

OTP Group 1H 2024 results

Conference call – 9 August 2024

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Dominant position in CEE countries:

No.1 in 5 countries based on net loans; 3.6-fold loan growth and 11 acquisitions in 7 years. 42% of net loans in Eurozone + ERM2 countries, ~80% within the EU

Outstanding profitability:

2023 ROE exceeded 27% and reached 23.6% in 1H 2024

Strong liquidity position:

74% net LTD, wholesale debt to asset ratio at 7%, LCR ratio at 237%

Stable capital position:

CET1 ratio at 17.4%, MREL ratio at 26.4%, 4th best result on the recent EBA stress test

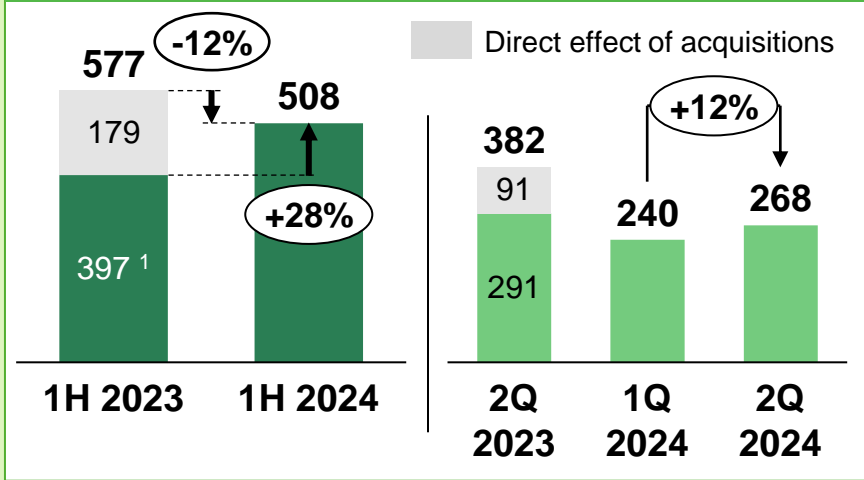
Strong portfolio quality:

The 34 bps credit risk cost rate in 2023 moderated to 15 bps in 1H 2024, with Stage 3 ratio remaining stable ytd at 4.3%

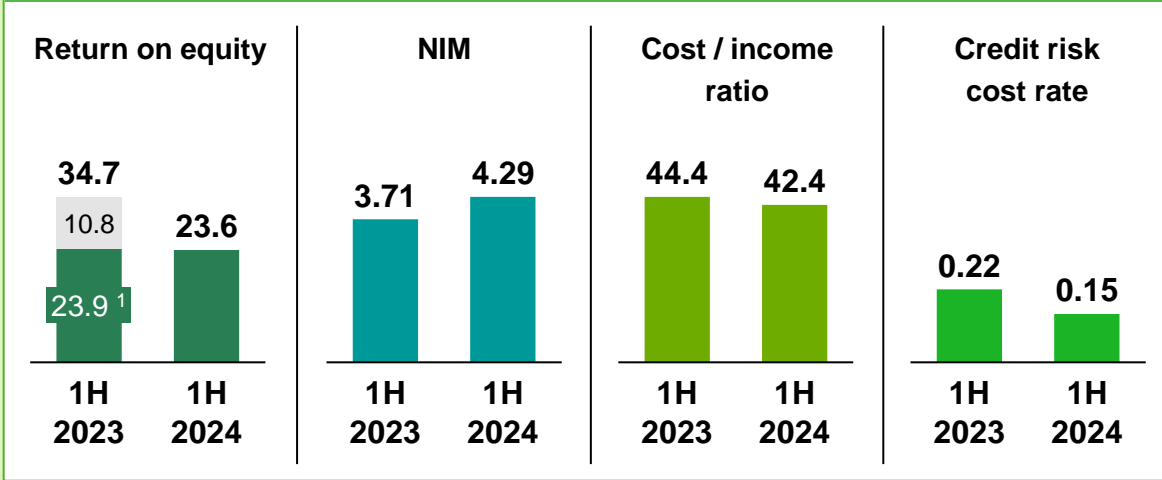
Strong commitment to ESG

OTP Group's semi-year profit after tax decreased by 12%, basically due to the HUF 179 billion positive one-off effect of the acquisitions completed in the first half of 2023

Consolidated profit after tax (HUF billion)



Key performance indicators of OTP Group (%)



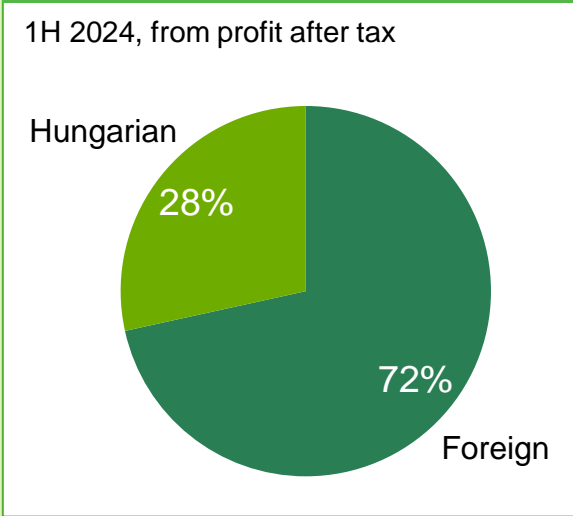
Direct effects of acquisitions in 1H 2023

HUF billion	1Q 23	2Q 23	1H 23
Total, after tax	89	91	179
Direct effect of the Nova KBM acquisition	89		89
Direct effect of the Ipoteka acquisition		91	91

Effects of the sale of Romania

On 30 July the sale of the Romanian operation has been financially closed. In 4Q 2023 HUF 59.5 billion negative P&L impact was recorded on consolidated level related to the sale of Romania. In 3Q 2024 around HUF 15 billion positive effect is expected. Taking into account the effects of the Romanian operation's elimination, the consolidated 2Q CET1 and CAR ratio would have been higher by 56 and 61 bps, respectively.

Foreign profit-contribution



¹ Without the HUF 179 billion positive one-off direct effect of the acquisitions completed in the first six months of 2023.

In 1H 2024 the profit after tax went up by 22% without the one-off directs effects and on-going contribution of acquisitions

Consolidated P&L (in HUF billion)	2023	1H 2023	1H 2024	Y-o-Y	1Q 2024	2Q 2024	Q-o-Q
				FX-adj. w/o acq.			FX-adj.
Net interest income	1,462	651	878	25%	435	442	1%
Net fees and commissions	478	221	260	14%	121	139	14%
Other net non-interest income	306	150	114	-24%	41	73	76%
Total income	2,246	1,021	1,252	15%	598	654	9%
Personnel expenses	-506	-229	-273	12%	-130	-143	9%
Depreciation	-100	-48	-57	14%	-27	-30	10%
Other expenses	-373	-177	-200	6%	-106	-94	-11%
Operating expenses	-980	-454	-530	10%	-263	-267	1%
Operating profit	1,266	567	722	20%	334	387	15%
Provision for impairment on loan losses	-72	-22	-17	-75%	9	-26	
Other risk cost	-15	1	-22		-3	-20	651%
Total risk cost	-87	-21	-39	51%	7	-46	
Profit before tax	1,179	546	682	18%	341	341	-1%
Taxes ¹	-274	-148	-174	9%	-101	-73	-28%
Adjusted profit after tax	905	397	508	22%	240	268	11%
Direct effect of acquisitions and the loss on the sale of OTP Bank Romania (after tax)	86	179	0	-100%	0	0	
Profit after tax	990	577	508	-25%	240	268	11%

Main consolidated performance indicators	2023	1H 2023	1H 2024	Y-o-Y	1Q 2024	2Q 2024	Q-o-Q
ROE	27.2%	34.7%	23.6%	-11.2%p	22.7%	24.4%	1.7%p
ROE, adjusted	24.9%	23.9%	23.6%	-0.4%p	22.7%	24.4%	1.7%p
Performing loan growth (FX-adjusted)	+20%/+6% ²	+18%/+3% ²	+4%/+5% ³		+1%/+2% ³	+3%/+3% ³	
Net interest margin	3.93%	3.71%	4.29%	0.58%p	4.30%	4.27%	-0.04%p
Cost / Income ratio	43.6%	44.4%	42.4%	-2.1%p	44.1%	40.8%	-3.2%p
Credit risk cost ratio	0.34%	0.22%	0.15%	-0.07%p	-0.17%	0.45%	0.62%p

¹ Corporate income tax, special banking taxes (excluding financial transaction tax), Hungarian local business tax and innovation contribution, tax on dividend payments by subsidiaries.

