

Half-yearly Report

30 June 2025

OTP JELZÁLOGBANK
ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG
(OTP MORTGAGE BANK PRIVATE COMPANY LIMITED BY SHARES)

CONTENT

- Business report of the Management (consolidated 2025H1)
- Consolidated Condensed Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, for the six month period ended 30 June 2025

Business report of the Management (consolidated 2025H1)

In accordance with the recommendation stated in the current circular of the MNB on the application of MoF Decree no. 24/2008 on the detailed rules regarding the disclosure requirements applicable to publicly offered securities, OTP Jelzálogbank Zrt. as issuer prepares and publishes this Management Report in a single document, stating in dedicated chapters the subjects required in the MoF Decree.

I. INTRODUCTION

OTP Jelzálogbank Zrt. (OTP Mortgage Bank Close Company Limited by Shares, hereinafter: “OTP Jelzálogbank”, “the Mortgage Bank”, “Bank” or “Company”) is a specialized credit institution that was established as a company limited by shares with HUF 3 billion forint share capital and with 100% of its shares owned by OTP Bank Plc. (hereinafter: OTP Bank). The Company received its foundation permit on 21 September 2001; its operating license was issued by the Hungarian Financial Supervisory Authority on 10 January 2002. OTP Jelzálogbank started its operations as a specialized credit institution on 1 February 2002. The registered seat of the Company is located at 1138 Budapest, Váci út 135-139. building D and has no additional premises or branches.

The business profile of OTP Jelzálogbank is limited to the following: the granting of mortgage loans and determining the collateral value of real estate offered as collateral for such loans, the marketing of mortgage bonds for the financing of such lending and, via the trading of separate mortgage rights stipulated as collateral, the refinancing of the mortgage loans of commercial banks. The loan products comprise subsidized and unsubsidized housing loans and general-purpose mortgage loans.

In the period between 11 April 2002 and 4 August 2014, OTP Bank and OTP Jelzálogbank provided lending in a syndicated arrangement; since 2007, OTP Jelzálogbank has been disbursing loans of own origination as well. Since 2014 OTP Bank has acted as a preferred intermediary acting on behalf of OTP Jelzálogbank.

This business report is based on the unaudited consolidated semi-annual reports of OTP Jelzálogbank as of 30 June 2025, drawn up in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union.

II. THE BUSINESS ENVIRONMENT OF OTP JELZÁLOGBANK

The first half of 2025 was substantially shaped by the measures of Donald Trump's second presidency, in particular by his tariff war announcements, while geopolitical conflicts persisted or flared up in various parts of the world. The Russia-Ukraine war has been going on since February 2022, the conflict between Israel and Gaza since October 2023, Syria's future has been up in the air since the collapse of the Assad regime in December 2024, tensions between India and Pakistan escalated in May 2025, China continues to consider the independent state of Taiwan its own territory, while Iran and Israel also clashed, before the United States' intervention finally led to a

ceasefire. As inflationary pressures eased, both the ECB and the Fed could begin their rate cut cycles in 2024. But their paths diverged in 2025, when the ECB continued its easing cycle in order to stimulate Europe's economy, while the Fed paused it, owing to concerns about inflation. Donald Trump's tariff war and the uncertainty caused by geopolitical conflicts looms large over global growth outlook. Moreover, China's economy, which had been expanding at a rapid pace for a long time, has also lost speed, and despite all fiscal and monetary easing, it failed to gain new momentum in the first half of 2025.

Immediately after his inauguration in January 2025, Donald Trump started to fulfil his campaign promises, including tariff measures, which are likely to accelerate inflation. After 2.8% growth rate in 2024, America's GDP shrank by 0.5% (quarter-on-quarter, annualized) in the first quarter of 2025, partly due to tariff front-running and in part because the previous engine of growth, consumption, has slowed down. The decline in net exports may reverse in Q2 and Q3, but this year's growth prospects have meaningfully deteriorated. The labour market is stable, but is clearly cooling; yet while employment growth is decelerating, the unemployment rate may remain low, as Donald Trump's other programme, to deport undocumented immigrants, is leaving fewer workers in the labour market. Although inflation slowed to the vicinity of 2% by June, US inflation is expected to pick up, in the aftermath of the tariff war.

In 2024, it was consumption that drove the eurozone's recovery, but its pace lagged far behind that of the USA and it was uneven across the area. In 2025, the eurozone's revival remained fragile, US tariffs hindered the economic recovery, and the eurozone's output rose by 1.5% year-on-year in the first quarter. In 2025, inflation returned to target in a sustainable manner, the ECB's interest rate cut cycle continued, and the effective deposit rate dropped to 2.0%.

Although the Hungarian economy began to pick up in 2024 from a recession that was longer and deeper than in other countries in the CEE region in 2023, the recovery proved to be uneven and fragile, just like in Europe. The growth rate barely reached 0.5% in full year 2024, and 2025 also started with a soberingly weak first-quarter performance, when GDP stagnated year-on-year. Risks are increasing in relation to consumption, which had been driving growth previously and expanding by 5%; employment is deteriorating, real wage growth has fallen to 5%, from 10%. Investment plunges, and after two years of fall, there is still no sign of a turnaround; exports are stagnant, and the negative effects of the tariff war are yet to come.

In 2024, inflation moderated in Hungary, too, and reached the central bank's target of 3% in September, enabling the MNB to cut interest rates to 6.5%, from 10.75% at the end of 2023. However, disinflation has stalled at the level of underlying processes, and it is administrative measures that are temporarily bringing down inflation from around 5.5-6%, thus inflation may remain above the target. Due to inflation risks and bearing in mind the stability of the forint's exchange rate, the change at the helm of the MNB did not bring about a turnaround in monetary policy, and the easing cycle remains paused.

After many years of 7-8% budget deficits, a fiscal adjustment was made in 2024 despite the unfavourable macroeconomic environment; the primary balance improved to close to zero, and the overall deficit fell to 4.9% of GDP, but in the absence of further adjustment, the deficit as a percentage of GDP cannot drop notably.

Hungary's economy remained on a sustainable external balance path, the external position shows a slight surplus, the debt ratio is at a normal level, and is following a slowly decreasing path. The level of foreign exchange reserves is adequate; it exceeds the level recommended by reserve adequacy rules by EUR 5-10 billion (2.5-5% of GDP).

Loans to non-financial corporations grew by 4.7% in 2024; in FX-adjusted terms, they rose by 1.6% only. The latter is consistent with a significant slowdown compared to the 5.9% expansion in 2023,

owing to the weak investment activity: corporate investment fell by 8.5% in 2024. The weakness in corporate lending persisted in the first half of 2025: the corporate credit book shrank by 2.2% between January and May, partly because of the forint's strengthening; in FX-adjusted terms, it declined 0.7%.

Households' credit stock expanded by 9.4% in 2024; this marks a significant acceleration compared to 2.3% in 2023. Growth speeded up this year: the 4.4% YTD growth (up to May) is consistent with 11% annualized expansion. Within the household loan book, housing loans grew by 13% in 2024 (from 1.3% in 2023), and the YTD annualized growth accelerated further to 14.4% in 2025, thanks to an upswing in the real estate market, where both prices and transaction numbers grew dynamically. The increase in cash loans also speeded up in 2024 (to 14.1%, from 6.9% in 2023), benefiting from the dynamic, 5% growth in household consumption. In contrast, the surge in the stock of subsidized 'baby' loans slowed from 8.1% in 2023 to 4.2% in 2024, and the deceleration persisted in the first part of 2025: the stock's 0.7% expansion YTD is consistent with an annualized growth of 1.8% only. Continuing the decline seen in 2023, the volume of home equity loans dropped by 4.5% in 2024, and this negative trend strengthened further in 2025, when the stocks fell by 5% in May, which is stronger than the 4.5% volume drop in full year 2024.

III. THE GOALS, STRATEGY AND BUSINESS PERFORMANCE OF OTP JELZÁLOBANK IN 2025

As a member of the OTP Banking Group, OTP Jelzálogbank formulates its plans and adopts its decisions in line with the Group's strategic objectives. Our aim is to retain our position as market leader in retail mortgage lending.

	New contract amount (HUF bn)						Market share		
	Market			OTP Group			OTP Group		
	30.06.2024	31.12.2024	30.06.2025	30.06.2024	31.12.2024	30.06.2025	30.06.2024	31.12.2024	30.06.2025
Housing loan	643.1	1 351.4	809.5	214.9	417.3	236.1	33.42%	30.88%	29.17%
General-purpose mortgage loan	41.4	91.5	53.5	14.8	31.0	21.3	35.87%	33.86%	39.83%
Total	684.5	1 442.9	863.1	229.7	448.3	257.4	33.56%	31.07%	29.83%

The mortgage lending market was lively in the first six month of the year. The amount of new domestic loan contracts of the same period last year have been risen by 26.1%. The amount of new mortgage loan contracts of OTP Group was 12.1% in the same period.

Disbursement volumes have been increased as well. The amount of the new retail mortgage loans of Mortgage Bank was HUF 243.4 billion in the first half year, which is 12.7% higher than the same period last year. 91.8% of the disbursed retail mortgage loans was housing loan and 8.2% was home equity loan.

OTP Jelzálogbank Zrt.	Loans disbursed (HUF bn)		
	30.06.2024	31.12.2024	30.06.2025
Housing loan	203.0	409.3	223.4
General-purpose mortgage loan	14.3	30.3	20.0
Total	217.3	439.6	243.4

Mortgage Bank received a total of HUF 124.3 billion in loan repayments in the reported period, including early repayments and prepayments of HUF 55.8 billion.

As a result of significant amount of disbursements, net amount of the outstanding loans of OTP Mortgage Bank increased by HUF 120.7 billion (from HUF 1,893.7 billion to HUF 2,014.4 billion).

The market share of OTP Group within retail mortgage lending practically didn't change in the first six month of 2025.

