

Annual Report

31 December 2025

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

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- Business report of the Management (consolidated 2025)
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- Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union, for the year ended 31 December 2025

Business report of the Management (separate 2025)

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 combined with the Business Report required in the Accounting Act 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 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. D building 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 audited separate annual report of OTP Jelzálogbank as of 31 December 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 Trump administration, which took office on January 20, significantly changed the global economy in 2025, when it began to implement campaign promises, including the introduction of import tariffs. The unfolding tariff war caused huge turbulence in the markets due to the restructuring of trade relations. Year 2025 also brought a major change in the direction of the USA's foreign policy, which, amid increasing geopolitical conflicts around the world, forced its allies, including NATO members, to boost their defence spending, placing a serious burden on their budgets. After the increase in yields owing to Donald Trump's victory in 2024, developed markets' bond yields declined somewhat in 2025, and the dollar has weakened against the euro.

In the first quarter of 2025, the US economy felt the pain of preparing for the tariff war: to avoid tariffs, imports were brought forward, which, through falling net exports, has slowed economic growth to a halt, but this was reversed in the second and third quarters. Overall, the US economy survived the first year of the second Trump administration with a better performance than the 1.5-2.0% growth expected at the beginning of 2025. Based on the available data, annual growth exceeded 2%, fuelled by consumer spending and AI investments. The outlook for the labour market was clouded by Donald Trump's strict immigration policy, by demographic trends, and by the rapid rise of artificial intelligence, while, despite the US president's plans, the industry failed to create a large number of new jobs. Nevertheless, the situation in the labour market, which deteriorated rapidly in the first half of the year, stabilized by the end of 2025. Despite the inflationary economic policy measures of the new administration, inflation did not accelerate, yet it remained above the Fed's 2% target, which justified caution regarding interest rate cuts, despite deteriorating labour market conditions. The interest rate cut cycle that began at the end of 2024 came to a halt at the beginning of 2025 and the next cut did not come before September. Thus, the base rate was reduced by a total of 75 basis points, to 3.5-3.75%, by the end of the year. There is still significant tension in the bond market, because the debt-to-GDP ratio is at an all-time high, around 125%, and the deficit remained at an elevated level, above 5% of GDP, because despite the significant improvement in the budget balance thanks to tariff revenues, the Trump administration's Big Beautiful Bill extended tax breaks, while the promised spending cuts were not implemented.

Despite the tariff war and increasing geopolitical tensions, the eurozone's recovery from previous shocks (energy crisis, war, inflation, and interest rate shocks) continued throughout 2025. Adding to the euro area economy's problems, the block is forced to reallocate huge amounts of money to defence spending as NATO's role seems to be hollowing out. Meanwhile, the car industry, the flagship of the European manufacturing industry, is lagging behind in technological transition. In 2025, the eurozone's GDP expanded by 1.5% including Ireland's extremely volatile figures; without Ireland, the growth rate is 1.0%. The unemployment rate was at a historic low of 6.2% in December. Inflation was still well above the 2% target in the first months of the year, but in the rest of the year both headline and core inflation fell back, drawing closer to the ECB's target. Wage growth, which had previously fuelled inflation, slowed in the second half of 2025, so by the end of the year only the high level of services inflation was a cause for concern. In the first half-year, the ECB cut the effective (deposit) rate from 2.75% to 2.0%, the main refinancing rate from 3.15% to 2.15%, and the marginal lending rate from 3.15% to 2.4%, and they remained at these levels until the end of the year. In Europe, investors also focus on concerns about fiscal sustainability, especially in France, which is struggling with 110% public debt and 6% deficit, as well as political crises.

Hungary's economy has been practically stagnant since 2023 on account of the energy crisis, shrinking export markets, strong exposure to the automotive and battery industries, the freezing of EU funds, the collapse of the previous investment boom, and pressure for strictness in economic policy. Although fiscal austerity ended in 2025 and Europe's growth also improved towards the end of 2025, Hungary's economic growth remained pale throughout last year, when GDP expanded by barely 0.4%, according to preliminary data from the KSH statistical office, as consumption growth was offset by shrinking investment and declining exports. The tightness of the labour market clearly decreased during the year, but the unemployment rate did not increase meaningfully.

By the beginning of 2025, headline and constant tax core inflation (the latter is closely watched by the MNB) both accelerated to almost 6%. The reasons for the walking inflation are manifold: inflation expectations stuck at elevated levels, corporations' rapid repricing, the weak forint at the end of 2024, rising food prices, excessively high wage dynamics, and passed-on special taxes all contributed. The government and the MNB both reacted to the high inflation. The government has been curbing price increases with a number of administrative measures since spring 2025, which

have held back price growth by around 1.5 percentage points. In order to achieve the inflation target, the MNB's new leadership broke with the policy of the weak forint and, despite expectations of an interest rate cut, left the key interest rate at 6.5% until the end of 2025. This, together with several other favourable factors, strengthened the forint, helping to bring down the EUR/HUF below 385 by the end of 2025, from around 410 at the year-beginning.

According to the Ministry of National Economy, Hungary's budget deficit amounted to 4.9% of GDP in 2025, while public debt could be around 74.6% of GDP, in an increase from 73.5% at the end of 2024. The government announced a string of fiscal stimulus measures in 2025, but most of them will affect the budget from 2026 onwards.

Given that Hungary's current account surplus is around 2% of GDP, the gross external debt ratio is between 60% and 65% of GDP, and as foreign exchange reserves are about EUR 10 billion higher than the reserve adequacy rules require, Hungary's external balance position is much stronger than the level that can be considered sustainable.

All international credit rating agencies rated Hungary's sovereign debt as investment grade last year.

In 2025, Hungary's housing market was significantly boosted by the expansion of available subsidies, the Home Start programme, which reduced the effective lending rate to 3%, and by the rapid wage growth. Due to the tight supply of new housing and the strengthening demand, housing prices increased steeply in two waves, by around 20%. As a result, the growth of household credit volumes accelerated to 14% (from 9% at the end of 2024), and that of housing loans to 20%, up from 13%.

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

The interest rate cap remained in place throughout the year, with the overall interest rate environment declining on a year-on-year basis. The housing loan market experienced a significant recovery. Prices continued to rise and demand increased. The volume of new loan contracts in 2025 exceeded the previous year's figure by 43.7%, rising from HUF 1,442.9 billion to HUF 2,073.1 billion. The change was largely driven by housing loan contracts, but the volume of free-use mortgage loan agreements also increased. 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. In the reporting year the Banking Group achieved a market share of 33.5% in terms of new contract portfolios.

	New contract amount (HUF bn)				Market share	
	Market		OTP Group		OTP Group	
	2024	2025	2024	2025	2024	2025
Housing loan	1 351.41	1 969.96	417.27	653.96	30.9%	33.2%
General-purpose mortgage loan	91.51	103.09	30.99	40.28	33.9%	39.1%
Total	1 442.92	2 073.05	448.26	694.24	31.1%	33.5%

In 2025 OTP Jelzálogbank extended HUF 651.9 billion in retail housing loans; this is equal to 148.3% of the previous year's volume. Within this, demand for housing loans rose to 149.4% and for general-purpose mortgage loans to 133.3% according to the previous year. 93.8% of the retail mortgage loans disbursed were housing loans and 6.2% were general-purpose mortgage loans.

OTP Jelzálogbank Zrt.	Loans disbursed (HUF bn)	
	2024	2025
Housing loan	409.3	611.5
General-purpose mortgage loan	30.3	40.4
Total	439.6	651.9

Jelzálogbank received a total of HUF 241.2 billion in loan repayments in the reporting year, including early repayments of HUF 103.7 billion.

As the Company no longer disburses land development loans, the nominal gross portfolio decreased from HUF 1.5 billion to HUF 1.1 billion.

The market share of OTP Group within retail mortgage lending increased further in 2025 and stood at 32.0% as of the end of the year.

	Closing balance (HUF bn)				Market share	
	National		OTP Group		OTP Group	
	2024	2025	2024	2025	2024	2025
Housing loan	5 655.14	6 779.83	1 782.23	2 176.97	31.5%	32.1%
General-purpose mortgage loan	700.46	654.23	205.40	205.11	29.3%	31.4%
Total	6 355.60	7 434.06	1 987.63	2 382.08	31.3%	32.0%

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 mortgage 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 31 December 2025; the principal outstanding under its refinancing loans amounted to HUF 191.7 billion in total.

Its property valuation business line is closely linked to its lending operations; the dynamism of the latter has a significant impact on valuation volumes. The business line had completed 69,100 valuations in 2025 compared to 61,600 in the previous year (2024).

In 2025, OTP Mortgage Bank issued mortgage bonds on three occasions: twice on the international market, each issuance having a nominal value of EUR 500 million, and once on the domestic market with a nominal value of HUF 30 billion. During the same period, mortgage bonds with nominal values of HUF 150 billion and HUF 90 billion, respectively, matured or were redeemed. As a result, the mortgage bond portfolio amounted to HUF 1,213.2 billion at the end of the reporting year.

While this was still well below the nominal gross portfolio of loans (HUF 2,325.7 billion), mortgage bonds and equity are supplemented with amounts due to banks and other liabilities to finance mortgage loans.

In the current year, OTP Mortgage Bank continued to maintain its market-leading position in terms of the volume of mortgage bonds traded on the domestic mortgage bond market. At the end of the year, its market share was 49.76%.

Mortgage bond market structure in 2025 (nominal value):

	31 December 2024		31 December 2025	
	HUF bn	share	HUF bn	share
OTP Jelzálogbank Zrt.	1 050.2	49.85%	1213.2	49.76%
MBH Jelzálogbank Nyrt.	364.9	17.32%	430.2	17.65%
UniCredit Jelzálogbank Zrt.	281.1	13.34%	304.8	12.50%
Erste Jelzálogbank Zrt.	185.7	8.81%	224.8	9.22%
K&H Jelzálogbank Zrt.	225.0	10.68%	265.0	10.87%
Total	2 106.9	100.00%	2438.0	100.00%

In 2025, despite diverging economic indicators, the housing market has experienced a significant recovery and credit demand has also increased sharply. In the expanding residential mortgage market, the OTP Group performed excellently, maintaining its market leadership and market share through an innovative business policy.

IV. THE MAIN RESOURCES AND RISKS OF THE COMPANY; RELATED CHANGES AND UNCERTAINTIES (MoF Decree no. 24/2008. (VIII. 15.), Annex 1, Section 4.3)

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; detailed information on these is available in the notes to the Annual Report and the chapters "The mortgage loan portfolio" and "Evaluation of the 2025 financial management of OTP Jelzálogbank".

The armed conflict that escalated between Russia and Ukraine in the second half of February 2022 remained unresolved in 2025; therefore, continuous monitoring by the Management Board of OTP Jelzálogbank remained necessary. According to the Management's assessment, the conflict continues to have no adverse impact on the financial, asset or liquidity position of OTP Jelzálogbank, and does not affect the figures of the 2025 Financial Statements or the solvency capital.

V. EVALUATION OF THE 2025 FINANCIAL MANAGEMENT OF OTP JELZÁLOGBANK

The macroeconomic background to OTP Jelzálogbank's financial management in 2025 was an inflationary environment and government decisions taken to deal with the consequences. The most impactful of these measures was the repeated extension of legislation, first introduced at the end of 2021, on the interest rate cap for variable-rate loans. Due to the government's stimulus measures, the housing market has strengthened along with household demand for credit.

The economic policy measures and other relevant regulatory changes taken after the balance sheet date are presented in the last chapter of the Annual Report.

Audited separate IFRS figures of OTP Jelzálogbank as at 31 December 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.

Changes in assets and liabilities

The balance sheet total as at 31 December 2025 amounted to HUF 2,869.1 billion, up 9.3% on the previous year. The Company closed the reference period with after-tax profits of HUF 12.7 billion.

Some illustrative financial management figures:

figures in HUF bn

Description	31 December 2024	31 December 2025	Variance 2025 vs. 2024
Placements with other banks	380 684	366 863	(13 821)
Securities portfolio	291 426	178 199	(113 227)
Loan portfolio at IFRS valuation	1 896 271	2 314 059	417 788
Total assets	2 624 915	2 869 147	244 232
Amounts due to banks	1 397 626	1 435 102	37 476
Mortgage bond portfolio at IFRS valuation	1 064 010	1 222 730	158 720
Shareholder's Equity	150 824	153 279	2 455

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.

The net portfolio of customer loans grew at a more dynamic pace of 22%, compared with the 13.8% increase in the previous year. The amount of the impairment recognized on the customer loan portfolio carried at amortized cost in 2025 is HUF 7.2 billion, which is HUF 0.2 billion lower than in the previous year.

Total placements with other banks amounted to HUF 366.9 billion, of which refinancing loans (at net value less impairment) amounted to HUF 191.7 billion.

On the liabilities side, the main liabilities are issued securities and amounts due to banks.

At the end of the reference period, the IFRS value of mortgage bonds issued with a nominal value of HUF 1,213.2 billion (including amortization differences, accruals and fair market value differences) amounted to HUF 1,222.7 billion. In 2025, the IFRS portfolio of mortgage bonds increased by HUF 158.7 billion.

The two main components of amounts due to banks are loans granted by OTP Bank for financing purposes and secured loans received from the MNB. Significant among the latter loans is the HUF 143.7 billion portfolio of the MNB's refinancing loans, providing the source of the loans disbursed under the MNB's 'Green Housing Support Programme' (MNB ZOP), which is shown in the balance sheet at a much lower value (HUF 73.9 billion) due to interest-free financing and the initial adjustment.

Equity rose by 1.6% year-on-year as a result of after-tax profits. The Company has consistently met the capital adequacy ratio requirements set out by law. At the end of December 2025, the Mortgage

Bank's own funds amounted to HUF 158.3 billion and the closing value of the capital adequacy ratio was 17.8%.

Changes in P&L

OTP Jelzálogbank closed 2025 with a profit: its net after-tax profits amounted to HUF 12.7 billion.

figures in HUF bn

Description	31 December 2024	31 December 2025	Variance 2025 vs. 2024
Total Interest income	192 646	198 304	5 658
<i>of which: Placement with other banks</i>	<i>30 084</i>	<i>21 949</i>	<i>(8 135)</i>
<i>of which: Interest income from securities</i>	<i>17 682</i>	<i>16 072</i>	<i>(1 610)</i>
<i>of which: Interest income from loans</i>	<i>129 549</i>	<i>145 148</i>	<i>15 599</i>
Interest expense	(163 069)	(169 324)	(6 255)
<i>of which: Amounts due to banks</i>	<i>(97 050)</i>	<i>(115 455)</i>	<i>(18 405)</i>
<i>of which: Interest paid on mortgage bonds</i>	<i>(65 564)</i>	<i>(53 863)</i>	<i>11 701</i>
Pre-tax profit/loss	13 705	15 117	1 412
After-tax profit/loss	11 585	12 722	1 137

The income structure of the credit institution is mainly determined by the interest margin, which amounted to HUF 29 billion as a result of interest income of HUF 198.3 billion and interest expenses of HUF 169.3 billion.

The most significant item of interest income received by the Company is interest income on customer loans, which amounted to HUF 145.1 billion, including HUF 28.5 billion in interest subsidies paid by the state on the assets and liabilities side.

Interest income from refinancing loans, which are included in placement with other banks, and from government securities amounted to HUF 12.5 billion and HUF 16.1 billion, respectively.

The main items of interest expenses are interest expense recognized on issued mortgage bonds and their hedging transactions (HUF 53.9 billion) and interest paid on amounts due to banks (HUF 115.5 billion).

The net result of fees and commissions is a loss of HUF 6.6 billion. The most significant items of fee and commission income are fee incomes from the collateral valuation business and other lending-related fee income. The majority of fee and commission expenses, which exceed revenues by an order of magnitude, are fees and commissions paid to OTP Bank in connection with lending activities.

Due to the modification the net profit/loss row shows the HUF 7 billion loss resulting from the interest rate cap, extended to the second half of 2025 and the first half of 2026, relating to amortized loans valued at first cost.

Other administrative expenses amounted to HUF 7.8 billion. Of this, actual operating expenses accounted for only HUF 2.2 billion, while the remaining HUF 5.6 billion were tax and tax-type expenditures not dependent on the result for the reference period: the special bank tax accounted for HUF 4 billion, the extra profit tax accounted for HUF 1.1 billion and contributions paid to the MNB (supervisory fee, resolution fund) for HUF 0.5 billion.

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 2026 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.

In 2025 OTP Jelzálogbank issued mortgage bonds for a nominal value of HUF 30 billion under its domestic issuance scheme and with a nominal value of EUR 1 billion under its Luxembourg issuance programme. As of the end of the year, OTP Jelzálogbank had mortgage bonds for a total nominal value of HUF 1.213,2 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 the end of 2025 the nominal value of the government securities held by OTP Jelzálogbank amounted to HUF 204.8 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		
tenor	31 December 2024	31 December 2025
0 to 5 years	3.28%	3.55%
5 to 10 years	10.63%	11.65%
10 to 15 years	14.15%	16.48%
15 to 20 years	33.25%	32.61%
over 20 years	38.69%	35.71%
Total:	100.00%	100.00%

Loan portfolio breakdown by region		
region	31 December 2024	31 December 2025
Central Region	47.91%	48.10%
Transdanubia Region	26.99%	27.02%
Eastern Hungary Region	25.10%	24.88%
Total:	100.00%	100.00%

The increase in the proportion of loans with a remaining maturity of 10–15 years has been recorded within the portfolio's maturity distribution relative to the end of the previous year.

There were no material changes in the regional distribution.

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 191.7 billion as of the end of 2025.

VII.2. Portfolio quality

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

Gross IFRS portfolio (figures in HUF bn)	31 December 2024	31 December 2025	Annual change
A (0-30 days)	1 885.7	2 303.7	418.0
B (31-60 days)	5.5	6.3	0.8
C (61-90 days)	2.8	2.8	(0.0)
D (91-180 days)	5.5	5.3	(0.2)
E (180+ days)	6.0	6.1	0.1
Total	1 905.5	2 324.2	418.7
A (0-30 days)	98.96%	99.12%	0.16%
B (31-60 days)	0.29%	0.27%	(0.02%)
C (61-90 days)	0.14%	0.12%	(0.02%)
D (91-180 days)	0.29%	0.23%	(0.06%)
E (180+ days)	0.32%	0.26%	(0.06%)
Total	100.00%	100.00%	0.00%

As of the end of 2025 receivables more than 30 days overdue represented 0.88% of the total loan portfolio, 16 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 31 December 2025 impairment recognized on client loans amounted to HUF 10.2 billion.

Although the refinancing loans are not in arrears, impairment must be raised for them under the IFRS9 standard; the year-end impairment figure was a mere HUF 70 million.

The Bank sold all loans where extensive debtor protection and collection measures failed. In 2025 this meant selling a total of HUF 3.3 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. In 2024, no new enforcement proceedings were initiated, whereas in 2025 enforcement proceedings were initiated in relation to a development loan. Consequently, by the end of 2025, only a single loan remained in the mortgage bank's portfolio for which enforcement proceedings had been initiated.

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 2027. For the year 2025, 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 2025 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.

OTP Jelzálogbank 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 replaces and expands 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 (https://www.otpbank.hu/static/portal/sw/file/OTP_Partneri_EtikaiKodex_EN.pdf) published in 2023 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 (https://www.otpbank.hu/portal/en/EthicalDeclaration_Anti_Corruption_Policy.pdf ([otpbank.hu](https://www.otpbank.hu))).

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 violations 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 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 Jelzalogbank 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 Jelzalogbank 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 31 December 2025 the Company had 47 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 (MoF Decree no. 24/2008. (VIII. 15.), Annex 1, Section 4.5)

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 31 December 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 31 December 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 31 December 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.

In 2025, the board meetings of directors and the board meetings of the supervisory board were held 4 times, during these meetings the Board of Directors adopted 45 resolutions and the Supervisory Board adopted 33 resolutions. In addition to the meetings, the Board of Directors adopted 115 resolutions via written vote and the Supervisory Board adopted 15 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.

Quantified pricing, lending, liquidity and cash flow risks are presented in detail in Notes 31, 34, 36 and 37 in the Notes to the separate Annual Report.

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.

Further elements of the risk management and hedging policy are described in Note 2 in the Notes to the separate Annual Report, where the main accounting principles are summarized.

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:

- Consultancy 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.

Business report of the Management (consolidated 2025)

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 combined with the Business Report required in the Accounting Act 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”, “Company” or “Group”) 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. D ép. 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 audited separate and consolidated annual reports of OTP Jelzálogbank as of 31 December 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 Trump administration, which took office on January 20, significantly changed the global economy in 2025, when it began to implement campaign promises, including the introduction of import tariffs. The unfolding tariff war caused huge turbulence in the markets due to the restructuring of trade relations. Year 2025 also brought a major change in the direction of the USA's foreign policy, which, amid increasing geopolitical conflicts around the world, forced its allies, including NATO members, to boost their defence spending, placing a serious burden on their budgets. After the increase in yields owing to Donald Trump's victory in 2024, developed markets' bond yields declined somewhat in 2025, and the dollar has weakened against the euro.

In the first quarter of 2025, the US economy felt the pain of preparing for the tariff war: to avoid tariffs, imports were brought forward, which, through falling net exports, has slowed economic growth to a halt, but this was reversed in the second and third quarters. Overall, the US economy survived the first year of the second Trump administration with a better performance than the 1.5-2.0% growth expected at the beginning of 2025. Based on the available data, annual growth

exceeded 2%, fuelled by consumer spending and AI investments. The outlook for the labour market was clouded by Donald Trump's strict immigration policy, by demographic trends, and by the rapid rise of artificial intelligence, while, despite the US president's plans, the industry failed to create a large number of new jobs. Nevertheless, the situation in the labour market, which deteriorated rapidly in the first half of the year, stabilized by the end of 2025. Despite the inflationary economic policy measures of the new administration, inflation did not accelerate, yet it remained above the Fed's 2% target, which justified caution regarding interest rate cuts, despite deteriorating labour market conditions. The interest rate cut cycle that began at the end of 2024 came to a halt at the beginning of 2025 and the next cut did not come before September. Thus, the base rate was reduced by a total of 75 basis points, to 3.5-3.75%, by the end of the year. There is still significant tension in the bond market, because the debt-to-GDP ratio is at an all-time high, around 125%, and the deficit remained at an elevated level, above 5% of GDP, because despite the significant improvement in the budget balance thanks to tariff revenues, the Trump administration's Big Beautiful Bill extended tax breaks, while the promised spending cuts were not implemented.

Despite the tariff war and increasing geopolitical tensions, the eurozone's recovery from previous shocks (energy crisis, war, inflation, and interest rate shocks) continued throughout 2025. Adding to the euro area economy's problems, the block is forced to reallocate huge amounts of money to defence spending as NATO's role seems to be hollowing out. Meanwhile, the car industry, the flagship of the European manufacturing industry, is lagging behind in technological transition. In 2025, the eurozone's GDP expanded by 1.5% including Ireland's extremely volatile figures; without Ireland, the growth rate is 1.0%. The unemployment rate was at a historic low of 6.2% in December. Inflation was still well above the 2% target in the first months of the year, but in the rest of the year both headline and core inflation fell back, drawing closer to the ECB's target. Wage growth, which had previously fuelled inflation, slowed in the second half of 2025, so by the end of the year only the high level of services inflation was a cause for concern. In the first half-year, the ECB cut the effective (deposit) rate from 2.75% to 2.0%, the main refinancing rate from 3.15% to 2.15%, and the marginal lending rate from 3.15% to 2.4%, and they remained at these levels until the end of the year. In Europe, investors also focus on concerns about fiscal sustainability, especially in France, which is struggling with 110% public debt and 6% deficit, as well as political crises.

Hungary's economy has been practically stagnant since 2023 on account of the energy crisis, shrinking export markets, strong exposure to the automotive and battery industries, the freezing of EU funds, the collapse of the previous investment boom, and pressure for strictness in economic policy. Although fiscal austerity ended in 2025 and Europe's growth also improved towards the end of 2025, Hungary's economic growth remained pale throughout last year, when GDP expanded by barely 0.4%, according to preliminary data from the KSH statistical office, as consumption growth was offset by shrinking investment and declining exports. The tightness of the labour market clearly decreased during the year, but the unemployment rate did not increase meaningfully.

By the beginning of 2025, headline and constant tax core inflation (the latter is closely watched by the MNB) both accelerated to almost 6%. The reasons for the walking inflation are manifold: inflation expectations stuck at elevated levels, corporations' rapid repricing, the weak forint at the end of 2024, rising food prices, excessively high wage dynamics, and passed-on special taxes all contributed. The government and the MNB both reacted to the high inflation. The government has been curbing price increases with a number of administrative measures since spring 2025, which have held back price growth by around 1.5 percentage points. In order to achieve the inflation target, the MNB's new leadership broke with the policy of the weak forint and, despite expectations of an interest rate cut, left the key interest rate at 6.5% until the end of 2025. This, together with several other favourable factors, strengthened the forint, helping to bring down the EUR/HUF below 385 by the end of 2025, from around 410 at the year-beginning.

According to the Ministry of National Economy, Hungary’s budget deficit amounted to 4.9% of GDP in 2025, while public debt could be around 74.6% of GDP, in an increase from 73.5% at the end of 2024. The government announced a string of fiscal stimulus measures in 2025, but most of them will affect the budget from 2026 onwards.

Given that Hungary’s current account surplus is around 2% of GDP, the gross external debt ratio is between 60% and 65% of GDP, and as foreign exchange reserves are about EUR 10 billion higher than the reserve adequacy rules require, Hungary's external balance position is much stronger than the level that can be considered sustainable.

All international credit rating agencies rated Hungary’s sovereign debt as investment grade last year.

In 2025, Hungary’s housing market was significantly boosted by the expansion of available subsidies, the Home Start programme, which reduced the effective lending rate to 3%, and by the rapid wage growth. Due to the tight supply of new housing and the strengthening demand, housing prices increased steeply in two waves, by around 20%. As a result, the growth of household credit volumes accelerated to 14% (from 9% at the end of 2024), and that of housing loans to 20%, up from 13%.

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

The interest rate cap remained in place throughout the year, with the overall interest rate environment declining on a year-on-year basis. The housing loan market experienced a significant recovery. Prices continued to rise and demand increased. The volume of new loan contracts in 2025 exceeded the previous year's figure by 43.7%, rising from HUF 1,442.9 billion to HUF 2,073.1 billion. The change was largely driven by housing loan contracts, but the volume of free-use mortgage loan agreements also increased. 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. In the reporting year the Banking Group achieved a market share of 33.5% in terms of new contract portfolios.

	New contract amount (HUF bn)				Market share	
	Market		OTP Group		OTP Group	
	2024	2025	2024	2025	2024	2025
Housing loan	1 351.41	1 969.96	417.27	653.96	30.9%	33.2%
General-purpose mortgage loan	91.51	103.09	30.99	40.28	33.9%	39.1%
Total	1 442.92	2 073.05	448.26	694.24	31.1%	33.5%

In 2025 OTP Jelzálogbank extended HUF 651,9 billion in retail housing loans; this is equal to 148.3% of the previous year’s volume. Within this, demand for housing loans rose to 149.4% and for general-purpose mortgage loans to 133.3% according to the previous year. 93.8% of the retail mortgage loans disbursed were housing loans and 6.2% were general-purpose mortgage loans.

OTP Jelzálogbank Zrt.	Loans disbursed (HUF bn)	
	2024	2025
Housing loan	409.3	611.5
General-purpose mortgage loan	30.3	40.4
Total	439.6	651.9

Jelzálogbank received a total of HUF 241.2 billion in loan repayments in the reporting year, including early repayments of HUF 103.7 billion.

As the Company no longer disburses land development loans, the nominal gross portfolio decreased from HUF 1.5 billion to HUF 1.1 billion.

The market share of OTP Group within retail mortgage lending increased further in 2025 and stood at 32.0% as of the end of the year.

	Closing balance (HUF bn)				Market share	
	National		OTP Group		OTP Group	
	2024	2025	2024	2025	2024	2025
Housing loan	5 655.14	6 779.83	1 782.23	2 176.97	31.5%	32.1%
General-purpose mortgage loan	700.46	654.23	205.40	205.11	29.3%	31.4%
Total	6 355.60	7 434.06	1 987.63	2 382.08	31.3%	32.0%

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 31 December 2025; the principal outstanding under its refinancing loans amounted to HUF 191.7 billion in total.

Its property valuation business line is closely linked to its lending operations; the dynamism of the latter has a significant impact on valuation volumes. The business line had completed 69,100 valuations in 2025 compared to 61,600 in the previous year (2024).

In 2025, OTP Mortgage Bank issued mortgage bonds on three occasions: twice on the international market, each issuance having a nominal value of EUR 500 million, and once on the domestic market with a nominal value of HUF 30 billion. During the same period, mortgage bonds with nominal values of HUF 150 billion and HUF 90 billion, respectively, matured or were redeemed. As a result, the mortgage bond portfolio amounted to HUF 1,213.2 billion at the end of the reporting year.

While this was still well below the nominal gross portfolio of loans (HUF 2,325.7 billion), mortgage bonds and equity are supplemented with amounts due to banks and other liabilities to finance mortgage loans.

In the current year, OTP Mortgage Bank continued to maintain its market-leading position in terms of the volume of mortgage bonds traded on the domestic mortgage bond market. At the end of the year, its market share was 49.76%.

Mortgage bond market structure in 2025 (nominal value):

	31 December 2024		31 December 2025	
	HUF bn	share	HUF bn	share
OTP Jelzálogbank Zrt.	1 050.2	49.85%	1213.2	49.76%
MBH Jelzálogbank Nyrt.	364.9	17.32%	430.2	17.65%
UniCredit Jelzálogbank Zrt.	281.1	13.34%	304.8	12.50%
Erste Jelzálogbank Zrt.	185.7	8.81%	224.8	9.22%
K&H Jelzálogbank Zrt.	225.0	10.68%	265.0	10.87%
Total	2 106.9	100.00%	2438.0	100.00%

In 2025, despite diverging economic indicators, the housing market has experienced a significant recovery and credit demand has also increased sharply. In the expanding residential mortgage market, the OTP Group performed excellently, maintaining its market leadership and market share through an innovative business policy.

IV. THE MAIN RESOURCES AND RISKS OF THE COMPANY; RELATED CHANGES AND UNCERTAINTIES (MoF Decree no. 24/2008. (VIII. 15.), Annex 1, Section 4.3)

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; detailed information on these is available in the notes to the Annual Report and the chapters "The mortgage loan portfolio" and "Evaluation of the 2025 financial management of OTP Jelzálogbank".

The armed conflict that escalated between Russia and Ukraine in the second half of February 2022 remained unresolved in 2025; therefore, continuous monitoring by the Management Board of OTP Jelzálogbank remained necessary. According to the Management's assessment, the conflict continues to have no adverse impact on the financial, asset or liquidity position of OTP Jelzálogbank, and does not affect the figures of the 2025 Financial Statements or the solvency capital.

V. EVALUATION OF THE 2025 FINANCIAL MANAGEMENT OF OTP JELZÁLOGBANK

The macroeconomic background to the Group's financial management in 2025 was an inflationary environment and government decisions taken to deal with the consequences. The most impactful of these measures was the repeated extension of legislation, first introduced at the end of 2021, on the interest rate cap for variable-rate loans. Due to the government's stimulus measures, the housing market has strengthened along with household demand for credit.

The economic policy measures and other relevant regulatory changes taken after the balance sheet date are presented in the last chapter of the Annual Report.

Audited consolidated IFRS figures of OTP Jelzálogbank as at 31 December 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.