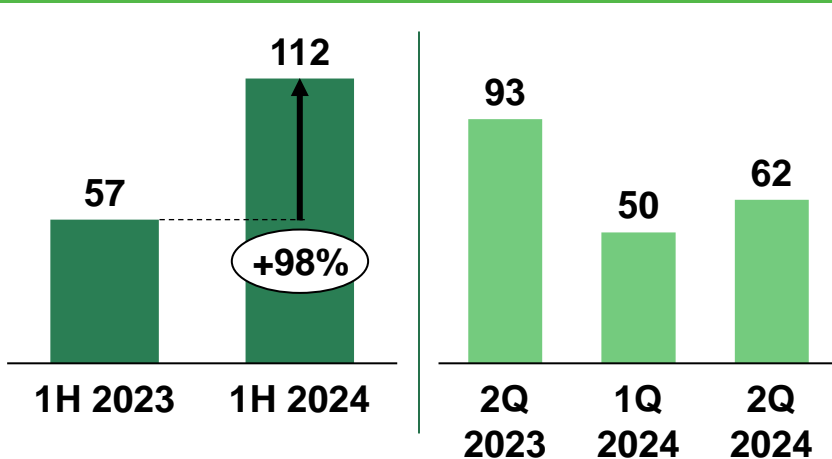
² Without the Nova KBM and Ipoteka Bank acquisitions. ³ Without OTP Bank Romania.



OTP Core realized HUF 112 billion profit after tax in 1H 2024 without dividends received from subsidiaries. The y-o-y doubling profit was due to the normalization of NIM and declining tax burden

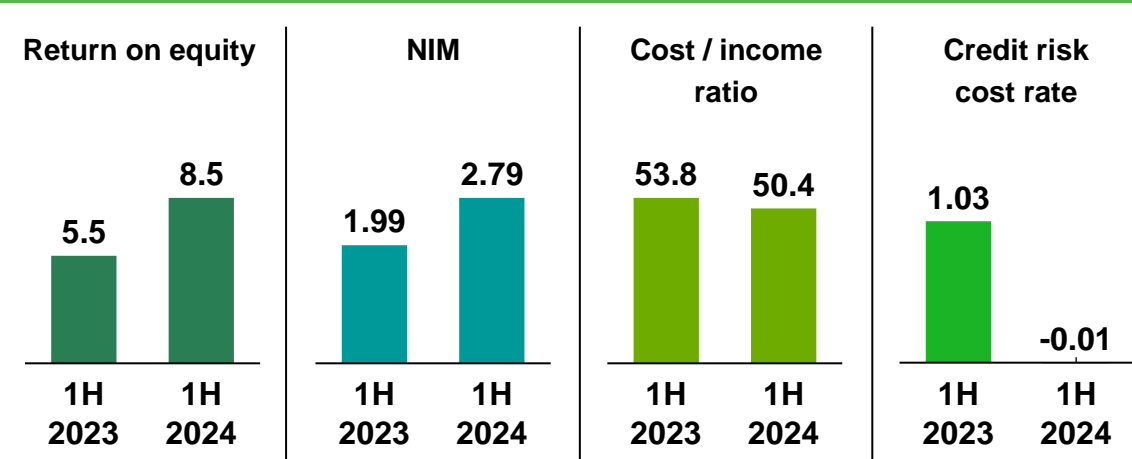
OTP Core profit after tax

(without dividends received from subsidiaries, HUF billion)



Key performance indicators of OTP Core

(adjusted, %)



Main one-off items at OTP Core

2Q 2024, HUF billion	
Fair value adjustment of baby loans and subsidized housing loans (CSOK)	5.1
MOL dividend	10.0
Expected one-off effect of the rate cap extension	-5.6
Impairment on Russian bonds	-22.1
2Q 2024, HUF billion	-12.6

Special levies imposed by the State on Hungarian Group members

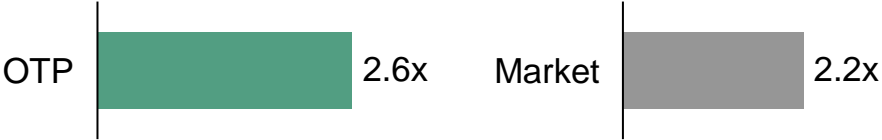
gross, HUF billion	2020	2021	2022	2023	1H 23	1H 24	2024E
Total	110	106	229	195	138	97	167
Banking tax	19	21	22	28	28	31	31
Windfall tax	-	-	75	41	41	10	7
Transaction tax	62	69	90	98	50	51	124
Rate cap	0	0	40	28	19	6	6
Moratorium	29	17	3	-	-	-	-

With the HUF 360 billion dividends received from subsidiaries, OTP Core generated HUF 472 billion profit after tax in 1H 2024.

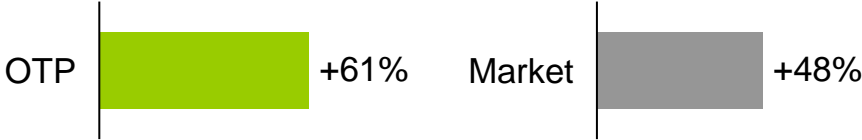


In 1H 2024, mortgage loan contractual amounts at OTP Bank increased to more than two and a half times, while cash loan contractual amounts grew more than 50%

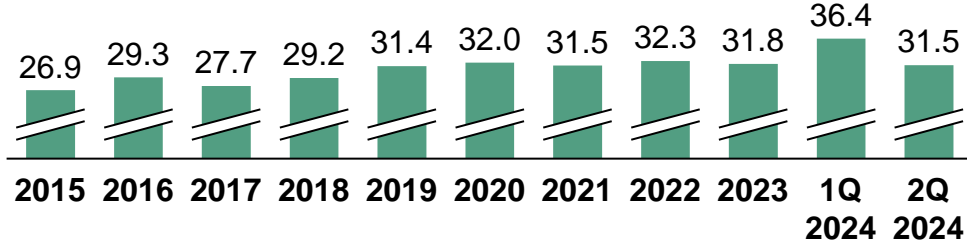
Y-o-y change in mortgage loan contractual amounts in 1H 2024



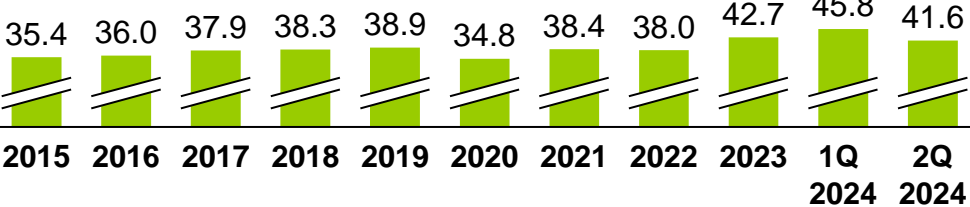
Y-o-y change in cash loan contractual amounts in 1H 2024



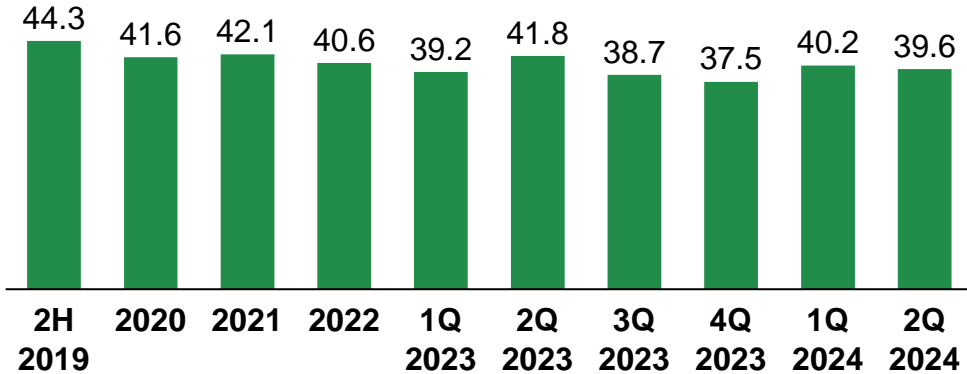
OTP's market share in mortgage loan contractual amounts (%)



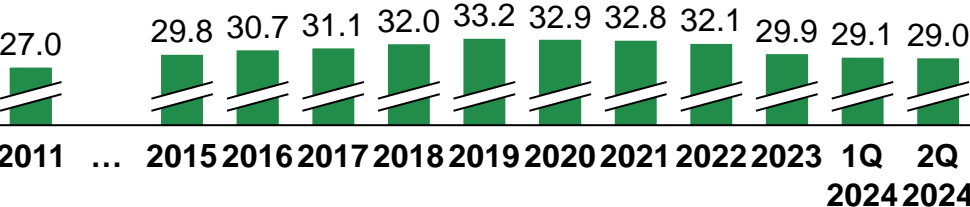
Market share in newly contracted cash loan volumes (%)