	Closing balance (HUF bn)				Market share	
	National		OTP Group		OTP Group	
	31.12.2024	30.06.2024	31.12.2024	30.06.2024	31.12.2024	30.06.2024
Housing loan	5 655.1	6 059.1	1 782.2	1 895.8	31.52%	31.29%
General-purpose mortgage loan	700.5	664.5	205.4	202.3	29.32%	30.45%
Total	6 355.6	6 723.6	1 987.6	2 098.1	31.27%	31.20%

In addition to the retail mortgage lending that constitutes its main profile, the Mortgage Bank also provides refinancing loans to commercial banks. Mortgage Bank refinancing is implemented through the sale and purchase of standalone mortgage rights: the commercial bank sells to OTP Jelzálogbank the independently marketable mortgage rights associated with the mortgage loans granted by it and, at the same time, makes a commitment to repurchase the mortgage rights. The mortgage loans remain on the balance sheet of the commercial bank, which bears the associated credit risks; the commercial bank also takes care of any client-related duties. In the event of non-performance by a commercial bank, the Mortgage Bank becomes the mortgagee of the standalone mortgage and the beneficiary of the receivable secured by it. Having launched its refinancing operations in 2017, OTP Jelzálogbank had refinancing arrangements with two commercial banks as of 30 June 2025; the principal outstanding under its refinancing loans amounted to HUF 165.3 billion in total.

Another major business line of OTP Mortgage Bank is property valuation that is closely linked to its lending operations; the dynamism of the latter has a significant impact on valuation volumes. The business line had completed 33,000 valuations in first half year of 2025 compared to 36,000 in the same period of the previous year.

At the end of the reporting period the Mortgage Bank issued mortgage bonds with a nominal value of EUR 500.0 million on the international market. The nominal stock thus - taking into account the exchange rate effect - changed to HUF 1,244.4 billion at the end of the period. This source is supplemented by interbank loans and equity.

The halfyear-end data of the competitors are not full details available at the time of preparing the report, but based on the data at the end of March, OTP Mortgage Bank's market share was 49.5%.

Mortgage bond market structure at the end of the first quarter of 2025 (nominal value):

	31.12.2024		31.03.2025	
	HUF bn	share	HUF bn	share
OTP Jelzálogbank Zrt.	1 050.2	49.84%	1 046.1	49.50%
Takarék Jelzálogbank Nyrt./MBH Je	364.9	17.32%	365.5	17.29%
UniCredit Jelzálogbank Zrt.	281.1	13.34%	281.1	13.30%
Erste Jelzálogbank Zrt.	185.7	8.82%	195.8	9.26%
K&H Jelzálogbank Zrt.	225.0	10.68%	225.0	10.65%
Total	2 106.9	100.00%	2 113.5	100.00%

Overall, it can be stated that the real estate market recovery of the previous year continued in 2025, from which the OTP Group benefited close to its target, further increased its loan portfolio and maintained its market leading role.

IV. THE MAIN RESOURCES AND RISKS OF THE COMPANY; RELATED CHANGES AND UNCERTAINTIES

IV.1. Market risks

The main line of business of OTP Jelzálogbank is the disbursing of mortgage loans; the Mortgage Bank secures the necessary funds for this operation mainly by selling publicly issued mortgage bonds and by relying on money and capital market sources. Due to the nature of its operations OTP Jelzálogbank is exposed to market risks.

Credit risk is the risk of financial loss arising from borrowers and interbank market counterparties defaulting on their contractual obligations to OTP Jelzálogbank. The Mortgage Bank aims to maintain the good credit quality of its mortgage loan portfolio; for more details, see Chapter “VII. The mortgage loan portfolio” and the notes to the Annual Report.

Structural differences between OTP Jelzálogbank’s assets and liabilities — maturity, interest, currency mismatches — expose the Mortgage Bank to interest rate and exchange rate risks. It manages these market risks through the terms for the mortgage bonds marketed and by contracting derivatives transactions. OTP Jelzálogbank aims for a risk-neutral position in its asset-liability structure. Its aim is to develop and maintain a position where assets and liabilities are hedged in an aggregate manner through a dynamic approach to the indicators listed.

The prepayment of mortgage loans represents a risk for OTP Jelzálogbank and constitutes a risk component impacting on asset-side terms and profitability. The refinancing risks associated with OTP Jelzálogbank’s maturing bonds are of special significance.

IV.2. Operational risk

Operational risk means the probability of losses arising from any inadequately defined or incorrectly executed business processes, damage caused by people or inadequate operation of systems, or losses originating from the external environment. OTP Jelzálogbank works on keeping its operational risks to a minimum through constant control and strict demarcation of its internal processes and operations, and by raising risk awareness. Operational risks may arise in all banking processes due to their nature; accordingly, OTP Jelzálogbank also has responsibilities in relation to managing such risks. OTP Jelzálogbank manages its operational risks through tight internal control mechanisms and relying on a uniform group-wide methodology implemented in conjunction with OTP Bank.

IV.3. External risk factors

Banking and financial services are highly exposed to changes in different economic factors. Adverse changes in the economic environment may have a negative impact on the financial management of OTP Jelzálogbank through a variety of factors: on the portfolio of previously disbursed loans through the solvency of debtors, on the volume of new mortgage loans through market demand, and on the financing costs of OTP Jelzálogbank through the money and capital markets.

IV.4. Legal and regulatory risks

It cannot be excluded as a possibility that the government of the day or the Hungarian National Bank (MNB) adopts an economic policy, budgetary or monetary measures that may influence the

Hungarian financial market, the real estate market or real estate financing directly or indirectly and thereby have a direct or indirect impact on the profitability of OTP Jelzálogbank.

Changes in banking law, company law, contract law, property law, bankruptcy law, competition law, securities law, mortgage law and other regulations carry significant risks; unpredictable changes to Hungarian and European Union legislation may have direct and indirect effects on OTP Jelzálogbank's business operations and profits.

Changes to taxation may also constitute a risk factor.

IV.5. Compound risks

The risks listed in this chapter may arise simultaneously and be mutually reinforcing; examples have included the COVID-19 pandemic and the extraordinary government measures and their underlying risks. In the event of such risks arising detailed information is available in the chapters "The mortgage loan portfolio" and "Evaluation of the financial management of OTP Jelzálogbank", if they are material.

V. EVALUATION OF THE SIX MONTH PERIOD ENDED 30 JUNE 2025 FINANCIAL MANAGEMENT OF OTP JELZÁLOGBANK

The macroeconomic background to the Group's financial management in 2025 was still an inflationary environment, and an economic stagnation. Among government decisions the repeated extension of the interest rate cap for variable-rate mortgage loans had the most significant impact on the net income. Due to the government's stimulus measures, the housing market has strengthened along with household demand for credit.

Non audited consolidated IFRS figures of OTP Jelzálogbank as at 30 June 2025

Sale of both subsidiaries had the most decisive impact on consolidated financial statements. OTP Mortgage Bank sold its 100% share to OTP Bank in OTP Pénzügyi Pont Zrt. and in OTP Ingatlanpont Kft. in order to achieve more transparent subsidiary value creation and cost decrease in consolidated level. Sale contract was signed on the 13 May 2025, and full price was paid on the same day. In accordance with the market/fair value of the subsidiaries, sale price was higher than book value, and as a result of this OTP Mortgage Bank realised profit on the sales.

The balance sheet total as at 30 June, 2025 amounted to HUF 2.705,9 billion, up 3.3% on the previous year end. The Mortgage Bank closed the year with after-tax profits of HUF 12.4 billion. Hereof profit from continuing operations is HUF 5.5 billion and net gain from discontinued operation was HUF 6.8 billion.

This report provides a business-focused breakdown of the results of financial management and, as such, in some cases rounding may result in figures that deviate from those in the financial statements.

Some illustrative financial management figures:

Consolidated indicators (HUF bn)	30.06.2024	31.12.2024	30.06.2025	Variance 2025 H1 vs 2024	Variance 2025 H1 vs 2024 H1
Total assets	2 510 109	2 619 265	2 705 857	86 592	195 748
Loan portfolio	1 768 077	1 893 697	2 014 422	120 725	246 345
Amounts due to banks	1 228 543	1 397 626	1 264 447	(133 179)	35 904
Mortgage bond portfolio	1 138 993	1 064 010	1 269 153	205 143	130 160
Shareholder's equity	129 817	144 531	151 017	6 486	21 200
P&L for the reference year	(3 918)	10 683	12 376	1 693	16 294

Alternative performance indicators	30.06.2024	31.12.2024	30.06.2025	Variance 2025 H1 vs 2024	Variance 2025 H1 vs 2024 H1
Leverage Ratio	5.83%	6.15%	* 5.87%	* (0.28%)	* 0.04%
Liquidity Coverage Ratio	786.74%	672.15%	824.20%	152.05%	37.46%
Return on Equity	(2.99%)	7.72%	8.37%	0.66%	11.36%

* preliminary data

As a combined result of current-year profits, IFRS fair value adjustments and profit from the sale of subsidiaries equity rose by 4.4%.

In the individual financial statement of OTP Jelzálogbank, the total value of participations amounted to HUF 4,113 million previous year end, which decreased to zero due to the sale of subsidiaries.

V.1.1. OTP Ingatlanpont Kft.

In December 2016 OTP Jelzálogbank acquired a 100% ownership share in OTP Ingatlanpont Kft.

OTP Ingatlanpont Kft. generates revenues from the commissions received for real estate agency services, which constitute its main profile.

OTP Ingatlanpont Kft.'s approved business plan for 2024 set the objectives of expanding property sales and real estate agency services. OTP Ingatlanpont Kft. reported a HUF 101 million loss (IFRS loss after-tax) in 2024. The Company's equity capital complies with the law, there was no capital increase in 2024, the balance sheet total at the end of the year was HUF 688 million.

As of 31 December 2024 the sales network was operating out of 25 offices of its own and at 43 premises of strategic partners.

OTP Mortgage Bank sold its 100% share to OTP Bank in OTP Ingatlanpont Kft. on the 13 May 2025.