Changes in assets and liabilities

The balance sheet total as at 31 December 2025 amounted to HUF 2,866.6 billion, up 9.4% on the previous year. The Group closed the year with after-tax profits of HUF 16.6 billion.

Some illustrative financial management figures:

figures in HUF million

Consolidated indicators	31 December 2024	31 December 2025	Variance 2025 vs. 2024
Total assets	2 619 265	2 866 604	247 339
Loan portfolio	1 893 697	2 311 400	417 703
Amounts due to banks	1 397 626	1 435 101	37 475
Mortgage bond portfolio	1 064 010	1 222 730	158 720
Shareholder's equity	144 531	150 858	6 327
P&L for the reference year	10 683	16 604	5 921

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.

The net portfolio of customer loans grew at a more dynamic pace of 22%, compared with the 13.8% increase in the previous year. The amount of the impairment recognized on the customer loan portfolio carried at amortized cost in 2025 is HUF 7.2 billion, which is HUF 0.2 billion lower than in the previous year.

On the liabilities side, the main liabilities are issued securities and amounts due to banks.

At the end of the reference period, the IFRS value of mortgage bonds issued with a nominal value of HUF 1,213.2 billion (including amortization differences, accruals and fair market value differences) amounted to HUF 1,222.7 billion. In 2025, the IFRS portfolio of mortgage bonds increased by HUF 158.7 billion.

The two main components of amounts due to banks are loans granted by OTP Bank for financing purposes and secured loans received from the MNB. Significant among the latter loans is the HUF 143.7 billion portfolio of the MNB's refinancing loans, providing the source of the loans disbursed under the MNB's 'Green Housing Support Programme' (MNB ZOP), which is shown in the balance sheet at a much lower value (HUF 73.9 billion) due to interest-free financing and the initial adjustment.

Equity rose by 4.4% year-on-year as a result of after-tax profits. The Company has consistently met the capital adequacy ratio requirements set out by law. At the end of December 2025, the Mortgage Bank's own funds amounted to HUF 158.3 billion and the closing value of the capital adequacy ratio was 17.8%.

Changes in P&L

OTP Jelzálogbank closed 2025 with a profit: its net after-tax profits amounted to HUF 16.6 billion.

figures in HUF bn

Consolidated description	31 December 2024	31 December 2025	Variance 2025 vs. 2024
Total Interest income	192 969	198 218	5 249
<i>of which: Placement with other banks</i>	<i>30 101</i>	<i>21 949</i>	<i>(8 152)</i>
<i>of which: Interest income from securities</i>	<i>17 682</i>	<i>16 072</i>	<i>(1 610)</i>
<i>of which: Interest income from loans</i>	<i>129 854</i>	<i>145 062</i>	<i>15 208</i>
Interest expense	(163 071)	(169 324)	(6 253)
<i>of which: Amounts due to banks</i>	<i>(97 050)</i>	<i>(115 455)</i>	<i>(18 405)</i>
<i>of which: Interest paid on mortgage bonds</i>	<i>(65 564)</i>	<i>(53 862)</i>	<i>11 702</i>
Pre-tax profit/loss	12 833	18 990	6 157
After-tax profit/loss	10 683	16 604	5 921

The income structure of the credit institution is mainly determined by the interest margin, which amounted to HUF 28.9 billion as a result of interest income of HUF 198.2 billion and interest expenses of HUF 169.3 billion.

The most significant item of interest income received by the Company is interest income on customer loans, which amounted to HUF 145.1 billion, including HUF 28.5 billion in interest subsidies paid by the state on the assets and liabilities side.

Interest income from refinancing loans, which are included in placement with other banks, and from government securities amounted to HUF 12.5 billion and HUF 16.1 billion, respectively.

The main items of interest expenses are interest expense recognized on issued mortgage bonds and their hedging transactions (HUF 53.9 billion) and interest paid on amounts due to banks (HUF 115.5 billion).

The net result of fees and commissions is a loss of HUF 6.6 billion. The most significant items of fee and commission income are fee incomes from the collateral valuation business and other lending-related fee income. The majority of fee and commission expenses, which exceed revenues by an order of magnitude, are fees and commissions paid to OTP Bank in connection with lending activities.

Due to the modification the net profit/loss row shows the HUF 7 billion loss resulting from the interest rate cap, extended to the second half of 2025 and the first half of 2026, relating to amortized loans valued at first cost.

Other administrative expenses amounted to HUF 7.8 billion. Of this, actual operating expenses accounted for only HUF 2.2 billion, while the remaining HUF 5.6 billion were tax and tax-type expenditures not dependent on the result for the reference period: the special bank tax accounted for HUF 4 billion, the extra profit tax accounted for 1.1 billion HUF and contributions paid to the MNB (supervisory fee, resolution fund) for HUF 0.5 billion.

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 2026 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.

In 2025 OTP Jelzálogbank issued mortgage bonds for a nominal value of HUF 30 billion under its domestic issuance scheme and with a nominal value of EUR 1 billion under its Luxembourg issuance programme. As of the end of the year, OTP Jelzálogbank had mortgage bonds for a total nominal value of HUF 1,213.2 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 the end of 2025 the nominal value of the government securities held by OTP Jelzálogbank amounted to HUF 204.8 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		
tenor	31 December 2024	31 December 2025
0 to 5 years	3.28%	3.55%
5 to 10 years	10.63%	11.65%
10 to 15 years	14.15%	16.48%
15 to 20 years	33.25%	32.61%
over 20 years	38.69%	35.71%
Total:	100.00%	100.00%

Loan portfolio breakdown by region		
region	31 December 2024	31 December 2025
Central Region	47.91%	48.10%
Transdanubia Region	26.99%	27.02%
Eastern Hungary Region	25.10%	24.88%
Total:	100.00%	100.00%

The increase in the proportion of loans with a remaining maturity of 10–15 years has been recorded within the portfolio's maturity distribution relative to the end of the previous year.

There were no material changes in the regional distribution.

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 191.7 billion as of the end of 2025.

VII.2. Portfolio quality

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

Gross IFRS portfolio (figures in HUF bn)	31 December 2024	31 December 2025	Annual change
A (0-30 days)	1 885.7	2 303.7	418
B (31-60 days)	5.5	6.3	0.8
C (61-90 days)	2.8	2.8	(0.0)
D (91-180 days)	5.5	5.3	(0.2)
E (180+ days)	6.0	6.1	0.1
Total	1 905.5	2 324.2	418.7
A (0-30 days)	98.96%	99.12%	0.16%
B (31-60 days)	0.29%	0.27%	(0.02%)
C (61-90 days)	0.14%	0.12%	(0.02%)
D (91-180 days)	0.29%	0.23%	(0.06%)
E (180+ days)	0.32%	0.26%	(0.06%)
Total	100.00%	100.00%	0.00%

As of the end of 2025 receivables more than 30 days overdue represented 0.88% of the total loan portfolio, 16 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 31 December 2025 impairment recognized on client loans amounted to HUF 10.2 billion.

Although the refinancing loans are not in arrears, impairment must be raised for them under the IFRS9 standard; the year-end impairment figure was a mere HUF 70.0 million.

The Bank sold all loans where extensive debtor protection and collection measures failed. In 2025 this meant selling a total of HUF 3.3 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. In 2024, no new enforcement proceedings were initiated, whereas in 2025 enforcement proceedings were initiated in relation to a development loan. Consequently, by the end of 2025, only a single loan remained in the mortgage bank's portfolio for which enforcement proceedings had been initiated. 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 2027. For the year 2025, 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 Group 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 replaces and expands 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 (https://www.otpbank.hu/static/portal/sw/file/OTP_Partneri_EtikaiKodex_EN.pdf) publish in 2023 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 (https://www.otpbank.hu/portal/en/EthicalDeclaration, Anti_Corruption_Policy.pdf ([otpbank.hu](https://www.otpbank.hu))).

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 violations 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 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 31 December 2025 the Company had 47 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 (MoF Decree no. 24/2008. (VIII. 15.), Annex 1, Section 4.5)

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 31 December 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 31 December 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 31 December 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.

In 2025, the board meetings of directors and the board meetings of the supervisory board were held 4 times, during these meetings the Board of Directors adopted 45 resolutions and the Supervisory Board adopted 33 resolutions. In addition to the meetings, the Board of Directors adopted 115 resolutions via written vote and the Supervisory Board adopted 15 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.

Quantified pricing, lending, liquidity and cash flow risks are presented in detail in Notes 30, 33, 35 and 36 in the Notes to the Consolidated Annual Report.

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.

Further elements of the risk management and hedging policy are described in Note 2 in the Notes to the consolidated Annual Reports, where the main accounting principles are summarized.

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:

- Consultancy 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.

DECLARATION BY OTP MORTGAGE BANK LTD. (MoF Decree no. 24/2008.
(VIII. 15.), Annex 1, Section 2.4)

In the Annual Report the audited separate and 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 Mortgage Bank Ltd. as issuer of mortgage bonds.

OTP Mortgage Bank Ltd.'s sustainability reporting obligation arises from Section 95/E(1)(a) and Section 95/F(10) of Act C of 2000 on Accounting. Pursuant to Section 177(98) of the same Act, the requirement must first be applied for the financial year beginning in 2027. For the year 2025, OTP Mortgage Bank Ltd.'s sustainability report, as required under Act C of 2000 on Accounting, is included in OTP Bank Plc.'s consolidated sustainability report.

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

OTP Mortgage Bank Ltd. has a liability for compensating for damage caused by misleading content in the Annual Report.

Budapest, 16 March 2025

.....
András Becsei
Chief Executive Officer

.....
Péter Radics
Chief Financial Officer

OTP MORTGAGE BANK LTD.

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

**FOR THE YEAR ENDED
31 DECEMBER 2025**

This is a translation of the Hungarian Version

OTP MORTGAGEBANK LTD.

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OTP MORTGAGE BANK LTD.
SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025 (in HUF million)

	Note	2025	2024
Cash, amounts due from banks and balances with the National Bank of Hungary	5.	166	21,006
Placements with other banks	6.	366,863	380,684
Financial assets at fair value through other comprehensive income	7.	-	15,435
Securities at amortised cost	10.	178,199	275,991
Loans at amortised cost	8.	1,457,199	1,337,459
Loans mandatorily measured at fair value through profit or loss	8.	856,860	558,812
Investments in subsidiaries	9.	-	4,113
Property and equipment	11.	39	39
Intangible assets	11.	258	288
Right of use assets	11.	97	143
Current tax assets		-	66
Derivative financial assets designated as hedge accounting relationships	12.	2,869	25,893
Other assets	13.	6,597	4,986
TOTAL ASSETS		<u>2,869,147</u>	<u>2,624,915</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	14.	1,435,102	1,397,626
Leasing liabilities	28.	100	152
Liabilities from issued securities	15.	1,222,730	1,064,010
Derivative financial liabilities designated as hedge accounting relationships	16.	43,550	2,881
Current tax liabilities		423	740
Deferred tax liabilities	27.	123	210
Provisions	17.	428	303
Other liabilities	17.	13,412	8,169
TOTAL LIABILITIES		<u>2,715,868</u>	<u>2,474,091</u>
Share capital	18.	82,000	82,000
Retained earnings and reserves	19.	71,279	68,824
TOTAL SHAREHOLDER'S EQUITY		<u>153,279</u>	<u>150,824</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>2,869,147</u>	<u>2,624,915</u>

Budapest, 16 March 2026

.....
András Becsei
Chief Executive Officer

.....
Péter Radics
Chief Financial Officer

OTP MORTGAGE BANK LTD.
SEPARATE STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025
(in HUF million)

	Note	2025	2024
<i>Interest Income:</i>			
Interest income calculated using the effective interest method	21.	138,826	141,424
Income similar to interest income	21.	59,478	51,222
Total Interest Income		198,304	192,646
<i>Interest Expense:</i>			
Total Interest Expense	21.	(169,324)	(163,069)
NET INTEREST INCOME		<u>28,980</u>	<u>29,577</u>
Release of loss allowance on loan and placement losses	22.	148	4,019
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	22.	644	847
(Provision) / Release of provision for loan commitments and financial guarantees given	22.	(127)	132
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	22.	(915)	1,302
Risk cost total		(250)	6,300
NET INTEREST INCOME AFTER RISK COST		<u>28,730</u>	<u>35,877</u>
LOSSES ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST	24.	(254)	(599)
MODIFICATION LOSS		(7,040)	(8,368)
Income from fees and commissions	23.	3,610	2,452
Expenses from fees and commissions	23.	(10,177)	(7,344)
NET PROFIT FROM FEES AND COMMISSIONS		(6,567)	(4,892)
Foreign exchange gains	24.	654	278
Gains on derivative instruments, net	24.	3,368	155
Gains / (Losses) on financial instruments at fair value through profit or loss	24.	3,418	(2,460)
Gains on securities, net	24.	551	-
Net other operating income	25.	64	32
Other operating expenses	25.	(36)	(20)
Net operating income / (expense)		<u>8,019</u>	<u>(2,015)</u>
Personnel expenses	25.	(1,079)	(903)
Depreciation and amortization	25.	(222)	(203)
Other administrative expenses	25.	(6,470)	(5,192)
Other administrative expenses		(7,771)	(6,298)
PROFIT BEFORE INCOME TAX		15,117	13,705
Income tax expense	27.	(2,395)	(2,120)
NET PROFIT AFTER INCOME TAX		<u>12,722</u>	<u>11,585</u>
Earnings per share (in HUF)			
Basic and diluted	29.	<u>15,515</u>	<u>14,128</u>

OTP MORTGAGE BANK LTD.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31
DECEMBER 2025 (in HUF million)

	Note	2025	2024
NET PROFIT FOR THE PERIOD	19.	<u>12,722</u>	<u>11,585</u>
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	19.	151	581
Deferred tax related to securities fair value through other comprehensive income	19.	(14)	(62)
(Losses) / Gains on separated currency spread of financial instruments designated as hedging instrument	37.	(1,112)	1,212
Deferred tax related to gains on separated currency spread of financial instruments designated as hedging instrument		100	(218)
Gains on derivative financial instruments designated as cash flow hedge	37.	(9,431)	(97)
Other comprehensive income, net of income tax		<u>(10,306)</u>	<u>1,416</u>
NET COMPREHENSIVE INCOME		<u>2,416</u>	<u>13,001</u>

OTP MORTGAGE BANK LTD.
SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025
(in HUF million)

	Notes	Share capital	Retained earnings and other reserves	Total
Balance as at 1 January, 2024		<u>82,000</u>	<u>55,786</u>	<u>137,786</u>
Net profit after income tax		-	11,585	11,585
Other comprehensive income		-	1,416	1,416
Total comprehensive income		<u>82,000</u>	<u>68,787</u>	<u>150,787</u>
Share-based payment		-	37	37
Balance as at 31 December, 2024		<u>82,000</u>	<u>68,824</u>	<u>150,824</u>
Balance as at 1 January, 2025		<u>82,000</u>	<u>68,824</u>	<u>150,824</u>
Net profit after income tax		-	12,722	12,722
Other comprehensive income		-	(10,306)	(10,306)
Total comprehensive income		<u>82,000</u>	<u>71,240</u>	<u>153,240</u>
Share-based payment	33.	-	39	39
Balance as at 31 December, 2025		<u>82,000</u>	<u>71,279</u>	<u>153,279</u>

OTP MORTGAGE BANK LTD.
SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025
(in HUF million)

	Note	2025	2024
OPERATING ACTIVITIES			
Profit before income tax		15,117	13,705
Net interest received		550	2,633
Depreciation and amortization		222	203
Loss allowance on loans and placements	22.	6,892	4,349
Release of loss allowance on securities at fair value through other comprehensive income	22.	(60)	(35)
Release of loss allowance on securities at amortised cost	22.	(584)	(812)
Loss allowance on other assets	13.	23	9
Provision / (Release of provision) on off-balance sheet commitments and contingent liabilities	17.	125	(133)
Share-based payment	32.	39	36
(Gains) / losses on fair value adjustment of financial instruments at fair value through profit or loss		(2,509)	1,164
(Losses) / gains on fair value adjustment of derivative financial instruments designated in hedge relationship		(12,284)	(23,385)
Interest expense from leasing liabilities	28.	(7)	(9)
Foreign exchange gains		(666)	(284)
Gains from sale of tangible and intangible assets		(1)	-
<u>Net changing in assets and liabilities in operating activities</u>			
Net increase in placements with other banks before allowance for placement losses	6.	13,916	(9,187)
Changes in held for trading securities		(3)	-
Net increase in loans		(423,040)	(238,102)
Increase in other assets, excluding advances for investments and before provisions for losses	13.	(1,574)	(750)
Net increase in amounts due to banks and deposits from the National Bank of Hungary and other banks	14.	37,496	267,022
Increase in other liabilities	17.	2,371	590
Net decrease in the compulsory reserve established by the National Bank of Hungary		15	59
Income tax paid	27.	<u>1,701</u>	<u>533</u>
Net cash provided by operating activities		<u>(362,261)</u>	<u>17,606</u>

OTP MORTGAGE BANK LTD.
SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025
(in HUF million)

	Note	2025	2024
INVESTING ACTIVITIES			
Redemption of securities at fair value through other comprehensive income	7.	15,645	429
Change in derivative financial instruments designated as hedge accounting	16.	41,878	19,632
Increase / (Decrease) in investments in subsidiaries	9.	4,113	(350)
Redemption of securities at amortised cost	10.	98,376	26,597
Additions to property, equipment and intangible assets	11.	(135)	(219)
Disposal of property, equipment and intangible assets	11.	1	-
Net cash used in investing activities		<u>159,878</u>	<u>46,089</u>
FINANCING ACTIVITIES			
Leasing payments		(45)	(34)
Cash received from issuance of securities	15.	424,871	190,384
Cash used for redemption of issued securities	15.	(243,268)	(262,954)
Net cash (used in) / provided by operating activities		<u>181,558</u>	<u>(72,604)</u>
Net decrease in cash and cash equivalents		(20,825)	(8,909)
Cash and cash equivalents at the beginning of the year		20,870	29,779
Cash and cash equivalents at the end of the year		45	20,870
Interest received		181,598	177,958
Interest paid		137,436	145,498

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General information

OTP Bank Plc. ("OTP Bank") established OTP Mortgage Bank Ltd. ("OTP Mortgage Bank" or the "Bank") as a fully owned subsidiary on 15 May 2001. The State Financial Supervisory Authority issued the operating license on 10 January 2002, and the Bank commenced operations on 1 February 2002.

OTP Bank (headquarters Nádor utca 16. Budapest 1051) is the ultimate parent of OTP Mortgage Bank, and also the ultimate parent of OTP Group.

These separate financial statements authorised for issue on 16 March 2026 by the Board of OTP Mortgage Bank. The Bank's owners have the power to amend the separate financial statements after issue if applicable.

The Bank completed its publication in accordance with Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, 575/2013/EU directive (CRR). OTP Mortgage Bank completed its publication with Separate Financial Statements prepared in accordance with IFRS as adopted by European Union jointly with OTP Bank Plc on the homepage of OTP Bank Plc (<http://www.otpbank.hu/>), on the homepage of the Bank (<http://www.otpjzb.hu>). Separate Financial Statements in accordance with IFRS as adopted by the EU is published on the homepage of the Bank, on the homepage Budapest Stock Exchange (<http://www.bet.hu>), furthermore on the website of the National Bank of Hungary (www.kozzetetelek.hu).

The Bank's registered office address is Váci út. 135-139. D Building, Budapest 1138.

Internet homepage: <https://www.otpbank.hu/otpjelzalogbank/fooldal>

Signatory of the separate financial statements is the Executive Officer, András Becsei and Financial Officer, Péter Radics.

The Mortgage Bank's Financial Statements were prepared by OTP Bank Plc. based on the Services Agreement between The Mortgage Bank and OTP Bank Plc. Responsible person for the control and management of accounting services: Zoltán Tuboly (Budapest), Managing Director of Accounting and Financial Department, Registration Number: 177289, IFRS qualified chartered accountant.

Due to Hungarian legislation audit services are statutory for OTP Mortgage Bank. Disclosure information about the auditor: Ernst & Young Auditing Ltd. (001165), 1132 Budapest Váci Street 20. Registered under 01-09-267553 by Budapest-Capital Regional Court, as registry court. Statutory registered auditor: Zsolt Kónya, registration number: 007383.

Audit service fee agreed by the Articles of Association for the year ended 2025 is an amount of HUF 44,17 million + VAT. Fees for non-audit services provided in 2025 an amount of HUF 0,58 million + VAT, other services providing assurance in an amount of HUF 148,38 million + VAT.

The shared capital of the Bank consists of 820,000 ordinary shares with a nominal value of HUF 100,000, embodying the same ownership rights.

The Bank is a specialized financial institution with its main business being governed by Act XXX of 1997 on Mortgage Lending Institutions and Mortgage Bonds.

The Bank's business is limited to the relevant activities by the aforementioned Act. The main activity of the Bank is financing of purchase, renovation and development of residential properties. The purchased portfolio contains mainly subsidised housing loans, in addition housing and free purpose mortgage loans denominated in foreign currency that were converted back to foreign exchange. Over the past few years, the granted subsidized HUF housing loans and the granted HUF housing and free purpose mortgage loan are the dominant part of the entire mortgage bank portfolio. The Bank provides presently HUF denominated subsidised and not subsidised housing and free purpose mortgage loans, and HUF denominated real estate development loans. From 2017 the Bank expanded their services with independent liens purchase and sale by instalment, provides also by refinancing loans to commercial banks.

The Bank employs limited number of staff at its head office and use 345 branches of OTP Bank engaged in the housing loan business. Under syndication agreement between OTP Bank and OTP Mortgage Bank, OTP Bank provides services for OTP Mortgage Bank concerning the administration of the mortgage loans, for which fees are paid by OTP Mortgage Bank. Credit scoring and lending are performed at the branches of OTP Bank in accordance with the regulations of OTP Mortgage Bank. Loans are approved by OTP Mortgage Bank and OTP Bank acts for and on behalf of OTP Mortgage Bank during the conclusion of a loan agreement. The mortgage right, along with the restraint of transfer and encumbrance on property pledged to secure loans is entered in the property register for the benefit of OTP Mortgage Bank. Pledge of the mortgage bonds is the actual loans registered as normal collateral – collateralised by property inspector – and additional collateral values – prescribed by law – registered in the Bank's collateral register.

As the sole shareholder, OTP Bank provides financial and administrative support to the Bank. Details of related party balances and transactions are summarised in Note 35 to these financial statements. A significant proportion of mortgage loans are extended for periods for more than ten or fifteen years whereas mortgage bonds generally have a shorter maturity (1-10 years).

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS [continued]

The remaining average maturity of the loan portfolio of the Bank is 17,88 years. The Bank is lengthening the average maturity of its outstanding mortgage bonds to reduce the liquidity gaps.

As at 31 December 2025 and 2024 the number and the average number of the employees at the Bank were 40 and 39 respectively.

1.2. Basis of Accounting

These Separate Financial Statements were prepared based on the assumption of the Management that the Bank will remain in business for the foreseeable future. The Bank will not be forced to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices.

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

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

The separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

1.2.1. The effect of adopting new and revised IFRS standards effective from 1 January 2025

The following amendment to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.
 - The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The adoption of this amendment to the existing standard has not led to any material changes in these Separate Financial Statements.

1.2.2. New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date.
 - The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS [continued]

1.2. Basis of Accounting [continued]

1.2.2. New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective [continued]

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.
 - The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

- **Annual Improvements to IFRS Accounting Standards – Volume 11** - An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026.
 - The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards.

The Bank anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Bank in the period of initial application.

- **IFRS 18 Presentation and Disclosure in Financial Statements** - IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements.
 - IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards.

The Bank has initiated its IFRS 18 implementation project following the issuance of the new standard, which becomes effective for annual reporting periods beginning on or after 1 January 2027. Work is currently ongoing to assess and align internal reporting structures with the revised presentation and disclosure requirements, including the introduction of management-defined performance measures (MPMs). Based on the assessments performed to date, the Bank does not expect IFRS 18 to have a material impact on its statement of profit or loss, although the structure and presentation of certain line items may be updated to reflect the new categorisation and subtotals required by the standard. In particular, the expense on lease liabilities is expected to fall outside the operating profit. In addition, the Bank is in the process of developing a new note to the financial statements that will present and explain its MPMs in accordance with IFRS 18.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS [continued]

1.2. Basis of Accounting [continued]

1.2.3. Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in EU as at date of publication of these financial statements:

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the amendments)** - IFRS 19 (including the amendments) is effective for reporting periods beginning on or after January 1, 2027, with early application permitted.
 - IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. The amendments issued in August 2025 reduce the disclosure requirements of new IFRS accounting standards, which had been included in full when IFRS 19 was first issued.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** - In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.
 - The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.
 - The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

The Bank anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Bank in the period of initial application.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Material accounting policies applied in the preparation of the accompanying financial statements are summarized below:

2.1. Basis of presentation

These separate financial statements have been prepared under the historical cost convention with the exception of certain financial instruments, which are recorded at fair value. Revenues and expenses are recorded in the period in which they are earned or incurred. The Bank does not offset assets and liabilities or income and expenses unless it is required or permitted by an IFRS standard.

During the preparation of separate financial statements assets and liabilities, income and expenses are presented separately, except in certain cases, when one of the IFRS standards prescribes net presenting related to certain items.

The presentation of separate financial statements in conformity with IFRS requires the Management of the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future changes in economic conditions, business strategies, regulatory requirements, accounting rules and other factors could result in a change in estimates that could have a material impact on future separate financial statements.

2.2. Foreign currency translation

Initial recognise of foreign currency transactions is based on exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into HUF at exchange rates quoted by the National Bank of Hungary (“NBH”) as at the reporting date. Income and expenses arising in foreign currencies are converted at the average of Bid and Ask exchange rate of OTP Bank Plc. prevailing on the transaction date. Resulting foreign exchange gains or losses on monetary items are recorded to the Consolidate Statement of Comprehensive Income. The parent entity and all the components are using HUF as both functional and presentational currency.

2.3. Consolidated financial statements

These financial statements present the separate financial position and results of operations of the Bank. Consolidated financial statements are prepared by the Bank and consolidated net loss for the year and shareholders’ equity differ significantly from that presented in these separate financial statements. See Note 2.4 for the description of the method of accounting for investments in subsidiaries in these separate financial statements. The consolidated financial statements and the separate financial statements are published on the same date. As the parent company, the Mortgage Bank prepared consolidated financial statements of the Group of the Bank.

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 Inगतlanpont Kft. and OTP Pénzügyi Pont Zrt. to OTP Bank Plc in May 2025. The professional management of these subsidiaries has so far been the responsibility of the OTP Bank Plc. Due to the selling transaction the Bank lost its control over these companies

The OTP Mortgage Bank Ltd. is also part of a larger consolidation, which is made by OTP Bank, as an ultimate parent company managing the group.

2.4. Investments in subsidiaries

Investments in subsidiaries comprise those investments where the Bank, through direct and indirect ownership interest, controls the investee. Control is achieved when the Bank has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Investments in subsidiaries are recorded at the cost of acquisition, less impairment for permanent diminution in value, when appropriate. After initial measurement investments in subsidiaries are measured at cost.

Impairment is determined based on the future economic benefits of the subsidiary and macroeconomic factors.

During 2025 the Bank sold its ownership in OTP Inगतlanpont Kft. and OTP Pénzügyi Pont Zrt. to OTP Bank Plc.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets

2.5.1. Business model and SPPI test

A business model refers to how the Bank manages its financial instruments in order to generate cash flows. It is determined at a level that reflects how groups of financial instruments are managed rather than at an instrument level.

The financial assets held by the Bank are classified into three categories depending on the business model within the financial assets are managed.

- Business model whose objective is to hold financial assets in order to collect contractual cash flows. Some sales can be consistent with hold to collect business model and the Bank assesses the nature, frequency and significance of any sales occurring. The Bank does not consider the sale frequent when at least six months have elapsed between sales. The significant sales are those when the sales exceed 2% of the total hold to collect portfolio. Within this business model the Bank manages mainly loans and advances and long-term securities and other financial assets.
- Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Within this business model the Bank only manages securities.
- Business model whose objective is to achieve gains in a short-term period. Within this business model the Bank manages securities and derivative financial instrument.

If cash flows are realised in a way that is different from the expectations at the date that the Bank assessed the business model, that does not give rise to a prior error in the Bank's financial statements nor does it change the classification of the remaining financial assets held in that business model.

When, and only when the Bank changes its business model for managing financial assets it reclassifies all affected assets. Such changes are determined by the Bank's senior management as a result of external or internal changes and must be material to the Bank's operations and demonstrable to external parties. The Bank shall not reclassify any financial liability.

Classification of a financial asset is based on the characteristics of its contractual cash flows if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The Bank should determine whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI test). Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Bank assesses whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding for the currency in which the financial asset is denominated.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.2. Contractual cash-flow characteristics of financial assets

Classification of a financial asset is based on the characteristics of its contractual cash flows if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The Bank should determine whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI test). Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Bank assesses whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding for the currency in which the financial asset is denominated.

Time value of money is the element of interest that provides consideration for only the passage of time. However, in some cases, the time value of money element may be modified. In such cases, the Bank assesses the modification to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

When assessing a modified time value of money element, the objective is to determine how different the undiscounted contractual cash flows could be from undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). The benchmark instrument can be an actual or a hypothetical financial asset. If the undiscounted contractual cash flows significantly – above 2% – differ from the undiscounted benchmark cash flows, the financial asset should be subsequently measured at fair value through profit or loss.

2.5.3. Securities at amortised cost

The Bank measures at amortized cost those securities which are held for contractual cash collecting purposes, and contractual terms of these securities give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding. The Bank initially recognizes these securities at fair value. Securities at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. The amortisation of any discount or premium on the acquisition of a security at amortized cost is part of the amortized cost and is recognized as interest income so that the revenue recognized in each period represents a constant yield on the investment. Securities at amortized cost are accounted for on a trade date basis.

Such securities comprise mainly securities issued by the Hungarian and foreign Governments, corporate bonds, mortgage bonds and discounted treasury bills.

2.5.4. Securities at fair value through other comprehensive income ("FVOCI securities")

FVOCI securities are held within a business model whose objective is achieved by both collecting of contractual cash flows and selling securities. Furthermore, contractual terms of FVOCI securities give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Investments in debt securities are accounted for on a trade date basis and are initially measured at fair value. Securities at fair value through other comprehensive income are measured at subsequent reporting dates at fair value. Unrealised gains and losses on FVOCI financial instruments are recognized in other comprehensive income, except for interest and foreign exchange gains/losses on monetary items, unless such FVOCI security is part of an effective hedge. Such gains and losses will be reported when realised in profit or loss for the applicable period. The Bank applies FIFO¹ inventory valuation method for FVOCI securities.

For debt securities at fair value through other comprehensive income the loss allowance is calculated based on expected credit loss model. The expected credit loss is accounted for against Other Comprehensive Income.

FVOCI securities are remeasured at fair value based on quoted prices or values derived from cash flow models. In circumstances where the quoted market prices are not readily available, the fair value of debt securities is estimated using the present value of the future cash flows.

¹ First in first out

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Financial assets [continued]

2.5.5. Financial assets at fair value through profit or loss

2.5.5.1. Derivative financial instruments

In the normal course of business, the Bank is a party to contracts for derivative financial instruments, which represent a low initial investment compared to the notional value of the contract and their value depends on value of underlying asset and are settled in the future. The derivative financial instruments used include interest rate forward or swap agreements and currency forward or swap agreements and options. These financial instruments are used by the Bank both for hedge interest rate risk and currency exposures associated with its transactions in the financial markets.