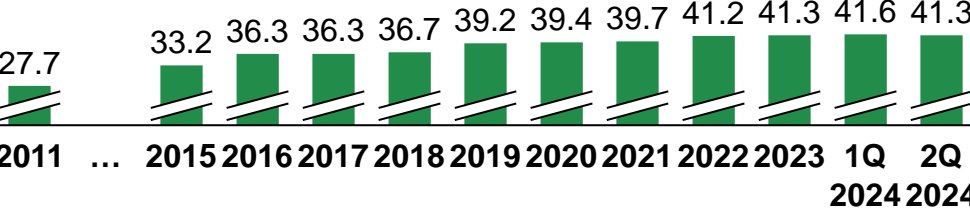
OTP's market share calculated from the baby loans contractual amount (%)



OTP Bank's market share in retail savings (%)



OTP Bank's market share in retail deposits (%)

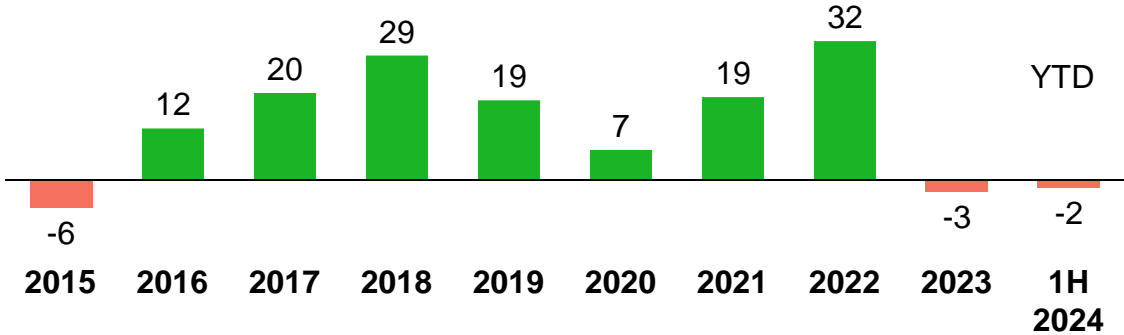




Demand for medium and large corporate loans remained moderate, but the stock of micro and small enterprises loans started to grow

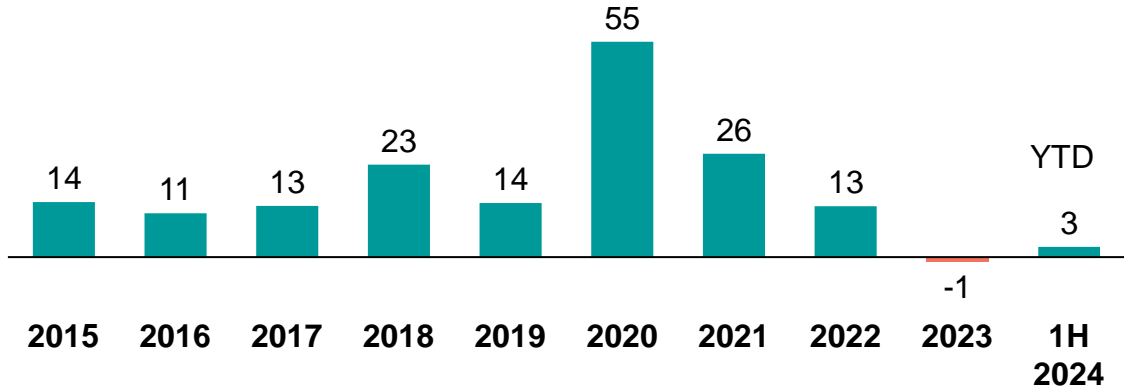
Performing corporate loan volume changes (%)

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

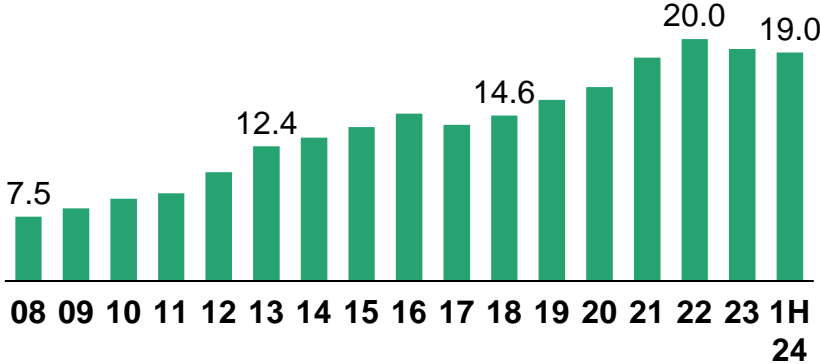


Performing loan volume changes in the micro and small companies segment (%)

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

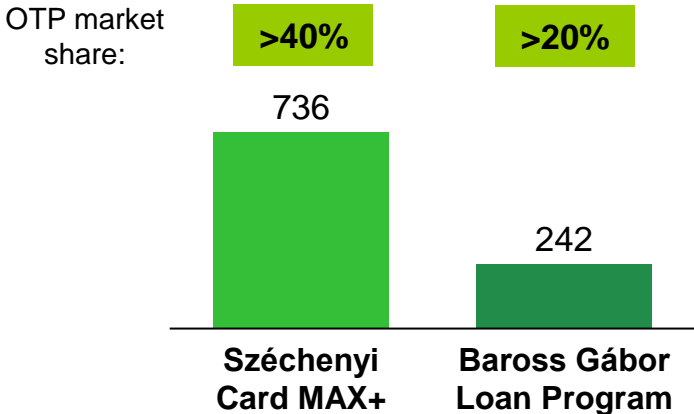


OTP Group's market share in loans to Hungarian companies¹ (%)



Contracted loan amount under the Széchenyi Card MAX+ and Baross Gábor Reindustrialisation Loan Program from the start until the end of 2Q 2024²














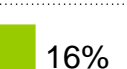




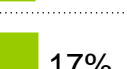























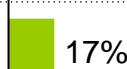










(HUF billion)



¹ Aggregated market share of OTP Bank, OTP Mortgage Bank, OTP Building Society and Merkantil, based on central bank data (Supervisory Balance Sheet data provision until 2016 and Monetary Statistics from 2017). ² Source: KAVOSZ, OTP. The Széchenyi Card MAX+ Program offers preferential rate loans to customers from 23 December 2022; the Baross Gábor Loan Program was launched in February 2023 and ended on 13 June 2024.



In the first half of 2024, the profit contribution of foreign subsidiary banks continued to improve

	Profit after tax ¹ (HUF billion)		ROE ¹		Cost / income ratio	
	1H 2023	1H 2024	1H 2023	1H 2024	1H 2023	1H 2024
 DSK Group (Bulgaria)	 88	 98	 24%	 22%	35%	35%
 SKB + NKBM (Slovenia)	 38 ² 10 49	 57	 20%	 17%	39%	42%
 OTP Bank Croatia	 29	 33	 16%	 16%	48%	48%
 OTP Bank Serbia	 30	 41	 17%	 22%	39%	37%
 Ipoteka Bank (Uzbekistan)	-	 23	-	 29%	-	35%
 OTP Bank Ukraine	 30	 27	 47%	 31%	26%	32%
 CKB Group (Montenegro)	 9	 11	 18%	 20%	41%	38%
 OTP Bank Albania	 7	 10	 22%	 23%	53%	42%
 OTP Bank Moldova	 9	 6	 31%	 17%	41%	52%
 OTP Bank Russia	 51	 57	 36%	 38%	35%	29%
 OTP Bank Romania	 14	 2	 16%	 2%	72%	72%

¹ Adjusted.

² Contribution of Nova KBM from February 2023.

Semi-annual net interest income grew 25% y-o-y organically and FX-adjusted, including a 1% q-o-q growth

■ Effect of acquisitions

NET INTEREST INCOME		1H 2024 (HUF billion)	2Q 2024 (HUF billion)	1H 2024 Y-o-Y (HUF billion)		2Q 2024 Q-o-Q (HUF billion)		
	OTP Group	878	442	151 ¹	227	35%/25% ²	7	2%/1% ³
	OTP CORE (Hungary)	280	143	93		50%	5	4%
	DSK Group (Bulgaria)	129	65	25		24%	1	1%
	SKB+NKBM (Slovenia)	98	49	5	28	39%/19% ²	-1	-2%
	OBH (Croatia)	50	25	9		21%	0	1%
	OBSrb (Serbia)	56	29	7		15%	1	3%
	Ipoteka Bank (Uzbekistan)	53	26	53		-	-2	-6%
	OBU (Ukraine)	45	22	-2		-4%/0% ³	-1	-3%
	CKB Group (Montenegro)	17	9	3		25%	0	4%
	OBA (Albania)	16	8	3		24%	1	6%
	OBM (Moldova)	8	4	-2		-23%	0	9%
	OBRu (Russia)	83	42	23		38%	2	4%
	OBR (Romania)	27	13	-7		-20%	-1	-5%
	Merkantil (Hungary)	12	6	-1		-5%	0	-6%
	Others	2	1	-6		-75%	1	100%

1 The 50% jump in **OTP Core's** net interest income owed partly to the depressed base caused by the low net interest margin in an extremely high interest rate environment in the first six months of 2023.