V.1.2. OTP Pénzügyi Pont Zrt.

In June 2019 OTP Jelzálogbank purchased the 100% share of OTP Pénzügyi Pont Zrt. as the latter is now focused primarily on selling mortgage banking loan products in the wake of the collapse in demand for housing savings products.

The main objective of OTP Pénzügyi Pont Zrt. was to establish a nationwide sales network that would also reach the households that are not included in the retail client base of OTP Bank and offer them the full product range of OTP Banking Group.

Until October 2018 housing savings contracts were the focus products of the sales network. The sales network had to be reorganized when the government ended the subsidies for this product type. Following that reorganization, its focus shifted to loan brokerage services. OTP Pénzügyi Pont Zrt. earns practically all its revenues from commissions.

Pénzügyi Pont Zrt. made a loss of HUF 452 million in 2024 (IFRS loss after-tax). In order to offset the fall in equity due to this loss, its capital was increased by HUF 350 million on 29th May 2024, as of the end of the year balance sheet total amounted to HUF 389 million.

OTP Mortgage Bank sold its 100% share to OTP Bank in OTP Pénzügyi Pont Zrt. on 13 May 2025. In order to keep legal requirement on the level of owner's capital, OTP Mortgage Bank raised the capital of Pénzügyi Pont Zrt. by HUF 190 million before the sale process.

V.1.3. I-gen.hu Kft.

I-gen.hu Pénzügyi Szolgáltató Kft. was acquired by OTP Ingatlanpont Kft. on 20 January 2023. The primary objective in buying I-gen.hu Kft. was to improve the value proposition of OTP Pénzügyi Pont Zrt. on the tied agent market, compensating for the loss of clients looking for an alternative to OTP Bank's products by presenting the offers of other banks. The balance sheet total of I-gen.hu Kft. is not significant compared to the consolidated balance sheet total.

With the sale of OTP Ingatlanpont Kft., also I-gen.hu Kft. left the pool of affiliated enterprises of OTP Mortgage Bank.

VI. THE SECURITIES ISSUANCE OPERATIONS OF OTP JELZÁLOGBANK

VI.1. Asset-liability management

OTP Jelzálogbank follows a conservative treasury policy, the primary objective of which is to ensure the most adequate funding for its lending activities both in the short and the long term while also minimizing market risks. Its main objective is to have a profitable portfolio of loans and mortgage bonds with minimal risk, and matching the assets and the liabilities of the Mortgage Bank to the greatest possible extent in respect of term, currency and interest rate.

In its medium-term strategic plan, it remains a top priority for OTP Jelzálogbank in 2025 to secure the cheapest possible sources of funding for mortgage lending by both the Mortgage Bank and the entire Banking Group. A further important objective is to participate in group-wide product development and asset-liability management within OTP Group, helping both the Mortgage Bank and OTP Group retain their market positions.

VI.2. Bond issuance

Mortgage bond issuances play an important role in shaping the asset-liability structure of OTP Jelzálogbank. Priorities to consider when devising the terms and conditions for mortgage bonds to be marketed include alignment between medium- and long-term maturities, managing interest rate and currency risks, contributing to an optimal group-wide asset-liability structure at OTP Group and ensuring that the mortgage funding adequacy ratio stipulated in the MNB Decree on the alignment of the maturities between mortgage based assets and liabilities of credit institutions is complied with at all times.

During the first half year of 2024 OTP Jelzálogbank issued mortgage bonds for a nominal value of EUR 500 billion under its Luxembourg's issuance scheme. As of the end of the half year, OTP Jelzálogbank had mortgage bonds for a total nominal value of HUF 1,244.4 billion in circulation

(the HUF value of its bonds denominated in euros was calculated at the official foreign exchange rate of the MNB as of the end of the year).

VI.3. Money and capital market transactions

In addition to equity and the mortgage bonds issued, the sources of funding used by OTP Jelzálogbank also include interbank loans, among them loans from OTP Bank and Magyar Nemzeti Bank. As is the case with the issuing of securities, the primary objective of money and capital market deals is to provide liquidity on a continuous basis, hedge financial risks and comply with the legislative requirements concerning liquidity. Free cash is invested solely in government securities or deposited with OTP Bank via the interbank market. As of 30 June 2025 the nominal value of the government securities held by OTP Jelzálogbank amounted to HUF 242,7 billion.

VII. THE MORTGAGE LOAN PORTFOLIO

VII.1. Portfolio structure

The following two tables present the breakdown of the client loan portfolio by tenor and by region.

Loan portfolio breakdown by tenor			Loan portfolio breakdown by region		
tenor	31.12.2024	30.06.2025	region*	31.12.2024	30.06.2025
0 to 5 years	3.28%	3.57%	Central Region	43.28%	44.80%
5 to 10 years	10.63%	11.84%	Southern Great Plain Region	10.93%	10.64%
10 to 15 years	14.15%	15.62%	Southern Transdanubia Region	8.49%	8.10%
15 to 20 years	33.25%	33.07%	Northern Transdanubia Region	19.06%	18.85%
over 20 years	38.69%	35.90%	North-East Hungary Region	18.24%	17.61%
Total:	100.00%	100.00%	Total:	100.00%	100.00%

**Due to reorganization at OTP Bank, the regional structure of the Group differs from what is presented in the table; for risk management purposes, the data are still categorized into five regions*

The distribution of the portfolio by remaining maturity shows a high proportion of loans with a tenor of over 15 and over 20 years within the portfolio. As the end of the current period most loans are in the tier of tenor of over 20 years.

There were no material changes in the regional distribution, the Budapest (Central) region still has the greatest weight.

In addition to lending to clients, there was a significant volume of refinancing via redemptions of standalone mortgage rights (hereinafter: refinancing loans); the book value of loans to credit institution partners was HUF 165.4 billion as of the end of June 2025.

VII.2. Portfolio quality

The receivables of OTP Jelzálogbank in a breakdown by days overdue:

Gross IFRS portfolio (HUF bn)	31.12.2024	30.06.2025	Semi-annual change
A (0-30 days)	1 885.7	2 003.7	118.0
B (31-60 days)	5.5	6.5	1.0
C (61-90 days)	2.8	3.0	0.2
D (91-180 days)	5.5	5.5	(0.0)
E (180+ days)	6.0	5.5	(0.5)
Total	1 905.5	2 024.2	118.7
A (0-30 days)	98.96%	98.99%	0.03%
B (31-60 days)	0.29%	0.32%	0.03%
C (61-90 days)	0.14%	0.15%	0.01%
D (91-180 days)	0.29%	0.27%	(0.02%)
E (180+ days)	0.32%	0.27%	(0.05%)
Total	100.00%	100.00%	0.00%

As of the period receivables more than 30 days overdue represented 1.01% of the total loan portfolio, 3 basis points lower than at the end of the previous year. There was a small decrease in the proportion of debtors more than 90 days in arrears.

Facility rating and impairment calculation are subject to rules that are standardized across the Banking Group. In the impairment calculation model, the expected loss and impairment amounts are calculated on the basis of default categories, product/product group, collateral, credit risk stages (performing, showing significant increase in credit risk, non-performing) and fact of restructuring, as well as the expected recovery on the individual collateral items for the transaction. As of 30 June 2025 impairment recognized on client loans amounted to HUF 10.0 billion.

Although the refinancing loans are not in arrears, impairment must be raised for them under the IFRS9 standard; the current period end impairment figure was a mere HUF 89.0 million.

The Bank sold all loans where extensive debtor protection and collection measures failed. In the first half year of 2025 this meant selling a total of HUF 1,6 billion in loan receivables.

VII.3. Foreclosures

As mentioned in the section above, OTP Jelzálogbank tends to sell the receivables where it is unable to restore contractually compliant performance. The disposal of a receivable generally follows its cancellation but may also precede it in certain product groups. No new foreclosures were brought in either 2024 or 2025. At the end of the reporting period there were no loans subject to foreclosure in the portfolio of OTP Jelzálogbank.

To date, the Mortgage Bank has not taken advantage of its right under the law to take over or buy real estate subject to its mortgage rights in a foreclosure proceeding.

VIII. SUSTAINABILITY REPORT

The Mortgage Bank's sustainability reporting obligation is based on Section 95/E (1) a) and Section 95/F (10) of the Accounting Act, but Section 177 (98) provides that the sustainability reporting requirements will first be applied by the Mortgage Bank for the financial year beginning in 2025. However, the EU Omnibus legislative package adopted by the Council of Europe on 14 April 2025 and its modification of sustainability reporting obligations and thresholds will change this. Member States will have to transpose the elements of the legislative package into their national legislation by 31 December 2025 at the latest. As a result, after the adoption of the above legislation, the independent sustainability reporting obligation for the Mortgage Bank is expected to end from the reporting period 2025. For the year 2024, the sustainability report of OTP Mortgage Bank pursuant to Act C of 2000 on Accounting is contained in the consolidated sustainability report of OTP Bank, of which the relevant information is briefly presented below.

VIII.1. Short description of the Company's business model

The main profile of OTP Jelzálogbank Zrt. includes

- financing the construction, purchase, modernization and refurbishing of residential real estate,
- determining the market and collateral values of properties, and
- issuing mortgage bonds and
- providing refinancing loans for commercial banks.

Its portfolio comprises first of all non-subsidized HUF-denominated home and general-purpose loans of own origination, combined with a purchased portfolio comprising mainly government-subsidized housing loans as well as housing and general-purpose mortgage loans. In 2023 OTP Jelzálogbank granted HUF-denominated subsidized and unsubsidized home and general-purpose mortgage loans to clients and refinancing loans to commercial bank partners via contracts for the redemption of standalone mortgage rights. These loans are sold by OTP Group and third-party financial intermediaries under agency agreements. The other main pillar of its business model is the issuance of mortgage bonds, firstly to provide finance for the Bank's lending activity and secondly to achieve compliance with the laws applicable to certain government-subsidized retail mortgage loan products.