Derivative financial instruments are accounted for on a trade date basis and are initially measured at fair value and at subsequent reporting dates also at fair value. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. The Bank adopts multi curve valuation approach for calculating the net present value of future cash flows – based on different curves used for determining forward rates and used for discounting purposes. It shows the best estimation of such derivative deals that are collateralised as the Bank has almost all of its open derivative transactions collateralised.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in profit or loss and are included in the Separate Statement of Profit or Loss for the period. Each derivative deal is determined as asset when fair value is positive and as liability when fair value is negative.

Foreign currency contracts

Foreign currency contracts are agreements to exchange specific amounts of currencies at a specified rate of exchange, at a spot date (settlement occurs two days after the trade date) or at a forward date (settlement occurs more than two days after the trade date). The notional amount of these contracts does not represent the actual market or credit risk associated with these contracts.

Foreign currency contracts can be used by the Bank for risk management purposes. The Bank's risk management foreign currency contracts were used to hedge against exchange rate fluctuations on loans and advances to credit institutions denominated in foreign currency.

Interest rate swaps

The Bank enters into interest rate swap ("IRS") transactions. The swap transaction is a complex agreement concerning the swap of certain financial instruments, which usually consists of a spot and one or more forward contracts.

Interest rate swaps obligate two parties to exchange one or more payments calculated with reference to fixed or periodically reset rates of interest applied to a specific notional principal amount (the base of the interest calculation). Notional principal is the amount upon which interest rates are applied to determine the payment streams under interest rate swaps. Such notional principal amounts are often used to express the volume of these transactions but are not actually exchanged between the counterparties. The Bank's interest rate swaps were used for management of interest rate exposures and have been accounted for at mark-to-market fair value.

Cross-currency interest rate swaps

The Bank enters into cross-currency interest rate swap ("CCIRS") transactions which have special attributes, i.e. the parties exchange the notional amount at the beginning and also at the maturity of the transaction. A special type of these deals is the mark-to-market CCIRS agreements. At this kind of deals the parties – in accordance with the foreign exchange prices – revalue the notional amount during lifetime of the transaction.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.6. Hedge accounting

Derivative financial instruments designated as fair value hedge

Changes in the fair value of derivatives that are designated and qualify as hedging instruments fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the separate statement of profit or loss along with the corresponding change in fair value of the hedged asset or liability that is attributable to the specific hedged risk. Changes in the fair value of the hedging instrument in fair value hedges are charged directly to the separate statement of profit or loss.

The conditions of hedge accounting applied by the Bank are the following: formally designated as hedging relationship, proper hedge documentation is prepared, effectiveness test is performed and based on it the hedge is qualified as effective. In the case of a financial instrument measured at amortised cost the Bank recognises the hedging gain or loss on the hedged item as the modification of its carrying amount and it is recognised in profit or loss. These adjustments of the carrying amount are amortised to the profit or loss using the effective interest rate method. The Bank starts the amortisation when the hedged item is no longer adjusted by the hedging gains or losses. If the hedged item is derecognised, the Bank recognises the unamortised fair value in profit or loss immediately. For fair value hedges inefficiencies and the net revaluation of hedged and hedging item are recognized in the Gains /(Losses) on financial instruments at fair value through profit or loss and net result on hedge relationship.

The foreign currency basis spread (in case of CCIRS deals) and the forward element (in case of FX swap deals) is separated and excluded from the designation of the financial instruments as the hedging instruments. The change of fair value attributable to the (aligned) foreign currency basis spread (in case of CCIRS deals) is recognized in other comprehensive income.

The Bank implemented hedge accounting rules prescribed by IFRS 9 in 2018. For further details please see Note 38.

Derivative financial instruments designated as cash flow hedge

Changes in the fair value of derivatives that are designated and qualify as hedging instrument in cash-flow hedges and that prove to be highly effective in relation to the hedged risk are recognized in their effective portion as reserve in Other Comprehensive Income. The ineffective element of the changes in fair value of hedging instrument is charged directly to the Separate Statement of Profit or Loss in the Gains /(Losses) on financial instruments at fair value through profit or loss and net result on hedge relationship.

The Bank terminates the hedge relationship if the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting. In the case of cash-flow hedges – in line with the standard - hedge accounting is still applied by the Bank as long as the underlying asset is derecognized or terminated. When the Bank discontinues hedge accounting to a cash-flow hedge the amount in the cash flow hedge reserve is reclassified to the profit or loss if the hedged future cash flows are no longer expected to occur. If the hedged future cash flows are still expected to occur, the amount remains in the cashflow hedge reserve and reclassified to the profit and loss only when the future cash flows occur.

Interest income and interest expense (accrued and paid) are presented in the Separate Statement of Profit or Loss in line item of “Income similar to interest income” or “Interest Expense”. Effective element of the hedge is presented in the “Separate Statement of Comprehensive Income” (Cash flow hedge reserve). Ineffective element of the hedge is charged directly to the Separate Statement of Profit or Loss to “Gains / (Losses) on financial instruments at fair value through profit or loss and net result on hedge relationship.”

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.7. Loans, placements with other banks and allowance for loan and placement losses

The Bank measures at amortized cost those Loans and placements with other banks and repo receivables, which are held to collect contractual cash flows, and contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These loans are recognized as Loans at amortized cost in the Separate Statement of Financial Position. The Bank recognizes those financial assets which are not held for trading and do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding as loans mandatorily measured at fair value through profit or loss. These loans are recognized as Loans mandatorily at fair value through profit or loss in the Separate Statement of Financial Position.

Loans, placements with other banks are accounted at amortised cost, stated at the principal amounts outstanding including accrued interest, net of allowance for loan or placement losses, respectively.

In case of the above mentioned financial assets measured at amortised cost transaction fees and charges adjust the carrying amount at initial recognition and are included in effective interest calculation. In case of loans at fair value through profit or loss fees and charges are recognised when incurred in the Separate Statement of Profit or Loss.

Loans and placements with other banks and repo receivables are derecognized when the contractual rights to the cash-flows expire or they are transferred. When a financial asset is derecognized the difference of the carrying amount and the consideration received is recognized in the profit or loss in case of financial assets at amortised cost the gains or losses from derecognition are presented in “Gains/losses from derecognition of financial assets at amortised cost” line while in case of loans at fair value through profit or loss the gains or losses from derecognition are presented in “Net operating income”.

Change in the fair value of loans at fair value through profit or loss is broken down into two components and presented in the Separate Statement of Profit or Loss as follows:

- Portion of the change in fair value arising from changes in credit risk are presented within “Risk cost” as “Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit or loss”.
- The remaining component of the change is presented in fair value within “Net operating income” as “Fair value adjustment on financial instruments measured at fair value through profit or loss”.

Initially, financial assets shall be recognised at fair value which is usually equal to the transaction value in case of loans and placements. However, when the amounts are not equal, the initial fair value difference should be recognized.

If the fair value of financial assets is based on a valuation technique using only inputs observable in market transactions, the Bank recognises the initial fair value difference in the Separate Statement of Profit or Loss.

When the fair value of financial assets is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognised in profit or loss when the instrument is derecognised or the inputs became observable.

Initial fair value of loans lent at interest below market conditions is lower than their transaction price, the subsequent measurement of these loans is under IFRS 9.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5.7. Loans, placements with other banks and allowance for loan and placement losses [continued]

The Bank recognises a loss allowance for expected credit losses on a financial asset at each reporting date. The loss allowance for a financial asset equals to 12-month expected credit loss or equals to the lifetime expected credit losses. The maximum period over which expected credit losses shall be measured is the maximum contractual period over which the Bank is exposed to credit risk.

If the credit risk on a financial asset has not increased significantly since initial recognition then 12-month expected credit losses, otherwise (in case of significant credit risk increase) lifetime expected credit losses should be calculated. The expected credit loss is the present value of the difference between the contractual cash flows that are due to the Bank under the contract and the cash flows that the Bank expects to receive.

When the contractual cash flows of a financial asset are modified and the modification does not result in the derecognition of the financial asset the Bank recalculate the gross carrying amount of the financial asset by discounting the expected future cash flows with the original effective interest rate of the asset. The difference between the carrying amount and the present value of the expected cash flows is recognised as a “Modification gain or loss” in the statement of profit or loss. Interest income and amortised cost are accounted for using the effective interest rate method.

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further recovery is considered to be remote. The loan is written off against the related account “Gain / (Loss) from derecognition of financial assets at amortized cost” in the Separate Statement of Profit or Loss.

OTP Mortgage Bank applies partial or full write-off for loans based on the definitions and prescriptions of financial instruments in accordance with IFRS 9. If the Bank has no reasonable expectations regarding a financial asset (loan) to be recovered, it will be written off partially or fully at the time of emergence.

The gross amount and loss allowance of the loans shall be written off in the same amount to the estimated maximum recovery amount while the net carrying value remains unchanged. Subsequent recoveries for loans previously written-off partially or fully, which may have been derecognized from the books with no reasonable expectations for the recovery will be booked in the Separate Statement of Profit or Loss on “Income from recoveries of written-off, but legally existing loan” line in Risk cost.

2.5.8. Modified financial assets

If the net present value of the contracted cash flows changes due to the modification of the contractual terms and it is not qualified as derecognition, modification gain or loss should be calculated and accounted for in the separate statement of profit or loss. Modification gain or loss is accounted in cases like restructuring – as defined in internal policies of the Bank – prolongation, renewal with unchanged terms, renewal with shorter terms and prescribing capital repayment rate, if it doesn't exist or has not been earlier.

The changes of net present value should be calculated on portfolio level in case of retail exposures. Each retail contract is restructured based on restructuring frameworks. The Bank has to evaluate these frameworks (and not individual contracts). The changes of net present value should be calculated individually on contract level in case of corporate portfolio.

Among the possible contract amendments, the Bank considers as a derecognition and a new recognition the followings:

- merging several debts into a single debt,
- change of currency,
- change in counterparty,
- failing SPPI test after modification,
- interest rate change (fixed to floating or floating to fixed),

when the discounted present value – discounted at the original effective interest rate – of the cash flows under the new terms is at least 10 per cent different from the discounted present value of the remaining cash flows.

In case of derecognition and new recognition of a financial asset, the unamortized fees of the derecognized asset should be presented as Income similar to interest income. The newly recognized financial asset is initially measured at fair value and is placed in stage 1 if the derecognized financial asset was in stage 1 or stage 2 portfolio. The newly recognized financial asset will be purchased or originated credit impaired financial asset (“POCI”) if the derecognized financial asset was in stage 3 portfolio or it was POCI.

The modification gain or loss shall be calculated at each contract amendments unless they are handled as a derecognition and new recognition. In case of modification the Bank recalculates the gross carrying amount of the financial asset. To do this, the new contractual cash flows should be discounted using the financial asset's original effective interest rate (or credit-adjusted effective interest rate for POCI financial asset). Any costs or fees incurred adjust the carrying amount of the modified financial asset are amortized over the remaining term of the modified financial asset.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance

A loss allowance for loans and placements with other banks is recognized by the Bank based on the expected credit loss model in accordance with IFRS 9. Based on the three-stage model the recognized loss allowance equals to 12-month expected credit loss from the initial recognition. On financial assets with significantly increased credit risk or credit impaired financial assets (based on objective evidence) the recognized loss allowance is the lifetime expected credit loss.

In the case of purchased or originated credit impaired financial assets, a loss allowance is recognized in the amount of the lifetime expected credit loss since initial recognition. The impairment gain in the Separate Statement of Profit or Loss is recognized if lifetime expected credit loss for purchased or originated credit impaired financial assets at measurement date is less than the estimated credit loss at initial recognition.

A loss allowance for loans and placements with other banks represents Management's assessment for potential losses in relation to these activities.

The default occurs when either or both of the following events have taken place:

- objective criterion meaning that the credit obligation of the client is overdue exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or the obligor has breached the limit of the overdraft with an amount exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or
- probability criterion meaning the probability that the obligor will be unable to pay its credit obligations in full (UTP= Unlikely to Pay). The following conditions indicate the occurrence of the probability criterion: specific credit risk adjustment, sell of credit obligation with significant loss, distressed restructuring, termination of the contract on the initiative of the Bank, Bankruptcy, liquidation, personal bankruptcy, forced deleted status.

Previously described conditions should result in default status mandatorily. Moreover, during the individual expert-based assessment the client's default status shall be established if in the specific case the default can be justified on subjective basis. The default status should be terminated if in the last 3 months no other default criterion exists and the condition (either probability criterion or objective criterion) that resulted in the default status ceased at least 3 months ago.

The expected loss calculation should be forward looking. Available forward-looking information has to be included in the parameter estimation by using different scenarios, including forecasts of future economic conditions. The determination of probability-weighted forward-looking scenarios are based on the OTP Bank' macro model. In general, there are two crisis scenarios (4-5), and three non-crisis scenarios (1-3) but the calculation of impairment should be based on at least two scenarios in the OTP Bank. The macro conditioning is performed by Vasicek-model, which captures the relationship between point-in-time (PiT) and through-the-cycle (TTC) PD.

The Vasicek PD transformation can also be used to estimate the PIT PDs of the buckets. The required parameters (such as correlation coefficient and macro condition parameter) can be derived from the OTP's macro model.

In the collective provisioning methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. At portfolio segmentation, setting the segments is a key element of the provisioning calculation and requires the extensive knowledge of the portfolio. The segmentation is expected to stay stable from month to month. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The estimation of one-year and lifetime probability of default (PD) of collectively assessed exposures is performed via transition matrices. The assets should be allocated to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfil contractual obligations. The mandatory variables of the group level assessment procedure are payment delay, deal/client rating, the restructured flag, the default status and product type. Further segmentation is advisable in case significant differences are observed in probability of default. Transition matrices should be determined for each portfolio segment separately. The Group model handles healing (from default) rate in the PD parameter, thus the calculated probabilities should be reduced by this rate.

Two different methods are applied in OTP Bank for LGD parameter calculation: Retail mortgage loans and non-retail portfolios (MSE and Wholesale) that are significantly secured by mortgage: modified LGD methodology based on the Asset Quality Review (AQR) – the primary source of the recovery the collateral itself but cash recovery is also taken into account. The calculation is performed for each exposure individually based on the estimated parameters (main parameters: FSR – foreclosure success rate, SR – sales ratio, TTS – time to sale, C – cost, REC – cash recovery) and the actual value of collaterals (e.g. property, guarantee, surety, bail).

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.6. Loss allowance [continued]

For Consumer loans and car finance: recovery based LGD methodology estimated from historical recoveries. The LGD calculation should not be automatically identified with historic actual data. The direction and degree of the shift in the factors impacting the LGD, also considering the macroeconomic effects, in addition to the anticipated developments in those, must always be analysed. The LGD – just like the PD – is not independent of the business cycles either; typically it increases in parallel with the economic downturn.

Loss allowance for loan and placements are determined at a level that provides coverage for individually identified credit losses. For loans for which it is not possible to determine the amount of the individually identified credit loss in the absence of objective evidence, a collective impairment loss is recognized. With this, the Bank reduces the carrying amount of financial asset portfolios with similar credit risk characteristics to the amount expected to be recovered based on historical loss experience.

At subsequent measurement the Bank recognizes an impairment gain or loss through “Impairment gain on POCI loans” in the Separate Statement of Profit or Loss as part of “Risk cost” line as an amount of expected credit losses or reversal which is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with IFRS 9. If the reason for the impairment no longer exist the impairment is released in the Separate Statement of Profit or Loss for the current period.

If a financial asset, for which previously there were no indicators of significant increase in credit risk (i.e. classified in Stage 1) is subsequently classified in Stage 2 or Stage 3 then loss allowance is adjusted to lifetime expected credit loss. If a financial asset, which was previously classified in Stage 2 or Stage 3 is subsequently classified in Stage 1 then the loss allowance is adjusted to the level of 12 month expected credit loss.

Classification into risk classes

According to the requirements of the IFRS9 the Bank classifies the financial assets measured at amortized cost, at fair value through other comprehensive income and loan commitments and financial guarantees into the following stages:

- Stage 1 – performing financial instruments without significant increase in credit risk since initial recognition
- Stage 2 – performing financial instruments with significant increase in credit risk since initial recognition but not credit-impaired
- Stage 3 – non-performing, credit-impaired financial instruments
- POCI – purchased or originated credit impaired

In the case of trade receivables the Bank applies the simplified approach and calculates only lifetime expected credit loss. The simplified approach is the following:

- for the past 3 years the average annual balance of receivables under simplified approach is calculated,
- the written-off receivables under simplified approach are determined in the past 3 years,
- historical losses are adjusted to reflect information about current conditions and reasonable forecasts of future economic conditions,
- the loss allowance ratio is the sum of the written-off amounts divided by the sum of the average balances,
- the loss allowance is multiplied by the end-of-year balance, it is the actual loss allowance on these receivables,
- loss allowance should be recalculated annually.

The Bank assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. This might occur if the financial asset has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Bank considers sovereign exposures as having low credit risk.

Stage 1: financial instruments for which the events and conditions specified in respect of Stage 2 and Stage 3 do not exist on the reporting date.

A client or loan must be qualified as default if one or both the following two conditions occur:

- The client delays more than 90 days. This is considered a hard trigger.
- There is reasonable probability that the client will not pay all of its obligation. This condition is examined on the basis of probability criteria of default.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

The subject of default qualification is that exposure (on-balance and off-balance) which originates credit risk (so originated from loan commitments, risk-taking contracts).

A financial instrument shows significant increase in credit risk, and is allocated to Stage 2, if in respect of which any of the following triggers exist on the reporting date, without fulfilling any of the conditions for the allocation to the non-performing stage (stage 3):

- the payment delay exceeds 30 days,
- it is classified as performing forborne,
- based on individual decision, its currency suffered a significant "shock" since the disbursement of the loan,
- the transaction/client rating exceeds a predefined value or falls into a determined range, or compared to the historic value it deteriorates to a predefined degree,
- in the case retail mortgage loans, the loan-to-value ratio exceeds a predefined rate,
- default on another loan of the retail client, if no cross-default exists,
- monitoring classification of corporate and municipal clients above different thresholds defined on Bank
 - financial difficulties at the debtor (capital adequacy, liquidity, deterioration of the instrument quality),
 - significant decrease of the liquidity or the activity on the active market of the financial instrument can be observed,
 - the rating of the client reflects high risk, but it is better than the default one,
 - significantly decrease in the value of the recovery from which the debtor would disburse the loan,
 - clients under liquidation.

A financial instrument is non-performing and it is allocated to Stage 3 when any of the following events or conditions exists on the reporting date:

- default (based on the Bank level default definition),
- classified as non-performing forborne (based on the Bank level forborne definition),
- the monitoring classification of corporate and municipal clients above different thresholds defined on Bank level (including but not limited to):
 - breaching of contracts,
 - significant financial difficulties of the debtor (like capital adequacy, liquidity, deterioration of the instrument quality),
 - bankruptcy, liquidation, debt settlement processes against debtor,
 - forced strike-off started against debtor,
 - termination of loan contract by the Bank,
 - occurrence of fraud event,
 - termination of the active market of the financial instrument.

If the exposure is no longer considered as credit impaired, the Bank allocates this exposure to Stage 2.

When loss allowance is calculated at exposures categorized into stages the following process is needed by stages:

- Stage 1 (performing): loss allowance at an amount equal to 12-month expected credit loss should be recognized,
- Stage 2 (significant increase in credit risk): loss allowance at an amount equal to lifetime expected credit loss should be recognized,
- Stage 3 (non-performing): loss allowance at an amount equal to lifetime expected credit loss should be recognized.

For lifetime expected credit losses, an entity shall estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring.

An entity shall measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- the time value of money and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.7. Sale and repurchase agreements, security lending

Where debt or equity securities are sold under a commitment to repurchase them at a pre-determined price, they remain on the Separate Statement of Financial Position and the consideration received is recorded in Other liabilities or Amounts due to banks, the National Governments, deposits from the National Banks and other banks. Conversely, debt or equity securities purchased under a commitment to resell are not recognized in the Separate Statement of Financial Position and the consideration paid is recorded either in Placements with other banks or Deposits from customers. Interest is accrued based on the effective interest method evenly over the life of the repurchase agreement.

In the case of security lending transactions, the Bank as a transferor does not derecognize the securities because it believes that it retains substantially all the risks and rewards of the ownership of the securities. Only a financial liability is recognized against the consideration received. If the Bank is the transferee in security lending transactions, the Bank does not recognize the securities because it believes that the transferor retains substantially all the risks and rewards of the ownership of the securities. Only a financial receivable is recognized against the consideration paid.

2.8. Liabilities from issued securities

Issued mortgage bonds are measured at amortized cost. The costs related to their issuance is included in the amortized cost of the issued securities and amortized over the term of the securities using effective interest method. Collateral of mortgage bonds are secured by the actual amount of loan receivables – involved by collateral in the Bank's collateral register. In 2025 and 2024 the issued mortgage bonds were covered only by ordinary collateral (loan receivables).

2.9. Property, equipment and intangible assets

Property, equipment and intangible assets are stated at cost, less accumulated depreciation and amortization and impairment, if any. The depreciable amount (book value less residual value) of the non-current assets must be allocated over their useful lives. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets based on the following annual percentages:

Intangible assets	
Software	20% - 33.3%
Property rights	16.7% - 33.3%
Property	1% - 2.0%
Office equipment and vehicles	11.1% - 33.3%

Depreciation and amortization on properties, equipment and intangible assets starts on the day when such assets are placed into service. At each balance sheet date, the Bank reviews the carrying value of its tangible and intangible assets to determine if there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated to determine the extent (if any) of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where the carrying value of property, equipment, other tangible fixed assets and intangible assets is greater than the estimated recoverable amount, it is written down immediately to the estimated recoverable amount.

The Bank has no intangible assets with indefinite useful life.

2.10. Financial liabilities

The financial liabilities are presented within these lines in the Separate Financial Statements:

- Amount due to banks, the Hungarian Government, deposits from the National Bank of Hungary and other banks
- Repo liabilities
- Liabilities from issued securities
- Derivative financial liabilities designated as hedge accounting
- Other financial liabilities

At initial recognition, the Bank measures financial liabilities at fair value plus or minus – in the case of a financial liability not at fair value through profit or loss – transaction costs that are directly attributable to the acquisition or issue of the financial liability.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.10. Financial liabilities [continued]

Usually, the initial fair value of financial liabilities equals to transaction value. However, when the amounts are not equal, the initial fair value difference should be recognized.

If the fair value of financial liabilities is based on a valuation technique using only inputs observable in market transactions, the Bank recognizes the initial fair value difference in the Separate Statement of Profit or Loss.

When the fair value of financial liabilities is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and recognized in profit or loss on a systematic manner.

In the case of financial liabilities measured at amortized cost fees and commissions related to the origination of the financial liability are recognized through profit or loss during the maturity of the instrument using effective interest method. In certain cases, the Bank repurchases a part of financial liabilities (mainly issued securities or subordinated bonds) and the difference between the carrying amount of the financial liability and the amount paid for it is recognized in the net profit or loss for the period and included in other operating income.

2.11. Leases

An agreement is a lease or contains a lease if it transfers the rights to control the use of an identified asset for a given period in exchange for compensation.

Expenses related to the use of lease assets, the majority of which were previously recognised in external services costs, will be currently classified as depreciation/amortisation and interest costs. Usufruct rights are depreciated using a straight line method, while lease liabilities are settled using an effective discount rate.

Recognition of lease liabilities

The Bank will recognise lease liabilities related to leases which were previously classified as "operating leases" in accordance with IFRS 16 Leases. These liabilities will be measured at the present value of lease payments receivable as at the date of commencement of the application of IFRS 16. Lease payments shall be discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Interest rate applied by the Bank: weighted average lessee's incremental borrowing rate: ~4.8%

At their date of initial recognition, lease payments contained in the measurement of lease liabilities comprise the following types of payments for the right to use the underlying asset for the life of the lease:

- fixed lease payments less any lease incentives,
- variable lease payments which are dependent on market indices,
- amounts expected to be payable by the lessee under residual value guarantees,
- the strike price of a purchase option, if it is reasonably certain that the option will be exercised, and
- payment of contractual penalties for terminating the lease, if the lease period reflects that the lessee used the option of terminating the lease.

The Bank makes use of expedients with respect to short-term leases (less than 12 months) as well as in the case of leases in respect of which the underlying asset has a low value (less than HUF 1.5 million) and for which agreements it will not recognise financial liabilities nor any respective right-of-use assets. These types of lease payments will be recognised as costs using the straight-line method during the life of the lease.

Recognition of right-of-use assets

Right-of-use assets are initially measured at cost.

The cost of a right-of-use asset comprises:

- the amount of the initial measurement of lease liabilities,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the lessee,
- estimates of costs to be incurred by the lessee as a result of an obligation to disassemble and remove an underlying asset or to carry out renovation/restoration.

Right-of-use assets are presented separately in the financial statements.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.12. Share capital

Share capital is the capital determined in the Articles of Association and registered by the Budapest-Capital Regional Court. Share capital is the capital the Bank raised by issuing common stocks at the date the shares were issued. The amount of share capital has not changed over the current period.

2.13. Interest income and income similar to interest income and interest expense

Interest income and expenses are recognised in profit or loss in the period to which they relate, using the effective interest rate method.

For exposures categorized into stage 1 and stage 2 the interest income is recognized on a gross basis. For exposures categorized into stage 3 (using effective interest rate) and for POCI (using credit-adjusted effective interest rate) the interest income is recognized on a net basis.

The time-proportional income similar to interest income of derivative financial instruments calculated without using the effective interest method and the positive fair value adjustment of interest rate swaps are also included in income similar to interest income. Interest income of FVTPL loans is calculated based on interest fixed in the contract and presented in "Income similar to interest income" line.

Interest from loans and deposits are accrued on a daily basis. Interest income and expense include certain transaction cost and the amortisation of any discount and premium between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

All interest income and expense recognised are arising from loans, placements with other banks, repo receivables, securities at fair value through other comprehensive income, securities at amortised cost, and amounts due to banks, repo liabilities, deposits from customers, liabilities from issued securities, subordinated bonds and loans are presented under these lines of financial statements.

2.14. Fees and Commissions

Fees and commissions that are not involved in the amortised cost model are recognised in the Separate Statement of Profit or Loss on an accrual basis according to IFRS 15.

The Bank recognise income if performance obligations related to the certain goods or service are satisfied, performed, and control over the asset is transferred to the customer, and it is probable that consideration payable will probably flow to the entity. In case of those service, where the Bank transfer control over the asset continuously, income is recognised on accrual basis.

The Bank provides foreign exchange trading services to its customers, the profit margin achieved on these transactions is presented as Net profit from fees and commissions in the Separate Statement of Profit or Loss.

The other fees mainly consist of the cost of services in connection with lending activity and mortgage bond issues, which are not directly attributable to separate issuance, and includes fees related to FVTPL loans, which are settled when incurred.

The Bank's fee and commission income from services where performance obligations are satisfied over time are followings:

Net insurance fee income

Due to the fact that the Bank does not provide insurance services to its clients, only acts as an agent, the fee income charged to the customers and fees payable to the insurance company are presented net in the fee income. Fees for ongoing services are charged on a monthly basis during the period when they are provided.

Other

Fees that are not material in the Banks total income are included in Other fees category. Such fees are, special procedure fee, account rent fee, fee of a copy of document, etc.

Other fees may include charges for continuous services or for ad hoc administration services. Continuous fees are charged monthly at the beginning of the period, typically at a fixed rate. Fees for ad hoc services are charged immediately after the service obligation had been met, typically also in a fixed amount.

Fees for ongoing services are charged on a monthly basis during the period when they are provided.

Fees for ad hoc services are charged when the transaction takes places.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.15. Income tax

The Bank considers corporate income tax as current tax according to IAS 12. The Bank also considers local business tax and the innovation contribution as income tax in Hungary. Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences between the tax bases of assets and liabilities and their carrying value for financial reporting purposes, measured at the tax rates that apply to the future period when the asset is expected to be realized or the liability is settled. Current tax asset or current tax liability is presented related to income tax and innovation contribution separately in the Separate Statement of Financial Position.

Pillar Two – Global Anti-base Erosion Model Rules (“GloBE), global minimum tax – introduces a minimum effective tax rate of at least 15%, calculated based on a specific rule set. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Bank operates. The legislation will be effective for the Bank’s financial year beginning 1 January 2024. The Bank considers this top-up tax as an income tax according to IAS 12.

Deferred tax assets are recognized by the Bank for the amounts of income tax that are recoverable in future periods in respect of deductible temporary differences as well as the carry forward of unused tax losses and the carryforward of unused tax credits.

The Bank recognizes a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

The Bank considers the availability of qualifying taxable temporary differences and the probability of other future taxable profits to determine whether future taxable profits will be available according to IAS 12.

The Bank recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- the Bank is able to control the timing of the reversal of the temporary difference, and
- it is probable that the temporary difference will not reverse in the foreseeable future.

The Bank only offsets its deferred tax liabilities against deferred tax assets when:

- there is a legally enforceable right to set-off current tax liabilities against current tax assets, and
- the taxes are levied by the same taxation authorities on either
 - the same taxable entity or
 - different taxable entities which intend to settle current tax liabilities and assets on a net basis.

Pursuant to the Corporate Tax Act, OTP Mortgage Bank. Is a member of the corporate tax group represented by OTP Bank.

2.16. Banking tax

The Bank and some of its subsidiaries are obliged to pay banking tax based on Act LIX of 2006. As the calculation is not based on the taxable profit but on the adjusted total assets as reported in the Separate Financial Statements of the Bank and its entities for the second period preceding the current tax year, therefore, the banking tax is considered as another administrative expense, not as income tax. Pursuant to Government Decree No. 197/2022 published on 4 June 2022, the Hungarian Government decided to impose a windfall tax on credit institutions and financial enterprises temporarily, that is for 2022 and 2023. During 2024, the Government amended the Decree on the windfall tax and the obligation was extended to 2025. In 2025 Mortgage Bank paid windfall tax in the amount of HUF 1.1 billion. The windfall tax is considered as another administrative expense, not as income tax.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.17. Off-balance sheet commitments and contingent liabilities

In the ordinary course of its business, the Bank has entered into off-balance sheet commitments such as guarantees, commitments to extend credit, letters of credit and transactions with financial instruments. The provision on off-balance sheet commitments and contingent liabilities is maintained at a level adequate to absorb probable future losses which are probable and relate to present obligations.

Those commitments and contingent liabilities Management determines the adequacy of the loss allowance based upon reviews of individual items, recent loss experience, current economic conditions, the risk characteristics of the various categories of transactions and other pertinent factors.

The Bank recognizes a provision for off-balance sheet commitment and contingent liabilities in accordance with IAS 37 when it has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation.

Other provision for off-balance sheet items includes provision for litigation, provision for retirement and expected liabilities and provision for Confirmed letter of credit.

A provision is recognized by the Bank when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Expected credit loss model is applied for given financial guarantees and loan commitments which are under IFRS 9 the, when the provision is calculated. After initial recognition the Bank subsequently measures those contracts at a higher of the amount of the loss allowance or of the amount initially recognised less the cumulative amount of income recognized in accordance with IFRS 15.

2.18. Share-based payment and employee benefit

The Bank has applied the requirements of IFRS 2 Share-based Payment.

The Bank issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the year, based on the Bank's estimate of shares that will eventually vest.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Bank has applied the requirement of IAS 19 Employee Benefits. The Bank's short-term employee benefits are wages, salaries and bonuses, premium, paid annual leave and paid sick leave and other free services (health care, reward holiday). Short-term employee benefits are expected to pay by the Bank within 12 month. These benefits are recognised as an expense and liability undiscounted in the separate financial statements.