The 4% q-o-q increase was induced by the continued growth in the volume and weight of retail deposits. On the other hand, the issuance of MREL-eligible bonds led to additional interest expenses.

2 Increasing average volumes together with repricing of assets culminated in y-o-y increasing net interest income in **EUR linked countries**. Strong price competition in Slovenia as well as volume growth in Croatia and Bulgaria determined q-o-q changes.














3 At **Ipoteka Bank** deposit rates and deposit volumes increased q-o-q, resulting in higher interest expenditures; also, growth in retail loan volumes decelerated.

¹ Changes without the effect of acquisitions.

² Changes without the effect of acquisitions and FX-adjusted.

³ FX-adjusted change.

Consolidated NIM picked up by 51 bps y-o-y driven mostly by the bounce-back in Hungary and the improvement in EUR-linked countries. Similarly to 1Q, the margin in EUR-linked countries continued to erode in the second quarter

NET INTEREST MARGIN	2Q 2023	1Q 2024	2Q 2024
 OTP Group	3.76%	4.30%	4.27%
 OTP CORE (Hungary)	2.05%	2.75%	2.82%
 DSK Group (Bulgaria)	3.73%	3.88%	3.84%
 SKB+NKBM (Slovenia)	3.09%	3.44%	3.36%
 OBH (Croatia)	2.96%	3.05%	3.00%
 OBSrb (Serbia)	3.83%	3.83%	3.83%
 Ipoteka Bank (Uzbekistan)	-	9.17%	8.18%
 OBU (Ukraine)	8.97%	8.48%	8.27%
 CKB Group (Montenegro)	4.69%	5.19%	5.22%
 OBA (Albania)	4.37%	4.58%	4.75%
 OBM (Moldova)	4.68%	3.49%	3.84%
 OBRu (Russia)	10.70%	9.99%	9.53%
 OBR (Romania)	4.47%	3.38%	3.29%

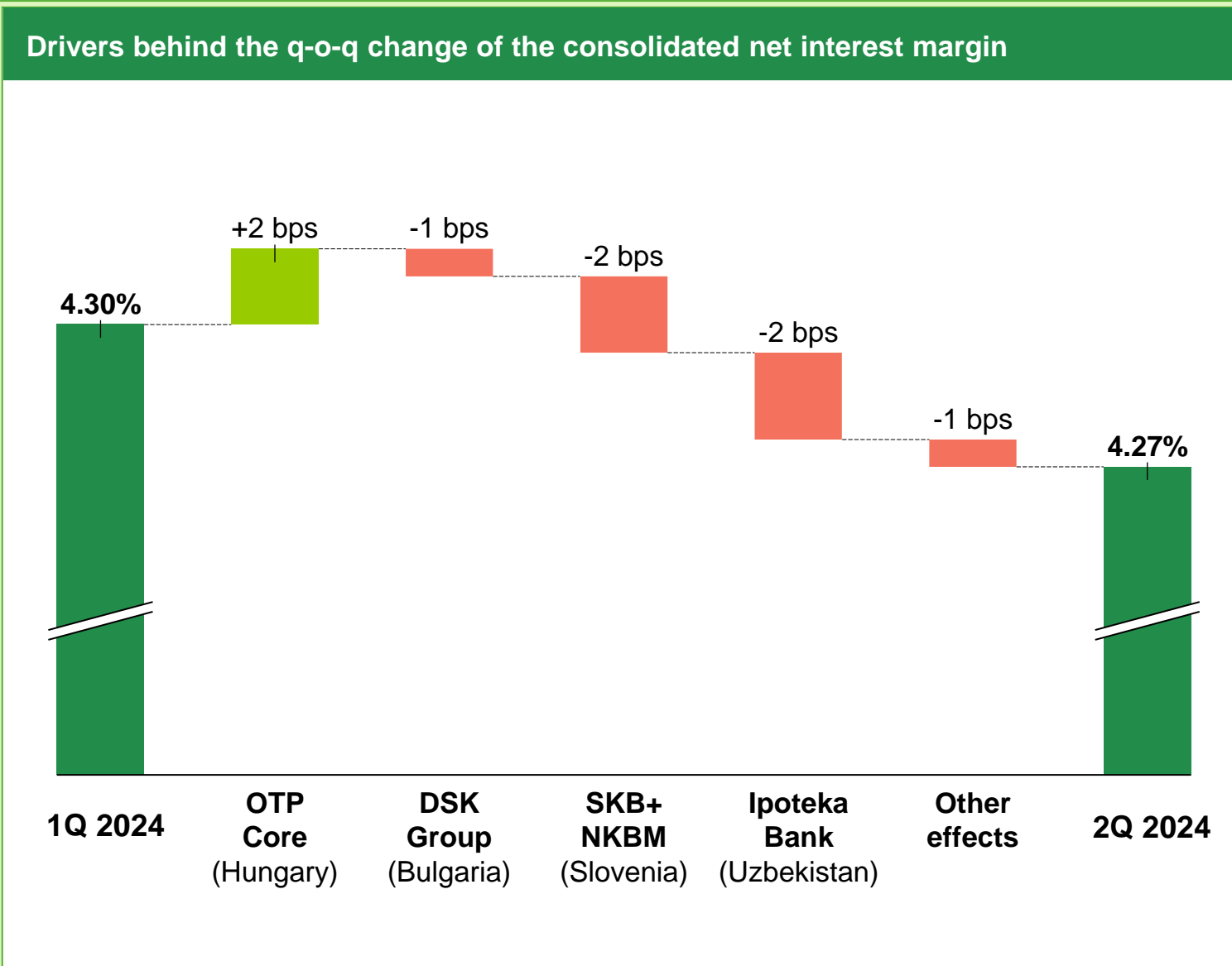
1 At **OTP Core** partly thanks to the central bank's easing cycle launched in May 2023, the margin started to gradually improve from 2Q 2023 (+78 bps y-o-y). Its 2.82% level reached in 2Q 2024 was practically the same as before the period of extreme high interest rates (2021: 2.85%, 2022 first half-year: 2.68%).

2 **EUR-linked countries'** NIM showed a y-o-y improvement on the back of increasing rate environment, whereas in quarterly comparison margins continued to erode marginally.

3 In **Uzbekistan** the q-o-q margin decline was explained by higher funding costs and a regulatory change reducing NII in the amount of HUF 0.8 billion, as previously accrued penalty interest income was reversed in 2Q.

4 In **Moldova** the y-o-y drop was largely influenced by the sharply declining rate environment: the base rate was 12% on average in 1H 2023, sinking to 4% in 1H 2024.

The consolidated net interest margin shrank by 4 bps q-o-q due to lower margins in Bulgaria, Slovenia and Uzbekistan, partly offset by better Hungary. The sensitivity to EUR rate cuts moderated further



Sensitivity to rate changes

EUR rate sensitivity:
 In 2Q, the sensitivity of EUR+ BGN net interest income to a 100 bps decline in EUR rates moderated to **EUR 110 million** on annual basis, down from EUR 140 million in the first quarter.

HUF rate sensitivity:
 At around 6-7% base rate level, in the second quarter the sensitivity of HUF net interest income to HUF rates remained **insignificant**.

Consolidated performing loans grew by 3% q-o-q, mainly due to the strong performance in Bulgaria, Croatia and Serbia, but Ukrainian volumes picked up, too. In Hungary mortgage loan growth accelerated

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

	Cons.	Core ² (Hungary)	DSK (Bulgaria)	SKB+ NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	Ipoteka (Uzbek.)	OBU (Ukraine)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)	OBRu (Russia)	OBR (Romania)
Q-o-Q nominal change (HUF billion)	605	69	207	-19	110	83	-21	36	21	16	3	107	-20
Total	3%	1%	5%	-1%	5%	4%	-2%	11% ✓	5%	4%	2%	15%	-2%
Consumer	5%	2%	7%	2%	5%	5%	2%	8%	6%	7%	15%	15%	-3%
Mortgage	4%	4% ✓	7%	1%	3%	3%	2%		6%	4%	-1%		0%
Corporate¹	0%	-1%	2%	-3%	4%	4%	-14%	13%	2%	4%	0%	-4%	-3%
Leasing	5%	2%	4%	2%	14%	5%		9%		31%	8%		2%

¹ Loans to MSE and corporate clients.