The operations of OTP Jelzálogbank and OTP Group are closely interlinked:

- in selling the loans, OTP Group plays a significant role as an intermediary;
- the development and regulation of retail mortgage products is done by OTP Jelzálogbank in conjunction with the Retail Lending Tribe of OTP Bank. The approval process is fully automated; the OTP Bank branch network and OTP Jelzálogbank use electronic systems to approve the loan applications;
- much of the retail loans in OTP Jelzálogbank's portfolio are financed via mortgage bond issuance. OTP Jelzálogbank works with OTP Bank's Global Markets Directorate in the marketing process;
- the corporate current account, the employer housing fund account and the FX nostro accounts of OTP Jelzálogbank Zrt. are managed by OTP Bank;
- OTP Jelzálogbank rents its offices from OTP Real Estate Fund. In order to take advantage of the economies of scale inherent in putting in place a shared technical infrastructure, certain financial, accounting, reporting, risk management and information technology roles

are performed on behalf of OTP Jelzálogbank by the Shared Service Centre, which was created virtually from the relevant organizational units of OTP Bank.

The Mortgage Bank does not carry out research and development activities.

VIII.2. Policies on environmental protection, social and employment matters, respect for human rights, anti-corruption and anti-bribery

With the exception of employment policy, OTP Jelzálogbank has not adopted its own policies on these matters, given the nature of its operations, therein especially the resource usage and operational circumstances of the tasks carried out on its behalf by entities other than OTP Group member companies. The reasons for this and a description of the results are provided in the sections below. Chapter IX contains a summary of the results of the Company's employment policy.

VIII.3. Environmental protection

The Banking Group and therein OTP Jelzálogbank do not have operations hazardous for the natural environment and, accordingly, they do not incur material risks in this respect. The Company still pays special attention to reducing energy and paper use in the course of its operations and services by increasing the electronic flow of information, and organizing its operations taking into consideration the criteria of environmental protection.

Further, OTP Jelzálogbank is committed to helping achieve environmental protection and climate goals. To this end, in 2021 the Company created its Green Strategy and Green Mortgage Bond Framework, which formalize the principles and objectives enabling the Mortgage Bank to facilitate the protection of the environment in an efficient and active manner. The Company was the first in Hungary to join the Energy efficient Mortgages Action Plan (EeMAP) initiative promoting energy efficient mortgage lending; in doing so, it made a commitment to green lending and the creation of a green mortgage bond issuance framework. In 2021 OTP Mortgage Bank became the first operator on the Hungarian market to issue green mortgage bonds, the proceeds of which will be allocated for the purposes of financing green mortgage loans. In its Green Mortgage Bonds Report, published for the first time in 2022, the Company reported on its portfolio of green mortgage bonds and the environmental impacts achieved from such operations. The Company added the OTP Green Housing Loan to its product range in 2023.

In accordance with the Hungarian National Bank No. 10/2022. (VIII. 2) point 35 recommendation, in order to manage and control a credit institution's climate change-related and environmental risks, it is recommended to appoint a separate organizational unit, a dedicated function, or a manager. During the operation and activities of OTP Jelzálogbank, the increasing urge to properly manage sustainability and climate change measures, in 2024 the Company created a separate sustainability organizational unit (ESG). The ESG Department replaced and expanded the previous functions of the Sustainability Officer at the Company.

VIII.4. Social and welfare issues, corporate social responsibility, respect for human rights

Both on its own and as a member of OTP Group, OTP Jelzálogbank supports the development of communities, sports, financial literacy and empowerment.

Respect for human rights is a priority for the Company in its relations with clients, business partners and employees alike. OTP Group lays special emphasis on this matter when drawing up its regulations, organizational processes, communications and complaints handling, and so does, indirectly, OTP Jelzálogbank as well; there are no material risks present in this respect. There are no significant risks regarding the respect of the human rights of the employees of OTP Jelzálogbank.

Its achievements in this matter are clearly demonstrated by the fact that employee turnover is low and there are no complaints or lawsuits against it under labour law.

VIII.5. Material anti-corruption and anti-bribery risks

As a result of the division of labour within OTP Group, only a limited number of decisions may entail corruption/bribery risks.

Fight against corruption and against the practice of bribery

The Code of Ethics

(https://www.otpbank.hu/static/portal/sw/file/OTP_EtikaiKodex_EN.pdf),

the Partner Code of Ethics published in 2023

(https://www.otpbank.hu/static/portal/sw/file/OTP_Partneri_EtikaiKodex_EN.pdf)

and the Anti-Corruption Policy of OTP Bank Group contains provisions on the fight against corruption and against the practice of bribery, also on the acceptance of individual differences and the denial of discrimination

([Anti_Corruption_Policy.pdf \(otpbank.hu\)](#); <https://www.otpbank.hu/portal/en/EthicalDeclaration>).

As it can be read in the foreword of the Code and the Anti-Corruption Policy as well, the OTP Bank Plc. and its management have adopted the principle of zero tolerance towards corruption and bribery, taking a definite stance against all forms of corruption and giving full support to the fight against corruption. In addition, the Code states that "As an ethical and compliant institution, the Bank and its management are fully committed to ensuring observance of all relevant legislation, including anti-corruption statutes."

The OTP Bank Plc. has set up an ethics reporting system (whistleblowing), which is for the reporting and the handling of the reports on suspected or actual violation of the values set forth in the Code of Ethics, where anonymous reporting of ethics issues is also possible. The OTP Bank Plc. conducts inquiries for the purpose of detecting, preventing anomalies in connection with reports made or anomalies it became aware of otherwise.

The OTP Bank Plc. has created and maintains its Code of Ethics to keep reputational risk and financial losses, which may incur in relation to corruption, bribery and discrimination, on a minimum level. Both employees and newcomers receive education on the Code of Ethics, and in addition, the acceptance to be bound by it is a prerequisite for their employment.

In addition, all business partners and clients are communicated about the Anti-Corruption Policy and procedures through the Code of Ethics and Anti-Corruption Policy and the Partner Code of Ethics published publicly on the OTP Bank Plc.'s website. The Anti-Corruption Policy stipulates that, in view of the fact that existing and established relationships with contractual partners also contain the possibility of corruption, the OTP Bank Plc. will act prudently in its dealings with contractors, in particular in the tendering and preparation process, to minimise the risk of corruption. The OTP Bank Plc. establishes relationships with its contractual partners based on an assessment of professionalism, competence and competitiveness, and does not apply other non-professional selection criteria that contain the possibility of corruption.

Based on the Compliance's proposal, the prohibition of corruption will be reflected in the contractual and regulatory documents used by the OTP Bank Plc. in a clearer and well-defined manner onwards, through the inclusion of anti-corruption clauses in the business rules and standard contracts. The clause will state from the very beginning of the business relationship that the contracting partner accepts OTP Bank Plc.'s anti-corruption principles, including the prohibition of corruption and the consequences of breaching this prohibition, which can even be termination of contract.

Any requests from third parties affecting human rights are treated by the OTP Bank Plc. as a priority.

We manage the risks regarding the fight against corruption and bribery within the framework of our operational risk management process. Our quarterly compliance reports cover the changes in risks as well as the steps necessary steps to manage them. The reports are presented to the Executive Steering Committee and the Board of Directors; the annual report is also submitted to the Supervisory Board.

VIII.6. Non-financial key performance indicators relevant for specific business activities

Beyond non-quantifiable general customer satisfaction and compliance with the law, the most important performance indicators are all financial data.

IX. ORGANIZATIONAL STRUCTURE, EMPLOYMENT POLICY

In close cooperation with OTP Bank and taking advantage of the synergies within OTP Group, OTP Jelzálogbank structures its organization and determines the optimal employee headcount based on the nature and the amount of the tasks to be delivered. Loans are sold via the branch network of OTP Bank, which has decades of experience in this field, and also via the increasingly important sales partners, while a centralized organizational unit with nationwide coverage contributes to offering clients an ever wider range of services. OTP Bank performs financial, accounting, reporting, risk management and information technology services for OTP Jelzálogbank under a separate agreement.

Organizational structure

The organizational structure of the Company is determined mainly by the types of operations performed by it. The day-to-day work of the Company is managed and overseen by the Chief Executive Officer. The Chief Executive Officer of the Company and the Deputy CEOs responsible for general matters and for property valuation assess the risks of initiatives and ensure that resources are used economically and that operations serve the best interests of the Company's shareholder. The operational structure comprises one department (reporting directly to the Deputy CEO responsible for property valuation) and four business lines (overseen by the Deputy CEO responsible for general matters); in order to achieve greater efficiency, management and control over these organizational units is shared by the Deputy CEOs in the way described above. The allocation of business lines is also subject to the higher-level management and oversight principles associated with the division of labour.

On the medium-term, the Company aims to develop its organization according to the following criteria:

- create a cost-effective organizational structure to support operations,
- adjust the headcount model to ensure legal compliance and meet market needs,
- continually improve the skills of human resources, support professional further training,
- employ highly qualified staff.

Employment policy

In addition to what is described in the section on its organizational structure, priorities in the Company's employment policy include:

- maintaining the real value of employee wages and providing competitive remuneration,
- developing a wide range of fringe benefits,
- creating a complex incentive scheme for employees to ensure all duties are performed,
- creating and operating in conjunction with OTP Bank a professional and advocacy scheme for employees.

The Company's employment policy includes employing and supporting disabled persons in accordance with prevailing law.

As of 30 June 2025 the Company had 42 active employees. The Company places emphasis on professional training for its employees, ensuring that it has access to highly trained staff at all times.

X. QUANTITATIVE AND QUALITATIVE PERFORMANCE MEASURES AND INDICATORS

Since it is subject to consolidated supervision together with OTP Bank Plc. pursuant to the decision of the Hungarian National Authority (previously: HFSA), OTP Jelzálogbank Zrt. is included in the institutional scope of the Banking Group's Remuneration Policy drawn up by OTP Bank Plc. as credit institution heading the Banking Group in accordance with the third amendment to the Capital Requirements Directive accepted by the European Union (2010/76/EU-CRD III) and the Act on Credit Institutions and Financial Enterprises, which transposed the former into Hungarian law.