Long-term employee benefits are mostly the jubilee reward. Long-term employee benefits are recognised as an expense and liability in the separate financial statements. Liabilities are regularly remeasured. Gains or losses due to the remeasurement are recognised in the separate statement of profit or loss. (Personnel expenses)

2.19. Government subsidies to client

The Bank receives subsidies from the Hungarian government designed to compensate for the difference between the amount of interest charged to the customer, such interest being capped by legislation, and the interest charge on the issued mortgage bonds. Such subsidies are calculated on a monthly basis, are applicable over the life of the loan and are recognized among interest income in the Separate Statement of Profit or Loss in the period to which they relate.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

2.20. Statement of Cash Flows

Cash flows arising from the operating, investing or financing activities are reported in the Statement of Cash-Flows of the Bank primarily on a gross basis. Net basis reporting are applied by the Bank in the following cases:

- when the cash flows reflect the activities of the customer rather than those of the Bank, and
- for items in which the turnover is quick, the amounts are large, and the maturities are short.

For the purposes of reporting cash flows “Cash, due from banks and balances with the NBH” line item excluding compulsory reserve are considered as cash and cash equivalents by the Bank. This line item shows balances of HUF and foreign currency cash amounts, and sight depos from NBH and from other banks, furthermore balances of current accounts.

Cash flows from hedging activities are classified in the same category as the item being hedged. The unrealised gains and losses from the translation of monetary items to the closing foreign exchange rates and the unrealised gains and losses from derivative financial instruments are presented separately net in the statement of cash flows for the monetary items which have been revaluated. Hedging gains and losses are presented on the same line item, refer to note 2.4.3.

2.21. Segment report

Operating segments are components of a business that can generate income or expenses, the operating results of which are regularly reviewed by the Chief Operating Decision Maker (CODM), and about which discrete financial information is available. The CODM is the person or group of people who allocates resources and evaluates the unit's performance. The duties of the CODM are performed by the Bank's Executive Board. OTP Mortgage Bank is a subsidiary of OTP Bank engaged in mortgage lending, its activity is regulated by Act XXX of 1997 on Mortgage Loan Companies and on Mortgage Bonds.

As a specialized credit institution, the main activity of OTP Mortgage Bank is retail mortgage lending covered by Hungarian real estate. As a supplementary commercial activity, the company is engaged in real estate Based on the evaluation of the Bank's internal reporting structure, the management has identified only one operational segment, which segment is not broken down geographically either, because its activities are carried out exclusively in Hungary. As the Bank's operation is simple with a less complex product portfolio the Bank's management manages and controls the activity of the Bank as a single product and geographical segment.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The presentation of financial statements in conformity with IFRS as adopted by the European Union requires the management of the Bank to make judgements about estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period. Actual results could differ from those estimates. Significant areas of subjective judgements include:

3.1. Impairment on loans and placements

The Bank regularly assesses its financial instruments portfolio for loss allowance. Management determines the adequacy of the allowances based upon reviews of individual loans and placements, recent loss experience, current economic conditions, the risk characteristics of the various categories of loans and other pertinent factors. The use of a new, three stage model was implemented for IFRS 9 purposes. The new impairment methodology is used to classify financial instruments in order to determine whether credit risk has significantly increased since initial recognition and able to identify credit-impaired assets. For instruments with credit-impairment or significant increase of credit risk lifetime expected losses are recognized.

3.2. Valuation of instruments without direct quotations

Financial instruments without direct quotations in an active market are valued using the valuation model technique. The models are regularly reviewed and each model is calibrated for the most recent available market data. While the models are built only on available data, their use is subject to certain assumptions and estimates (e.g. for correlations, volatilities, etc.). Changes in the model assumptions may affect the reported fair value of the relevant financial instruments.

IFRS 13 *Fair Value Measurement* seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the beginning of the reporting period. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

3.3. Provisions

Provision is recognized and measured for commitments to extend credit and for warranties arising from banking activities based on IFRS 9 Financial Instruments. Provision for these instruments is recognised based on the credit conversion factor, which shows the proportion of the undrawn credit line that will be probably be drawn.

Other provision includes provision for litigation, provision for retirement and expected liabilities and provision for confirmed letter of credit.

A provision is recognized by the Bank when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 4: IMPACT OF ECONOMIC SITUATION ON THE OTP MORTGAGE BANK (in HUF million)

Windfall tax

On 19 June 2025, the Parliament decided, through Act No. LIV of 2025, to maintain the windfall tax obligation for financial institutions for the year 2026 as well. In 2026, the tax base is the adjusted profit for the year 2024, and the rate increases to 8% up to a tax base of HUF 20 billion, and to 20% above that (from the previous 18%). The option to halve the payable tax remains available under the conditions specified in the act, similarly to previous years.

In accordance with Government Decree No. 358/2025 (XI. 13.), the provisions of the windfall tax legislation shall be applied with the following amendments: from 2026, the tax rate will be 10% (instead of 8%) up to HUF 20 billion tax base, and 30% (instead of 20%) above. In 2026, the rules on tax reduction related to the purchase of government securities were tightened: the reduction may not exceed 10% of the increase in the relevant government securities holdings and may not exceed 30% (instead of 50%) of the windfall tax calculated without taking this reduction into account.

Interest rate cap

On 26 June 2025, Government Decree No. 170/2025 (VI.26) enacted the extension of the interest rate cap on certain housing loans, until 31 December 2025.

On 26 November 2025, Government Decree No. 364/2025 (XI.26) enacted the extension of the interest rate cap on certain housing loans, until 30 June 2026.

Family support schemes and economic stimulus measures

From 1 January 2025, housing loans are available for energy-efficient homes up to 90% of the collateral value, and the repayment instalment may reach 60% of the borrower's income, regardless of the income.

On 1 January 2025, the Rural Home Renovation Subsidy was launched in settlements with less than 5,000 residents with a maximum amount of HUF 3 million, for up to 50% of the labour and material costs. The range of applicants has been modified several times, so now the subsidy is also available to pensioners. For the advance investment costs, borrowers may apply for a subsidized home renovation mortgage loan in a maximum amount of HUF 6 million, with a fixed 3% interest rate.

On 15 October 2025, the conditions of the energy home renovation programme, targeting the modernisation of family homes built before 2007, were amended. The maximum available amount increased from HUF 6 million to HUF 10 million, of which HUF 5 million is a non-refundable grant and HUF 5 million can be taken as an interest-free loan. The required own contribution was reduced to 5%, mandatory contractor registration was abolished, and the range of eligible renovation activities were widened with for example shading devices, solar collectors, and control systems being included into the list.

The subsidized Home Start Loan Program is available from 1 September 2025, regardless of marital status or plans to have children. The terms and conditions of the loan have been modified several times since the announcement, but the essential elements remained unchanged: the maximum amount of the one-time applicable loan is HUF 50 million, with a fixed interest rate of up to 3%, for a maximum term of 25 years and with at least 10% downpayment. The loan is available if, at the time of application and during the preceding 10 years, the applicant has not held more than 50% ownership share in a residential property, and if had at least two years of uninterrupted social security coverage. The loan can be used for residential properties with a maximum value of HUF 100 million in the case of a flat, or HUF 150 million in the case of a house, which price shall not exceed HUF 1.5 million per square metre. The loan may be combined with other (subsidized) home loans. The detailed rules of the loan are set in Government Decree 227/2025 (VII. 31.).

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 4: IMPACT OF ECONOMIC SITUATION ON THE OTP MORTGAGE BANK (in HUF million) [continued]

Financial assets modified during the year ended 31 December 2025 related to interest rate cap

Modification due to prolongation of existing interest rate cap till 31 December 2025

Gross carrying amount before modification	174,180
Modification due to interest rate cap	<u>(3,646)</u>
Gross carrying amount after modification	<u>170,534</u>
Loss allowance before modification	<u>(1,772)</u>
Net amortised cost after modification	<u>168,762</u>

Modification due to prolongation of existing interest rate cap till 30 June 2026

Gross carrying amount before modification	167,874
Modification due to interest rate cap	<u>(3,394)</u>
Gross carrying amount after modification	<u>164,480</u>
Loss allowance before modification	<u>(1,408)</u>
Net amortised cost after modification	<u>163,072</u>

Financial assets modified during the year ended 31 December 2024 related to interest rate cap

Modification due to prolongation of existing interest rate cap till 31 December 2024

Gross carrying amount before modification	191,765
Modification due to interest rate cap	<u>(4,457)</u>
Gross carrying amount after modification	<u>187,308</u>
Loss allowance before modification	<u>(3,127)</u>
Net amortised cost after modification	<u>184,181</u>

Modification due to prolongation of existing interest rate cap till 30 June 2025

Gross carrying amount before modification	182,855
Modification due to interest rate cap	<u>(3,911)</u>
Gross carrying amount after modification	<u>178,944</u>
Loss allowance before modification	<u>(2,124)</u>
Net amortised cost after modification	<u>176,820</u>

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 5: CASH, AMOUNTS DUE FROM BANKS AND BALANCES WITH THE NATIONAL BANK OF HUNGARY (in HUF million)

	2025	2024
Within one year:		
In HUF	150	21,021
In foreign currency	<u>16</u>	<u>17</u>
Subtotal	<u>166</u>	<u>21,038</u>
Loss allowance	-	(32)
Total	<u>166</u>	<u>21,006</u>
Compulsory reserve	121	136
Closing balance of cash	<u>45</u>	<u>20,870</u>
From this: amounts due from OTP Bank	22	20,830
An analysis of the change in the loss allowance	2025	2024
Balance as at 1 January	32	46
Provision for the period	238	444
Release of loss allowance	(270)	(458)
Closing balance	-	32

8% (from 1 August 2025)
Rate of the compulsory reserve 10% (until 31 July 2025)* 10% (from 1 January 2024)

*From August 1, 2025, the compulsory reserve ratio changed again.

The Bank shall deposit compulsory reserve in a determined percent of its liabilities at NBH. Liabilities considered in compulsory reserve calculation are as follows:

- a) deposits and loans,
- b) debt instruments,
- c) after 1 July 2023 repos,

The amount of the compulsory reserve is the multiplication of the daily average of the liabilities considered in the compulsory reserve calculation and compulsory reserve rate, which are determined by the NBH in a specific decree. The Bank is required to complete compulsory reserve requirements in the second month after the reserve calculation period, requirements shall be completed daily. The Bank complies with the compulsory reserve requirements by the deposit of the adequate amount of cash as the calculated compulsory reserve on the bank account at NBH.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 6: PLACEMENTS WITH OTHER BANKS (in HUF million)

	2025	2024
Within one year		
In HUF	171,478	36,714
In foreign currency	3,892	=
Over one year		
In HUF	191,662	344,408
Subtotal	<u>367,032</u>	<u>381,122</u>
Impairment	(169)	(438)
Total	<u>366,863</u>	<u>380,684</u>
From this: amounts due from OTP Bank	175,075	211,869
An analysis of the change in the loss allowance on placements with other banks	2025	2024
Balance as at 1 January	438	470
Provision for the period	838	832
Release of loss allowance	(1,107)	(864)
Closing balance	169	438
Interest conditions of placements with other banks	2025	2024
Within one year		
in HUF	6.5%	6.5% - 7.41%
in foreign currency	2.01% - 2.40%	-
Over one year		
in HUF	7.3%-7.6%	6.49%-7.14%
Average interest of placements with other banks		
Placements with other banks in HUF	6.10%	6.83%

OTP MORTGAGE BANK LTD.
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NOTE 7: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
(in HUF million)

	2025	2024
Hungarian Government bonds	-	15,435
Total	≡	<u>15,435</u>

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:

	2025	2024
Within one year fixed interest		15,435
Total	≡	<u>15,435</u>
Interest rate:	-	5.5%

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

	2024	
	Amortized cost	Net fair value
Hungarian Government bonds	<u>15,645</u>	<u>15,435</u>
Total	<u>15,645</u>	<u>15,435</u>

OTP MORTGAGE BANK LTD.
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NOTE 8: LOANS (in HUF million)

Loans mandatorily measured at fair value through profit or loss	2025	2024
Within one year	43,626	34,298
Over one year	813,234	524,514
Loans measured at fair value through profit or loss total	<u>856,860</u>	<u>558,812</u>
Loans at amortised cost	2025	2024
Within one year	89,045	88,032
Over one year	<u>1,375,317</u>	<u>1,256,830</u>
Loans gross total	<u>1,464,362</u>	<u>1,344,862</u>
Provision for impairment on loan losses	<u>(7,163)</u>	<u>(7,403)</u>
Total	<u>1,457,199</u>	<u>1,337,459</u>
An analysis of the loan portfolio by currency (%):		
	2025	2024
In HUF	99.99%	99.99%
In foreign currency	0.01%	0.01%
Total	<u>100%</u>	<u>100%</u>
Interest rates of the loan portfolio mandatorily measured at fair value through profit or loss are as follows (%):		
	2025	2024
Loans denominated in HUF	2.26%-30.66%	1.314% - 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 (%):		
	2025	2024
Loans denominated in HUF, with a maturity within one year	1.55%-22.61%	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	2.19% - 9.72%	1.9% - 9.72%
Average interest on loans denominated in HUF	7.09%	7.31%
Average interest on loans denominated in foreign currency	4.81%	4.77%

OTP MORTGAGE BANK LTD.
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NOTE 8: LOANS (in HUF million) [continued]

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

	2025	2024
Balance as at 1 January	7,403	12,051
Loss allowance for the period	10,566	14,643
Release of loss allowance	(10,413)	(18,616)
from this: effect of change in parameters used for loss allowance calculation	(332)	(5,274)
Other movement	(393)	(675)
Closing balance	<u>7,163</u>	<u>7,403</u>

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. The Hungarian Government provides interest subsidies directly to borrowers if they meet the prescribed conditions.

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

	2025	2024
Loss allowance on placements with other banks	(301)	(46)
Loss allowance on loans at amortised cost	<u>153</u>	<u>(3,973)</u>
Total	<u>(148)</u>	<u>(4,019)</u>

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

The Bank sells non-performing non subsidised loans, that are non-guaranteed by the Government without recourse at estimated fair value to an OTP Group member, OTP Faktoring Ltd. In addition, the Bank sells non-performing subsidised loans guaranteed by The Government without recourse at estimated fair value to OTP Bank Plc.

NOTE 9: INVESTMENTS IN SUBSIDIARIES (in HUF million)

	2025	2024
Investments in subsidiaries:		
OTP Inगतlanpont Llc.	-	2,117
OTP Financial Point Ltd.	-	<u>1,996</u>
Total	-	<u>4,113</u>

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 Inगतlanpont Kft. and OTP Pénzügyi Pont Zrt. to OTP Bank Plc. The professional management of these subsidiaries is currently the responsibility of OTP Bank Plc.

The purchase price of the two subsidiaries was HUF 4,854 million. The gain on the transaction was HUF 551 million, that was recognised in statement of profit and loss during the period.

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NOTE 10: SECURITIES AT AMORTISED COST (in HUF million)

	2025	2024
Government bonds	178,698	277,074
Subtotal	<u>178,698</u>	<u>277,074</u>
Provision for impairment	(499)	(1,083)
Total	<u>178,199</u>	<u>275,991</u>

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

	2025	2024
Balance as at 1 January	1,083	1,895
Loss allowance	50	302
Release of loss allowance	(634)	(1,114)
Closing balance at 31 December	<u>499</u>	<u>1,083</u>

Interest rates on securities at amortised cost:

	2025	2024
Interest rates on securities at amortised cost	1.5% - 6.75%	1% - 6.75%
Average interest on securities at amortised cost denominated in HUF	6.53%	6.28%

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

	2025	2024
Within one year:		
fixed interest	41,733	104,556
Over one year:		
fixed interest	136,965	172,518
Total	<u>178,698</u>	<u>277,074</u>

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NOTE 11: **PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS AND RIGHT OF USE ASSETS (in HUF million)**

There are different kinds of tangible and intangible assets held by the Bank. In the followings there are presented reasons of the changes from opening values to closing ones in the gross values, the accumulated depreciation and amortization and in the impairment of the tangible and intangible assets in the Bank. Here can be found information about the fair values of the tangible assets and gross amounts of those assets which were fully depreciated but which are still in use.

For the year ended 31 December 2025

	Intangible assets	Office equipment and vehicles	Construction in progress	Right of use assets	Total
<u>Gross book value</u>					
Balance as at January 1, 2025	2,360	92	-	246	2,698
Additions	275	5	11	10	301
Disposals	(147)	(15)	(6)	(3)	(171)
Balance as at December 31, 2025	<u>2,488</u>	<u>82</u>	<u>5</u>	<u>253</u>	<u>2,828</u>
<u>Accumulated Depreciation and Amortization</u>					
Balance as at January 1, 2025	2,072	53	-	103	2,228
Charge for the year	158	11	-	53	222
Disposals	-	(16)	-	-	(16)
Balance as at December 31, 2025	<u>2,230</u>	<u>48</u>	<u>=</u>	<u>156</u>	<u>2,434</u>
<u>Net book value</u>					
Balance as at January 1, 2025	<u>288</u>	<u>39</u>	<u>=</u>	<u>143</u>	<u>470</u>
Additions	117	(6)	11	(43)	79
Disposals	(147)	1	(6)	(3)	(155)
Balance as at December 31, 2025	<u>258</u>	<u>34</u>	<u>5</u>	<u>97</u>	<u>394</u>
Fair Value	-	34	-	-	34
Gross amount of any fully depreciated tangible and intangible asset that is still in use	1,984	30	-	-	2,014

OTP MORTGAGE BANK LTD.
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NOTE 11: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS AND RIGHT OF USE ASSETS (in HUF million) [continued]

For the year ended 31 December 2024

	Intangible assets	Office equipment and vehicles	Construction in progress	Right of use assets	Total
<u>Gross book value</u>					
Balance as at January 1, 2024	2,184	61	-	239	2,484
Additions	377	32	-	7	416
Disposals	<u>(201)</u>	<u>(1)</u>	=	=	<u>(202)</u>
Balance as at December 31, 2024	<u>2,360</u>	<u>92</u>	=	<u>246</u>	<u>2,698</u>
<u>Accumulated Depreciation and Amortization</u>					
Balance as at January 1, 2024	1,945	43	-	50	2,038
Charge for the year	139	11	-	53	203
Disposals	<u>(12)</u>	<u>(1)</u>	=	=	<u>(13)</u>
Balance as at December 31, 2024	<u>2,072</u>	<u>53</u>	=	<u>103</u>	<u>2,228</u>
<u>Net book value</u>					
Balance as at January 1, 2024	<u>239</u>	<u>18</u>	=	<u>189</u>	<u>446</u>
Additions	238	21	-	(46)	213
Disposals	<u>(189)</u>	=	=	=	<u>(189)</u>
Balance as at December 31, 2024	<u>288</u>	<u>39</u>	=	<u>143</u>	<u>470</u>
Fair Value	-	39	-	-	39
Gross amount of any fully depreciated tangible and intangible asset that is still in use	1,886	41	-	-	1,927

There was no carrying amount of the temporarily idle properties as at 31 December 2025 and 31 December 2024, respectively.

There were no restrictions on title and properties, plants or equipment pledged as security for liabilities as at 31 December 2025 and 31 December 2024.

The Bank had no contractual commitments for the acquisition of tangible and intangible assets as at 31 December 2025 and 31 December 2024.

NOTE 12: DERIVATIVE FINANCIAL ASSETS DESIGNATED AS HEDGING ACCOUNTING (in HUF million)

	2025	2024
Interest rate swaps designated as fair value hedge	-	6,388
CCIRS designated as fair value hedge	-	15,140
Interest rate swaps designated as cash flow hedge	<u>2,869</u>	<u>4,365</u>
Total	<u>2,869</u>	<u>25,893</u>

OTP MORTGAGE BANK LTD.
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NOTE 13: OTHER ASSETS (in HUF million)

	2025	2024
Other financial assets		
Receivables from OTP Employee Stock Ownership Program (OTP ESOP)	2,235	1,745
Prepayments and accrued income	102	93
Trade receivables	279	268
Receivables from suppliers	11	10
Other	286	366
Loss allowance	(66)	(57)
Other financial assets total	<u>2,847</u>	<u>2,425</u>
Other non-financial assets		
Current income tax receivable	421	808
Receivable related to Hungarian Government subsidies	2,305	1,157
Accrued expenses	18	15
Other	1,013	589
Provision for impairment on other assets	(7)	(8)
Other non-financial assets total	<u>3,750</u>	<u>2,561</u>
Total	<u>6,597</u>	<u>4,986</u>

An analysis of the movement in the loss allowance on other financial assets is as follows:

	2025	2024
Balance as at 1 January	57	55
Charge for the period	47	38
Release of loss allowance	(23)	(26)
Use of loss allowance	(15)	(10)
Balance as at 31 December	<u>66</u>	<u>57</u>

An analysis of the movement in the loss allowance on other non-financial assets is as follows:

	2025	2024
Balance as at 1 January	8	11
Charge for the period	18	18
Release of provision	(19)	(21)
Balance as at 31 December	<u>7</u>	<u>8</u>

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NOTE 13: OTHER ASSETS (in HUF million) (continued)

Other financial assets under simplified approach:

2025	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate						
Gross value	2,808	-	-	-	64	2,872
Loss allowance	=	=	=	=	<u>60</u>	<u>60</u>
Net carrying amount	<u>2,808</u>	=	=	=	<u>4</u>	<u>2,812</u>

2024	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate						
Gross value	2,390	-	-	-	57	2,447
Loss allowance	=	=	=	=	<u>54</u>	<u>54</u>
Net carrying amount	<u>2,390</u>	=	=	=	<u>3</u>	<u>2,393</u>

NOTE 14: AMOUNTS DUE TO BANKS AND HUNGARIAN GOVERNMENT, DEPOSITS FROM THE NATIONAL BANK OF HUNGARY AND OTHER BANKS (in HUF million)

	2025	2024
Within one year:		
in HUF	209,553	175,847
EUR	8	8
JPY	84	138
CHF	4	7
in foreign currency	96	153
Subtotal	<u>209,649</u>	<u>176,000</u>
Over one year:		
in HUF	1,225,453	1,221,626
Subtotal	<u>1,225,453</u>	<u>1,221,626</u>
Total	<u>1,435,102</u>	<u>1,397,626</u>
From this: amounts due to OTP Bank	1,344,750	1,205,635

Interest conditions on amounts due to OTP Bank and other banks

	2025	2024
Within one year:		
in HUF	0.75% - 5.88%	0.6% - 0.9%
in foreign currency	(0,06%) - 2,12%	0.45% - 3.48%
Over one year:		
in HUF	0%-10.49%	0%-10.49%

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NOTE 15: LIABILITIES FROM ISSUED SECURITIES (in HUF million)

	2025	2024
Within one year		
In HUF	2,744	249,415
In foreign currency	<u>10,527</u>	<u>6,113</u>
	<u>13,271</u>	<u>255,528</u>
Over one year		
In HUF	630,596	599,731
In foreign currency	<u>578,863</u>	<u>208,751</u>
	<u>1,209,459</u>	<u>808,482</u>
Total	<u>1,222,730</u>	<u>1,064,010</u>
Issued mortgage bonds during the period (nominal value)	415,400	190,000
Mortgage bonds became due or repurchased during the period (nominal value)	240,000	271,000
Interest conditions on issued securities		
Interest conditions in HUF	1.25%-6.75%	1.25%-11%
Interest conditions in EUR	3%-3.60%	3.60%

A reconciliation of the face value and the amortized cost is as follows:

	2025	2024
Nominal value of the issued securities	1,213,220	1,050,165
Unamortized premiums	(2,212)	(4,968)
Fair value hedge adjustment	(1,549)	3,104
Accrued interest	<u>13,271</u>	<u>15,709</u>
Amortized cost without accumulated interest	<u>1,222,730</u>	<u>1,064,010</u>

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, the property register data and the normal and additional collateral in the coverage register.

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NOTE 15: LIABILITIES FROM ISSUED SECURITIES (in HUF million) [continued]

Issuance Programs of OTP Mortgage Bank

OTP Mortgage Bank had a Mortgage Bond and Bond Program in the value of HUF 1,000 billion with the intention of issuing dematerialized bonds in Hungary until 11 November 2025, approved by the NBH on 11 November 2024 and has a Mortgage Note Program in the value of EUR 5 billion with the intention of issuing dematerialized mortgage notes in Luxembourg, approved by the CSSF on 5 June 2025, that is valid for 12 months following their approval.

There were maturing mortgage bonds in the amount of HUF 240 billion and HUF 271 billion in 2025 and 2024. Mortgage bonds were issued in the amount of HUF 415.4 billion and HUF 190 billion in 2025 and 2024. Fees related to the issuances were HUF 1,194 million and HUF 408 million in 2025 and 2024.

Issued securities denominated in HUF and foreign currency as at 31 December 2025 (in HUF million)

Name	Currency	Date of issue	Maturity	Nominal value in foreign currency million	Nominal value in HUF million	Amortised cost in HUF million	Interest condition in % p.a.		Hedged
OJB2027/I	HUF	2020.07.23	2027.10.27	120,100	120,100	119,855	1.25%	fix	not hedged
OJB2031/I	HUF	2021.08.18	2031.10.22	95,020	95,020	91,355	2.50%	fix	not hedged
OJB2029/A	HUF	2022.07.25	2029.05.24	175,000	175,000	175,247	6.75%	variable	not hedged
OJB2032/A	HUF	2023.09.20	2032.11.24	25,000	25,000	25,017	6.75%	variable	not hedged
OJB2029/B	HUF	2024.04.10	2029.06.20	70,000	70,000	70,175	6.75%	variable	not hedged
OJB2029/I	HUF	2024.09.16	2029.10.31	120,000	120,000	121,634	6.25%	fix	not hedged
OJB2032/B	HUF	2025.09.22	2032.12.20	30,000	30,000	30,057	6.75%	variable	not hedged
OMB2029/I	EUR	2023.12.20	2029.03.07	500	192,700	201,548	3.60%	fix	hedged
OMB2030/I	EUR	2025.06.20	2030.06.20	500	192,700	195,486	3.00%	fix	hedged
OMB2031/I	EUR	2025.10.01	2031.03.31	500	192,700	192,356	3.14%	fix	hedged
Total issued securities					<u>1,213,220</u>	<u>1,222,730</u>			

Issued securities denominated in HUF and foreign currency as at 31 December 2024 (in HUF million)

Name	Currency	Date of issue	Maturity	Nominal value in foreign currency million	Nominal value in HUF million	Amortised cost in HUF million	Interest condition in % p.a.		Hedged
OJB2025/II	HUF	2020.02.03	2025.11.26	90,000	90,000	89,301	1.50%	fix	partially hedged
OJB2025 I	HUF	2009.07.31	2025.07.31	150,000	150,000	157,712	11.00%	fix	not hedged
OJB2027/I	HUF	2020.07.23	2027.10.27	120,100	120,100	119,549	1.25%	fix	not hedged
OJB2029/A	HUF	2022.07.25	2029.05.24	175,000	175,000	175,111	6.75%	variable	not hedged
OJB2029/B	HUF	2024.04.10	2029.06.20	70,000	70,000	70,156	6.75%	variable	not hedged
OJB2029/I	HUF	2024.09.16	2029.10.31	120,000	120,000	121,630	6.25%	fix	not hedged
OJB2031/I	HUF	2021.08.18	2031.10.22	95,020	95,020	90,692	2.50%	fix	not hedged
OJB2032/A	HUF	2023.09.20	2032.11.24	25,000	25,000	24,995	6.75%	variable	not hedged
OMB2029/I	EUR	2023.12.20	2029.03.07	500	205,045	214,864	3.60%	fix	hedged
Total issued securities					<u>1,050,165</u>	<u>1,064,010</u>			

NOTE 16: DERIVATIVE FINANCIAL LIABILITIES DESIGNATED AS HEDGE ACCOUNTING (in HUF million)

	2025	2024
Interest rate swap designated as fair value hedge	1,402	2,881
CCIRS designated as fair value hedge	4,031	-
CCIRS designated as cash flow hedge	38,117	-
Total	<u>43,550</u>	<u>2,881</u>

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NOTE 17: OTHER LIABILITIES AND PROVISIONS (in HUF million)

	2025	2024
Other financial liabilities		
Accounts payable	3,290	2,693
Accrued expenses	5,788	2,941
Other	<u>3,632</u>	<u>1,871</u>
Other financial liabilities total	<u>12,710</u>	<u>7,505</u>
Other non-financial liabilities		
Current income tax payable	420	418
Social contribution	55	47
Settlement accounts	13	41
Other	<u>214</u>	<u>158</u>
Other non-financial liabilities total	<u>702</u>	<u>664</u>
Other liabilities total	<u>13,412</u>	<u>8,169</u>

The provision on other liabilities, off-balance sheet commitments and contingent liabilities are detailed as follows:

	2025	2024
Provision for losses on other off-balance sheet commitments and contingent liabilities	408	281
Provisions in accordance with IFRS 9	<u>408</u>	<u>281</u>
Provision for litigation	20	22
Provisions in accordance with IAS 37	<u>20</u>	<u>22</u>
Total	<u>428</u>	<u>303</u>

Movements in the provision for losses on commitments and contingent liabilities in accordance with IFRS 9 can be summarized as follows:

	2025	2024
Opening balance	281	413
Provision for the period	2,053	1,663
Release of provision	(1,860)	(1,704)
Release of provision for the period	(66)	(91)
Closing balance	<u>408</u>	<u>281</u>

Movements in the provision for losses on litigations in accordance with IAS 37 can be summarized as follows:

	2025	2024
Opening balance	22	23
Provision for the period	3,495	3,756
Release of provision	(3,497)	(3,757)
Closing balance	<u>20</u>	<u>22</u>

NOTE 18: SHARE CAPITAL (in HUF million)

All 820,000 shares are ordinary shares with a nominal value of HUF 100,000 and are authorised and fully paid.

	2025	2024
<u>Authorized, issued and fully paid:</u>		
Share capital (in HUF million)	<u>82,000</u>	<u>82,000</u>

All of the shares are ordinary shares representing the same rights to the shareholders. Furthermore, there are no restrictions on the distribution of dividends and the repayment of capital.

OTP MORTGAGE BANK LTD.
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NOTE 19: RETAINED EARNINGS AND RESERVES (in HUF million)

The Bank is not expected to pay dividends on its 2025 results.

Share capital

Share capital is the portion of a the Bank's equity that has been obtained by the issue of shares in the corporation to a shareholder, usually for cash.

Retained earnings

Profit of previous years generated by the Bank that are not distributed to shareholders as dividends.

Other comprehensive income

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other IFRSs. This line contains changes in fair value of financial assets at fair value through other comprehensive income and cash flow hedge reserve.

General reserve

The Bank shall place ten per cent of the after-tax profit of the year into general reserve prescribed by the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. The Bank is allowed to use general reserves only to cover operating losses arising from their activities.