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

Consolidated performing loans grew by 5% ytd without Romania, mainly as a result of strong performance in Bulgaria and Croatia. Corporate lending growth lagged behind retail across the Group

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

	Cons.	Core ² (Hungary)	DSK (Bulgaria)	SKB+ NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	Ipoteka (Uzbek.)	OBU (Ukraine)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)	OBRu (Russia)	OBR (Romania)
YTD nominal change (HUF billion)	910 / 960 ³	118	343	11	179	82	-35	32	35	23	2	150	-49
Total	4% / 5% ³	2%	8%	0%	8%	4%	-4%	10% ✓	8%	6%	1%	22%	-4%
Consumer	9% / 10% ³	4%	11%	5%	10%	8%	11%	9%	12%	9%	17%	23%	-6%
Mortgage	6% / 7% ³	6% ✓	14%	1%	6%	5%	7%		8%	9%	-4%		-2%
Corporate¹	0% / 0% ³	-1%	2%	-2%	5%	2%	-28%	10%	5%	4%	0%	-14%	-6%
Leasing	8% / 8% ³	4%	8%	6%	22%	7%		11%		32%	-3%		-3%

¹ Loans to MSE and corporate clients.

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

³ Changes without Romania.

The consolidated deposit book grew by 2% q-o-q. The uptrend in Hungarian household deposits continued

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




Q-o-Q nominal change (HUF billion)

	Cons.	Core ² (Hungary)	DSK (Bulgaria)	SKB+NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	Ipoteka (Uzbek.)	OBU (Ukraine)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)	OBRu (Russia)	OBR (Romania)
	544	-177	213	16	128	88	53	7	23	-9	10	189	-46
Total	2%	-2%	4%	0%	5%	4%	17%	1%	4%	-2%	3%	14%	-4%
Retail	3%	2%	3%	2%	1%	6%	8%	1%	2%	2%	-1%	4%	0%
Corporate¹	1%	-4%	7%	-3%	14%	3%	21%	1%	6%	-13%	7%	17%	-9%

¹ Including MSE, MLE and municipality deposits.
² Including retail bonds.

Consolidated deposits grew by 3% over the first six months. The deposit collection efforts in Serbia paid off with their deposit to net loan gap narrowing to negligible level against more than -HUF 430 billion in 2021

YTD DEPOSIT volume changes, adjusted for FX-effect

	Cons.	Core ² (Hungary)	DSK (Bulgaria)	SKB+ NKBM (Slovenia)	OBH (Croatia)	OBSrb (Serbia)	Ipoteka (Uzbek.)	OBU (Ukraine)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)	OBRu (Russia)	OBR (Romania)
YTD nominal change (HUF billion)	798	143	290	-147	40	111	30	8	-11	-6	-19	347	-66
Total	3%	1%	5%	-3%	2%	6%	9%	1%	-2%	-1%	-5%	29%	-6%
Retail	4%	5% 	6%	1%	-2%	11%	-4%	-1%	0%	2%	-9%	-1%	4%
Corporate¹	1%	-1%	5%	-11%	9%	2%	16%	2%	-4%	-12%	-2%	39%	-16%
Deposits – Net loans gap (HUF billion)	8,072	4,715	1,221	1,727	43	-18	-510	414	43	178	176	761	3

¹ Including MSE, MLE and municipality deposits.

² Including retail bonds.

The 14% y-o-y organic and FX-adjusted growth in net fees was driven mainly by the Hungarian operation.
The 14% q-o-q increase in 2Q was mainly driven by OTP Core and seasonality

■ Effect of acquisitions

NET FEE INCOME		1H 2024 (HUF billion)	2Q 2024 (HUF billion)	1H 2024 Y-o-Y (HUF billion)		2Q 2024 Q-o-Q (HUF billion)		
	OTP Group	260	139	28 ¹	39	18%/14% ²	18	14%/14% ³
	OTP CORE (Hungary)	106	57	12		13%	8	16%
	DSK Group (Bulgaria)	39	20	4		12%	2	8%
	SKB+NKBM (Slovenia)	27	15	0	7	31%/-4% ²	2	15%
	OBH (Croatia)	13	7	2		14%	1	20%
	OBSrb (Serbia)	10	5	1		15%	0	10%
	Ipoteka Bank (Uzbekistan)	5	2	5		-	0	-9%
	OBU (Ukraine)	4	2	-2		-26%	0	-1%
	CKB Group (Montenegro)	4	3	1		27%	1	33%
	OBA (Albania)	2	1	0		2%	0	-11%
	OBM (Moldova)	1	1	0		4%	0	4%
	OBRu (Russia)	24	14	5		24%	4	42%
	OBR (Romania)	3	2	0		11%	0	2%
	Fund Mgmt. (Hungary)	14	7	5		58%	0	1%
	Others	8	4	-1		-9%	0	-2%

1 The 13% y-o-y increase in **OTP Core's** cumulated net fees and commissions was mainly supported by higher volume of deposits and transactions, as well as card- and securities-related commissions. In 2Q the q-o-q growth was driven by seasonality and HUF 3 billion negative one-off items weighing on 1Q net fees.

2 In **Bulgaria, Slovenia, Croatia and Montenegro** seasonality was the key factor behind q-o-q improvements: the transaction turnover increased as the tourism season began, generating higher merchant and card commission revenues. In Slovenia fee refund from VISA was also notable.

3 At **OTP Fund Management** 1H net fee and commission income surged by nearly 60% y-o-y, in accordance with the dynamic expansion of assets under management, while the average fund management fee declined by 15 bps.

¹ Changes without the effect of acquisitions.
² Changes without the effect of acquisitions and FX-adjusted.
³ FX-adjusted change.

Other income dynamics were to a great extent determined by the volatility of subsidized loans' fair value adjustment in Hungary and dividend income realized in 2Q

■ Effect of acquisitions

OTHER INCOME		1H 2024 (HUF billion)	2Q 2024 (HUF billion)	1H 2024 Y-o-Y (HUF billion)		2Q 2024 Q-o-Q (HUF billion)		
	OTP Group	114	73	-35	-37 ¹	-24%/-24% ²	32	78%/76% ³
	OTP CORE (Hungary)	30	29	-57		-65%	28	
	DSK Group (Bulgaria)	10	5		3	35%	0	-2%
	SKB+NKBM (Slovenia)	2	1	-1	0	-31%	0	-26%
	OBH (Croatia)	2	1	-1		-35%	0	6%
	OBSrb (Serbia)	7	4		2	41%	1	29%
	Ipoteka Bank (Uzbekistan)	3	1		3	-	-1	-41%
	OBU (Ukraine)	0	0	-2		-95%	0	-158%
	CKB Group (Montenegro)	0	0		0	5%	0	-27%
	OBA (Albania)	1	1		0	17%	0	11%
	OBM (Moldova)	3	2		1	44%	0	-7%
	OBRu (Russia)	37	21		9	33%	6	38%
	OBR (Romania)	4	2		7		0	14%
	Others	14	7		1	5%	-1	-12%

¹ The y-o-y HUF 56.7 billion decline in **OTP Core's** other income was largely attributable to the fair value adjustments of baby loans and subsidized CSOK housing loans (-HUF 41 billion y-o-y effect).
In 2Q out of the HUF 28 billion q-o-q growth, HUF 10 billion was due to the dividend received from MOL Plc., and higher fair value adjustment on baby loans and subsidized housing loans improved q-o-q other income dynamics by HUF 11 billion.

¹ Changes without the effect of acquisitions.

² Changes without the effect of acquisitions and FX-adjusted.

³ FX-adjusted change.

FX-adjusted operating costs increased by 10% y-o-y without acquisitions

■ Effect of acquisitions

OPERATING COSTS		1H 2024 (HUF billion)	Y-o-Y (HUF billion)		Y-o-Y, FX-adjusted (HUF billion)			
	OTP Group	530	42 ¹	77	17%/10% ¹	43 ¹	77	17%/10% ¹
	OTP CORE (Hungary)	210	12		6%	12		6%
	DSK Group (Bulgaria)	62	10		20%	9		18%
	SKB+NKBM (Slovenia)	54	3	17	47%/21% ¹	3	16	43%/19% ¹
	OBH (Croatia)	31	4		15%	4		13%
	OBSrb (Serbia)	27	2		10%	2		7%
	Ipoteka (Uzbekistan)	21		21	-		21	-
	OBU (Ukraine)	16	1		8%	2		12%
	CKB Group (Montenegro)	8	1		17%	1		15%
	OBA (Albania)	8	0		-4%	-1		-15%
	OBM (Moldova)	6	1		16%	1		10%
	OBRu (Russia)	41	4		10%	9		27%
	OBR (Romania)	24	1		3%	0		2%
	Merkantil (Hungary)	7	1		16%	1		16%
	Others	14	1		9%	1		9%

1 At **OTP Core** the 6% y-o-y growth was driven by:















- 5% increase in personnel expenses;
- 26% increase in depreciation stemming from higher software depreciation, owing partly to the ongoing replacement of the Core Banking System;
- Other expenses grew by 2% y-o-y, largely because the decline in charges paid to Deposit Insurance Fund almost completely offset the increase in IT and marketing costs, as well as expert fees.