Since 1 January 2011 OTP Jelzálogbank Zrt. has applied the requirements set out in the Remuneration Policy to all persons subject to that Policy. The following persons have been subject to the Remuneration Policy since 2017: the CEO and Deputy CEOs of the Company, the heads of its Treasury, Finance, Legal and ESG departments, and the internal auditor and compliance officer in active status.

OTP Jelzálogbank Zrt. uses the following types of quantitative and qualitative indicators to measure performance against the requirements laid down in the Banking Group's Remuneration Policy:

- company-level indicators,
- personal tasks and goals.

As a general rule, the Remuneration Policy grants stakeholders who meet the specified indicator values the benefits available for such performance with short-term and 4-year deferrals, providing the deferred parts in equal quarterly proportions, combining shares and cash, thus facilitating the long-term commitment of these persons to the continued preservation of the Company's profitable operations. Managers subject to the Remuneration Policy who do not reach the cap defined were given the opportunity to opt for performance remuneration without postponement, which involves providing benefits only in cash.

XI. DECLARATION ON RESPONSIBLE CORPORATE GOVERNANCE PRACTICES

In the course of its operations OTP Jelzálogbank fully complies with all laws, supervisory rulings and other rules and regulations applicable to it. The structure and operational conditions of the Company are described in the Organizational and Operational Regulations adopted by OTP Bank. As a company with a registered seat in Hungary, OTP Jelzálogbank operates a corporate governance system that satisfies the requirements laid down in Act V of 2013 on the Civil Code (hereinafter: Civil Code), an act of law that also regulates business entities. As a specialized credit institution conducting banking operations, OTP Jelzálogbank also complies with the legal requirements applicable to credit institutions, including especially Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: Credit Institutions Act) and Act XXX of 1997 on Mortgage Banks and Mortgage Bonds (hereinafter: Mortgage Bonds Act).

Accordingly, the Company adheres to the mandatory corporate governance rules prescribed in law and publishes its Statutes and the composition of its management bodies on the OTP Jelzálogbank website. OTP Jelzálogbank does not deviate from the legally prescribed mandatory corporate governance rules but puts into practice all their requirements.

OTP Jelzálogbank does not apply a diversity policy to its administrative, executive and supervisory bodies as this is not mandatory for it under governing law due to its market share measured in terms of balance sheet total.

XI.1. Management bodies

XI.1.1. Board of Directors

The management body of the Company is its Board of Directors. The scope of authority of the Board of Directors is prescribed in the Company Statutes, the Founder's resolutions and the rules of procedure of the Board of Directors. The rules of procedure define the structure and operation of the Board of Directors, the duties pertaining to preparing for and administering its meetings and drafting its resolutions, as well as other matters relevant for the operations of the Board of Directors. The Board of Directors supervises the work of the management and produces an annual report to the founding shareholder about the management, financial standing and business policy of the credit institution. The Board of Directors exercises employer's rights over the Chief Executive Officer and the Deputy CEOs.

The members of the Board of Directors are selected by the founding shareholder. As of 30 June 2025 the Board of Directors had 8 members, 3 of whom are internal members (employed by the Company), which is more than the legally required 2.

The Board of Directors are bound by all the obligations and legal prohibitions stipulated by Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Credit Institutions Act) in respect of senior executives.

The meetings of the Board of Directors are minuted and its resolutions are documented.

The Board of Directors of OTP Jelzálogbank on 30 June 2025:

Antal Kovács – Chairman of the Board of Directors

András Becsei – CEO and internal Member of the Board of Directors

Ákos Fischl – Deputy CEO and internal Member of the Board of Directors

Csaba Nagy – Deputy CEO and internal Member of the Board of Directors

Anna Mitkova Florova – external Member of the Board of Directors

Zoltán Roskó – external Member of the Board of Directors

Attila Kovács – external Member of the Board of Directors

Balázs Együd – external Member of the Board of Directors

XI.1.2. Supervisory Board

The management and the business processes of the Company are supervised by the Supervisory Board, which is the supreme supervisory body of the Company.

The Supervisory Board establishes its own rules of procedure, which are then approved by the founding shareholder. The members of the Supervisory Board are selected by the founding shareholder for a period of five years. In its supervisory role the Supervisory Board may request information or explanations from Members of the Board of Directors and managers and other employees of the Company. The Supervisory Board may also examine, or have examined by an expert, the books and documents of the Company.

The Supervisory Board is entitled to examine all the material business policy reports to be presented to the founding shareholder of the Company, and all proposals pertaining to issues falling within the exclusive competence of the founding shareholder.

Professional oversight of the internal audit function also falls within the competence of the Supervisory Board. The Supervisory Board manages the internal audit organization of the Company in compliance with the requirements set out in the Credit Institutions Act and within the framework of that Act. The Supervisory Board exercises its right to advance consent when decisions are made on concluding or ending an employment contract with managers and employees of the internal audit organization or determining their remuneration; it also formulates recommendations and proposals on the basis of internal audit findings.

The Supervisory Board exercises its rights as a body or through its members but it may also distribute its duties among its members on a permanent basis.

The Supervisory Board holds quarterly meetings. Meetings must be convened if requested by at least one member of the Supervisory Board or the Board of Directors or the statutory auditor, also specifying the reason and the purpose in writing.

The Supervisory Board of OTP Jelzálogbank on 30 June 2025:

József Németh – Chairman of the Supervisory Board

Ágota Selymes – Member of the Supervisory Board

Gergely Pókos – Member of the Supervisory Board

dr. Róbert Csató – Member of the Supervisory Board

XI.1.3. Other committees

Management Meeting

The Management Meeting is a decision-making, decision-preparation and consultative standing committee of the Company; its operational rules are set out in its rules of procedure. The committee makes decisions on matters referred to it and on matters individually not regulated and pertaining to the operation of the credit institution.

Effective from 2021, the Management Meeting has acted as the Green Mortgage Bond Committee within the Company's Green Mortgage Bond Framework.

OTP Mortgage Bank has not established an independent Audit Committee, the functions of the Audit Committee are performed by the Audit Committee of the Founding Shareholder pursuant to Section 157 (5) of the Hungarian Credit Institutions Act.

During the first six month of 2025, the board meetings of directors and the board meetings of the supervisory board were held 2 times, during these meetings the Board of Directors adopted 26 resolutions and the Supervisory Board adopted 20 resolutions. In addition to the meetings, the Board of Directors adopted 50 resolutions via written vote and the Supervisory Board adopted 3 resolutions via written vote.

XI.2. System of internal and external controls

The main function of the internal audit system is to protect the assets of clients and the Company and the interests of the shareholders, and to control the Company's operations to facilitate its compliance with the law. The internal control system extends to all organizational units and activities of the Company.

In order to underpin efficient auditing and reporting processes, the internal control system comprises multiple interconnected controls. In-process and managerial control along with the independent internal auditor and the management information system constitute the components of the internal control system.

The Risk Assumption Strategy defines a risk management framework as well as the principles and guidelines for risk assumption for the whole of OTP Group.

Ultimate powers regarding key risk management decisions and the main risk topics of group members reside with the risk committees of the Banking Group Members; in the case of OTP Jelzálogbank this is the Management Meeting.

To support the reporting processes, the bank's risk management system includes identifying risks, assessing and analyzing their impacts, devising the necessary action plans and monitoring their efficiency and outcomes. The management adopts business decisions in full awareness of all the important risks. All material risks associated with internal and external operations and compliance with financial and legal requirements and many other risks are assessed and managed in a well-defined and transparent internal mechanism.

XI.2.1. IT Controls

Applications are developed by either in-house group resources or by third parties. OTP Bank applies administrative, logical and physical control measures commensurate with the risk in order to protect the IT systems storing and processing data, as follows:

- access to data/systems is only possible on the basis of a predefined authorisation management process that applies the principle of least privilege, ensures segregation of responsibilities, that has regular access right reviews and ensures that dismissed employees' access is revoked in a timely manner;

- user authentication, authorisation and password management processes are controlled by policies and audited;
- the systems have test and development environments with appropriate separation from the production environments that have a secure change management procedure, which ensures that program developments or modifications can only be deployed to the operational environment after proper, controlled testing and approval;
- systems are protected by appropriate network perimeter protection, various security devices and network segmentation, furthermore all network communications are protected with state-of-the-art encryption;
- the IT systems that store and process data are regularly backed up and backup media is stored in controlled premises with adequate protection for long-term retention, and the organisation carries out regular backup restore tests;
- adequate redundancy is applied for IT systems that store and process data to ensure business continuity and disaster resiliency;
- has developed DRPs and BCPs for critical systems and critical business processes, which are regularly tested and reviewed;
- the Bank collects and retains the complete log of all major IT operations and IT security relevant data processing activities and the confidentiality, availability, integrity, authenticity and non-repudiation of these audit logs are ensured;
- there is a continuous, up-to-date protection against malicious codes;
- it ensures the regular implementation of vendor patches and updates for the environments used;
- it uses a data leakage protection (DLP) solution to reduce the risk of inadvertent data loss;
- it ensures the continuous monitoring of the operation events of the physical and virtual environment system elements with automated event detection and management tools;
- the above measures are documented at an appropriate level, which ensures the traceability of the implementation of data security requirements in a transparent manner;
- it ensures permanent secure deletion of the data stored on the media, the destruction of the media and the documentation of the destruction of the media during secure operational media disposal processes;
- it enforces data protection requirements already at the design stage of the implementation of the IT systems storing and processing personal data and of the systems operational processes related to them;
- acquire and maintain ability to adequately handle application related security events (including cyber threats), entailing prevention, detection, identification, isolation, analysis, recovery and reporting;
- remote work is regulated in a controlled and documented way, remote device and user access is protected with multi-factor authentication;
- ensures IT security compliance by its managed regulative framework;
- revision and update of IT security regulations bi-yearly or in a frequency complying legislative requirements or upon major changes;
- ensures vulnerability assessments and penetration tests are carried out as planned;
- defines pools for categorization of installed software into preferred, allowed and prohibited and ensures compliance to that policy.
- it ensures that its employees have adequate knowledge of data protection requirements and provides regular data protection and information security awareness training for them.

