176</b>	<b>196,799</b>	<b>(183,565)</b>
<b>Derivative financial instruments designated as hedge accounting relationships</b>										
Derivatives designated in cash flow hedges										
Interest rate swaps	5,963	(6,384)	6,384	(421)	-	-	(9,935)	1,066	(1,066)	(8,869)
<b>Total derivatives designated in cash flow hedges</b>	<b>5,963</b>	<b>(6,384)</b>	<b>6,384</b>	<b>(421)</b>	<b>-</b>	<b>-</b>	<b>(9,935)</b>	<b>1,066</b>	<b>(1,066)</b>	<b>(8,869)</b>
Derivatives designated in fair value hedges										
Interest rate swaps	42,488	(20,950)	20,481	22,007	(469)	37,651	(33,054)	25,130	12,521	(7,924)
Cross currency interest rate swaps	5,167	(18,609)	-	5,167	(18,609)	10,173	(10,679)	-	10,173	(10,679)
Foreign exchange swaps	-	-	-	-	-	-	-	-	-	-
<b>Total derivatives designated in fair value microhedges</b>	<b>47,655</b>	<b>(39,559)</b>	<b>20,481</b>	<b>27,174</b>	<b>(19,078)</b>	<b>47,824</b>	<b>(43,733)</b>	<b>25,130</b>	<b>22,694</b>	<b>(18,603)</b>
Interest rate swaps	7,812	-	-	7,812	-	168	(119)	168	-	49
<b>Total derivatives designated in fair value macrohedges</b>	<b>7,812</b>	<b>-</b>	<b>-</b>	<b>7,812</b>	<b>-</b>	<b>168</b>	<b>(119)</b>	<b>168</b>	<b>-</b>	<b>49</b>
From this: Total derivatives cleared by NBH held for hedging	-	(1,457)	-	-	(1,457)	-	(5,485)	-	-	(5,485)
<b>Total derivatives held for risk management (OTC derivatives)</b>	<b>61,430</b>	<b>(45,943)</b>	<b>26,865</b>	<b>34,565</b>	<b>(19,078)</b>	<b>47,992</b>	<b>(53,787)</b>	<b>26,364</b>	<b>21,628</b>	<b>(27,423)</b>

**NOTE 13: INTEREST INCOME AND EXPENSES (in HUF mn)**

	Nine month period ended 30 September 2024	Nine month period ended 30 September 2023	Year ended 31 December 2023
<b>Interest income accounted for using the effective interest rate method from / on</b>			
Loans at amortised cost	331,850	340,150	457,472
FVOCI securities	22,621	42,014	50,838
Securities at amortised cost	170,385	66,151	129,054
Placements with other banks	134,141	157,122	206,280
Financial liabilities	174	330	398
Amounts due from banks and balances with National Bank of Hungary	126,885	277,493	345,696
Repo receivables	<u>11,545</u>	<u>30,608</u>	<u>37,435</u>
<b>Subtotal</b>	<b><u>797,601</u></b>	<b><u>913,868</u></b>	<b><u>1,227,173</u></b>
<b>Income similar to interest income</b>			
Loans mandatorily measured at fair value through profit or loss	45,673	37,131	51,132
Swap and forward deals related to Placements with other banks	364,054	448,492	600,959
Swap and forward deals related to Loans at amortised cost	27,699	93,082	125,151
Swap and forward deals related to FVOCI securities	7,771	14,378	18,655
Investment properties	<u>7</u>	<u>7</u>	<u>9</u>
<b>Subtotal</b>	<b><u>445,204</u></b>	<b><u>593,090</u></b>	<b><u>795,906</u></b>
<b>Interest income total</b>	<b><u>1,242,805</u></b>	<b><u>1,506,958</u></b>	<b><u>2,023,079</u></b>
<b>Interest expense due to / from / on</b>			
Amounts due to banks and deposits from the National Bank of Hungary and other banks	441,665	472,467	641,908
Deposits from customers	250,959	481,362	608,340
Leasing liabilities	2,534	1,486	2,314
Liabilities from issued securities	76,225	41,686	64,774
Subordinated bonds and loans	22,994	21,636	29,893
Investment properties (depreciation)	111	104	138
Financial assets	1,733	5,617	6,857
Repo liabilities	<u>59,360</u>	<u>165,404</u>	<u>202,137</u>
<b>Interest expense total</b>	<b><u>855,581</u></b>	<b><u>1,189,762</u></b>	<b><u>1,556,361</u></b>