The equity correlation table of the Bank based on paragraph 114/B of Act on Accounting:

Balance as at 1 January, 2025	Share capital	Capital reserve	Retained earnings and other reserves	Evaluation reserve	Tied-up reserve	Net profit/(loss) for the period	Total
Capital items according to IFRS	82,000	-	68,824	-	-	-	150,824
Other comprehensive income	-	-	(5,500)	5,500	-	-	-
Net profit for the year	-	-	(11,585)	-	-	11,585	-
Share based payments	-	200	(200)	-	-	-	-
General reserve	-	-	(22,797)	-	22,797	-	-
Capital items according to 114/B.§ of Accounting Act	<u>82,000</u>	<u>200</u>	<u>28,742</u>	<u>5,500</u>	<u>22,797</u>	<u>11,585</u>	<u>150,824</u>
Balance as at 31 December, 2025	Share capital	Capital reserve	Retained earnings and other reserves	Evaluation reserve	Tied-up reserve	Net profit/(loss) for the period	Total
Capital items according to IFRS	82,000	-	71,279	-	-	-	153,279
Other comprehensive income	-	-	4,806	(4,806)	-	-	-
Net profit for the year	-	-	(12,722)	-	-	12,722	-
Share based payments	-	239	(239)	-	-	-	-
General reserve	-	-	(24,069)	-	24,069	-	-
Capital items according to 114/B.§ of Accounting Act	<u>82,000</u>	<u>239</u>	<u>39,055</u>	<u>(4,806)</u>	<u>24,069</u>	<u>12,722</u>	<u>153,279</u>

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NOTE 19: RETAINED EARNINGS AND RESERVES (in HUF million) [continued]

Under the Hungarian Act on Accounting, the untied retained earnings presented below indicate the maximum possible dividend pay-out, calculated based on equity correlation as per paragraph 114/B of the Act on Accounting. Untied retained earnings are not compatible with any equity component under IFRS.

	2025	2024
Retained earnings	39,055	28,742
Net profit for the year	<u>12,722</u>	<u>11,585</u>
Untied retained earnings	<u>51,777</u>	<u>40,327</u>

	2025	2024
Retained earnings	39,055	28,742
Other reserves	24,069	22,797
Fair value of financial instruments measured at fair value through other comprehensive income	1,200	2,075
Share-based payment reserve	239	200
Fair value of derivative financial instruments designated as cash-flow hedge	(6,006)	3,425
Net (loss) /profit for the period	12,722	11,585
Retained earnings and other reserves	<u>71,279</u>	<u>68,824</u>

Change in fair value of securities at fair value through other comprehensive income:

	2025	2024
Balance as at 1 January	2,020	466
Change of fair value correction	(901)	1,829
Deferred tax related to change of fair value correction	81	(275)
Closing balance	<u>1,200</u>	<u>2,020</u>

Expected credit loss on securities at fair value through other comprehensive income:

	2025	2024
Balance as at 1 January	55	95
Increase of loss allowance	1	18
Release of loss allowance	(56)	(58)
Closing balance	=	<u>55</u>

An analysis of the change in fair value of securities at fair value through other comprehensive income:

	2025	2024
Balance as at 1 January	2,075	562
Fair value increase	211	616
Deferred tax related to change of fair value correction	(14)	(62)
(Losses) / gains on separated currency spread of financial instruments designated as hedging instrument	(1,112)	1,212
Deferred tax related to separated currency spread of financial instruments designated as hedging instrument	100	(218)
Change is ECL	(60)	(35)
Closing balance	1,200	2,075

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NOTE 19: RETAINED EARNINGS AND RESERVES (in HUF million) [continued]

An analysis of the change in fair value of derivative financial instruments designated as cash-flow hedge:

	2025	2024
Balance as at 1 January	3,425	3,522
Increase	76,749	61,786
Release	(86,180)	(61,883)
Closing balance	(6,006)	3,425

An analysis of the change on separated currency spread of financial instruments designated as hedging instrument

	2025	2024
Balance as at 1 January	2,212	1,219
Release	33,936	58,298
Increase	(34,948)	(57,305)
Closing balance	1,200	2,212

NOTE 20: INTEREST SUBSIDIES RELATED TO HOUSING LOANS

During 2025 several types of interest-subsidised loans were among OTP Mortgage Bank's portfolio:

- (i) loans granted before 16 June 2003
- (ii) loans granted between 16 June 2003 and 21 December 2003
- (iii) loans granted between 22 December 2003 and 30 June 2009
- (iv) loans granted after 1 October 2009
- (v) Family Housing loans granted after 2012 including interest subsidy of families with three or more children, and including interest subsidy of housing loans at preferred townships
- (vi) loans granted under the Green Home Program of the MNB-funded Growth Loan Program from 2021
- (vii) Family Housing CSOK Plus loans granted for families and Housing loans for people living in small township from 2024
- (viii) From 2025, fixed 3% (FIX3) housing loans provided under the Home Start Program.

The new state-subsidized FIX3% loans available in 2025 may be accessed by persons eligible for support under the Government Decree for the construction or purchase of a new property, as well as for the purchase of an existing property.

The aim of the Home Start Program is to support young people in acquiring their first residential property through a fixed 3.0% interest-subsidized loan. The maximum amount of the subsidized loan is set at HUF 50 million. The interest subsidy rate is determined as a percentage of the government securities yield and may be granted for a period of up to 25 years.

Demand for subsidized loans increased significantly in the year under review, supported by the introduction of new subsidized loan products. OTP Mortgage Bank disbursed a total of HUF 653.3 billion in loans in 2025, of which HUF 353.6 billion were subsidized loans. This represents 2.4 times the volume of the previous year. At the end of the year, the Mortgage Bank's portfolio of subsidized loans amounted to HUF 874.5 billion, which is HUF 292.5 billion higher than a year earlier (nominal gross data, including MNB NHP ZOP loans).

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 21: INTEREST INCOME AND EXPENSES (in HUF million)

	2025	2024
Interest income accounted for using the effective interest rate method from / on		
Loans at amortised cost	97,793	90,735
FVOCI securities	179	386
Placements with other banks	21,949	30,084
Amounts due from banks and balances with National Bank of Hungary	2,120	1,797
Securities at amortised cost	15,893	17,296
Repo receivables	681	477
Interest subsidy on housing loans financed by mortgage bonds	211	649
Subtotal	<u>138,826</u>	<u>141,424</u>
Income similar to interest income		
Loans mandatorily measured at fair value through profit or loss	47,144	38,165
Swap and forward deals related to Placements with other banks	12,334	13,057
Subtotal	<u>59,478</u>	<u>51,222</u>
Interest income total	<u>198,304</u>	<u>192,646</u>
Interest expense due to / from / on		
Amounts due to banks and deposits from the National Bank of Hungary and other banks	115,455	97,050
Leasing liabilities	7	9
Liabilities from issued securities	53,862	65,564
Financial assets	-	319
Repo liabilities	-	127
Subtotal	<u>169,324</u>	<u>163,069</u>

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 22: RISK COST (in HUF million)

	2025	2024
Loss allowance of loans at amortised cost		
Loss allowance	(10,566)	(14,643)
Release of loss allowance	10,413	18,616
Total	<u>(153)</u>	<u>3,973</u>
Loss allowance of placements with other banks		
Loss allowance	(1,076)	(1,276)
Release of loss allowance	<u>1,377</u>	<u>1,322</u>
Total	<u>301</u>	<u>46</u>
Loss allowance on FVOCI securities		
Loss allowance	(1)	(18)
Release of loss allowance	<u>61</u>	<u>53</u>
Total	<u>60</u>	<u>35</u>
Loss allowance of securities at amortised cost		
Loss allowance	(50)	(302)
Release of loss allowance	<u>634</u>	<u>1,114</u>
Total	<u>584</u>	<u>812</u>
Provision on loan commitments and financial guarantees		
Loss allowance	(2,053)	(1,663)
Release of loss allowance	<u>1,926</u>	<u>1,795</u>
Total	<u>(127)</u>	<u>132</u>
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss		
Release of loss allowance	<u>(915)</u>	<u>1,302</u>
Total	<u>(915)</u>	<u>1,302</u>
Net loss allowance / (release of loss allowance) total	<u>(250)</u>	<u>6,300</u>

NOTE 23: NET PROFIT FROM FEES AND COMMISSIONS (in HUF million)

Fee and commission income		
	2025	2024
Fees and commissions relating to lending	3,106	2,245
Other	<u>504</u>	<u>207</u>
Total	<u>3,610</u>	<u>2,452</u>
Contract balances		
	2025	2024
Receivables, which are included in 'other assets'	102	93
Expense from fees and commissions		
	2025	2024
Fees and commissions relating to issued securities	670	433
Fees and commissions relating to lending	6,818	4,338
Others	<u>2,689</u>	<u>2,573</u>
Total	<u>10,177</u>	<u>7,344</u>
Net loss from fees and commissions	<u>(6,567)</u>	<u>(4,892)</u>

The other fees mainly consist of the cost of services in connection with lending activity and mortgage bond issues, which are not directly attributable to separate issuance, and includes fees related to FVTPL loans, which are settled when incurred.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 24: GAINS AND LOSSES (in HUF million)

	2025	2024
Losses arising from derecognition of financial assets measured at amortised cost		
Gain from loans	-	1
Loss from loans	(199)	-
Loss from securities	(55)	(600)
	<u>(254)</u>	<u>(599)</u>
	2025	2024
Foreign exchange losses		
Gains from foreign exchange	662	284
Margin gains	3	2
Margin losses	(11)	(8)
Total	<u>654</u>	<u>278</u>
Gains on securities, net		
Gains on derecognition of investments in subsidiaries	551	-
Total	<u>551</u>	<u>-</u>
Gains on derivative instruments, net	<u>3,368</u>	<u>155</u>
Losses on financial instruments at fair value through profit or loss		
Gains on loans mandatorily measured at fair value through profit or loss	37,696	19,354
Losses on loans mandatorily measured at fair value through profit or loss	(34,278)	(21,814)
Total	<u>3,418</u>	<u>(2,460)</u>
Total gains and losses from operating income (without other	<u>7,991</u>	<u>(2,027)</u>

For the year ended 31 December 2025 gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and also ineffectiveness in case of fair value hedge on amortised cost line items as follows

	Hedged items	Hedging instrument	Hedge ineffectiveness
Fair value hedge	8,139	(7,973)	(3,850)

For the year ended 31 December 2024 gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and also ineffectiveness in case of fair value hedge on amortised cost line items as follows

	Hedged items	Hedging instrument	Hedge ineffectiveness
Fair value hedge	(8,121)	8,414	293

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NOTE 25: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF million)

	2025	2024
Other operating income		
Income from closed lawsuits	11	-
Green home program, part of the funding for growth scheme	(32)	(13)
Other	85	45
Total	<u>64</u>	<u>32</u>
Other operating expenses		
Provisions for future liabilities	(21)	(8)
Non-repayable assets contributed	(1)	(1)
Other	(14)	(11)
Total	<u>(36)</u>	<u>(20)</u>
Other administrative expenses:		
Wages	(867)	(715)
Taxes related to personnel expenses	(112)	(95)
Other personnel expenses	(100)	(93)
Total	<u>(1,079)</u>	<u>(903)</u>
Depreciation and amortization	<u>(222)</u>	<u>(203)</u>
Other administrative expenses:		
Bank tax	(3,974)	(3,879)
Credit institution's extra profit tax	(1,122)	-
Total taxes, other than income	<u>(5,096)</u>	<u>(3,879)</u>
Services	(444)	(355)
Professional fees	(903)	(931)
Rental fees	(21)	(20)
Material type expenses	(6)	(6)
Advertising	-	(1)
Total	<u>(6,470)</u>	<u>(5,192)</u>

The table below contains the detailing of the fees for audit services, which is presented in professional fees line item.

	2025	2024
Annual audit without VAT	44.17	52.90
Other non audit service	0.58	11.07
Other services providing assurance without VAT	148.38	-
Total	<u>193.13</u>	<u>63.97</u>

NOTE 26: COMPENSATION OF KEY MANAGEMENT PERSONNEL (in HUF million)

	2025	2024
Key executives		
part of salaries	87	78
part of premiums	10	5
part of other personnel expenses	6	6
Total	<u>103</u>	<u>89</u>

The remunerations of key management personnel include only short-term benefits.

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NOTE 27: INCOME TAX (in HUF million)

The Bank is presently liable for income tax at a rate of 9% of taxable income, local business tax at a rate of 2% of taxable revenue, innovation contribute at a rate of 0.3% of taxable revenue.

A reconciliation of the total income tax charge for the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
Current tax charge	2,395	2,118
Deferred tax (benefit)	-	<u>2</u>
Total income tax charge	<u>2,395</u>	<u>2,120</u>

A reconciliation of the deferred tax asset as at 31 December 2025 and 2024 is as follows:

	2025	2024
Balance as at January 1	(210)	72
Recognized in other comprehensive income tax as tax benefit	87	(280)
Deferred tax benefit	-	<u>(2)</u>
Balance as at December 31	<u>(123)</u>	<u>(210)</u>

A reconciliation of deferred tax assets and liabilities as at 31 December 2025 and 2024 is as follows:

	2025	2024
Fair value adjustment for at fair value through other comprehensive income final assets	(118)	(206)
Provision for untaken leave	1	1
Difference in depreciation and amortization	<u>(6)</u>	<u>(5)</u>
Net deferred tax assets / liabilities	<u>(123)</u>	<u>(210)</u>

A reconciliation of the effective tax rate as at 31 December 2025 and 2024 is as follows:

	2025	2024
Profit / (loss) before income tax	15,117	13,705
Income tax at statutory tax rate (9%)	1,361	1,233

Income tax adjustments due to permanent differences are as follows:

Use of tax	(20)	(23)
Difference in depreciation and amortization	-	(2)
Business tax and innovation contribution	1,143	(71)
Other	(89)	983
Income tax	<u>2,395</u>	<u>2,120</u>
<i>Effective tax-rate</i>	<i>15.84%</i>	<i>15.47%</i>

Global minimum tax

The global minimum tax legislation has been enacted in certain jurisdictions the OTP Group operates in, generally in the EU Member States. OTP Group is in scope of the enacted global minimum tax legislation. The legislation has been in effect for the OTP Group's financial year beginning 1 January 2024 and introduced a minimum rate of effective taxation of 15%. The global minimum tax legislation has been adopted in Hungary in Act No. LXXXIV of 2023 on the top-up taxes ensuring a global minimum level of taxation and the amendment of related acts.

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NOTE 27: INCOME TAX (in HUF million) [continued]

Global minimum tax (continued)

From an accounting perspective, it is unclear if the global minimum rules create additional temporary differences, whether to remeasure deferred taxes for the global minimum tax rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, IAS 12 'Income taxes' has been amended to introduce a mandatory temporary exception to the requirements of IAS 12. Under the mandatory temporary exception, a company does not recognise or disclose information about deferred tax assets and liabilities related to the global minimum tax rules. The Group applied the temporary exception for the year ended 31 December 2025.

The Hungarian global minimum tax legislation provides for various options as to who is obliged to pay the Hungarian top-up tax (i.e., the Hungarian Group entities based on certain allocation ratios or a select group entity). OTP group chose the option where OTP Bank Plc pays the Hungarian top-up tax. Therefore, even if top-up tax obligation arises with respect to Hungary, such top-up tax is payable by OTP Bank Plc. and not the OTP Mortgage Bank.

NOTE 28: LEASE (in HUF million)

The Bank as a lessee:

The average weighted amount of the implicit interest rate/incremental borrowing rate applied to recognise the lease liabilities was 5.3%, and 5.67% in 2025 and 2024.

Amounts recognised in profit and loss	2025	2024
Interest expense on lease liabilities	7	9
Expense relating to short-term leases	8	6
	2025	2024
Leasing liabilities by maturities:		
Within one year	48	48
Over one year	52	103
Total	<u>100</u>	<u>151</u>

An analysis of movement in the carrying amount of right-of-use assets by category is as follows:

Gross carrying amount	Right of uses of real estate	
	2025	2024
Balance as at 1 January	246	239
Additions due to new contracts	-	7
Change due to revaluation and modification	7	-
Closing balance	<u>253</u>	<u>246</u>
Depreciation		
Balance as at 1 January	103	50
Depreciation charge	53	53
Closing balance	<u>156</u>	<u>103</u>
Net carrying amount	<u>97</u>	<u>143</u>

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NOTE 29: EARNINGS PER SHARE

Earnings per share attributable to ordinary shares are determined by dividing Net profit for the year by the weighted average number of ordinary shares outstanding during the period. The Bank has no preference shares and no options or other rights related to shares. There are no dilutions.

	2025	2024
Net income after taxes (in million HUF)	12,722	11,585
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (piece)	<u>820,000</u>	<u>820,000</u>
Earnings per share (in HUF)	<u>15.515</u>	<u>14.128</u>

NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments may result in certain risks to the Bank. The most significant risks the Bank faces include

30.1. Credit risk

The Bank takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical areas and loan types. Such risks are monitored on a periodical basis and subject to an annual or more frequent review. The exposure to any borrower including banks and brokers is further restricted by sublimit covering on- and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is partly managed obtaining collateral, corporate and personal guarantees.

30.1.1. Analysis by loan types

Defining the expected credit loss on individual and collective basis

On individual basis:

The following non-retail, micro- and small enterprise exposures fall under the individual assessment:

- exposure in stage 3,
- exposure in workout management
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above

The calculation of impairment must be prepared and approved by the risk management functional areas. The calculation, all relevant factors (amortised cost, original and current EIR, contracted and expected cash flows (from business and/or collateral) for the individual periods of the entire lifecycle, other essential information enforced during the valuation) and the criteria thereof (including the factors underlying the classification as stage 3) must be documented individually.

The expected credit loss of the exposure equals the difference of the receivable's AC (gross book value) on the valuation date and the present value of the receivable's expected cash flows discounted to the valuation date by the exposure's original effective interest rate (EIR) (calculated at the initial recognition, or in the case of variable rate, recalculated due to the last interest rate change). The estimation of the expected future cash flows should be forward looking, it must also contain the effects of the possible change of macroeconomic outlook. At least two scenarios must be used for the estimation of the expected cash flow. At least one scenarios should anticipate the possible difference between the realised cash flows and the contractual cash flows. Probability weights must be allocated to the individual scenarios. The estimation must reflect the probability of the occurrence and non-occurrence of the credit loss, even if the most probable result is the non-occurrence of the loss. The net carrying amount of financial assets are considered as maximum exposure to credit risk.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 31: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

On collective basis:

The following exposures are subject to collective assessment:

- retail exposure irrespective of the amount,
- micro and small enterprise exposures irrespective of the amount,
- all other exposure which are insignificant on a stand-alone basis and not part of the workout management,
- exposure which are not in stage 3, significant on a stand-alone basis,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

In the collective impairment methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. In order to achieve these the main risk drivers shall be identified and used to form homogeneous segments having similar risk characteristics. The segmentation is expected to stay stable from month to month however a regular (at least yearly) revision of the segmentation process should be set up to capture the change of risk characteristics. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The Bank's Headquarters Group Reserve Committee stipulates the guidelines related to the collective impairment methodology at group level. In addition, it has right of agreement in respect of the risk parameters (PD -probability of default, LGD - loss given default, EAD – exposure at default) and segmentation criteria proposed by the group members.

The review of the parameters must be performed at least annually and the results should be approved by the Group Reserve Committee. Local Risk Managements are responsible for parameter estimations and updates, macroeconomic scenarios are calculated by OTP Bank Headquarters for each subsidiary and each parameter. Based on the consensus proposal of Local Risk Management and OTP Bank Headquarters, the Group Reserve Committee decides on the modification of parameters (all parameters for impairment calculation).

The impairment parameters should be backtested at least annually.

The expected loss calculation should be forward looking, including forecasts of future economic conditions. This may be achieved by applying 3-5 different macroeconomic scenarios, which may be integrated in the PD, LGD and EAD parameters.

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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

Gross carrying amount and accumulated impairment of financial assets at amortized cost by IFRS 9 stages as at 31 December 2025:

	Carrying amount	Gross carrying amount					Loss allowance				
		Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Cash amount due from banks and balances with the National Bank of Hungary	166	166	-	-	-	166	-	-	-	-	-
Placements with other banks, net of allowance for placement losses	366,863	367,032	-	-	-	367,032	169	-	-	-	169
<i>Mortgage loans</i>	1,456,063	1,354,144	94,862	13,631	478	1,463,115	1,605	2,606	2,835	6	7,052
<i>Corporate loans</i>	1,136	763	334	150	-	1,247	6	23	82	-	111
Loans at amortized cost	1,457,199	1,354,907	95,196	13,781	478	1,464,362	1,611	2,629	2,917	6	7,163
Securities at amortised cost	178,199	178,698	-	-	-	178,698	499	-	-	-	499
Other financial assets ²	35	16	9	16	-	41	-	1	5	-	6
Financial assets total	<u>2,002,462</u>	<u>1,900,819</u>	<u>95,205</u>	<u>13,797</u>	<u>478</u>	<u>2,010,299</u>	<u>2,279</u>	<u>2,630</u>	<u>2,922</u>	<u>6</u>	<u>7,837</u>
Off balance sheet items	101,202	100,818	657	136	-	101,611	369	22	18	-	409

² Of the total amount of HUF 2,847 million of other financial assets, the table does not include HUF 2,812 million of other financial assets, where the impairment is determined using the simplified approach. The financial assets measured using the simplified approach are presented in note 13.

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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

Gross carrying amount and accumulated impairment of financial assets at amortized cost by IFRS 9 stages as at 31 December 2024:

	Carrying amount	Gross carrying amount					Loss allowance				
		Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Cash amount due from banks and balances with the National Bank of Hungary	21,006	21,038	-	-	-	21,038	32	-	-	-	32
Placements with other banks, net of allowance for placement losses	380,684	381,122	-	-	-	381,122	438	-	-	-	438
<i>Mortgage loans</i>	1,336,016	1,226,916	103,429	12,387	536	1,343,268	1,886	2,728	2,629	9	7,252
<i>Corporate loans</i>	1,443	759	644	191	-	1,594	5	87	59	-	151
Loans at amortized cost	1,337,459	1,227,675	104,073	12,578	536	1,344,862	1,891	2,815	2,688	9	7,403
FVOCI securities	15,435	15,435	-	-	-	15,435	55	-	-	-	55
Securities at amortised cost	275,991	277,074	-	-	-	277,074	1,083	-	-	-	1,083
Other financial assets ³	32	18	9	8	-	35	-	1	2	-	3
Financial assets total	<u>2,030,607</u>	<u>1,922,362</u>	<u>104,082</u>	<u>12,586</u>	<u>536</u>	<u>2,039,566</u>	<u>3,499</u>	<u>2,816</u>	<u>2,690</u>	<u>9</u>	<u>9,014</u>
Off balance sheet items	69,324	66,403	3,075	128	-	69,606	196	66	20	-	282

³ Of the total amount of HUF 2,425 million of other financial assets, the table does not include HUF 2,393 million of other financial assets, where the impairment is determined using the simplified approach. The financial assets measured using the simplified approach are presented in note 13.

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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

Changes in the Gross carrying amount of financial assets at amortised by IFRS 9 stages

Loans at amortised cost

31 December 2025	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January 2025					
IFRS 9	1,227,675	104,073	12,578	536	1,344,862
Transfer to Stage 1	48,176	(47,487)	(689)	-	-
Transfer to Stage 2	(49,516)	51,344	(1,828)	-	-
Transfer to Stage 3	(3,293)	(4,277)	7,570	-	-
New financial assets originated or purchased	285,603	6,251	432	1	292,287
Increase in opening balance	88,050	8,351	1,535	68	98,004
Financial assets derecognised (other than write-offs)	(235,785)	(22,217)	(5,621)	(127)	(263,750)
Changes due to modifications without derecognition (net)	(6,003)	(842)	(196)	-	(7,041)
Gross carrying amount as at 31 December 2025	<u>1,354,907</u>	<u>95,196</u>	<u>13,781</u>	<u>478</u>	1,464,362

31 December 2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January 2024					
IFRS 9	1,072,874	123,682	17,336	590	1,214,482
Transfer to Stage 1	64,625	(63,341)	(1,284)	-	-
Transfer to Stage 2	(51,047)	54,540	(3,493)	-	-
Transfer to Stage 3	(2,101)	(2,771)	4,872	-	-
New financial assets originated or purchased	270,895	6,560	186	2	277,643
Increase in opening balance	79,471	10,162	1,669	80	91,382
Financial assets derecognised (other than write-offs)	(200,055)	(23,638)	(6,442)	(136)	(230,271)
Changes due to modifications without derecognition (net)	(6,983)	(1,119)	(266)	-	(8,368)
Write-offs	(4)	(2)	=	=	(6)
Gross carrying amount as at 31 December 2024	<u>1,227,675</u>	<u>104,073</u>	<u>12,578</u>	<u>536</u>	1,344,862

Placements with other banks⁴

31 December 2025	Stage 1	Total
Gross carrying amount as at 1 January 2025		
IFRS 9	381,122	381,122
New financial assets originated or purchased	388,981	388,981
Financial assets derecognised (other than write-offs)	(403,071)	(403,071)
Gross carrying amount as at 31 December 2025	<u>367,032</u>	367,032

31 December 2024	Stage 1	Total
Gross carrying amount as at 1 January 2024		
IFRS 9	371,921	371,921
New financial assets originated or purchased	119,035	119,035
Financial assets derecognised (other than write-offs)	(109,834)	(109,834)
Gross carrying amount as at 31 December 2024	<u>381,122</u>	381,122

⁴ No instruments are in stage 2, 3 or in POCI

OTP MORTGAGE BANK LTD.
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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1.1. Analysis by loan types [continued]

Changes in the Gross carrying amount of Securities at fair value through other comprehensive income by IFRS 9 stages⁵

31 December 2025	Stage 1	Total
Gross carrying amount as at 1 January 2025		
IFRS 9	15,435	15,435
New financial assets originated or purchased	179	179
Financial assets derecognised (other than write-offs)	(15,614)	(15,614)
Gross carrying amount as at 31 December 2025	=	-

31 December 2024	Stage 1	Total
Gross carrying amount as at 1 January 2024		
IFRS 9	15,257	15,257
New financial assets originated or purchased	564	564
Financial assets derecognised (other than write-offs)	(386)	(386)
Gross carrying amount as at 31 December 2024	<u>15,435</u>	15,435

Changes in the Gross carrying amount of Securities at amortised cost by IFRS 9 stages⁶

31 December 2025	Stage 1	Total
Gross carrying amount as at 1 January 2023		
IFRS 9	277,074	277,074
New financial assets originated or purchased	22,073	22,073
Financial assets derecognised (other than write-offs)	(120,449)	(120,449)
Gross carrying amount as at 31 December 2025	<u>178,698</u>	178,698

31 December 2024	Stage 1	Total
Gross carrying amount as at 1 January 2024		
IFRS 9	303,671	303,671
New financial assets originated or purchased	23,138	23,138
Financial assets derecognised (other than write-offs)	(49,735)	(49,735)
Gross carrying amount as at 31 December 2024	<u>277,074</u>	277,074

Changes in the Gross carrying amount of loan commitments and financial guarantees by IFRS 9 stages

Off Balance sheet items

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025				
IFRS 9	66,403	3,075	128	69,606
Transfer to Stage 1	2,585	(2,527)	(58)	-
Transfer to Stage 2	(2,435)	2,438	(3)	-
Transfer to Stage 3	(202)	(10)	212	-
New financial assets originated or purchased	85,235	93	15	85,343
Financial assets derecognised (other than write-offs)	(50,768)	(2,412)	(158)	(53,338)
Gross carrying amount as at 31 December 2025	<u>100,818</u>	<u>657</u>	<u>136</u>	101,611

⁵ No instruments are in stage 2, 3 or in POCI

⁶ No instruments are in stage 2, 3 or in POCI

OTP MORTGAGE BANK LTD.
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FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

Changes in the Gross carrying amount of loan commitments and financial guarantees by IFRS 9 stages [continued]

Off Balance sheet items

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024				
IFRS 9	59,044	3,918	108	63,070
Transfer to Stage 1	2,328	(2,315)	(13)	-
Transfer to Stage 2	(3,020)	3,033	(13)	-
Transfer to Stage 3	(50)	(85)	135	-
New financial assets originated or purchased	52,587	1,290	44	53,921
Financial assets derecognised (other than write-offs)	(44,486)	(2,766)	(133)	(47,385)
Gross carrying amount as at 31 December 2024	<u>66,403</u>	<u>3,075</u>	<u>128</u>	69,606

Changes in the Loss allowance amount of financial assets at amortised cost by IFRS 9 stages

31 December 2025	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January 2025	1,891	2,815	2,688	9	7,403
Transfer to Stage 1	1,147	(1,026)	(121)	-	-
Transfer to Stage 2	(104)	393	(289)	-	-
Transfer to Stage 3	(12)	(371)	383	-	-
Net remeasurement of loss allowance	(1,616)	891	1,019	(3)	291
New financial assets originated or purchased	419	198	105	-	722
Financial assets derecognised (other than write-offs)	(114)	(271)	(868)	-	(1,253)
Loss allowance as at 31 December 2025	<u>1,611</u>	<u>2,629</u>	<u>2,917</u>	<u>6</u>	7,163

31 December 2024	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January 2024	2,849	5,093	4,082	27	12,051
Transfer to Stage 1	2,504	(2,319)	(185)	-	-
Transfer to Stage 2	(178)	797	(619)	-	-
Transfer to Stage 3	(14)	(225)	239	-	-
Net remeasurement of loss allowance	(3,621)	(279)	296	(17)	(3,621)
New financial assets originated or purchased	522	178	42	-	742
Financial assets derecognised (other than write-offs)	(171)	(430)	(1,167)	(1)	(1,769)
Loss allowance as at 31 December 2024	<u>1,891</u>	<u>2,815</u>	<u>2,688</u>	<u>9</u>	7,403

OTP MORTGAGE BANK LTD.
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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

Placements with other banks⁷

31 December 2025	Stage 1	Total
Loss allowance as at 1 January 2025	438	438
Net remeasurement of loss allowance	-	-
New financial assets originated or purchased	169	169
Financial assets derecognised (other than write-offs)	(438)	(438)
Loss allowance as at 31 December 2025	<u>169</u>	169
31 December 2024	Stage 1	Total
Loss allowance as at 1 January 2024	470	470
Net remeasurement of loss allowance	(10)	(10)
New financial assets originated or purchased	80	80
Financial assets derecognised (other than write-offs)	(102)	(102)
Loss allowance as at 31 December 2024	<u>438</u>	438

⁷ No instruments are in stage 2, 3 or in POCI

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

Changes in the Loss allowance of financial assets at fair value through other comprehensive income by IFRS 9 stages⁸

FVOCI Securities

31 December 2025	Stage 1	Total
Loss allowance as at 1 January 2025	55	55
Net remeasurement of loss allowance	5	5
Financial assets derecognised (other than write-offs)	(60)	(60)
Loss allowance as at 31 December 2025	≡	-

FVOCI Securities

31 December 2024	Stage 1	Total
Loss allowance as at 1 January 2024	95	95
Net remeasurement of loss allowance	(40)	(41)
Financial assets derecognised (other than write-offs)	-	-
Loss allowance as at 31 December 2024	<u>55</u>	55

Changes in the Loss allowance of Securities at amortised cost by IFRS 9 stages⁹

31 December 2025	Stage 1	Total
Loss allowance as at 1 January 2025	1,083	1,083
Net remeasurement of loss allowance	(175)	(175)
Financial assets derecognised (other than write-offs)	(409)	(409)
Loss allowance as at 31 December 2025	<u>499</u>	499

31 December 2024	Stage 1	Total
Loss allowance as at 1 January 2024	1,895	1,895
Net remeasurement of loss allowance	(610)	(610)
Financial assets derecognised (other than write-offs)	(202)	(202)
Loss allowance as at 31 December 2024	<u>1,083</u>	1,083

Changes in the Loss allowance of loan commitments and financial guarantees by IFRS 9 stages

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	196	66	20	282
Transfer from Stage 1 to Stage 2	57	(53)	(4)	-
Transfer from Stage 1 to Stage 3	(9)	10	(1)	-
Transfer from Stage 2 to Stage 1	(1)	(1)	2	-
Net remeasurement of loss allowance	(213)	3	10	(200)
New financial assets originated or purchased	352	3	1	356
Financial assets derecognised (other than write-offs)	(13)	(6)	(10)	(29)
Loss allowance as at 31 December 2025	<u>369</u>	<u>22</u>	<u>18</u>	409

⁸ No instruments are in stage 2, 3 or in POCI

⁹ No instruments are in stage 2, 3 or in POCI

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

30.1.1. Analysis by loan types [continued]

Changes in the Loss allowance of loan commitments and financial guarantees by IFRS 9 stages [continued]

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2024	224	167	22	413
Transfer from Stage 1 to Stage 2	98	(96)	(2)	-
Transfer from Stage 1 to Stage 3	(14)	16	(2)	-
Transfer from Stage 2 to Stage 1	-	(7)	7	-
Net remeasurement of loss allowance	(274)	(28)	1	(301)
New financial assets originated or purchased	176	26	3	205
Financial assets derecognised (other than write-offs)	(14)	(12)	(9)	(35)
Loss allowance as at 31 December 2024	<u>196</u>	<u>66</u>	<u>20</u>	282

Changes in the Loss allowance of financial assets at amortised cost and fair value through other comprehensive by IFRS 9 stages

Loan portfolio by internal ratings

2025	Gross carrying amount				Total
Internal rating grade	Stage1	Stage2	Stage3	POCI	Total
High grade (1-4)	1,228,512	12,688	-	214	1,241,414
Medium grade (5-7)	114,113	58,237	-	168	172,518
Low grade (8-9)	12,282	24,271	-	61	36,614
Non performing	-	-	13,781	35	13,816
Total loans at amortized cost	<u>1,354,907</u>	<u>95,196</u>	<u>13,781</u>	<u>478</u>	<u>1,464,362</u>

2025	Accumulated loss allowance				Total
Internal rating grade	Stage1	Stage2	Stage3	POCI	Total
High grade (1-4)	1,177	325	-	1	1,503
Medium grade (5-7)	328	1,351	-	2	1,681
Low grade (8-9)	106	953	-	1	1,060
Non performing	-	-	2,917	2	2,919
Total loans at amortized cost	<u>1,611</u>	<u>2,629</u>	<u>2,917</u>	<u>6</u>	<u>7,163</u>

2024	Gross carrying amount				Total
Internal rating grade	Stage1	Stage2	Stage3	POCI	Total
High grade (1-4)	1,100,564	19,866	-	245	1,120,675
Medium grade (5-7)	119,357	60,428	-	179	179,964
Low grade (8-9)	7,754	23,779	-	48	31,581
Non performing	-	-	12,578	64	12,642
Total loans at amortized cost	<u>1,227,675</u>	<u>104,073</u>	<u>12,578</u>	<u>536</u>	<u>1,344,862</u>

2024	Accumulated loss allowance				Total
Internal rating grade	Stage1	Stage2	Stage3	POCI	Total
High grade (1-4)	1,355	482	-	2	1,839
Medium grade (5-7)	472	1,419	-	2	1,893
Low grade (8-9)	64	914	-	1	979
Non performing	-	-	2,688	4	2,692
Total loans at amortized cost	<u>1,891</u>	<u>2,815</u>	<u>2,688</u>	<u>9</u>	<u>7,403</u>

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

Loan portfolio classification by economic activities

Gross loan at amortized cost and finance lease receivable portfolio by economic activities	2025	2024
Retail	1,463,118	1,343,268
Agriculture, forestry and fishing	1,085	1,580
Other services	<u>159</u>	<u>14</u>
Total gross loans and finance lease receivable	<u>1,464,362</u>	<u>1,344,862</u>

Loss allowance on loans at amortized cost and finance lease receivable by economic activities	2025	2024
Retail	(7,051)	(7,253)
Agriculture, forestry and fishing	(91)	(148)
Other services	<u>(21)</u>	<u>(2)</u>
Total loss allowance on loans and finance lease receivable	<u>(7,163)</u>	<u>(7,403)</u>

Collateral

The collateral value held by the Bank by types is as follows (**total collateral at fair value**). The collateral cover loans as well as off-balance sheet exposures.