2 At **DSK Group** costs grew by 18% y-o-y, which was driven by strong underlying wage inflation and the on-going transformation of the bank's operation.

3 In **Albania** the costs savings were driven by the synergies extracted from the merger at the end of 2022.

¹ Changes without the effect of acquisitions.

In line with supervisory expectations additional impairments were created on Russian government bonds in Hungary and Bulgaria. The impact of rate cap extension was booked amongst risk costs. The Uzbek risk costs further moderated in 2Q

TOTAL RISK COST	2023 (HUF billion)	2023 credit risk cost rate ¹	1Q 2024 (HUF billion)	2Q 2024 (HUF billion)	1H 2024 (HUF billion)	1H 2024 credit risk cost rate ¹
 OTP Group	-87	0.34%	7	-46	-39	0.15%
 OTP CORE (Hungary)	-1	0.17%	15	-39 ¹	-23	-0.01%
 DSK Group (Bulgaria)	3	-0.07%	-1	-1 ²	-2	0.05%
 SKB+NKBM (Slovenia)	-12	0.09%	-1	-1	-2	0.17%
 OBH (Croatia)	-1	-0.03%	6	0	6	-0.69%
 OBSrb (Serbia)	-14	0.57%	1	0	1	-0.16%
 Ipoteka Bank (Uzbekistan)	-52	10.03%	-8	-2 ³	-10	1.94%
 OBU (Ukraine)	4	-2.38%	4	-2	2	-2.16%
 CKB Group (Montenegro)	2	-0.67%	0	0	0	-0.12%
 OBA (Albania)	0	-0.03%	1	0	1	-0.17%
 OBM (Moldova)	3	-2.01%	0	0	0	-0.89%
 OBRu (Russia)	-19	2.38%	-7	-8	-15	3.81%
 OBR (Romania)	3	-0.24%	-2	-3	-5	0.84%
 Merkantil (Hungary)	-4	0.80%	0	0	0	0.14%

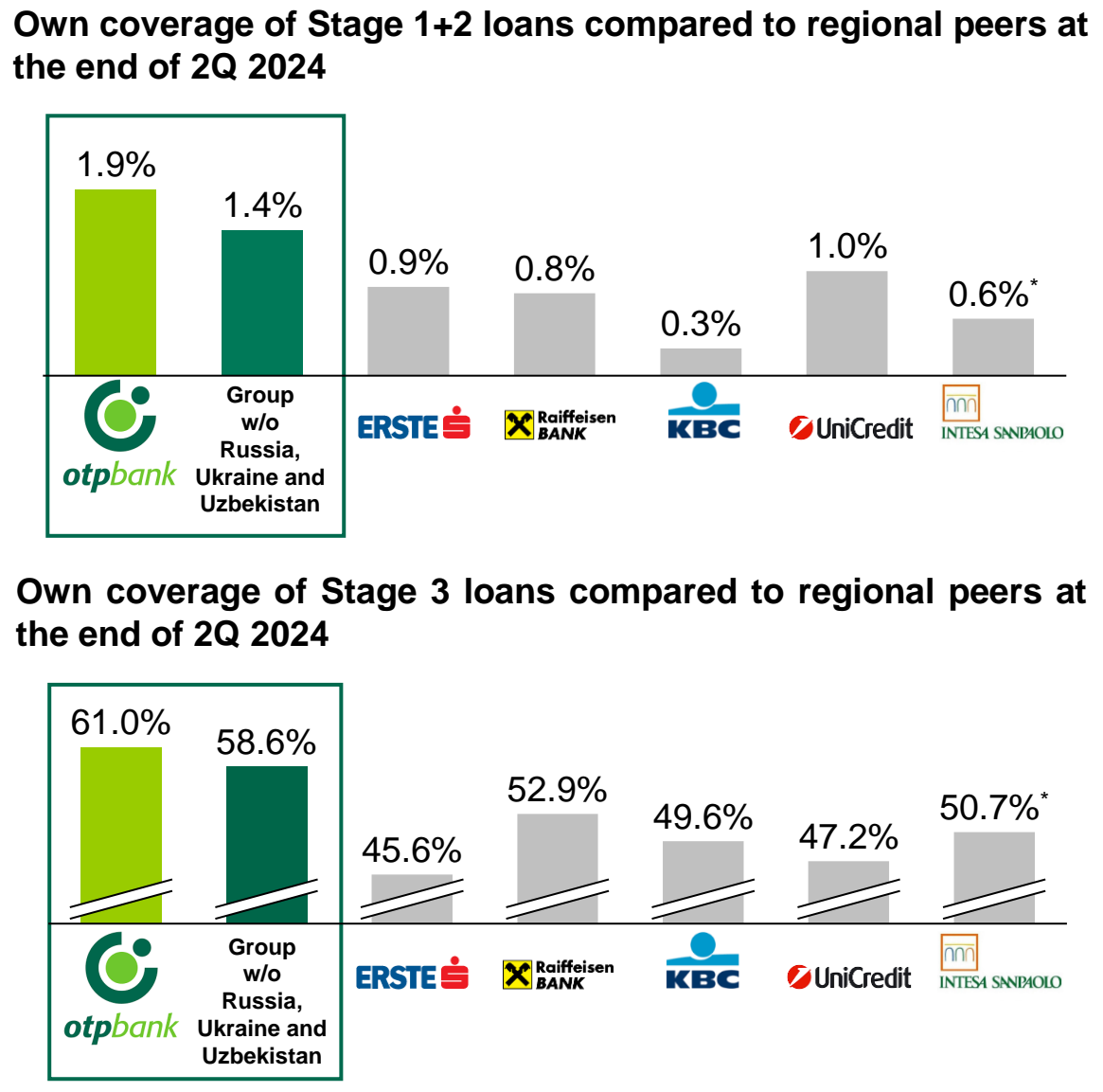
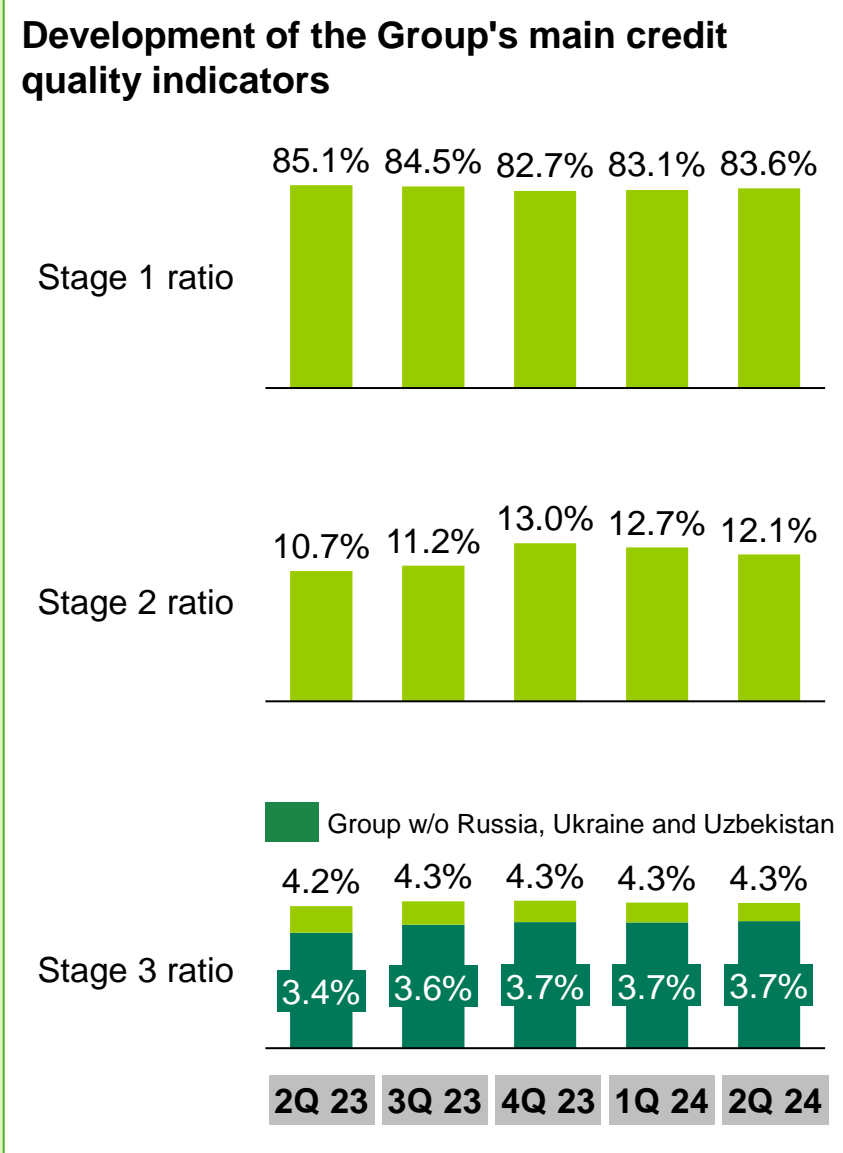
¹ At **OTP Core** risk costs totalled HUF 39 billion in the second quarter: credit risk costs of HUF 13 billion were partly related to the expected impact of the interest rate cap extension until the end of December (HUF 5.6 billion one-off negative effect), and to individual corporate exposures. On the other provisions line, impairment on Russian bonds amounted to HUF 22 billion.