XI.2.2. Internal audit

The Company employs an independent internal auditor who reports to the Supervisory Board within a framework defined by the Credit Institutions Act. The independent internal auditor has a medium-term auditing strategy and an annual audit plan approved by the Supervisory Board. The independent internal auditor works on the basis of the annual workplan approved by the Supervisory Board and reports regularly to the Board of Directors and the Supervisory Board.

The independent internal auditor helps the legal and profitable management of assets and liabilities and the protection of private property, supports safe and secure business operations, ensures the efficiency, cost-effectiveness and results of internal control systems, contributes to minimising risk and, in conjunction with the Compliance area, identifies and reports any deviations from legal requirements and internal regulations, proposes ways to eliminate shortcomings and monitors the implementation of measures. They perform this role with objectivity, solely on the basis of professional considerations. Their independence is guaranteed by the fact that they report to the Supervisory Board within the framework defined by the Credit Institutions Act.

XI.2.3. Risk management

The Company has detailed risk management rules covering all types of risk; these rules are aligned with legislation on prudent banking operations.

The risk management system includes identifying the risks, assessing and analyzing their impacts, devising the necessary action plans and monitoring their efficiency and outcomes. The management adopts business decisions in full awareness of all the important risks. All material risks associated with internal and external operations and compliance with financial and legal requirements and many other risks are assessed and managed in a well-defined and transparent internal mechanism.

The Company works closely with the Risk Management and Strategy and Financial Divisions of OTP Bank in exercising functional control in accordance with the Banking Group's risk management guidelines, methodology and infrastructure, for the purpose of developing a clearly defined, transparent and standardized credit, country, counterparty, market and operational risk management system at group level satisfying the Basel requirements and meeting the expectations of the Regulator as well as aligning with the local environment. Group-level risk management is based on a standardized organizational structure and the implementation of regulations and procedures by the subsidiaries.

Credit risk

The Bank manages exposures to credit risk by producing regular analyses of the interest payment and principal repayment ability of debtors and potential debtors and, if necessary, changing the borrowing limits. Another means for managing credit risk is to obtain collateral items and corporate and personal guarantees.

Market risk

Market risks originate from open positions on securities and other instruments. The Bank does not have material exposures to market risk. Market risk exposure is monitored and controlled mainly by the Asset and Liability Management Directorate of OTP Bank.

Net currency position and currency risk

The Bank controls its currency positions against the limits on open positions required by Magyar Nemzeti Bank as well as its own system of limits. The Bank also uses the VaR model for measuring its open currency positions.

Interest rate risk

Most of the Bank's interest-bearing assets and liabilities are designed in such a way that short-term assets are aligned with short-term liabilities or that the mid-year variation of the interest rates on long-term assets and long-term liabilities is possible, or that changes to the interest rates on long-term assets and the related long-term liabilities are synchronized.

In addition to the above, a wide interest margin between the various interest-bearing assets and interest-bearing liabilities offers the Bank a high degree of flexibility in managing interest rate differences and interest rate risk.

Liquidity risk

Liquidity risk measures the extent to which the Bank would need to increase its liquid assets in order to meet its liabilities from financial instruments in a timely manner. The Bank manages its liquidity position in accordance with the principles defined by the MNB.

Policy on hedging transactions

The Bank uses hedge accounting as follows: identifying hedging transactions, producing appropriate hedging documentation, conducting efficiency checks, and evidencing efficiency on the basis of their results.

XI.2.4. Compliance

In accordance with European Union and Hungarian legislative requirements the Company employs a dedicated Compliance Officer responsible for identifying and managing compliance risks and ensuring compliance with the law and prudent operations. In line with Recommendation no. 12/2022. (VIII.11.) of the Magyar Nemzeti Bank, in which it recommends internal lines of defence to be established and operated also at group level and that the governing financial entity should set up and operate a governance and oversight function over the group members, the Compliance Officer performs compliance duties predicated on the same principles as the Compliance Policy of OTP Bank, the Company's parent bank. The Compliance Officer carries out their tasks on the basis of the Compliance Workplan approved by the Board of Directors of the Company. At least once every year the Compliance Officer produces a comprehensive report for the Board of Directors and the Supervisory Board, as required by the Credit Institutions Act and with the content required by the law.

XI.2.5. Data Protection Officer

The Company employs a Data Protection Officer to comply with EU and Member state data protection regulations. The status and the duties of the Data Protection Officer are described in the Company's Organizational and Operational Regulations and its Data Protection and Data Security Regulation, as amended from time to time. The most important task of the DPO is to help the Company achieve compliance with the rules on the protection of personal data, doing so in the manner provided for in law. Among other things, the DPO provides information and professional advice to the Company and its employees responsible for data processing as regards their obligations under EU or Member State data protection provisions, and monitors compliance with the Company's internal regulations on the protection of personal data. At least once a year, the Data Protection Officer presents to the Board of Directors a proposal and/or information note approved by the Management Meeting, describing the DPO's activities in this respect.

XI.2.6. Auditor

The books of OTP Jelzálogbank are audited by Ernst & Young Könyvvizsgáló Kft. (Cg. 01-09-267553).

The decision to select the statutory auditor entity and to appoint the member personally responsible for the audit resides with the founding shareholder.

Ernst & Young Könyvvizsgáló Kft. provided OTP Jelzálogbank with the following non-auditing services in 2025:

- Other assurance services

XI.2.7. Coverage supervisor

OTP Jelzálogbank retains a coverage supervisor to perform the tasks required in Act XXX of 1997 on Mortgage Banks and Mortgage Bonds. The coverage supervisor checks and confirms the availability at all times of the required coverage for the mortgage bonds and ensures that the mortgaged assets serving as ordinary coverage for the mortgage bonds, their land register data and collateral values as well as the ordinary and the additional collaterals are registered in the coverage records.

The Coverage Supervisor for OTP Jelzálogbank is KPMG Hungária Kft. (Cg.01-09-063183).

XI.2.8. Disclosure

The Company complies with the disclosure requirements applicable to its activities by adhering to the provisions in Act CXX of 2001 on the Capital Market (Capital Market Act), Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Credit Institutions Act) and Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR). OTP Jelzálogbank satisfies its annual disclosure obligation through disclosure on its own website (www.otpjzb.hu), the website of the Budapest Stock Exchange (www.bet.hu) and a dedicated website operated by Magyar Nemzeti Bank (www.kozzetetelek.hu).

The Company has detailed internal regulations in place regarding insiders and potential insider persons; these regulations are fully compliant with the limits and prohibitions defined in the prevailing Capital Market Act. The persons concerned receive appropriate information from the Compliance department regarding the prohibitions applicable. The regulatory and record-keeping duties associated with insider trading and insider persons are the responsibility of the Compliance Officer of the Company, with information systems constantly being enhanced in order to deliver these duties efficiently.

XII.DECLARATION BY OTP JELZÁLOGBANK ZRT.

In the Half-yearly Report the unaudited condensed consolidated Financial Statements produced in line with the applicable accounting requirements and the International Financial Reporting Standards (IFRS) adopted by the European Union present a true and fair view of the assets, liabilities, financial position and profit/loss of OTP Jelzálogbank Zrt. as issuer of mortgage bonds.

The Half-yearly consolidated condensed Financial Statements are unaudited.

The Management Report offers a fair view of the position, development and performance of OTP Jelzálogbank Zrt. as an issuer of mortgage bonds, describing the main risks and uncertainties.

OTP Jelzálogbank Zrt. has a liability for compensating for damage caused by misleading content in the Half-yearly Report.

Budapest, 5 August 2025

.....

András Becsei
Chief Executive Officer

.....

Péter Radics
Chief Financial Officer

OTP MORTGAGE BANK LTD.

CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS IN ACCORDANCE
WITH INTERNATIONAL FINANCIAL
REPORTING STANDARDS AS ADOPTED
BY THE EUROPEAN UNION

FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2025

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OTP MORTGAGE BANK LTD.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025
(UNAUDITED) (in HUF million)**

	Note	30 June 2025	31 December 2024	30 June 2024
Cash, amounts due from banks and balances with the National Bank of Hungary		25,620	21,389	24,804
Placements with other banks	4.	440,138	380,764	407,580
Financial assets at fair value through other comprehensive income	5.	-	15,435	14,872
Loans at amortised cost	6.	1,414,893	1,334,894	1,270,955
Loans mandatorily measured at fair value through profit or loss	6.	599,529	558,803	497,122
Securities at amortised cost	7.	215,803	275,991	274,511
Property and equipment		35	73	52
Intangible assets		235	400	300
Right of use assets		121	164	208
Derivative financial assets designated as hedge accounting relationships	11.	3,478	25,893	14,948
Current income tax assets		-	66	317
Deferred tax assets		-	20	44
Other assets		<u>6,005</u>	<u>5,373</u>	<u>4,396</u>
TOTAL ASSETS		<u>2,705,857</u>	<u>2,619,265</u>	<u>2,510,109</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	8.	1,264,447	1,397,626	1,228,543
Liabilities from issued securities	9.	1,269,153	1,064,010	1,138,993
Derivative financial liabilities designated as hedge accounting relationships	11.	11,571	2,881	3,871
Deferred tax liabilities		63	-	-
Current income tax liabilities		217	753	234
Leasing liabilities		125	176	213
Provisions		360	303	541
Other liabilities		<u>8,904</u>	<u>8,985</u>	<u>7,897</u>
TOTAL LIABILITIES		<u>2,554,840</u>	<u>2,474,734</u>	<u>2,380,292</u>
Share capital		82,000	82,000	82,000
Retained earnings and reserves		<u>69,017</u>	<u>62,531</u>	<u>47,817</u>
TOTAL SHAREHOLDER'S EQUITY		<u>151,017</u>	<u>144,531</u>	<u>129,817</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>2,705,857</u>	<u>2,619,265</u>	<u>2,510,109</u>