Types of collateral	2025	2024
Government guarantees	9,212	11,923
Deposit, securities	7,913	22,494
Mortgage	<u>8,356,422</u>	<u>7,698,541</u>
Total	<u>8,373,547</u>	<u>7,732,958</u>

The collateral value held by the Bank by types is as follows (**to the extent of the exposures**). The collateral cover loans as well as off-balance sheet exposures.

Types of collateral	2025	2024
Government guarantees	9,179	11,878
Deposit, securities	7,913	18,739
Mortgage	<u>2,403,108</u>	<u>1,946,354</u>
Total	<u>2,420,200</u>	<u>1,976,971</u>

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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

Fair value of collaterals held, received (maximum exposure)

31 December 2025	Maximum exposure to credit risk	Fair value collateral					Total collateral	Net exposure	% of exposure subject to	Associated to ECL
		Securities	Guarantee	Property	Surplus collateral					
Cash amount due from banks and balances with the National Bank of Hungary	166	-	-	-	-	-	166	0%	-	
Placements with other banks	366,863	7,913	-	-	-	7,913	358,950	2%	169	
<i>Mortgage loans</i>	<i>1,456,063</i>	-	<i>7,975</i>	<i>5,282,644</i>	<i>(3,827,200)</i>	1,463,419	-	101%	<i>7,052</i>	
<i>Corporate loans</i>	<i>1,136</i>	-	-	<i>11,560</i>	<i>(10,436)</i>	1,124	12	99%	<i>111</i>	
Loans at amortized cost	1,457,199	-	7,975	5,294,204	(3,837,636)	1,464,543	12	101%	7,163	
Securities at amortised cost	178,199	-	-	-	-	-	178,199	0%	499	
Total financial assets at amortised cost	2,002,427	7,913	7,975	5,294,204	(3,837,636)	1,472,456	537,327	74%	7,831	
Derivative financial instruments	2,869	-	-	-	-	-	2,869	0%	-	
Loans mandatorily measured at fair value through profit or loss	856,860	-	1,237	2,886,939	(2,023,765)	864,411	-	101%	-	
Total financial instruments at fair value through profit or loss	859,729	-	1,237	2,886,939	(2,023,765)	864,411	2,869	101%	-	
Loan commitments	101,202	-	-	175,279	(91,946)	83,333	17,869	82%	409	
Total off balance sheet items	101,202	-	-	175,279	(91,946)	83,333	17,869	82%	409	

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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

Fair value of collaterals held, received (maximum exposure)

31 December 2024	Maximum exposure to credit risk	Fair value collateral					Total collateral	Net exposure	% of exposure subject to	Associated to ECL
		Securities	Guarantee	Property	Surplus collateral					
Cash amount due from banks and balances with the National Bank of Hungary	21,006	-	-	-	-	-	21,006	0%	32	
Placements with other banks	380,684	22,494	-	-	(10,287)	12,207	368,477	3%	438	
<i>Mortgage loans</i>	<i>1,336,016</i>	-	<i>10,261</i>	<i>5,130,497</i>	<i>(3,805,392)</i>	<i>1,335,366</i>	<i>650</i>	<i>100%</i>	<i>7,252</i>	
<i>Corporate loans</i>	<i>1,443</i>	-	-	<i>12,763</i>	<i>(11,329)</i>	<i>1,434</i>	<i>9</i>	<i>99%</i>	<i>151</i>	
Loans at amortized cost	1,337,459	-	10,261	5,143,260	(3,816,721)	1,336,800	659	100%	7,403	
Securities at amortised cost	275,991	-	-	-	-	-	275,991	0%	1,083	
Total financial assets at amortised cost	2,015,140	22,494	10,261	5,143,260	(3,827,008)	1,349,007	666,133	67%	8,956	
Derivative financial instruments	25,893	-	-	-	-	-	25,893	0%	-	
Loans mandatorily measured at fair value through profit or loss	558,812	-	1,662	2,431,612	(1,874,546)	558,728	84	100%	-	
Total financial instruments at fair value through profit or loss	584,705	-	1,662	2,431,612	(1,874,546)	558,728	25,977	96%	-	
FVOCI securities	15,435	-	-	-	-	-	15,435	0%	55	
Total debt instruments at fair value through OCI	15,435	-	-	-	-	-	15,435	0%	55	
Loan commitments	69,324	-	-	123,669	(75,880)	47,789	21,535	69%	282	
Total off balance sheet items	69,324	-	-	123,669	(75,880)	47,789	21,535	69%	282	

The Bank had no income from the enforcement of collateral in 2025 and 2024.

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NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

The collateral value (**total collateral value**) held by the Bank related to non-performing loan portfolio:

The collateral value of non-performing loans at amortized cost

2025	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
Mortgage loans	14,109	(2,841)	11,268	35,112
Corporate loans	<u>150</u>	<u>(82)</u>	<u>68</u>	<u>421</u>
Total	<u>14,259</u>	<u>(2,923)</u>	<u>11,336</u>	<u>35,533</u>

The collateral value of loans mandatorily measured at fair value through profit or loss

2025	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
Mortgage loans	4,646	(885)	3,761	9,023
Total	<u>4,646</u>	<u>(885)</u>	<u>3,761</u>	<u>9,023</u>

The collateral value of non-performing loans at amortized cost

2024	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
Mortgage loans	12,923	(2,638)	10,285	48,095
Corporate loans	<u>191</u>	<u>(59)</u>	<u>132</u>	<u>758</u>
Total	<u>13,114</u>	<u>(2,697)</u>	<u>10,417</u>	<u>48,853</u>

The collateral value of loans mandatorily measured at fair value through profit or loss

2024	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
Mortgage loans	3,460	(674)	2,786	10,150
Total	<u>3,460</u>	<u>(674)</u>	<u>2,786</u>	<u>10,150</u>

Offsetting

Derivatives:

The Bank does not have any derivative for trading purposes. All derivative transactions are designated in hedge relationship. Derivative transactions are concluded with the Ultimate parent of the Bank and the National Bank of Hungary (MNB); this is why based on the Bank risk management policies master netting agreements and margin deposits are not applied.

Repo transactions:

The Bank had no open repo deals as at 31 December 2025 and 2024 respectively.

Other balance sheet positions potentially subject to netting arrangements:

The Bank does not have netting arrangements as at 31 December 2025 and 2024 respectively.

Collaterals:

The Bank's activity is to disburse mortgage loans to its customers. In accordance with the respective act governing the operation of the Bank and in accordance with the respective internal risk management policies such mortgage loan exposures are collateralized.

The Bank finances its activity by way of issuing mortgage-backed securities (in accordance with the respective act). Such issued bonds are backed by the performing mortgage portfolio.

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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.1. Credit risk [continued]

Restructured loans

	2025		2024	
	Gross portfolio	Allowance	Gross portfolio	Allowance
Retail loans	3,641	(271)	4,664	(323)
Corporate loans	43	(2)	161	(7)
SME loans	<u>16</u>	<u>(2)</u>	<u>191</u>	<u>(55)</u>
Total	<u>3,700</u>	<u>(275)</u>	<u>5,016</u>	<u>(385)</u>

The forbore definition used by the Bank is based on EU 2015/227 regulation.

Restructuring (forbearance) is a modification of the contract – initiated by either the client or the bank – that provides a concession or allowance towards the client in respect to the client’s current or future financial difficulties. The table of restructured loans contains exposures classified as performing forbore. An exposure is considered performing forbore if the conditions of the non-performing status are not met at the time of the restructuring, or the exposure fulfilled the requirements of the minimum one-year cure period as non-performing forbore.

The loan volume of Mortgage Bank classified as performing forbore exclusively due to moratoria participation decreased significantly due the expiration of the probation period for retail exposures.

Securities at amortised cost as at 31 December 2025

	Baa2	
Hungarian government bonds	178,199	100.00%
Total	<u>178,199</u>	<u>100.00%</u>

At fair value through other comprehensive income securities as at 31 December 2024

	Baa2	
Hungarian government bonds	15,435	100.00%
Total	<u>15,435</u>	<u>100.00%</u>

Securities at amortised cost as at 31 December 2024

	Baa2	
Hungarian government bonds	275,991	100.00%
Total	<u>275,991</u>	<u>100.00%</u>

OTP MORTGAGE BANK LTD.
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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.2. Market risk

Market risks arise from positions taken in securities and other instruments. The Bank takes no significant exposure to market risks. Market risks are generally monitored and controlled by the Asset and Liability Management.

30.2.1. Interest rate sensitivity analysis¹⁰

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. The analysis was prepared assuming the amount of assets and liabilities outstanding at the balance sheet date was outstanding for the whole year. The analysis were prepared by assuming only the adverse interest rate changes. The main assumptions were as follows:

- Floating-rate assets and liabilities were repriced to the modelled benchmark yields at the repricing dates assuming the unchanged margin compared to the last repricing.
- Fixed-rate assets and liabilities were repriced at the contractual maturity date.
- As for liabilities with discretionary repricing feature by the Bank were assumed to be repriced with two-weeks delay, assuming no change in the margin compared to the last repricing date.
- Deposits with an interest rate lower than 0.3% even at high market rates were assumed to be unchanged for the whole period.
- The sensitivity of interest income to changes in BUBOR is analyzed.

The simulation was prepared by assuming two scenarios:

1. BUBOR decreases gradually by 100 bps over the next year (probable scenario)
2. BUBOR increases gradually by 100 bps over the next year (alternative scenario)

The net interest income in a one-year period beginning with 1 January 2026 would be increased by HUF 425 million (probable scenario) and decreased by HUF 444 million (alternative scenario) as a result of these simulation.

The effects of the parallel shifts of the yield-curves to the net interest income on a one-year period can be summarized as follows:

Description	Effects to the net interest income in one year period	
	2025	2024
	In HUF million	In HUF million
HUF (0.1%) parallel shift	67	(63)
HUF 0.1% parallel shift	(67)	64

30.2.2. Foreign exchange rate sensitivity analysis

The foreign exchange sensitivity analysis has been determined based on the net open position, taking into account both balance sheet exposure and off-balance sheet exposure. The simulation was made on the assumption, that the price changes happen as a one-off event, and neither does it take into consideration possible balance sheet dynamics, nor the potential increase or decrease of risk costs related to foreign exchange denominated assets.

The total net open position of OTP Mortgage Bank was HUF 371 million long as at 31 December 2025 (compared to HUF 235 million HUF short as at 31 December 2024), which consisted of EUR, JPY and CHF exposure. Since OTP Mortgage Bank has completed the conversion of foreign currency consumer mortgage loans into HUF, from its operation does not arise material FX exposures. The potential loss on current open foreign exchange exposure is marginal compared to the regulatory capital of the Bank.

¹⁰ Interest rate risk is detailed in note 35

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 30: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

30.3. Capital management

The primary objective of the capital management of the Bank is to ensure the prudent operation, the entire compliance with the prescriptions of the regulator for a persistent business operation and maximising the shareholder value, accompanied by an optimal financing structure.

The capital management of the Bank includes the management and evaluation of the shareholder's equity available for hedging risks, other types of funds to be recorded in the equity and all material risks to be covered by the capital.

The basis of the capital management of the Bank in the short run is the continuous monitoring of its capital position, in the long run the strategic and the business planning process, which includes the monitoring and forecast of the capital position of the Bank.

The Bank maintains the capital adequacy required by the regulatory bodies and the planned risk taking mainly by means of ensuring and developing its profitability. In case the planned risk level of the Bank exceeded its Core and Supplementary capital, the Bank ensures the prudent operation by occasional measures - by including the owner of the Bank.

Capital adequacy

The Capital Requirements Directive package (CRDIV/CRR) transposes the global standards on banking regulation (commonly known as the Basel III agreement) into the EU legal framework. The rules are applied from 1 January 2014. They set stronger prudential requirements for institutions, requiring them to keep sufficient capital reserves and liquidity. This framework makes institutions in the EU more solid and strengthens their capacity to adequately manage the risks linked to their activities and absorb any losses they may incur in doing business.

The Bank has entirely complied with the regulatory capital requirements in 2025 as well as in 2024.

The Bank's capital adequacy calculation is in line with IFRS and based on Basel III as at 31 December 2025 and 2024. The Bank uses the standard method for determining the regulatory capital requirements of the credit risk and market risk while in case of the operational risk the Advanced Measurement Approach (AMA).

In HUF million	2025	2024
Core capital	158,296	147,230
Regulatory capital	158,296	147,230
Credit risk capital requirement	66,106	63,931
Operational risk capital requirement	5,034	3,659
Total required regulatory capital	<u>71,140</u>	<u>67,590</u>
Surplus capital	<u>87,156</u>	<u>79,640</u>
Capital ratio	17.8%	17.4%

The positive components of the Core capital are the following:

Issued capital, Retained earnings of the previous year, Retained earnings, Cumulative Comprehensive Income, Other Reserves

The negative components of the Core capital are the following:

Prudential filter, Intangible assets

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 31: OFF-BALANCE SHEET ITEMS (in HUF million)

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

	2025	2024
Current litigations	799	815
Loan facilities	<u>101,611</u>	<u>69,606</u>
Contingent and future liabilities	<u>102,410</u>	<u>70,421</u>

Legal disputes

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

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation.

Provision due to legal disputes was HUF 20 million and HUF 22 million as at 31 December 2025 and 2024, respectively.

Commitments to extend credit

The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

Undrawn loan commitments are subject to similar credit risk monitoring and credit policies as utilised in the extension of loans. The Management of the Bank believes the market risk associated with guarantees, irrevocable letters of credit and undrawn loan commitments are minimal.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 32: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF million)

Previously approved option program required a modification thanks to the introduction of the Bank Group Policy on Payments accepted in resolution of Annual General Meeting regarding to the amendment of CRD III. Directives and Act on Credit Institutions and Financial Enterprises. Key management personnel affected by the Bank Group Policy receive compensation based on performance assessment generally in the form of cash bonus and equity shares in a ratio of 50-50%. Assignment is based on OTP shares, furthermore performance based payments are deferred in accordance with the rules of Credit Institutions Act.

OTP Bank ensures the share-based payment part for the management personnel of OTP Group members.

The quantity of usable shares for individuals calculated for settlement of share-based payment shall be determined as the ratio of the amount of share-based payment and share price determined by the Supervisory Board of OTP Bank Plc.

The value of the share-based payment at the performance assessment is determined within 10 days by Supervisory Board based on the average of the three previous trade day's middle rate of OTP Bank's equity shares fixed on the Budapest Stock Exchange.

The parameters for the share-based payment relating to ongoing years 2025 by Supervisory Board for periods of each year as follows

	The year 2022	The year 2023	The year 2024	The year 2025	Total
JZB	2	5	7	25	39

Based on the CRD III directives and the amendment of the Act on Credit Institutions and Financial Enterprises, it was necessary to modify the previous option scheme by introducing the Bank Group Remuneration Policy, which was adopted by a resolution of the OTP Bank's General Meeting.

At the same time, the specific conditions of the share entitlement at a preferential price will be established, with the share entitlement at a preferential price including a maximum discount of HUF 2.000 and the maximum income per share at the time of the share entitlement being HUF 4.000.

NOTE 33: NET FOREIGN CURRENCY POSITION AND FOREIGN CURRENCY RISK (in HUF million)

As at 31 December 2025

	EUR	CHF	JPY	USD	Total
Assets	3,909	5	97	-	4,011
Liabilities	(3,502)	(4)	(84)	(2)	(3,592)
Net position	<u>407</u>	<u>1</u>	<u>13</u>	<u>(2)</u>	<u>419</u>

As at 31 December 2024

	EUR	CHF	JPY	USD	Total
Assets	223,675	7	132	-	223,814
Liabilities	(224,251)	(7)	(138)	(1)	(224,397)
Net position	<u>(576)</u>	<u>-</u>	<u>(6)</u>	<u>(1)</u>	<u>(583)</u>

Whilst the Bank monitors its foreign exchange position for compliance with the regulatory requirements of the NBH and own limit system established in respect of limits on open positions. The measurement of the Bank's open foreign currency position involves monitoring the VaR limit on the foreign exchange exposure of the Bank.

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NOTE 34: RELATED PARTY TRANSACTIONS (in HUF million)

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

During 2025 the Bank sold its ownership in OTP Ingatlanpont Kft. and OTP Pénzügyi Pont Zrt. to OTP Bank Plc.

Statement of financial position

Assets	2025		2024	
	Parent	Other	Parent	Other
Cash, amounts due from banks and balances with the National Bank of Hungary	22	-	20,798	-
Placements with OTP Bank	175,075	-	211,869	-
Other assets	<u>145</u>	<u>354</u>	<u>51</u>	-
Total assets	<u>175,242</u>	<u>354</u>	<u>232,718</u>	-
Liabilities	2025		2024	
	Parent	Other	Parent	Other
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(1,344,750)	-	(1,205,635)	-
Other liabilities	<u>(9,146)</u>	<u>(255)</u>	<u>(4,803)</u>	<u>(136)</u>
Total liabilities	<u>(1,353,896)</u>	<u>(255)</u>	<u>(1,210,438)</u>	<u>(136)</u>
Issued securities (nominal value)	(235,457)	(268,828)	(309,098)	(402,327)

Statement of Profit or Loss

	2025		2024	
	Parent	Other	Parent	Other
Interest income	32,099	-	51,515	-
Interest expense	<u>(110,098)</u>	-	<u>(115,502)</u>	-
Other fees and commissions relating to lending received from OTP Bank	858	98	903	111
Other fees and commissions relating to lending paid to OTP Bank	<u>(5,546)</u>	<u>(701)</u>	<u>(4,657)</u>	-
Income from the sale of investments in subsidiaries	551	-	-	-
Other operating income / (expense)	-	<u>(32)</u>	-	<u>14</u>
Total	<u>(82,136)</u>	<u>(635)</u>	<u>(67,741)</u>	<u>125</u>

OTP Mortgage Bank had no outstanding balances of off-balance sheet items as at 31 December 2025 and 2024 against OTP Bank, as the parent company, or any of the subsidiaries of the Bank Group.

34.2. 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 5,782 million as at 31 December 2025. These loans were covered by HUF 14,385 million mortgages, which can be categorized into 5 different interest periods:

5 years:	1.70% - 11.02%
10 years:	2.35% - 6.75%
20 years:	2.49% - 4.24%
25 years:	0.00% - 8.44%
30 years:	5.09% - 7.94%

Compensation of key management personnel is shown in Note 26.

**OTP MORTGAGE BANK LTD.
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NOTE 35: INTEREST RATE RISK MANAGEMENT

Interest rate risk is the risk that the value of a financial instrument can fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument, therefore, indicates the extent to which it is exposed to interest rate risk.

The majority of the Bank's interest bearing assets and liabilities are structured to match either short-term assets and short-term liabilities, or long-term assets and liabilities with repricing opportunities within one year, or long-term assets and corresponding liabilities where repricing is performed simultaneously.

In addition, the significant spread existing between the different types of interest bearing assets and liabilities provides a higher level of flexibility for the Bank in handling the interest rate adjustments and the interest rate risk exposure.

The following table presents the interest repricing dates of the Bank. Variable yield assets and liabilities have been reported in accordance with their next repricing date. Fixed income assets and liabilities have been reported in accordance with their maturity.

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NOTE 35: INTEREST RATE RISK MANAGEMENT [continued]

As at 31 December 2025	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Cash, amounts due from banks and balances with the National Banks	150	16	-	-	-	-	-	-	-	-	-	-	150	16	166
fixed interest	-	13	-	-	-	-	-	-	-	-	-	-	-	13	13
variable interest	150	3	-	-	-	-	-	-	-	-	-	-	150	3	153
Placements with other banks	262,867	-	100,106	3,890	-	-	-	-	-	-	-	-	362,973	3,890	366,863
fixed interest	71,080	-	100,106	3,890	-	-	-	-	-	-	-	-	171,186	3,890	175,076
variable interest	191,787	-	-	-	-	-	-	-	-	-	-	-	191,787	-	191,787
Loans at amortised cost	38,789	34	78,554	61	67,111	-	18,202	-	1,254,448	-	-	-	1,457,104	95	1,457,199
fixed interest	30	-	-	-	-	-	7	-	827,785	-	-	-	827,822	-	827,822
variable interest	38,759	34	78,554	61	67,111	-	18,195	-	426,663	-	-	-	629,282	95	629,377
Loans mandatorily measured at fair value through profit or loss	28,760	-	34,605	-	305,681	-	75,078	-	412,736	-	-	-	856,860	-	856,860
variable interest	28,760	-	34,605	-	305,681	-	75,078	-	412,736	-	-	-	856,860	-	856,860
Securities at amortized cost	-	-	-	-	41,617	-	16,887	-	119,695	-	-	-	178,199	-	178,199
fixed interest	-	-	-	-	41,617	-	16,887	-	119,695	-	-	-	178,199	-	178,199
Derivative financial assets designated as hedge accounting relationships	-	-	2,107	-	1,978	-	-	-	(1,216)	-	-	-	2,869	-	2,869
fixed interest	-	-	-	-	-	-	-	-	(1,216)	-	-	-	(1,216)	-	(1,216)
variable interest	-	-	2,107	-	1,978	-	-	-	-	-	-	-	4,085	-	4,085
Other financial assets	-	-	-	-	-	-	-	-	-	-	2,837	10	2,837	10	2,847
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	2,837	10	2,837	10	2,847

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NOTE 35: INTEREST RATE RISK MANAGEMENT (in HUF million) [continued]

As at 31 December 2025	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Amounts due to banks, the Hungarian Government, deposits from the National Banks and other banks	4,303	-	17,522	96	176,137	-	239,954	-	997,090	-	-	-	1,435,006	96	1,435,102
fixed interest	2,004	-	3,314	96	162,020	-	239,954	-	997,090	-	-	-	1,404,382	96	1,404,478
variable interest	2,299	-	14,208	-	14,117	-	-	-	-	-	-	-	30,624	-	30,624
Liabilities from issued securities	300,496	-	-	-	-	-	119,855	-	212,989	589,390	-	-	633,340	589,390	1,222,730
fixed interest	-	-	-	-	-	-	119,855	-	212,989	589,390	-	-	332,844	589,390	922,234
variable interest	300,496	-	-	-	-	-	-	-	-	-	-	-	300,496	-	300,496
Derivative financial liabilities designated as hedge accounting relationships	-	-	206,918	(170,353)	-	-	-	-	445,651	(438,666)	-	-	652,569	(609,019)	43,550
fixed interest	-	-	-	-	-	-	-	-	445,651	(438,666)	-	-	445,651	(438,666)	6,985
variable interest	-	-	206,918	(170,353)	-	-	-	-	-	-	-	-	206,918	(170,353)	36,565
Leasing liabilities	-	-	-	-	-	-	-	86	14	-	-	-	14	86	100
fixed interest	-	-	-	-	-	-	-	-	14	-	-	-	14	-	14
variable interest	-	-	-	-	-	-	-	86	-	-	-	-	-	86	86
Other financial liabilities non-interest-bearing	-	-	-	-	-	-	-	-	-	-	9,483	3,227	9,483	3,227	12,710
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	9,483	3,227	9,483	3,227	12,710
Net position	25,767	50	(9,068)	174,208	240,250	-	(249,642)	(86)	129,919	(150,724)	(6,646)	(3,217)	130,580	20,231	150,811

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 35: INTEREST RATE RISK MANAGEMENT (in HUF million) [continued]

As at 31 December 2024	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Cash, amounts due from banks and balances with the National Bank of Hungary	20,989	17	-	-	-	-	-	-	-	-	-	-	20,989	17	21,006
fixed interest	20,768	16	-	-	-	-	-	-	-	-	-	-	20,768	16	20,784
variable interest	221	1	-	-	-	-	-	-	-	-	-	-	221	1	222
Placements with other banks	183,792	-	-	-	-	-	-	-	196,892	-	-	-	380,684	-	380,684
fixed interest	14,977	-	-	-	-	-	-	-	196,892	-	-	-	211,869	-	211,869
variable interest	168,815	-	-	-	-	-	-	-	-	-	-	-	168,815	-	168,815
Securities at fair value through other comprehensive income	-	-	-	-	15,435	-	-	-	-	-	-	-	15,435	-	15,435
fixed interest	-	-	-	-	15,435	-	-	-	-	-	-	-	15,435	-	15,435
Loans at amortised cost	49,497	48	96,963	82	50,012	-	32,858	-	1,107,999	-	-	-	1,337,329	130	1,337,459
fixed interest	32	-	-	-	-	-	-	-	598,093	-	-	-	598,125	-	598,125
variable interest	49,465	48	96,963	82	50,012	-	32,858	-	509,906	-	-	-	739,204	130	739,334
Loans mandatorily measured at fair value through profit or loss	14,208	-	16,978	-	204,134	-	84,832	-	238,660	-	-	-	558,812	-	558,812
variable interest	14,208	-	16,978	-	204,134	-	84,832	-	238,660	-	-	-	558,812	-	558,812
Securities at amortized cost	-	-	-	-	104,147	-	39,070	-	132,774	-	-	-	275,991	-	275,991
fixed interest	-	-	-	-	104,147	-	39,070	-	132,774	-	-	-	275,991	-	275,991
Derivative financial assets designated as hedge accounting relationships	-	-	(199,110)	188,299	2,911	-	-	-	(1,564)	35,357	-	-	(197,763)	223,656	25,893
fixed interest	-	-	-	-	-	-	-	-	(1,564)	35,357	-	-	(1,564)	35,357	33,793
variable interest	-	-	(199,110)	188,299	2,911	-	-	-	-	-	-	-	(196,199)	188,299	(7,900)
Other financial assets	-	-	-	-	-	-	-	-	-	-	2,414	11	2,414	11	2,425
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	2,414	11	2,414	11	2,425

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FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 35: INTEREST RATE RISK MANAGEMENT (in HUF million) [continued]

As at 31 December 2024	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest-bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	37,450	-	14,202	153	112,484	-	167,333	-	1,066,004	-	-	-	1,397,473	153	1,397,626
fixed interest	-	-	-	153	98,367	-	167,333	-	1,066,004	-	-	-	1,331,704	153	1,331,857
variable interest	37,450	-	14,202	-	14,117	-	-	-	-	-	-	-	65,769	-	65,769
Liabilities from issued securities	270,263	-	-	-	247,011	-	-	-	331,872	214,864	-	-	849,146	214,864	1,064,010
fixed interest	-	-	-	-	247,011	-	-	-	331,872	214,864	-	-	578,883	214,864	793,747
variable interest	270,263	-	-	-	-	-	-	-	-	-	-	-	270,263	-	270,263
Derivative financial liabilities designated as hedge accounting relationships	863	-	(53,898)	-	(213)	-	-	-	56,129	-	-	-	2,881	-	2,881
fixed interest	-	-	-	-	(213)	-	-	-	56,129	-	-	-	55,916	-	55,916
variable interest	863	-	(53,898)	-	-	-	-	-	-	-	-	-	(53,035)	-	(53,035)
Leasing liabilities	1	3	1	7	4	31	6	45	8	46	-	-	20	132	152
fixed interest	1	-	1	-	4	-	6	-	8	-	-	-	20	-	20
variable interest	-	3	-	7	-	31	-	45	-	46	-	-	-	132	132
Other financial liabilities non-interest-bearing	-	-	-	-	-	-	-	-	-	-	4,500	3,005	4,500	3,005	7,505
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	4,500	3,005	4,500	3,005	7,505
Net position	(40,091)	62	(45,474)	188,221	17,353	(31)	(10,579)	(45)	220,748	(179,553)	(2,086)	(2,994)	139,871	5,660	145,531

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NOTE 36: MATURITY ANALYSIS OF ASSETS AND LIABILITIES AND LIQUIDITY RISK (in HUF million)

Liquidity risk is a measure of the extent to which the Bank may be required to raise funds to meet its commitments associated with financial instruments. The Bank maintains its liquidity profiles in accordance with regulations laid down by the NBH.