² In **Bulgaria**, in the second quarter HUF 1.6 billion impairment was created for the Russian bonds held in the Bank's balance sheet, appearing on the other risk cost line

³ In **Uzbekistan**, in the second quarter provisions were made mostly for Stage 2 retail and Stage 3 corporate volumes. However, loan loss provisions were reduced by HUF 8 billion in 2Q as recoveries that have been realized since the acquisition on typically corporate loans that had been classified as Stage 3 already at the time of the acquisition were recognized in a lump sum in 2Q.

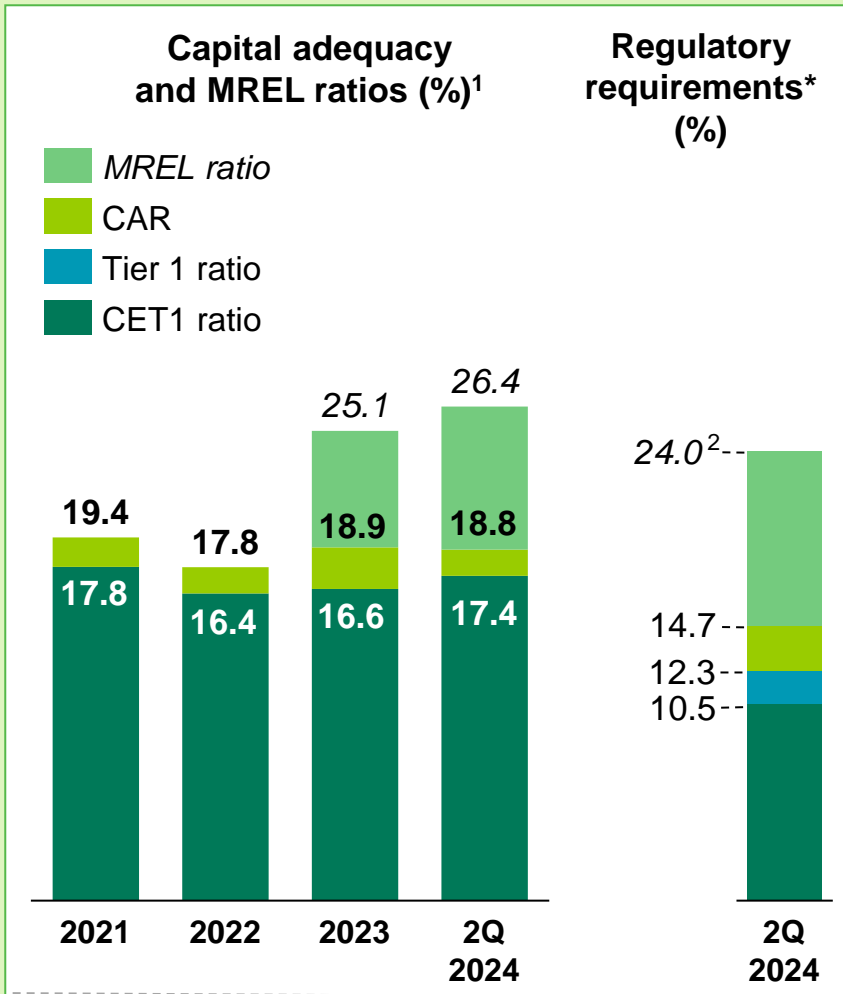
¹ A credit risk cost rate (defined as provision for impairment on loan and placement losses / average gross customer loans) with negative sign is consistent with positive credit risk costs, i.e. releases.

The Stage 3 ratio stayed flat q-o-q. Provisioning policy remained conservative compared to regional peers

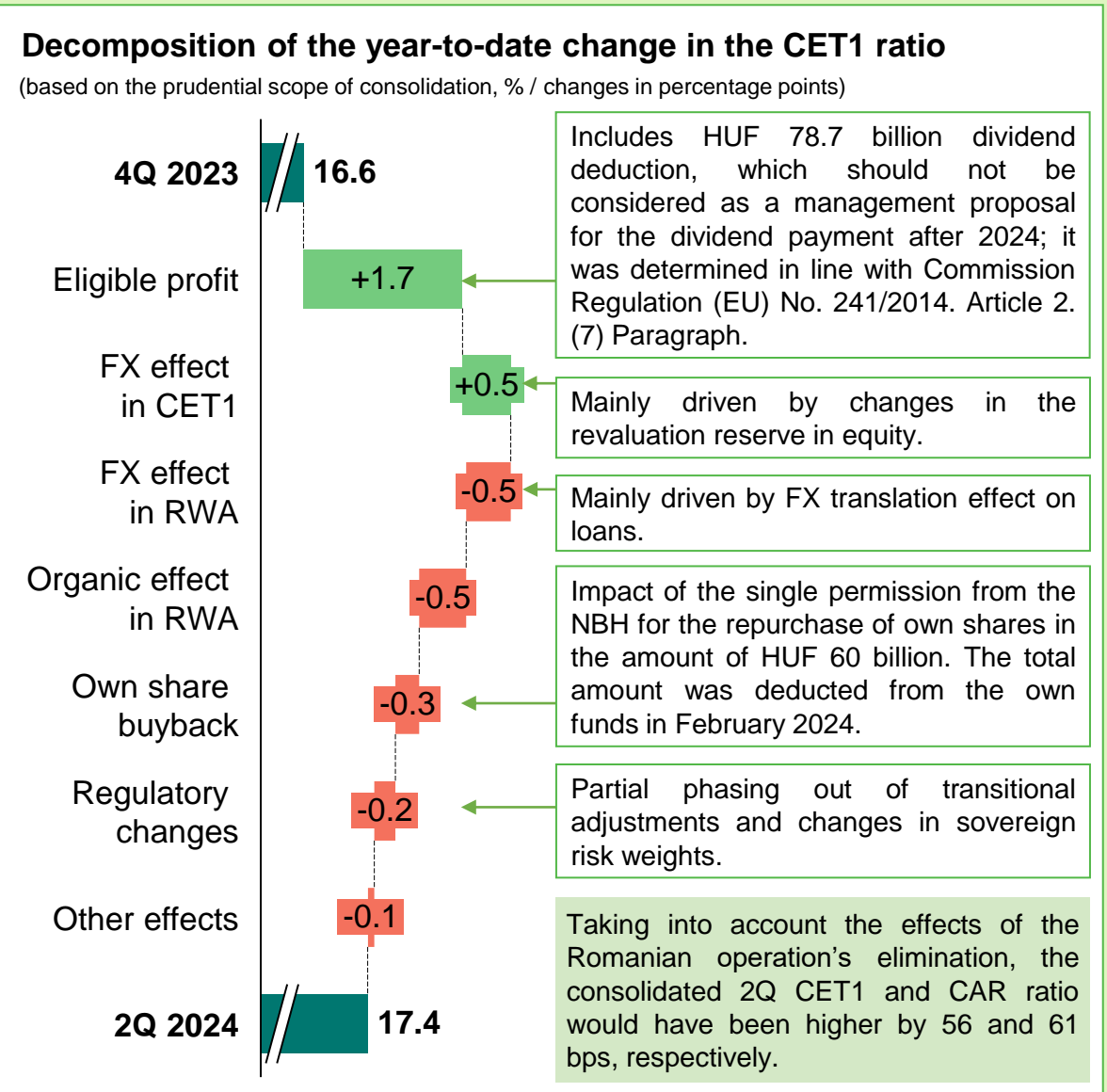


Source: company reports (estimates in some cases).
 * Data as at 31 March 2024.

The Group's capital and liquidity position is strong. The CET1 ratio improved in the first half thanks to strong underlying capital generating capability. The sale of OTP Bank Romania is not yet reflected in capital adequacy ratios



* Excluding Pillar 2 Guidance (P2G). NBH determined the P2G ratio at 0.5% on the top of the minimum capital requirements. The guidance is effective as of 1 January 2024, which should be met with CET1 capital and does not impact the minimum MREL requirement.