Budapest, 5 August 2025

.....
András Becsei
Chief Executive Officer

.....
Péter Radics
Chief Financial Officer

OTP MORTGAGE BANK LTD.
CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH
PERIOD ENDED 30 JUNE 2025 (UNAUDITED) (in HUF million)

	Note	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
Interest income and similar to interest income total		94,458	91,730	192,969
Interest expenses total	12.	<u>(77,941)</u>	<u>(75,163)</u>	<u>(163,071)</u>
NET INTEREST INCOME		<u>16,517</u>	<u>16,567</u>	<u>29,898</u>
Risk cost total		44	1,679	6,300
NET INTEREST INCOME AFTER RISK COST		<u>16,561</u>	<u>18,246</u>	<u>36,198</u>
Losses arising from derecognition of financial assets measured at amortised cost		(61)	(589)	(603)
Modification loss		(3,650)	(4,458)	(8,368)
Net profit from fees and commissions		(2,261)	(2,186)	(4,573)
Net operating income		2,549	(8,597)	(1,897)
Other administrative expenses		<u>(6,358)</u>	<u>(5,801)</u>	<u>(7,924)</u>
PROFIT / (LOSS) BEFORE INCOME TAX		<u>6,780</u>	<u>(3,385)</u>	<u>12,833</u>
Income tax		(1,244)	(533)	(2,150)
PROFIT / (LOSS) AFTER INCOME TAX FROM CONTINUING OPERATIONS		<u>5,536</u>	<u>(3,918)</u>	<u>10,683</u>
DISCONTINUED OPERATIONS				
Net Gain from discontinued operations		<u>6,840</u>	=	=
PROFIT / (LOSS) AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION		<u>12,376</u>	<u>(3,918)</u>	<u>10,683</u>
Earnings per share (in HUF)				
From continuing operations				
Basic and diluted		6,751	(4,778)	13,028
From continuing and discontinued operations				
Basic and diluted		15,093	(4,778)	13,028

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD
ENDED 30 JUNE 2025 (UNAUDITED) (in HUF million)

	Note	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
PROFIT / (LOSS) AFTER INCOME TAX		12,376	(3,918)	10,683
Items that may be reclassified subsequently from other comprehensive income to profit or loss:				
Fair value adjustment of securities fair value through other comprehensive income		151	204	581
Deferred tax related to securities fair value through other comprehensive income		(14)	(22)	(62)
(Losses) / Gains on separated currency spread of financial instruments designated as hedging instrument		(1,962)	1,242	1,212
Deferred tax related to separated currency spread of financial instruments designated as hedging instrument		176	(221)	(218)
(Losses) /gains on derivative financial instruments designated as cash flow hedge		<u>(4,246)</u>	<u>118</u>	<u>(97)</u>
Other comprehensive (loss) / income, net of income tax		<u>(5,895)</u>	<u>1,321</u>	<u>1,416</u>
TOTAL COMPREHENSIVE INCOME / (LOSS)		<u>6,481</u>	<u>(2,597)</u>	<u>12,099</u>

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX
MONTH PERIOD ENDED 30 JUNE 2025 (UNAUDITED) (in HUF million)

	Share capital	Capital reserve	Retained earnings and other reserves	Total
Balance as at 1 January 2024	82,000	476	49,919	132,395
Loss after income tax	-	-	(3,918)	(3,918)
Other comprehensive income	-	-	1,321	1,321
Total comprehensive income	82,000	476	47,322	129,798
Share-based payment	=	=	<u>19</u>	<u>19</u>
Balance as at 30 June 2024	<u>82,000</u>	<u>476</u>	<u>47,341</u>	<u>129,817</u>
 Balance as at 1 January 2025	 82,000	 -	 62,531	 144,531
Income after income tax	-	-	12,376	12,376
Other comprehensive income	-	-	(5,895)	(5,895)
Total comprehensive income	82,000	-	69,012	151,012
Share-based payment	=	=	<u>5</u>	<u>5</u>
Balance as at 30 June 2025	<u>82,000</u>	<u>=</u>	<u>69,017</u>	<u>151,017</u>

OTP MORTGAGE BANK LTD.
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOW FOR THE SIX MONTH PERIOD
ENDED 30 JUNE 2025 (UNAUDITED) (in HUF million)

	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
Profit / (loss) before income tax and gain from discounted operations	13,620	(3,385)	12,833
Net accrued interest	293	8,087	2,633
Income tax paid	1,685	-	533
Depreciation and amortization	109	125	261
Loss allowance / (Release of loss allowance)	3,344	(1,610)	3,353
Share-based payment	5	19	37
Unrealised losses on fair value adjustment of financial instruments at fair value through profit or loss	1,845	8,863	1,164
Unrealised gains / (losses) on fair value adjustment of derivative financial instruments	7,857	(8,648)	(16,883)
Interest expense from leasing liabilities	4	(6)	(11)
Foreign exchange gain	(141)	(306)	(281)
Proceeds from sale of tangible and intangible assets	(1)	7	(4)
Net change in assets and liabilities in operating activities	(321,137)	(56,733)	20,197
Net cash (used in) / provided by operating activities	(292,517)	(53,587)	23,832
Net cash provided by investing activities	85,118	38,019	39,897
Net cash provided by / (used in) financing activities	211,630	10,088	(72,647)
Net increase / (decrease) in cash and cash equivalents	4,231	(5,481)	(8,918)
Cash and cash equivalents at the beginning of the period	21,253	30,171	30,171
Cash and cash equivalents at the end of the period	25,484	24,690	21,253

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

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.

OTP Mortgage Bank's ("Bank") functional currency is the Hungarian Forint ("HUF").

The accounting policies followed by the Bank in the preparation of these financial statements conform with International Financial Reporting Standards ("IFRS"). 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 SIX MONTH PERIOD ENDED 30 JUNE 2025

Due to the more transparent management and subsidiary value creation, as well as the group-level cost reduction policy, the Bank sold its ownership in OTP Ingatlanpont Kft. and OTP Pénzügyi Pont Zrt. to OTP Bank Plc. The professional management of these subsidiaries is currently the responsibility of OTP Bank Plc.

NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 14 July 2025, the Curia published its legal consensus decision on how the foreign currency loan cases should be applied in the Hungarian legal system. According to the Bank's opinion, the legal consensus decision does not affect the Bank's previous foreign currency loan agreements, because the Bank's way of presenting the exchange rate risk in its foreign currency loan agreements and the content of the statement on understanding the exchange rate risk signed by the clients were appropriate.

NOTE 4: PLACEMENTS WITH OTHER BANKS, NET OF ALLOWANCE FOR PLACEMENT LOSSES (in HUF million)

	30 June 2025	31 December 2024
Within one year		
In HUF	285,528	36,794
Over one year		
In HUF	<u>154,915</u>	<u>344,408</u>
Subtotal	<u>440,443</u>	<u>381,202</u>
Impairment	(305)	(438)
Total	<u>440,138</u>	<u>380,764</u>
From this: amounts due from OTP Bank	274,720	211,949

	30 June 2025	31 December 2024
Interest conditions of placements with other banks		
Within one year		
in HUF	6.5%-7.41%	6.5%-7.41%
in FX	2%-2.4%	-
Over one year		
in HUF	7.11%-7.14%	6.49%-7.14%
Average interest of placements with other banks		
Placements with other banks in HUF	6.07%	6.83%

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

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

	30 June 2025	31 December 2024
Hungarian Government bonds	-	15,435
Total	≡	<u>15,435</u>
Interest rate:	-	5.50%

The whole portfolio was denominated in HUF as at 31 December 2024.

Interest conditions and the remaining maturity of securities at fair value through other comprehensive income can be analysed as follows:

	30 June 2025	31 December 2024
Within one year:		
fixed interest	-	15,435
Total	≡	<u>15,435</u>

The valuation of the securities at fair value through other comprehensive income was as follows as at 30 June 2025:

	30 June 2025	
	Amortized cost	Fair value
Hungarian Government bonds	-	-
Total	≡	≡

The valuation of the securities at fair value through other comprehensive income was as follows as at 31 December 2024:

	31 December 2024	
	Amortized cost	Fair value
Hungarian Government bonds	15,645	15,435
Total	<u>15,645</u>	<u>15,435</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

NOTE 6: LOANS (in HUF million)

Loans measured at fair value through profit or loss

	30 June 2025	31 December 2024
Within one year	35,655	34,298
Over one year	<u>563,874</u>	<u>524,505</u>
Loans measured at fair value through profit or loss total	<u>599,529</u>	<u>558,803</u>

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 June 2025	31 December 2024
Within one year	88,503	88,032
Over one year	<u>1,333,810</u>	<u>1,254,265</u>
Loans gross total	<u>1,422,313</u>	<u>1,342,297</u>
Provision for impairment on loan losses	(7,420)	(7,403)
Total	<u>1,414,893</u>	<u>1,334,894</u>

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

	30 June 2025	31 December 2024
In HUF	99.99%	99.99%
In foreign currency	<u>0.01%</u>	<u>0.01%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

Interest rates of the loan portfolio mandatorily measured at fair value through profit or loss are as follows (%):

	30 June 2025	31 December 2024
Loans denominated in HUF	0.9% - 25.36%	1.31% - 28.32%
Average interest on loans denominated in HUF	7.49%	7.56%

Interest rates of the loan portfolio measured at amortised cost are as follows (%):

	30 June 2025	31 December 2024
Loans denominated in HUF, with a maturity within one year	1.02% - 22.19%	1.02% - 20.17%
Loans denominated in HUF, with a maturity over one year	0.62% - 18.00%	0.01% - 19.05%
Loans denominated in foreign currency	0.66% - 9.72%	1.9% - 9.72%
Average interest on loans denominated in HUF	7.14%	7.31%
Average interest on loans denominated in foreign currency	4.79%	4.77%

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

	30 June 2025	31 December 2024
Opening balance	7,403	12,051
Provision for the period	5,218	14,643
Release of provision	(4,802)	(18,616)
Use of provision	<u>(399)</u>	<u>(675)</u>
Closing balance	<u>7,420</u>	<u>7,403</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

NOTE 6: LOANS (in HUF million) [continued]

A significant part of the loans above are mortgage loans for purchasing real estate or home equity loans. The loans have collateral notified in the public property register in favour of OTP Mortgage Bank. Such loans and their collateral are included in the Bank's register and mortgage bonds can be issued up to this registered amount. The remaining parts of the loans are real estate development loans given to individual farmers that work in the agro-industry. Real estate and arable land can be accepted as collateral of these loans.