The following tables provide an analysis of liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities.

The contractual amounts disclosed in the maturity analyses are the contractual undiscounted cash flows like gross finance lease obligations (before deducting finance charges); prices specified in forward agreements to purchase financial assets for cash; net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged; contractual amounts to be exchanged in a derivative financial instrument for which gross cash flows are exchanged; gross loan commitments.

Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.

31 December 2025	Within 3 months	Within one year and over 3 month	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash, due from banks and balances with the National Bank of Hungary	166	-	-	-	-	166
Placements with other banks	175,370	-	-	191,662	-	367,032
Loans measured at amortised cost	41,326	54,885	301,968	1,124,034	-	1,522,213
Loans mandatorily measured at fair value through profit or loss	18,451	25,173	151,426	640,846	-	835,896
Securities at amortised cost	-	45,662	57,405	103,000	-	206,067
Other financial assets	2,913	-	-	-	-	2,913
TOTAL ASSETS	<u>238,226</u>	<u>125,720</u>	<u>510,799</u>	<u>2,059,542</u>	=	<u>2,934,287</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	27,303	182,972	557,129	737,507	-	1,504,911
Liabilities from issued securities	7,954	5,318	870,500	342,720	-	1,226,492
Leasing liabilities	13	39	54	-	-	106
Other financial liabilities	12,710	-	-	-	-	12,710
TOTAL LIABILITIES	<u>47,980</u>	<u>188,329</u>	<u>1,427,683</u>	<u>1,080,227</u>	=	<u>2,744,219</u>
NET POSITION	<u>190,246</u>	<u>-62,609</u>	<u>-916,884</u>	<u>979,315</u>	=	<u>190,068</u>
Receivables from derivative financial instruments designated as fair value hedge	12,326	9,724	480,552	202,108	-	704,710
Liabilities from derivative financial instruments designated as fair value hedge	(23,956)	(23,752)	(586,923)	(204,873)	-	(839,504)
Net position of derivative financial instruments	<u>(11,630)</u>	<u>(14,028)</u>	<u>(106,371)</u>	<u>(2,765)</u>	=	<u>(134,794)</u>
Commitments to extend credit	<u>101,611</u>	=	=	=	=	<u>101,611</u>
Off-balance sheet commitments	<u>101,611</u>	=	=	=	=	<u>101,611</u>

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NOTE 36: MATURITY ANALYSIS OF ASSETS AND LIABILITIES AND LIQUIDITY RISK (in HUF million) [continued]

31 December 2024	Within 3 months	Within one year and over 3 month	Within 5 years and over one year	Over 5 years	Without maturity	Total
Cash, due from banks and balances with the National Bank of Hungary	21,038	-	-	-	-	21,038
Placements with other banks	25,283	11,431	250,592	97,303	-	384,609
Securities at fair value through other comprehensive income	-	15,436	-	-	-	15,436
Loans measured at amortised cost	43,067	52,821	286,649	1,029,020	-	1,411,557
Loans mandatorily measured at fair value through profit or loss	14,793	19,498	109,792	396,570	-	540,653
Securities at amortised cost	-	106,050	101,775	103,000	-	310,825
Other financial assets	2,482	-	-	-	-	2,482
TOTAL ASSETS	<u>106,663</u>	<u>205,236</u>	<u>748,808</u>	<u>1,625,893</u>	=	<u>2,686,600</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	57,406	121,550	658,696	634,901	-	1,472,553
Liabilities from issued securities	6,446	249,263	690,145	120,020	-	1,065,874
Leasing liabilities	13	35	103	-	-	151
Other financial liabilities	7,506	-	-	-	-	7,506
TOTAL LIABILITIES	<u>71,371</u>	<u>370,848</u>	<u>1,348,944</u>	<u>754,921</u>	=	<u>2,546,084</u>
NET POSITION	<u>35,292</u>	<u>(165,612)</u>	<u>(600,136)</u>	<u>870,972</u>	=	<u>140,516</u>
Receivables from derivative financial instruments designated as fair value hedge	19,023	11,124	306,035	-	-	336,182
Liabilities from derivative financial instruments designated as fair value hedge	(24,255)	(10,378)	(308,333)	-	-	(342,966)
Net position of derivative financial instruments	<u>(5,232)</u>	<u>746</u>	<u>(2,298)</u>	=	=	<u>(6,784)</u>
Commitments to extend credit	<u>69,606</u>	=	=	=	=	<u>69,606</u>
Off-balance sheet commitments	<u>69,606</u>	=	=	=	=	<u>69,606</u>

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million)

In determining the fair value of a financial asset or liability the Bank in the case of instruments that are quoted on an active market uses the market price. In most cases, reliable and public market information is not available so the Bank has to make assumptions or use valuation techniques to determine the fair value of a financial instrument, See Note 37, e.g.) for more information about fair value classes applied for financial assets and liabilities measured at fair value in these financial statements.

To provide a reliable estimate of the fair value of those financial instrument that are originally measured at amortised cost, the Bank used the discounted cash-flow analysis (loans, placements with other banks, amounts due to banks, deposits from customers). The fair value of issued securities and subordinated bonds is based on quoted prices (e.g. Reuters, Bloomberg). Cash and amounts due from banks and balances with the NBH represent amounts available immediately thus the fair value equals to the carrying amount.

The assumptions used when calculating the fair value of financial assets and liabilities when using valuation technique are the following:

- the discount rates are the risk free rates related to the denomination currency adjusted by the appropriate risk premium as of the end of the reporting period,
- the contractual cash-flows are considered for the performing loans and for the non-performing loans, the amortised cost less impairment is considered as fair value,
- the future cash-flows for floating interest rate instruments are estimated from the yield curves as of the end of the reporting period,
- the fair value of the deposit which can be due in demand cannot be lower than the amount payable on demand.

For classes of assets and liabilities not measured at fair value in the statement of financial position, the income approach was used to convert future cash flows to a single current amount. Fair value of current assets is equal to carrying amount, fair value of liabilities from issued securities and other bond-type classes of assets and liabilities not measured at fair value measured based on Reuters market rates and, fair value of other classes not measured at fair value of the statement of financial position are measured using the discounted cash flow method. Fair value of loans, net of allowance for loan losses measured using discount rate adjustment technique, the discount rate is derived from observed rates of return for comparable assets or liabilities that are traded in the market.

Fair value measurements – in relation to instruments measured not at fair value – are categorized in level 3 of the fair value hierarchy.

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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Fair value of financial assets and liabilities

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash, due from banks and balances with the National Bank of Hungary	166	166	21,006	21,006
Placements with other banks	366,863	366,863	380,684	380,684
Securities at amortised cost	178,199	188,126	275,991	287,489
Loans at amortised cost	1,457,199	1,493,681	1,337,459	1,316,550
Other financial assets	<u>2,847</u>	<u>2,847</u>	<u>2,425</u>	<u>2,425</u>
Total assets measured at fair value	<u>2,005,274</u>	<u>2,051,683</u>	<u>2,017,565</u>	<u>2,008,154</u>
Securities at fair value through other comprehensive income	-	-	15,435	15,435
Loans mandatorily measured at fair value through profit or loss	856,860	856,860	558,812	558,812
Derivative financial assets designated as hedge accounting relationships	2,869	2,869	25,893	25,893
Total assets measured not at fair value	859,729	859,729	600,140	600,140
FINANCIAL ASSETS TOTAL	<u>2,865,003</u>	<u>2,911,412</u>	<u>2,617,705</u>	<u>2,608,294</u>
Derivative financial instruments designated as hedging instruments	43,550	43,550	2,881	2,881
Total liabilities measured at fair value	43,550	43,550	2,881	2,881
Amounts due to OTP Bank and other banks	1,435,102	1,505,208	1,397,626	1,373,829
Liabilities from issued securities	1,222,730	1,232,206	1,064,010	1,040,057
Leasing liabilities	100	100	152	152
Other financial liabilities	<u>12,710</u>	<u>12,710</u>	<u>7,505</u>	<u>7,505</u>
Total liabilities measured not at fair value	2,670,642	2,750,224	2,469,293	2,421,543
FINANCIAL LIABILITIES TOTAL	<u>2,714,192</u>	<u>2,793,774</u>	<u>2,472,174</u>	<u>2,424,424</u>

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Fair value hierarchy

Methods and significant assumptions used to determine fair value of the different classes of financial instruments:

- 1st Level: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 2nd Level: inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; Fair value measurements – in relation with instruments measured not at fair value – are categorized in level 2.
- 3rd Level: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents an analysis of financial instruments carried at fair value and amortised cost by level of the fair value hierarchy:

As at 31 December 2025	Total	Level 1	Level 2	Level 3
Loans mandatorily measured at fair value through profit or loss	856,860	-	-	856,860
Positive fair value of derivative financial instruments designated as fair value hedge	<u>2,869</u>	=	<u>2,869</u>	=
Total assets measured at fair value	<u>859,729</u>	=	<u>2,869</u>	<u>856,860</u>
Placements with other banks	366,863	366,863	-	-
Securities at amortised cost	188,126	188,126	-	-
Loans at amortised cost	1,493,681	-	-	1,493,681
Other financial assets	<u>2,847</u>	=	=	<u>2,847</u>
Total assets measured not at fair value	<u>2,051,517</u>	<u>554,989</u>	=	<u>1,496,528</u>
As at 31 December 2025	Total	Level 1	Level 2	Level 3
Negative fair value of derivative financial instruments designated as fair value hedge	43,550	-	43,550	-
Total liabilities measured at fair value	<u>43,550</u>	=	<u>43,550</u>	=
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,505,208	37,796	1,467,412	-
Liabilities from issued securities	1,232,206	-	1,232,206	-
Leasing liabilities	100	-	-	100
Other financial liabilities	12,710	-	-	12,710
Total liabilities measured not at fair value	<u>2,750,224</u>	<u>37,796</u>	<u>2,699,618</u>	<u>12,810</u>
As at 31 December 2024	Total	Level 1	Level 2	Level 3
Loans mandatorily measured at fair value through profit or loss	558,812	-	-	558,812
FVOCI securities	15,435	15,435	-	-
Positive fair value of derivative financial instruments designated as fair value hedge	<u>25,893</u>	=	<u>25,893</u>	=
Total assets measured at fair value	<u>600,140</u>	<u>15,435</u>	<u>25,893</u>	<u>558,812</u>
Placements with other banks	380,684	182,124	198,560	-
Securities at amortised cost	287,489	287,489	-	-
Loans at amortised cost	1,316,550	-	-	1,316,550
Other financial assets	<u>2,425</u>	=	=	<u>2,425</u>
Total assets measured not at fair value	<u>1,987,148</u>	<u>469,613</u>	<u>198,560</u>	<u>1,318,975</u>
As at 31 December 2024	Total	Level 1	Level 2	Level 3
Negative fair value of derivative financial instruments designated as fair value hedge	<u>2,881</u>	=	<u>2,881</u>	=
Total liabilities measured at fair value	<u>2,881</u>	=	<u>2,881</u>	=
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,373,829	161,492	1,212,337	-
Liabilities from issued securities	1,040,057	-	1,040,057	-
Leasing liabilities	152	-	-	152
Other financial liabilities	<u>7,505</u>	=	=	<u>7,505</u>
Total liabilities measured not at fair value	<u>2,421,543</u>	<u>161,492</u>	<u>2,252,394</u>	<u>7,657</u>

OTP MORTGAGE BANK LTD.
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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

The Bank has determined that for financial assets and financial liabilities that have a short-term maturity (less than three months), are liquid and are floating rate instruments, their carrying amounts (which are net of impairment where applicable) are a reasonable approximation of their fair value. Such instruments include: cash and balances with central banks; due to and due from banks.

Bonds issued by the Bank are listed on stock exchanges, however there is no active market with observable and transparent prices, therefore they are classified as level 2 in the fair value hierarchy.

Valuation techniques on Level 2 instruments

The fair value of Level 2 instruments is calculated by discounting their expected interest and capital cash flows, Discounting is done with the respective swap curve of each currency.

Valuation techniques and sensitivity analysis on Level 3 instruments

Sensitivity analysis is performed on products with significant unobservable inputs (Level 3) to generate a range of reasonably possible alternative valuations. The sensitivity methodologies applied take account of the nature of the valuation techniques used, as well as the availability and reliability of observable proxy and historical data and the impact of using alternative models.

The calculation is based on range or spread data of reliable reference source or a scenario based on relevant market analysis alongside the impact of using alternative models. Sensitivities are calculated without reflecting the impact of any diversification in the portfolio.

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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Unobservable inputs used in measuring fair value

Type of financial instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
Loans mandatorily measured at fair value through profit and loss	Discounted cash flow model	Probability of default	+/- 20%
Loans mandatorily measured at fair value through profit and loss	Discounted cash flow model	Operational costs	+/- 20%
Loans mandatorily measured at fair value through profit and loss	Discounted cash flow model	Demography	Change in the cash flow estimation +/- 5%

The effect of unobservable inputs on fair value measurement

Although the Bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 changing the assumptions used to reasonably possible alternative assumptions would have the following effects.

31 December 2025	Unobservable	Carrying amount	Fair values		Effect on profit and loss	
			Favourable	Unfavourable	Favourable	Unfavourable
Loans mandatorily measured at fair value through profit and loss	Probability of default	856,860	857,540	856,186	680	(674)
Loans mandatorily measured at fair value through profit and loss	Operational costs	856,860	863,352	850,518	6,492	(6,342)
Loans mandatorily measured at fair value through profit and loss	Demography	223,095	223,538	222,684	443	(411)

31 December 2024	Unobservable	Carrying amount	Fair values		Effect on profit and loss	
			Favourable	Unfavourable	Favourable	Unfavourable
Loans mandatorily measured at fair value through profit and loss	Probability of default	558,812	559,071	558,553	259	(259)
Loans mandatorily measured at fair value through profit and loss	Operational costs	558,812	565,807	552,001	6,995	(6,811)
Loans mandatorily measured at fair value through profit and loss	Demography	110,042	110,236	109,663	194	(379)

In the loans mandatorily measured at fair value through profit or loss the Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of probability of default by +/- 20% as one of the most significant unobservable input.

Reconciliation of the opening and closing balances of Level 3 instruments for the year ended 31 December 2025

	Opening balance	Issuance/Disbursement	Change in FVA due to credit risk	Change in FVA due to market factors	Settlement	Closing balance
Loans mandatorily measured at fair value through profit or loss	558,812	324,980	(915)	3,418	(29,435)	856,860

Reconciliation of the opening and closing balances of Level 3 instruments for the year ended 31 December 2024

	Opening balance	Issuance/Disbursement	Change in FVA due to credit risk	Change in FVA due to market factors	Settlement	Closing balance
Loans mandatorily measured at fair value through profit or loss	463,926	131,932	1,302	(2,461)	(35,887)	558,812

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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Derivative financial instruments

OTP Mortgage Bank regularly enters into hedging transactions in order to decrease its financial risks.

The assessment of the hedge effectiveness (both for fair value hedges and cash flow hedges) to determine the economic relationship between the hedged item and the hedging instrument is accomplished with prospective scenario analysis via different rate shift scenarios of the relevant risk factor(s) of the hedged risk component(s). The fair value change of the hedged item and the hedging instrument is compared in the different scenarios. Economic relationship is justified if the change of the fair value of the hedged item and the hedging instrument are in the opposite direction and the absolute changes are similar amounts. The hedge ratio is determined as the ratio of the notional of the hedged item and the notional of the hedging instrument. The sources of hedge ineffectiveness are the not hedged risk components (e.g. change of cross currency basis spreads in case of interest rate risk hedges), slight differences in maturity dates and interest payment dates in case of fair value hedges, and differences between the carrying amount of the hedged item and the carrying amount of the hedging instrument (e.g. caused by interest rate risk components in the fair value of the hedging instrument).

Derivative financial instruments designated as hedge accounting relationships– as at 31 December 2025

	Assets	Liabilities
Derivative financial instruments designated as hedge		
Derivatives designated in fair value hedges		
Interest rate swap	-	1,402
Cross-currency interest rate swap	-	4,031
Derivatives designated in cash flow hedges		
Interest rate swaps	2,869	-
Cross-currency interest rate swap	-	38,117
Total derivatives designated in cash flow hedges	<u>2,869</u>	<u>43,550</u>

Derivative financial instruments designated as hedge accounting relationships– as at 31 December 2024

	Assets	Liabilities
Derivative financial instruments designated as hedge		
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	4,365	-
Total derivatives designated in cash flow hedges	<u>25,893</u>	<u>2,881</u>

OTP MORTGAGE BANK LTD.
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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Hedge accounting

Interest rate risk management is centralized at OTP Mortgage Bank. Interest rate risk is measured by simulating NII and EVE under different stress and plan scenarios, the established risk limits are described in „OTP Bank’s Group-Level Regulations on the Management of Liquidity Risk and Interest Rate Risk of Banking Book”. The interest rate risk management activity aims to stabilize NII within the approved risk limits.

The risk management objective of these hedge relationships is to mitigate the risk of clean fair value (i.e. excluding accrued interest) change of MIRS loans due to the change of interest rate reference indexes (BUBOR) of the respective currency.

Amount, timing and uncertainty of future cash flows - hedging instruments as at 31 December 2025 in amount in million currency

2025			One to three months	Three months to one year	Maturity One year to five years	More than five years	Total	
Fair value hedge	<i>Interest rate risk</i>	<i>Interest rate swap</i>						
		HUF						
		Notional	-	-	-	-	-	
		Average Interest Rate	-	-	-	-	-	
	EUR							
	Notional	-	-	-	(500)	(500)		
	Average Interest Rate	-	-	-	3.14%	-		
	<i>Fx risk</i>	<i>Cross currency interest</i>						
		EUR/HUF						
		Notional	-	-	-	500	500	
Average Fx Rate		-	-	-	389.9	-		
Cash flow hedge	<i>Interest rate risk</i>	<i>Interest rate swap</i>						
		HUF						
		Notional	-	-	28,027	-	28,027	
		Average Interest Rate	-	-	1.58%	-	-	
	<i>Fx risk</i>	<i>Cross currency interest</i>						
		EUR/HUF						
		Notional	-	-	1,000	-	1,000	
		Average Interest Rate	-	-	3.30%	-	-	
			-	-	404.9	-	-	

Amount, timing and uncertainty of future cash flows - hedging instruments as at 31 December 2024 in amount in million currency

2024			One to three months	Three months to one year	Maturity One year to five years	More than five years	Total	
Fair value hedge	<i>Interest rate risk</i>	<i>Interest rate swap</i>						
		HUF						
		Notional	-	(15,000)	190,555	-	175,555	
		Average Interest Rate	-	1.50%	6.69%	-	-	
	EUR							
	Notional	-	-	(500)	-	(500)		
	Average Interest Rate	-	-	3.60%	-	-		
	<i>Fx risk</i>	<i>Cross currency interest</i>						
		EUR/HUF						
		Notional	-	-	500	-	500	
Average Fx Rate		-	-	381.48	-	-		
Cash flow hedge	<i>Interest rate risk</i>	<i>Interest rate swap</i>						
		HUF						
		Notional	-	-	28,027	-	28,027	
			-	-	1.58%	-	-	

OTP MORTGAGE BANK LTD.
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NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Hedge accounting – hedging instruments– as at 31 December 2025

	Nominal amount	Carrying amount of the hedging instruments		Line item in the statement of financial position where the hedging instrument is	Change in fair value of hedged item for calculating ineffectiveness
		Assets	Liabilities		
Fair value hedge	385,400	-	5,433		95
Interest rate risk					
Interest rate swaps	192,700	-	1,402	Derivative financial liabilities designated as hedge accounting relationships	(5)
Fx risk					
Cross-currency swaps	192,700	-	4,031	Derivative financial liabilities designated as hedge accounting relationships	100
Cash flow hedge	413,427	2,869	38,117		617
Interest rate risk					
Interest rate swaps	28,027	2,869	-	Derivative financial assets designated as hedge accounting relationships	606
Fx risk					
Cross-currency swaps	385,400	-	38,117	Derivative financial liabilities designated as hedge accounting relationships	11

Hedge accounting – hedging instruments– as at 31 December 2024

	Nominal amount	Carrying amount of the hedging instruments		Line item in the statement of financial position where the hedging instrument is	Change in fair value of hedged item for calculating ineffectiveness
		Assets	Liabilities		
Fair value hedge	615,645	21,528	2,881		(441)
Interest rate risk					
Interest rate swaps	410,600	6,388	2,881	Derivative financial assets designated as hedge accounting relationships / Derivative financial liabilities designated as hedge accounting relationships	(171)
Fx risk					
Cross-currency swaps	205,045	15,140	-	Derivative financial assets designated as hedge accounting relationships	(270)
Cash flow hedge	28,027	4,365	-		832
Interest rate risk					
Interest rate swaps	28,027	4,365	-	Derivative financial assets designated as hedge accounting relationships	832

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 37:

FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Hedge accounting – hedged items– as at 31 December 2025

	Type of risk	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses	Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities	Liabilities	Liabilities	
		Fair value hedge				
Liabilities from issued	<i>Interest rate</i>	-	192,700	(1,549)	3,099	Liabilities from issued
Liabilities from issued	<i>Fx risk</i>	-	194,575	-	-	Liabilities from issued

Hedge accounting – hedged items– as at 31 December 2024

	Type of risk	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities	Assets	Liabilities	
		Fair value hedge				
Liabilities from issued	<i>Interest rate risk</i>	-	220,045	-	3,104	Liabilities from issued
Placements	<i>Interest rate risk</i>	190,555	-	(3,486)	-	Placements with other banks
Liabilities from issued	<i>Fx risk</i>	-	205,045	-	-	Liabilities from issued

Change in basis swap spread recognised in OCI related to fair value hedges as follows

As at 31 December 2025

	Type of risk	Carrying amount of the hedged items		Items recognized in other comprehensive income	Change in the items recognized in other comprehensive income	Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities			
		Fair value hedge				
Liabilities from issued securities	<i>Fx risk</i>	-	194,575	73	(2,139)	Liabilities from issued securities

As at 31 December 2024

	Type of risk	Carrying amount of the hedged items		Items recognized in other comprehensive income	Change in the items recognized in other comprehensive income	Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities			
		Fair value hedge				
Liabilities from issued securities	<i>Fx risk</i>	-	205,045	2,212	994	Liabilities from issued securities

Change in basis swap spread recognised in OCI related to cash flow hedge:

As at 31 December 2025

	Type of risk	Carrying amount of the hedged items		Items recognized in other comprehensive income	Change in the items recognized in other comprehensive income	Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities			
		Cash flow hedge				
Liabilities from issued securities	<i>Fx and Interest Rate Risk</i>	-	405,621	1,127	1,127	Liabilities from issued securities

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 37: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Change in the fair value of the hedged item and cash flow hedge reserve for hedging instrument related to cash flow hedge:

Cash flow hedge	Type of risk	Carrying amount of the hedged item		Cash flow hedge reserve for hedging instrument	Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities		
As at 31 December 2025					
Loans	Interest rate risk	-	28,027	2,139	Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks
Liabilities from issued securities	Fx and Interest Rate Risk		405,621	(8,145)	Liabilities from issued securities
As at 31 December 2024					
Loans	Interest rate risk	-	28,027	3,425	Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks

Change in the fair value of the hedging instrument related to cash flow hedge:

As at 31 December 2025

Type of instrument	Type of risk	Change in the value of the hedging instrument recognised in cash flow hedge	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Interest rate swap	Interest rate risk	(1,286)	(225)	Gains / (Losses) on financial instruments at fair value through profit or loss
Cross-currency swaps	Fx and Interest Rate Risk	(8,145)	(18,971)	Gains / (Losses) on financial instruments at fair value through profit or loss

As at 31 December 2024

Type of instrument	Type of risk	Change in the value of the hedging instrument recognised in cash flow hedge	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Interest rate swap	Interest rate risk	(97)	(236)	Gains / (Losses) on financial instruments at fair value through profit or loss

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 38: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS (in HUF million)

Year ended 31 December 2025	Net interest income and expense	Net non- interest gain and loss	Loss allowance	Other comprehensive income
Cash, amounts due from banks and balances with the National Bank of Hungary	2,120	(8)	32	-
Placements with other banks	21,949	-	269	-
Loans	98,004	882	(153)	-
Repo receivables	681	-	-	-
Securities at amortised cost	<u>15,893</u>	<u>(55)</u>	<u>584</u>	=
Financial assets measured at amortised cost total	<u>138,647</u>	<u>819</u>	<u>732</u>	=
Securities at fair value through other comprehensive income	179	-	60	151
Loans mandatorily measured at fair value through profit or loss	<u>47,144</u>	<u>(1,375)</u>	<u>(915)</u>	=
Financial assets measured at fair value total	<u>47,323</u>	<u>(1,375)</u>	<u>(855)</u>	<u>151</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks ¹¹	(90,026)	-	-	-
Leasing liabilities	(7)	-	-	-
Liabilities from issued securities ¹²	(53,117)	(670)	-	-
Financial liabilities measured at amortised cost total	<u>(143,150)</u>	<u>(670)</u>	=	=
Derivative financial instruments	<u>(13,840)</u>	<u>3,368</u>	=	<u>(10,543)</u>
Total	<u>28,980</u>	<u>2,142</u>	<u>(123)</u>	<u>(10,392)</u>

Derivative financial assets and liabilities designated as hedge accounting:

31 December 2025	
Balance as at 1 January	23,012
Change in current period	(63,693)
on Interest income/Interest expense line	(13,840)
on "Foreign exchange gains/(losses)" line	(24,492)
on "Gains and losses on FX swap, swap and option deals" line	3,368
on "Revaluation difference" line	(28,729)
Closing balance	(40,681)

¹¹ The interest of the hedging instrument related to the hedged item in Amounts due to banks and deposits from the National Bank of Hungary and other banks are included in the Derivative financial instruments line.

¹² The interest of the hedging instrument related to the hedged item in Issued securities are included in the Derivative financial instruments line.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 38: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS (in HUF million)
[continued]

Year ended 31 December 2024	Net interest income and expense	Net non- interest gain and loss	Loss allowance	Other comprehensive income
Cash, amounts due from banks and balances with the National Bank of Hungary	1,797	(6)	14	-
Placements with other banks	30,084	-	32	-
Loans	91,384	472	3,973	-
Repo receivables	477	-	-	-
Securities at amortised cost	17,296	(600)	812	-
Financial assets measured at amortised cost total	<u>141,038</u>	<u>(134)</u>	<u>4,831</u>	<u>-</u>
Securities at fair value through other comprehensive income	386	-	35	583
Loans mandatorily measured at fair value through profit or loss	38,165	(5,036)	1,302	-
Financial assets measured at fair value total	<u>38,551</u>	<u>(5,036)</u>	<u>1,337</u>	<u>583</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks ¹³	(82,850)	-	-	-
Repo liabilities	(127)	-	-	-
Leasing liabilities	(9)	-	-	-
Liabilities from issued securities ¹⁴	(62,343)	(433)	-	-
Financial liabilities measured at amortised cost total	<u>(145,329)</u>	<u>(433)</u>	<u>-</u>	<u>-</u>
Derivative financial instruments	<u>(4,683)</u>	<u>155</u>	<u>-</u>	<u>1,113</u>
Total	<u>29,577</u>	<u>(5,448)</u>	<u>6,168</u>	<u>1,696</u>

Derivative financial assets and liabilities designated as hedge accounting:

31 December 2024	
Balance as at 1 January	4,094
Change in current period	18,918
on Interest income/Interest expense line	(4,683)
on "Foreign exchange gains/(losses)" line	14,603
on "Gains and losses on FX swap, swap and option deals" line	155
on "Revaluation difference" line	8,843
Closing balance	23,012

¹³ The interest of the hedging instrument related to the hedged item in Amounts due to banks and deposits from the National Bank of Hungary and other banks are included in the Derivative financial instruments line.

¹⁴ The interest of the hedging instrument related to the hedged item in Issued securities are included in the Derivative financial instruments line.

OTP MORTGAGE BANK LTD.
NOTES TO SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 39: POST BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 16 March 2026.

The Monetary Council, in its decision of 13 January 2026, reduced the reserve requirement from 8% to 6%. The new requirement is to be applied by credit institutions starting from the reserve maintenance period commencing in March 2026.

OTP Mortgage Bank on 12 February 2026 it has issued mortgage notes in aggregate nominal amount of EUR 500 million. The notes are rated 'A1' by Moody's Investor Service rating agency, the securities are listed on the Luxembourg Stock Exchange.

According to the preliminary data published by the Central Statistical Office on 30 January 2026, the performance of the Hungarian economy grew by 0.2% q-o-q in the fourth quarter. Annual growth in 2025 reached 0.4%, 0.3% based on seasonally and calendar adjusted and balanced data. Average annual inflation in 2025 amounted to 4.4%.

At its meeting on February 24 2026 the Monetary Council of the Hungarian National Bank reduced the central bank base rate by 25 basis points to 6.25%, the decision came into effect on February 25 2026.

On 28 February 2026, the United States and Israel carried out coordinated military strikes against Iran, in response to which Iran launched retaliatory missile and drone attacks against Israel and U.S. military facilities along the Persian Gulf. As a result, among other effects, global energy prices and foreign exchange rates became more volatile.

Capital regulation

Pillar 2 capital requirement: based on the announcement made on 16 December 2025, effective from 1 January 2026 the National Bank of Hungary, including a multilateral procedure involving the European Central Bank, and National Bank of Croatia, imposed the below additional capital requirements for OTP Group, on consolidated level:

- 1.01%-points in case of the Common Equity Tier1 (CET1) capital, accordingly the minimum requirement for the consolidated CET1 ratio is 5.51% (without regulatory capital buffers);
- 1.34%-points in case of the Tier1 capital, accordingly the minimum requirement for the consolidated Tier1 ratio is 7.34% (without regulatory capital buffers);
- 1.79%-points in case of the Total SREP Capital Requirement (TSCR), accordingly the minimum requirement for the consolidated capital adequacy ratio is 9.79% (without regulatory capital buffers).

These requirements do not represent any change compared to the additional capital requirements applicable in the preceding period.

OTP MORTGAGE BANK LTD.

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

**FOR THE YEAR ENDED
31 DECEMBER 2025**

This is a translation of the Hungarian Version

OTP MORTGAGEBANK LTD.