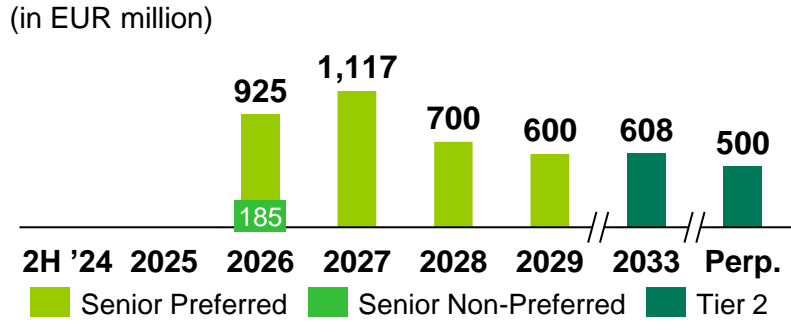
¹ Indicators are calculated based on the prudential scope of consolidation. In case of the MREL ratio, the calculation is based on OTP Bank Resolution Group's figures. In the absence of additional core capital (AT1), the Tier 1 rate is the same as the CET1 rate. ² MREL ratio: sum of the minimum requirement (18.94% of OTP Bank Resolution Group's RWA) determined by the Joint Decision of the Resolution College effective from 01/01/2024 and the Combined Buffer Requirement.

Robust liquidity position: 73% net loan to deposit ratio, 237% LCR, 152% NSFR and relatively benign redemption profile

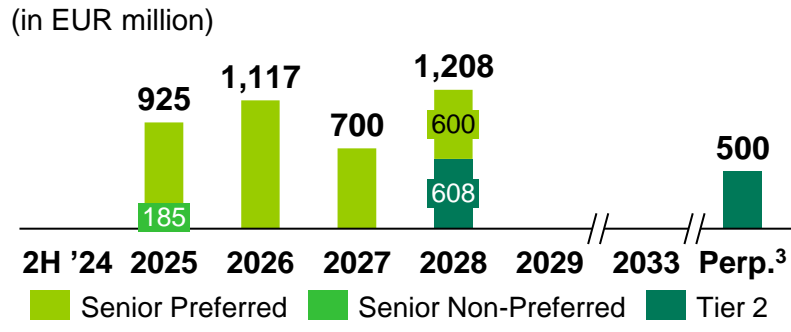
OTP Bank outstanding FX wholesale bonds

Issue Date	Instrument	Call Date	Maturity Date	Actual Coupon	Issuance Currency	Issued Amt. / External obligation ¹ (in mn)
31/07/2024	SP	31/07/2026	31/07/2027	4.100%	CNY	300 / 300
12/06/2024	SP	12/06/2027	12/06/2028	4.750%	EUR	700 / 700
31/01/2024	SP	31/01/2028	31/01/2029	5.000%	EUR	600 / 598
22/12/2023	SNP	22/06/2025	22/06/2026	6.100%	EUR	75 / 75
13/10/2023	SP	13/10/2025	13/10/2026	8.100%	RON	170 / 170
05/10/2023	SP	05/10/2026	05/10/2027	6.125%	EUR	650 / 649
27/06/2023	SNP	27/06/2025	27/06/2026	7.500%	EUR	110 / 110
25/05/2023	SP	25/05/2026	25/05/2027	7.500%	USD	500 / 500
15/02/2023	Tier 2	15/02-15/05/2028	15/05/2033	8.750%	USD	650 / 649
01/12/2022	SP	04/03/2025	04/03/2026	7.350%	EUR	650 / 647
29/09/2022	SP	29/09/2025	29/09/2026	7.250%	USD	60 / 60
13/07/2022	SP	13/07/2024	called in July '24	5.500%	EUR	400 / 399
15/07/2019	Tier 2	15/07/2024	called in July '24	2.875%	EUR	500 / 498
07/11/2006	Tier 2	Quarterly ³	Perpetual	6.788%	EUR	500 / 231

OTP Bank FX MREL-eligible bond maturity profile²



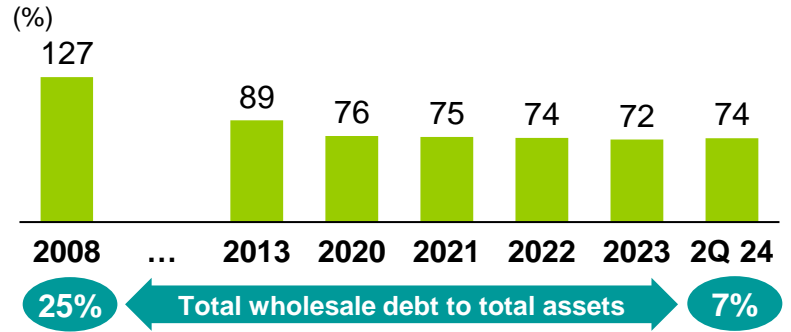
OTP Bank FX MREL-eligible bond call date profile²



Major ratios suggest strong liquidity position

2Q 2024						
Net Loan / Deposit Ratio (%)	73	87	88	82	72	88
Basel III Leverage Ratio (%)	9.5	5.5	7.2	7.6	5.9	5.5
Liquidity Coverage Ratio (LCR, %)	237	160	154	210	163	>140
Net Stable Funding Ratio (NSFR, %)	152	139	142 ⁴	147	124	>125





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






¹ Consolidated external obligation of as of 30 Jun 2024, except for the bond issued in Jul 2024. ² Based on issued notional as of 2Q 2024, without the EUR 400mn SP and EUR 500mn Tier2 bonds called in July 2024. ³ The perpetual bond is callable on the following dates each year: 7 Feb, 7 May, 7 Aug and 7 Nov. ⁴ NSFR as of May 2024.

In 2024 economic growth is expected to accelerate in most operating countries

	 Hungary	 Bulgaria	 Slovenia	 Croatia
	2022 2023 2024F	2022 2023 2024F	2022 2023 2024F	2022 2023 2024F
GDP growth (annual, %)	4.6 -0.9 2.0	3.9 1.8 2.2	2.5 1.6 2.4	7.0 3.1 3.5
Unemployment (%)	4.1 4.1 4.5	5.1 5.0 4.9	4.0 3.7 3.2	7.0 6.2 6.0
Budget balance (% of GDP)	-6.2 -6.7 -4.5	-2.8 -3.0 -3.1	-3.0 -2.5 -2.4	0.1 -0.7 -1.0
Inflation (avg, %)	14.5 17.6 3.7	15.3 9.5 2.6	9.3 7.2 2.7	10.7 8.1 3.0
Reference rate ¹ (eop, %)	16.1 10.3 6.3	1.4 4.0 3.2	2.0 4.0 3.2	2.0 3.9 3.1

	 Serbia	 Albania	 Montenegro	 Uzbekistan
	2022 2023 2024F	2022 2023 2024F	2022 2023 2024F	2022 2023 2024F
GDP growth (annual, %)	2.5 2.5 3.8	4.9 3.4 4.1	6.4 6.0 3.7	5.7 6.0 6.1
Unemployment (%)	9.4 9.5 9.0	11.3 10.3 9.9	14.7 14.1 14.4	8.9 8.4 7.9
Budget balance (% of GDP)	-3.1 -2.2 -2.1	-3.8 -1.3 -2.0	-4.3 0.2 -3.5	-4.3 -4.9 -6.0
Inflation (avg, %)	11.9 12.1 4.5	6.7 4.8 1.6	13.0 8.6 4.8	11.4 10.0 9.5
Reference rate ¹ (eop, %)	5.0 6.5 5.5	2.8 3.3 3.5	- - -	15.0 14.0 13.5

	 Russia	 Ukraine	 Romania	 Moldova
	2022 2023 2024F	2022 2023 2024F	2022 2023 2024F	2022 2023 2024F
GDP growth (annual, %)	-1.2 3.6 3.8	-28.8 5.3 3.3	4.1 2.1 2.7	-5.9 0.7 3.3
Unemployment (%)	3.9 3.2 2.7	21.0 20.0 17.0	5.6 5.6 5.5	3.1 4.6 4.4
Budget balance (% of GDP)	-2.1 -1.9 -1.0	-16.1 -20.4 -21.0	-6.3 -6.6 -7.0	-3.3 -5.2 -4.5
Inflation (avg, %)	13.8 6.0 7.8	20.2 12.9 6.0	13.7 10.5 5.3	28.8 14.1 5.5
Reference rate ¹ (eop, %)	7.5 16.0 18.0	25.0 15.0 12.0	6.8 7.0 6.3	20.0 4.8 5.0

Source: OTP Research Department.

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

Based on the developments in the first six months, in 2024 the consolidated net interest margin may be higher than in 2023 (3.93%).

The guidance for all other performance indicators was upheld by the management:

- FX-adjusted organic performing loan volume growth may be higher than 6% in 2023.
- The consolidated cost-to-income ratio may be around 45%.
- Portfolio risk profile may be similar to 2023.
- Leverage is expected to decline, therefore ROE may be lower than in 2023 (27.2%).

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Questions and Answers session