OTP Mortgage Bank Ltd. only provides loans with the original maturity over one year.

Loss allowance on loans at amortised cost and placements with other banks is summarized as below:

	30 June 2025	31 December 2024
Loss allowance on placements with other banks	(145)	(46)
Loss allowance on loans at amortised cost	<u>148</u>	<u>(3,973)</u>
Total	<u>3</u>	<u>(4,019)</u>

The Bank sells non-performing non-subsidised loans without recourse at estimated fair value to an OTP Group member. OTP Faktoring Ltd. in addition, the Bank sells non-performing subsidised loans without recourse at estimated fair value to OTP Bank Plc.

NOTE 7: SECURITIES AT AMORTISED COST (in HUF million)

	30 June 2025	31 December 2024
Government bonds	216,567	277,074
Provision for impairment	<u>(764)</u>	<u>(1,083)</u>
Total	<u>215,803</u>	<u>275,991</u>

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

	30 June 2025	31 December 2024
Opening balance	1,083	1,895
Loss allowance	29	302
Release of loss allowance	<u>(348)</u>	<u>(1,114)</u>
Closing balance	<u>764</u>	<u>1,083</u>

Interest conditions of the securities at amortised (%):

	30 June 2025	31 December 2024
Interest rates on securities at amortised cost	1% - 6.75%	1% - 6.75%
Average interest on securities at amortised cost	6.29%	6.28%

Interest conditions and the remaining maturities of securities at amortised cost can be analysed as follows:

	30 June 2025	31 December 2024
Within one year:		
fixed interest	39,420	104,556
Over one year:		
fixed interest	<u>177,147</u>	<u>172,518</u>
Total	<u>216,567</u>	<u>277,074</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

NOTE 8: **AMOUNTS DUE TO BANKS AND HUNGARIAN GOVERNMENT, DEPOSITS FROM THE NATIONAL BANK OF HUNGARY AND OTHER BANKS (in HUF million)**

	30 June 2025	31 December 2024
Within one year:		
in HUF	200,363	175,847
in foreign currency	<u>133</u>	<u>153</u>
Subtotal	<u>200,496</u>	<u>176,000</u>
Over one year:		
in HUF	<u>1,063,951</u>	<u>1,221,626</u>
Subtotal	<u>1,063,951</u>	<u>1,221,626</u>
Total	<u>1,264,447</u>	<u>1,397,626</u>
From this: amounts due to OTP Bank	1,141,310	1,205,635

Interest conditions on amounts due to OTP Bank and other banks

	30 June 2025	31 December 2024
Within one year:		
in HUF	0.6% - 3.67%	0.6% - 0.9%
in foreign currency	0.66% - 2.72%	0.45% - 3.48%
Over one year:		
in HUF	0% - 10.49%	0%-10.49%

NOTE 9: **LIABILITIES FROM ISSUED SECURITIES (in HUF million)**

	30 June 2025	31 December 2024
Within one year		
In HUF	264,438	249,415
In foreign currency	<u>2,503</u>	<u>6,113</u>
Subtotal	<u>266,941</u>	<u>255,528</u>
Over one year		
In HUF	599,565	599,731
In foreign currency	<u>402,647</u>	<u>208,751</u>
Subtotal	<u>1,002,212</u>	<u>808,482</u>
Total	<u>1,269,153</u>	<u>1,064,010</u>
Issued mortgage bonds during the period (nominal value)	199,650	190,000
Mortgage bonds became due or repurchased during the period (nominal value)	-	271,000
<i>Interest conditions on issued securities</i>		
Interest conditions in HUF	1.25% - 11.00%	1.25%-11.00%
Interest conditions in foreign currency	3% - 3.60%	3.60%

Face value and interest of mortgage bonds issued by OTP Mortgage Bank shall not exceed registered normal and additional collaterals (face value and interest). The Mortgage Bank keeps record of loans, normal and additional collateral values which are shown separately. Independent property inspector monitors the availability of mortgage bond's collateral values in accordance with regulations, the registration of loans, and its pledges as collaterals as the normal collateral of the mortgage bonds, those property register data and the normal and additional collateral in the coverage register.

In the first half of 2025, OTP Mortgage Bank has issued mortgage bonds with the face value of EUR 500 million (HUF 199,650 million) and there were no mortgage bonds became matured or were repurchased during the period.

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

NOTE 10: OFF-BALANCE SHEET ITEMS (in HUF million)

	30 June 2025	31 December 2024
Current litigations	818	815
Loan facilities	<u>82,003</u>	<u>69,606</u>
Contingent and future liabilities	<u>82,821</u>	<u>70,421</u>

NOTE 11: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF million)

Fair value of derivative instruments

	30 June 2025	
	Assets	Liabilities
Derivative financial instruments designated as hedge accounting		
Derivatives designated in fair value hedges		
Interest rate swap	-	189
Derivatives designated in cash flow hedges		
Interest rate swaps	3,478	-
Cross-currency interest rate swap	=	<u>11,382</u>
Total derivatives designated in cash flow hedges	<u>3,478</u>	<u>11,571</u>
	31 December 2024	
	Assets	Liabilities
Derivative financial instruments designated as hedge accounting		
Derivatives designated in fair value hedges		
Interest rate swap	6,388	2,881
Cross-currency interest rate swap	15,140	-
Derivatives designated in cash flow hedges		
Interest rate swaps	<u>4,365</u>	=
Total derivatives designated in cash flow hedges	<u>25,893</u>	<u>2,881</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

NOTE 12: NET INTEREST INCOME (in HUF million)

	Six month period ended 30 June 2025	Six month period ended 30 June 2024	Year ended 31 December 2024
Interest income accounted for using the effective interest rate method from / on			
Loans at amortised cost	47,589	45,502	91,690
FVOCI securities	179	193	386
Placements with other banks	11,209	15,253	30,101
Repo receivables	-	-	477
Amounts due from banks and balances with National Bank of Hungary	904	1,009	1,797
Securities at amortised cost	<u>8,688</u>	<u>8,532</u>	<u>17,296</u>
Subtotal	<u>68,569</u>	<u>70,489</u>	<u>141,747</u>
Income similar to interest income			
Loans mandatorily measured at fair value through profit or loss	21,614	18,556	38,164
Swap and forward deals	<u>4,275</u>	<u>2,685</u>	<u>13,058</u>
Subtotal	<u>25,889</u>	<u>21,241</u>	<u>51,222</u>
Interest income total	<u>94,458</u>	<u>91,730</u>	<u>192,969</u>
Interest expense due to / from / on			
Amounts due to banks and deposits from the National Bank of Hungary and other banks	43,274	35,815	82,849
Leasing liabilities	4	6	11
Liabilities from issued securities	27,085	39,019	62,343
Swap and forward deals	7,578	196	17,741
Repo liabilities	-	<u>127</u>	<u>127</u>
Interest expense total	<u>77,941</u>	<u>75,163</u>	<u>163,071</u>

NOTE 13: RELATED PARTY TRANSACTIONS (in HUF million)

Outstanding balances and transactions with related parties are summarized below in aggregate

Statement of financial position

	30 June 2025		31 December 2024	
	Parent company	Other related parties	Parent company	Other related parties
Cash, amounts due from banks and balances with the National Bank of Hungary	25,406	-	21,182	-
Placements with other banks	274,720	-	211,949	-
Other assets	<u>211</u>	=	<u>51</u>	=
Total Assets	<u>300,337</u>	=	<u>233,182</u>	=
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(1,141,310)	-	(1,205,635)	-
Repo liabilities	-	-	-	-
Other liabilities	<u>(2,416)</u>	=	<u>(4,946)</u>	<u>(158)</u>
Total Liabilities	<u>(1,143,726)</u>	=	<u>(1,210,581)</u>	<u>(158)</u>
Issued securities (nominal value)	(311,383)	(351,931)	(309,098)	(402,327)

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD 30 JUNE 2025

NOTE 13: RELATED PARTY TRANSACTIONS (in HUF million) [continued]

Outstanding balances and transactions with related parties are summarized below in aggregate [continued]

Statement of Profit or Loss

	Six month period ended 30 June 2025		Six month period ended 30 June 2024		Year ended 31 December 2024	
	Parent company	Other related parties	Parent company	Other related parties	Parent company	Other related parties
Interest Income	6,098	-	10,330	6,098	51,532	-
Interest Expense	(39,747)	-	(41,246)	(39,747)	(115,502)	-
Income from fees and commissions	449	-	837	449	1,639	111
Expenses from fees and commissions	(2,225)	-	(1,147)	(2,225)	(4,657)	-
Other operating income / (expense)	<u>(268)</u>	=	=	<u>(268)</u>	=	<u>(109)</u>
Total	<u>(35,693)</u>	=	<u>(31,226)</u>	<u>(35,693)</u>	<u>(66,988)</u>	<u>220</u>

13.2. Outstanding balances related to key management personnel

The management, the members of the Board of Directors and the Supervisory Board and their close relatives have loans of HUF 5,664 million as at 30 June 2025. These loans were covered by HUF 12,919 million mortgages and loan commitments, which loans finance on a market basis.