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OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (in HUF million)

	Note	2025	2024
Cash, amounts due from banks and balances with the National Bank of Hungary	5.	166	21,389
Placements with other banks	6.	366,863	380,764
Financial assets at fair value through other comprehensive income	7.	-	15,435
Securities at amortised cost	9.	178,199	275,991
Loans at amortised cost	8.	1,454,549	1,334,894
Loans mandatorily measured at fair value through profit or loss	8.	856,851	558,803
Property and equipment	10.	39	73
Intangible assets	10.	258	400
Right of use assets	10.	96	164
Deferred tax assets	26.	116	20
Current income tax assets		-	66
Derivative financial assets designated as hedge accounting relationships	11.	2,869	25,893
Other assets	12.	<u>6,598</u>	<u>5,373</u>
TOTAL ASSETS		<u>2,866,604</u>	<u>2,619,265</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	13.	1,435,101	1,397,626
Leasing liabilities	27.	100	176
Liabilities from issued securities	14.	1,222,730	1,064,010
Derivative financial liabilities designated as hedge accounting relationships	15.	43,550	2,881
Current income tax liabilities		424	753
Provisions	16.	428	303
Other liabilities	16.	<u>13,413</u>	<u>8,985</u>
TOTAL LIABILITIES		<u>2,715,746</u>	<u>2,474,734</u>
Share capital	17.	82,000	82,000
Retained earnings and reserves	18.	<u>68,858</u>	<u>62,531</u>
TOTAL SHAREHOLDER'S EQUITY		<u>150,858</u>	<u>144,531</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>2,866,604</u>	<u>2,619,265</u>

Budapest, 16 March 2026

.....
András Becsei
Chief Executive Officer

.....
Péter Radics
Chief Financial Officer

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025 (in HUF million)

	Note	2025	2024
Interest Income:			
Interest income calculated using the effective interest method	20.	138,740	141,747
Income similar to interest income	20.	<u>59,478</u>	<u>51,222</u>
Total Interest Income		<u>198,218</u>	<u>192,969</u>
Interest Expense:			
Total Interest Expense	20.	<u>(169,324)</u>	<u>(163,071)</u>
NET INTEREST INCOME		<u>28,894</u>	<u>29,898</u>
Release of loss allowance on loan and placement losses	21.	148	4,019
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	21.	644	847
(Provision) / Release of provision for loan commitments and financial guarantees given	21.	(127)	132
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	21.	<u>(915)</u>	<u>1,302</u>
Risk cost total		<u>(250)</u>	<u>6,300</u>
NET INTEREST INCOME AFTER RISK COST		<u>28,644</u>	<u>36,198</u>
LOSSES ARISING FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST	23.	<u>(254)</u>	<u>(603)</u>
MODIFICATION LOSS	4.	<u>(7,040)</u>	<u>(8,368)</u>
Income from fees and commissions	22.	3,609	6,277
Expenses from fees and commissions	22.	<u>(10,178)</u>	<u>(10,850)</u>
NET PROFIT FROM FEES AND COMMISSIONS		<u>(6,569)</u>	<u>(4,573)</u>
Foreign exchange gains	23.	654	278
Gains on derivative instruments, net	23.	3,368	155
Gains / (Losses) on financial instruments at fair value through profit or loss	23.	3,418	(2,460)
Net other operating income	24.	64	137
Other operating expenses	24.	(36)	(7)
Gains on sale of investments in subsidiaries	38.	<u>4,511</u>	=
Net operating income / (expense)		<u>11,979</u>	<u>(1,897)</u>
Personnel expenses	24.	(1,079)	(1,713)
Depreciation and amortization	24.	(222)	(261)
Other administrative expenses	24.	<u>(6,469)</u>	<u>(5,950)</u>
Other administrative expenses		<u>(7,770)</u>	<u>(7,924)</u>
PROFIT BEFORE INCOME TAX		<u>18,990</u>	<u>12,833</u>
Income tax expense	26.	<u>(2,386)</u>	<u>(2,150)</u>
PROFIT AFTER INCOME TAX		<u>16,604</u>	<u>10,683</u>
Earnings per share (in HUF)			
Basic and diluted	28.	20,249	13,028

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025 (in HUF million)

	Note	2025	2024
PROFIT AFTER INCOME TAX	18.	<u>16,604</u>	<u>10,683</u>
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	18.	151	581
Deferred tax related to securities fair value through other comprehensive income	18.	(14)	(62)
(Losses) / Gains on separated currency spread of financial instruments designated as hedging instrument	36.	(1,114)	1,212
Deferred tax related to gains on separated currency spread of financial instruments designated as hedging instrument	36.	102	(218)
Losses on derivative financial instruments designated as cash flow hedge	36.	<u>(9,431)</u>	<u>(97)</u>
Other comprehensive income, net of income tax		<u>(10,306)</u>	<u>1,416</u>
TOTAL COMPREHENSIVE INCOME		<u>6,298</u>	<u>12,099</u>

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025 (in HUF million)

	Notes	Share capital	Capital reserve	Retained earnings and other reserves	Total
Balance as at 1 January, 2024		82,000	476	49,919	132,395
Net profit after income tax		-	-	10,683	10,683
Other comprehensive income		=	=	<u>1,416</u>	<u>1,416</u>
Total comprehensive income		<u>82,000</u>	<u>476</u>	<u>62,018</u>	<u>144,494</u>
Capital reserve reclassification to retained earnings and reserves	31.	-	(476)	476	-
Share-based payment	31.	-	-	37	37
Balance as at 31 December, 2024		<u>82,000</u>	=	<u>62,531</u>	<u>144,531</u>
Balance as at 1 January, 2025		<u>82,000</u>	=	<u>62,531</u>	<u>144,531</u>
Net profit after income tax		-	-	16,604	16,604
Other comprehensive income		=	=	<u>(10,306)</u>	<u>(10,306)</u>
Total comprehensive income		<u>82,000</u>	=	<u>68,829</u>	<u>150,829</u>
Share-based payment	31.	-	-	29	29
Balance as at 31 December, 2025		<u>82,000</u>	=	<u>68,858</u>	<u>150,858</u>

OTP MORTGAGE BANK LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (in HUF million)

OPERATING ACTIVITIES	Note	2025	2024
Profit before income tax		18,990	12,833
Net interest received		3,183	2,633
Depreciation and amortization		222	261
Loss allowance on loans and placements	21.	6,892	4,349
Release of loss allowance on securities at fair value through other comprehensive income	21.	(60)	(35)
Release of loss allowance on securities at amortised cost	21.	(584)	(812)
Loss allowance / (Release of loss allowance) on other assets	12.	23	(1)
Provision / (Release of provision) on off-balance sheet commitments and contingent liabilities		125	(148)
Share-based payment	31.	29	37
(Gains) / Losses on fair value adjustment of financial instruments at fair value through profit or loss		(2,509)	1,164
Gains on fair value adjustment of derivative financial instruments designated in hedge relationship		(12,284)	(16,883)
Interest expense from leasing liabilities		(7)	(11)
Foreign exchange gain	23.	(668)	(281)
Gains from sale of tangible and intangible assets		(1)	(4)
Gains on sale of investment in subsidiaries	38.	(4,287)	-
<i>Net changes in assets and liabilities in operating activities</i>			
Net decrease / (increase) in placements with other banks before allowance for placement losses	6.	13,916	(9,162)
Net increase in loans	8.	(425,588)	(237,719)
Increase in other assets, excluding advances for investments and before provisions for losses	12.	(1,087)	(1,307)
Net increase in amounts due to banks and deposits from the National Bank of Hungary and other banks	13.	37,495	267,022
Increase in other liabilities	16.	551	1,304
Net (increase) / decrease in the compulsory reserve established by the National Bank of Hungary	5.	15	59
Income tax paid	26.	<u>2,645</u>	<u>533</u>
Net cash (used in) / provided by operating activities		<u>(362,989)</u>	<u>23,832</u>

OTP MORTGAGE BANK LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (in HUF million)

	Note	2025	2024
INVESTING ACTIVITIES			
Redemption of securities at fair value through other comprehensive income	7.	15,646	429
Change in derivative financial instruments designated as hedge accounting	18.	41,876	13,130
Income from sale of investments in subsidiaries	38.	4,470	-
Redemption of securities at amortised cost	9.	98,376	26,597
Additions to property, equipment and intangible assets	10.	(147)	(267)
Disposal of property, equipment and intangible assets	10.	<u>1</u>	<u>8</u>
Net cash provided by investing activities		<u>160,222</u>	<u>39,897</u>
FINANCING ACTIVITIES			
Leasing payments		(44)	(77)
Cash received from issuance of securities	14.	424,871	190,384
Cash used for redemption of issued securities	14.	<u>(243,268)</u>	<u>(262,954)</u>
Net cash provided by / (used in) financing activities		<u>181,559</u>	<u>(72,647)</u>
Net decrease in cash and cash equivalents		<u>(21,208)</u>	<u>(8,918)</u>
Cash and cash equivalents at the beginning of the year		21,253	30,171
Cash and cash equivalents at the end of the year		45	21,253

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

1.1. General information

OTP Bank Plc. ("OTP Bank") established OTP Mortgage Bank Ltd. ("OTP Mortgage Bank"; "Mortgage Bank", "Bank" or the "Group") as a fully owned subsidiary on 15 May 2001. The State Financial Supervisory Authority issued the operating license on 10 January 2002, and the Bank commenced operations on 1 February 2002. The Group means the Mortgage Bank and its subsidiaries. On 13 May 2025, the Bank sold its 100 per cent stake in its subsidiaries to OTP Bank. As these entities generated profits in the year 2025, the Bank prepared consolidated financial statements for the year ended 31 December 2025 for the last time.

OTP Bank (headquarters Nádor utca 16. Budapest 1051) is the ultimate parent of OTP Mortgage Bank, and also the ultimate parent of OTP Group.

These consolidated financial statements authorised for issue on 16 March 2026 by the Board of OTP Mortgage Bank. The Bank's owners have the power to amend the consolidated financial statements after issue if applicable.

The Group completed its publication in accordance with Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, 575/2013/EU directive (CRR). OTP Mortgage Bank completed its publication with Consolidated Financial Statements prepared in accordance with IFRS as adopted by European Union jointly with OTP Bank Plc on the homepage of OTP Bank Plc (<http://www.otpbank.hu/>), on the homepage of the Bank (<http://www.otpjzb.hu>). Consolidated Financial Statements in accordance with IFRS as adopted by the EU is published on the homepage of the Bank, on the homepage Budapest Stock Exchange (<http://www.bet.hu>), furthermore on the website of the National Bank of Hungary (www.kozzetetelek.hu).

The Bank's registered office address is Váci út. 135-139. D Building, Budapest 1138. Internet homepage: <https://www.otpbank.hu/otpjelzalogbank/fooldal>

Signatory of the consolidated financial statements is the Executive Officer, András Becsei and Financial Officer, Péter Radics.

The Mortgage Bank's Financial Statements were prepared by OTP Bank Plc. based on the Services Agreement between The Mortgage Bank and OTP Bank Plc. Responsible person for the control and management of accounting services: Zoltán Tuboly (Budapest), Managing Director of Accounting and Financial Department, Registration Number: 177289, IFRS qualified chartered accountant.

Due to Hungarian legislation audit services are statutory for OTP Mortgage Bank. Disclosure information about the auditor: Ernst & Young Auditing Ltd. (001165), 1132 Budapest Váci Street 20. Registered under 01-09-267553 by Budapest-Capital Regional Court, as registry court. Statutory registered auditor: Zsolt Kónya, registration number: 007383.

Audit service fee agreed by the Articles of Association for the year ended 2025 is an amount of HUF 44.17 million + VAT. Fees for non-audit services provided in 2025 an amount of HUF 0.58 million + VAT, other services providing assurance in an amount of HUF 148.38 million + VAT.

The shared capital of the Bank consists of 820,000 ordinary shares with a nominal value of HUF 100,000, embodying the same ownership rights.

The Group is a specialized financial institution with its main business being governed by Act XXX of 1997 on Mortgage Lending Institutions and Mortgage Bonds. The Group's business is limited to the relevant activities by the aforementioned Act. The main activity of the Group is financing of purchase, renovation and development of residential properties. The purchased portfolio contains mainly subsidised housing loans, in addition housing and free purpose mortgage loans denominated in foreign currency that were converted back to foreign exchange. Over the past few years, the granted subsidised HUF housing loans and the granted HUF housing and free purpose mortgage loan are the dominant part of the entire mortgage bank portfolio. The Group provides presently HUF denominated subsidised and not subsidised housing and free purpose mortgage loans. From 2017, the Group expanded their services with independent liens purchase and sale by instalment, provided also by refinancing loans to commercial banks.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS
[continued]

1.1. General information [continued]

The Group employs limited number of staff at its head office and use 345 branches of OTP Bank engaged in the housing loan business. Under syndication agreement between OTP Bank and OTP Mortgage Bank, OTP Bank provides services for OTP Mortgage Bank concerning the administration of the mortgage loans, for which fees are paid by OTP Mortgage Bank. Credit scoring and lending are performed at the branches of OTP Bank in accordance with the regulations of OTP Mortgage Bank. Loans are approved by OTP Mortgage Bank and OTP Bank acts for and on behalf of OTP Mortgage Bank during the conclusion of a loan agreement. The mortgage right, along with the restraint of transfer and encumbrance on property pledged to secure loans is entered in the property register for the benefit of OTP Mortgage Bank. Pledge of the mortgage bonds is the actual loans registered as normal collateral – collateralised by property inspector – and additional collateral values – prescribed by law – registered in the Group’s collateral register. As the sole shareholder, OTP Bank provides financial and administrative support to the Group. Details of related party balances and transactions are summarised in Note 34 to these financial statements. A significant proportion of mortgage loans are extended for periods for more than ten or fifteen years whereas mortgage bonds generally have a shorter maturity (1-10 years). The remaining average maturity of the loan portfolio of the Group is 17,88 years. The Group is lengthening the average maturity of its outstanding mortgage bonds to reduce the liquidity gaps.

As at 31 December 2025 and 2024 the number and the average number of the employees at the Bank were 40 and 93 respectively.

1.2. Basis of Accounting

These Consolidated Financial Statements were prepared based on the assumption of the Management that the Group will remain in business for the foreseeable future. The Group won’t be forced to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices.

The Group 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 presentation and functional currency is the Hungarian Forint ("HUF"). The annual report contains the data expressed in millions of forints.

The financial statements of the subsidiaries used during the preparation of Consolidated Financial Statements of the Group have the same reporting period – starting from 1 January ending as at 31 December – like the reporting period of the Group.

The consolidate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS
[continued]

1.2. Basis of Accounting [continued]

1.2.1. The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2025

The following amendment to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)** - The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.
 - The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The adoption of these amendments to the existing standards has not led to any material changes in these Consolidated Financial Statements.

1.2.2. New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments) - The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption of amendments related to the classification of financial assets and the related disclosures is permitted, with the option to apply the other amendments at a later date.

- The amendments clarify that a financial liability is derecognised on the 'settlement date', when the obligation is discharged, cancelled, expired, or otherwise qualifies for derecognition. They introduce an accounting policy option to derecognise liabilities settled via electronic payment systems before the settlement date, subject to specific conditions. They also provide guidance on assessing the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG)-linked features or other similar contingent features. Additionally, they clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with contingent event references (including ESG-linked) and equity instruments classified at fair value through other comprehensive income.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments) - The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if contracts in scope of the amendments are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial performance and cash flows. The clarifications regarding the 'own-use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

Annual Improvements to IFRS Accounting Standards – Volume 11 - An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026.

- The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards.

The Group anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Group in the period of initial application.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS
[continued]

1.2. Basis of Accounting [continued]

1.2.2. New and revised Standards and Interpretations issued by IASB and adopted by the EU but not yet effective [continued]

IFRS 18 Presentation and Disclosure in Financial Statements - IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements.

- IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards.

The Group has initiated its IFRS 18 implementation project following the issuance of the new standard, which becomes effective for annual reporting periods beginning on or after 1 January 2027. Work is currently ongoing to assess and align internal reporting structures with the revised presentation and disclosure requirements, including the introduction of management-defined performance measures (MPMs). Based on the assessments performed to date, the Group does not expect IFRS 18 to have a material impact on its statement of profit or loss, although the structure and presentation of certain line items may be updated to reflect the new categorisation and subtotals required by the standard. In particular, the expense on lease liabilities is expected to fall outside the operating profit. In addition, the Group is in the process of developing a new note to the financial statements that will present and explain its MPMs in accordance with IFRS 18.

1.2.3. Standards and Interpretations issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in EU as at date of publication of these financial statements:

IFRS 19 Subsidiaries without Public Accountability: Disclosures (including the amendments) - IFRS 19 (including the amendments) is effective for reporting periods beginning on or after January 1, 2027, with early application permitted.

- IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. These subsidiaries must still apply the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. The amendments issued in August 2025 reduce the disclosure requirements of new IFRS accounting standards, which had been included in full when IFRS 19 was first issued.

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

- The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 1: ORGANIZATION AND BASIS OF CONSOLIDATED FINANCIAL STATEMENTS
[continued]

1.2. Basis of Accounting [continued]

1.2.3. Standards and Interpretations issued by IASB but not yet adopted by the EU

IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments) - The amendments are effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

- The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position. An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, to the foreign operation's comparative figures. The amendments also introduce certain additional disclosure requirements.

The Group anticipates that the adoption of these new standards, amendments to the existing standards and new interpretations will have no material impact on the financial statements of the Group in the period of initial application.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Material accounting policies applied in the preparation of the accompanying consolidated financial statements are summarized below:

2.1. Basis of presentation

These consolidated financial statements have been prepared under the historical cost convention with the exception of certain financial instruments, which are recorded at fair value. Revenues and expenses are recorded in the period in which they are earned or incurred. The Group does not offset assets and liabilities or income and expenses unless it is required or permitted by an IFRS standard.

During the preparation of consolidated financial statements assets and liabilities, income and expenses are presented separately, except in certain cases, when one of the IFRS standards prescribes net presenting related to certain items.

The presentation of consolidated financial statements in conformity with IFRS requires the Management of the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Future changes in economic conditions, business strategies, regulatory requirements, accounting rules and other factors could result in a change in estimates that could have a material impact on future consolidated financial statements.

2.2. Foreign currency translation

Initial recognise of foreign currency transactions is based on exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into HUF at exchange rates quoted by the National Bank of Hungary ("NBH") as at the reporting date. Income and expenses arising in foreign currencies are converted at the average of Bid and Ask exchange rate of OTP Bank Plc. prevailing on the transaction date. Resulting foreign exchange gains or losses on monetary items are recorded to the Consolidate Statement of Comprehensive Income. The parent entity and all the components are using HUF as both functional and presentational currency.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.3. Consolidated financial statements

As the parent, OTP Mortgage Bank is preparing Consolidated Financial Statements of the Group.

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 in May 2025. The professional management of these subsidiaries has so far been the responsibility of the OTP Bank Plc. Due to the selling transaction the Bank lost its control over these companies, these financial statements contains the gains on the sell of the above mentioned investments.

These Consolidated Financial Statements combine the assets, liabilities, equity, income, expenses and cash flows of the Bank and its subsidiaries up to 13 May 2025, being the date on which the Bank exercised control over those entities. Following the loss of control on that date, the subsidiaries are no longer consolidated.

All intra-group transactions are consolidated fully on a line-by-line basis while under equity method other consolidation rules are applied. Determination of the entities which are involved into the consolidation procedures based on the determination of the Group's Control over another entity. Control exists when the Bank has power over the investee, is able to use this power and is exposed or has right to variable returns. Consolidation of a subsidiary should begin from the date when the Group obtains control and cease when the Group loses control. Therefore, income and expenses of a subsidiary should be included in the Consolidated Financial Statements from the date the Group gains control of the subsidiary until the date when the Group ceases to have control of the subsidiary.

2.4. Financial assets

2.4.1. Business model and SPPI test

A business model refers to how the Group manages its financial instruments in order to generate cash flows. It is determined at a level that reflects how groups of financial instruments are managed rather than at an instrument level.

The financial assets held by the Group are classified into three categories depending on the business model within the financial assets are managed.

- Business model whose objective is to hold financial assets in order to collect contractual cash flows. Some sales can be consistent with hold to collect business model and the Group assesses the nature, frequency and significance of any sales occurring. The Group does not consider the sale frequent when at least six months have elapsed between sales. The significant sales are those when the sales exceed 2% of the total hold to collect portfolio. Within this business model the Group manages mainly loans and advances and long-term securities and other financial assets.
- Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Within this business model the Group only manages securities.
- Business model whose objective is to achieve gains in a short-term period. Within this business model the Group manages securities and derivative financial instrument.

If cash flows are realised in a way that is different from the expectations at the date that the Bank/Group assessed the business model, that does not give rise to a prior error in the Group's financial statements, nor does it change the classification of the remaining financial assets held in that business model.

When, and only when the Group changes its business model for managing financial assets it reclassifies all affected assets. Such changes are determined by the Group's senior management as a result of external or internal changes and must be material to the Group's operations and demonstrable to external parties. The Group shall not reclassify any financial liability.

Classification of a financial asset is based on the characteristics of its contractual cash flows if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The Group should determine whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI test). Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group assesses whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding for the currency in which the financial asset is denominated.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.4. Financial assets [continued]

2.4.2. Contractual cash-flow characteristics of financial assets

Classification of a financial asset is based on the characteristics of its contractual cash flows if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The Group should determine whether the asset's contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI test). Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending arrangement.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group assesses whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding for the currency in which the financial asset is denominated.

Time value of money is the element of interest that provides consideration for only the passage of time. However, in some cases, the time value of money element may be modified. In such cases, the Group assesses the modification to determine whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

When assessing a modified time value of money element, the objective is to determine how different the undiscounted contractual cash flows could be from undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). The benchmark instrument can be an actual or a hypothetical financial asset. If the undiscounted contractual cash flows significantly – above 2% – differ from the undiscounted benchmark cash flows, the financial asset should be subsequently measured at fair value through profit or loss.

2.4.3. Securities at amortised cost

The Group measures at amortised cost those securities which are held for contractual cash collecting purposes, and contractual terms of these securities give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding. The Group initially recognizes these securities at fair value. Securities at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. The amortisation of any discount or premium on the acquisition of a security at amortised cost is part of the amortised cost and is recognized as interest income so that the revenue recognized in each period represents a constant yield on the investment. Securities at amortised cost are accounted for on a trade date basis.

Such securities comprise mainly securities issued by the Hungarian Government.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.4. Financial assets [continued]

2.4.4. Securities at fair value through other comprehensive income (“FVOCI securities”) [continued]

FVOCI securities are held within a business model whose objective is achieved by both collecting of contractual cash flows and selling securities. Furthermore contractual terms of FVOCI securities give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Investments in debt securities are accounted for on a trade date basis and are initially measured at fair value. Securities at fair value through other comprehensive income are measured at subsequent reporting dates at fair value. Unrealised gains and losses on FVOCI financial instruments are recognized in other comprehensive income, except for interest and foreign exchange gains/losses on monetary items, unless such FVOCI security is part of an effective hedge. Such gains and losses will be reported when realised in profit or loss for the applicable period. The Bank applies FIFO¹ inventory valuation method for FVOCI securities.

For debt securities at fair value through other comprehensive income the loss allowance is calculated based on expected credit loss model. The expected credit loss is accounted for against Other Comprehensive Income. FVOCI securities are remeasured at fair value based on quoted prices or values derived from cash flow models. In circumstances where the quoted market prices are not readily available, the fair value of debt securities is estimated using the present value of the future cash flows.

2.4.5. Financial assets at fair value through profit or loss

2.4.5.1. Derivative financial instruments

In the normal course of business, the Group is a party to contracts for derivative financial instruments, which represent a low initial investment compared to the notional value of the contract and their value depends on value of underlying asset and are settled in the future. The derivative financial instruments used include interest rate forward or swap agreements and currency forward or swap agreements and options. These financial instruments are used by the Group both for hedge interest rate risk and currency exposures associated with its transactions in the financial markets.

Derivative financial instruments are accounted for on a trade date basis and are initially measured at fair value and at subsequent reporting dates also at fair value. Fair values are obtained from quoted market prices, discounted cash-flow models and option pricing models as appropriate. The Group adopts a multi curve valuation approach for calculating the net present value of future cash-flows – based on different curves used for determining forward rates and used for discounting purposes. It shows the best estimation of such derivative deals that are collateralised as the Group has almost all of its open derivative transactions collateralised.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in profit or loss and are included in the Consolidated Statement of Profit or Loss for the period. Each derivative deal is determined as asset when fair value is positive and as liability when fair value is negative.

Foreign currency contracts

Foreign currency contracts are agreements to exchange specific amounts of currencies at a specified rate of exchange, at a spot date (settlement occurs two days after the trade date) or at a forward date (settlement occurs more than two days after the trade date). The notional amount of forward contracts does not represent the actual market or credit risk associated with these contracts.

Foreign currency contracts are used by the Bank for risk management and trading purposes. The Bank’s risk management foreign currency contracts were used to hedge the exchange rate fluctuations of loans and deposits denominated in foreign currency.

Interest rate swaps

The Group enters into interest rate swap (“IRS”) transactions.

IRS transactions oblige two parties to exchange one or more payments calculated with reference to fixed or periodically reset rates of interest applied to a specific notional principal amount (the base of the interest calculation). Notional principal is the amount upon which interest rates are applied to determine the payment streams under IRS transactions. Such notional principal amounts often are used to express the volume of these transactions but are not actually exchanged between the counterparties.

¹ First in first out

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.4. Financial assets [continued]

2.4.5. Financial assets at fair value through profit or loss [continued]

2.4.5.1. Derivative financial instruments [continued]

Cross-currency interest rate swaps

The Group enters into cross-currency interest rate swap (“CCIRS”) transactions which have special attributes, i.e. the parties exchange the notional amount at the beginning and also at the maturity of the transaction. A special type of these deals is the mark-to-market CCIRS agreements. At this kind of deals the parties – in accordance with the foreign exchange prices – revalue the notional amount during lifetime of the transaction.

2.4.6. Hedge accounting

Derivative financial instruments designated as a fair-value hedge

Changes in the fair value of derivatives that are designated and qualify as hedging instruments in fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the Consolidated Statement of Profit or Loss along with the corresponding change in fair value of the hedged asset or liability that is attributable to the specific hedged risk. Changes in the fair value of hedging instrument in fair value hedges is charged directly to the Consolidated Statement of Profit or Loss.

The conditions of hedge accounting applied by the Bank are the following: formally designated as hedge relationship, proper hedge documentation is prepared, effectiveness test is performed and based on it the hedge is qualified as effective. In the case of a financial instrument measured at amortised cost the Group recognises the hedging gain or loss on the hedged item as the modification of its carrying amount and it is recognised in profit or loss. These adjustments of the carrying amount are amortised to the profit or loss using the effective interest rate method. The Group starts the amortisation when the hedged item is no longer adjusted by the hedging gains or losses. If the hedged item is derecognised, the Group recognises the unamortised fair value in profit or loss immediately. For fair value hedges inefficiencies and the net revaluation of hedged and hedging item are recognized in the Gains /(Losses) on financial instruments at fair value through profit or loss and net result on hedge relationship.

The foreign currency basis spread (in case of CCIRS deals) is separated and excluded from the designation of the financial instruments as the hedging instruments. The change of fair value attributable to the (aligned) foreign currency basis spread (in case of CCIRS deals) is recognized in other comprehensive income.

The Group implemented hedge accounting rules prescribed by IFRS 9 in 2018. For further details please see Note 36.

Interest income and interest expense (accrued and paid) are presented in the Consolidated Statement of Profit or Loss in line item of “Income similar to interest income” or “Interest Expense”. Ineffective element of the hedge is charged directly to the Consolidated Statement of Profit or Loss to “Gains / (Losses) on financial instruments at fair value through profit or loss and net result on hedge relationship”.

Derivative financial instruments designated as cash-flow hedge

Changes in the fair value of derivatives that are designated and qualify as hedging instrument in cash-flow hedges and that prove to be highly effective in relation to the hedged risk are recognized in their effective portion as reserve in Other Comprehensive Income. The ineffective element of the changes in fair value of hedging instrument is charged directly to the Consolidated Statement of Profit or Loss in the Gains /(Losses) on financial instruments at fair value through profit or loss and net result on hedge relationship.

The Group terminates the hedge relationship if the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting. In the case of cash-flow hedges – in line with the standard - hedge accounting is still applied by the Group as long as the underlying asset is derecognized or terminated. When the Group discontinues hedge accounting to a cash-flow hedge the amount in the cash flow hedge reserve is reclassified to the profit or loss if the hedged future cash flows are no longer expected to occur. If the hedged future cash flows are still expected to occur, the amount remains in the cashflow hedge reserve and reclassified to the profit and loss only when the future cash flows occur.

Interest income and interest expense (accrued and paid) are presented in the Consolidated Statement of Profit or Loss in line item of “Income similar to interest income” or “Interest Expense”. Effective element of the hedge is presented in the “Consolidated Statement of Other Comprehensive Income” (Cash flow hedge reserve). Ineffective element of the hedge is charged directly to the Consolidated Statement of Profit or Loss to “Gains / (Losses) on financial instruments at fair value through profit or loss and net result on hedge relationship”.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.4. Financial assets [continued]

2.4.7. Loans, placements with other banks and allowance for loan and placement losses

The Group measures at amortised cost those Loans and placements with other banks and repo receivables, which are held to collect contractual cash flows, and contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These loans are recognized as Loans at amortised cost in the Consolidated Statement of Financial Position. The Group recognizes those financial assets which are not held for trading and do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding as loans mandatorily measured at fair value through profit or loss. These loans are recognized as Loans mandatorily at fair value through profit or loss in the Consolidated Statement of Financial Position.

Loans, placements with other banks are accounted at amortised cost, stated at the principal amounts outstanding including accrued interest, net of allowance for loan or placement losses, respectively.

In case of the above mentioned financial assets measured at amortised cost transaction fees and charges adjust the carrying amount at initial recognition and are included in effective interest calculation. In case of loans at fair value through profit or loss fees and charges are recognised when incurred in the Consolidated Statement of Profit or Loss.

Loans and placements with other banks and repo receivables are derecognized when the contractual rights to the cash-flows expire or they are transferred. When a financial asset is derecognized the difference of the carrying amount and the consideration received is recognized in the profit or loss in case of financial assets at amortised cost the gains or losses from derecognition are presented in "Gains/losses from derecognition of financial assets at amortised cost" line while in case of loans at fair value through profit or loss the gains or losses from derecognition are presented in "Net operating income".

Change in the fair value of loans at fair value through profit or loss is broken down into two components and presented in the Consolidated Statement of Profit or Loss as follows:

- Portion of the change in fair value arising from changes in credit risk are presented within "Risk cost" as "Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss".
- The remaining component of the change is presented in fair value within "Net operating income" as "Fair value adjustment on financial instruments measured at fair value through profit or loss".

Initially, financial assets shall be recognised at fair value which is usually equal to the transaction value in case of loans and placements. However, when the amounts are not equal, the initial fair value difference should be recognized.

If the fair value of financial assets is based on a valuation technique using only inputs observable in market transactions, the Group recognises the initial fair value difference in the Consolidated Statement of Profit or Loss.

When the fair value of financial assets is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and only recognised in profit or loss when the instrument is derecognised or the inputs became observable.

Initial fair value of loans lent at interest below market conditions is lower than their transaction price, the subsequent measurement of these loans is under IFRS 9.

The Group recognises a loss allowance for expected credit losses on a financial asset at each reporting date. The loss allowance for a financial asset equals to 12-month expected credit loss or equals to the lifetime expected credit losses. The maximum period over which expected credit losses shall be measured is the maximum contractual period over which the Group is exposed to credit risk.

If the credit risk on a financial asset has not increased significantly since initial recognition then 12-month expected credit losses, otherwise (in case of significant credit risk increase) lifetime expected credit losses should be calculated. The expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive.

When the contractual cash flows of a financial asset are modified and the modification does not result in the derecognition of the financial asset the Group recalculate the gross carrying amount of the financial asset by discounting the expected future cash flows with the original effective interest rate of the asset. The difference between the carrying amount and the present value of the expected cash flows is recognised as a "Modification gain or loss" in the statement of profit or loss. Interest income and amortised cost are accounted for using the effective interest rate method.

OTP MORTGAGE BANK LTD.
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.4. Financial assets [continued]

2.4.7. Loans, placements with other banks and allowance for loan and placement losses [continued]

Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and the possibility of further recovery is considered to be remote. The loan is written off against the related account "Gain / (Loss) from derecognition of financial assets at amortised cost" in the Consolidated Statement of Profit or Loss.

OTP Group applies partial or full write-off for loans based on the definitions and prescriptions of financial instruments in accordance with IFRS 9. If the Group has no reasonable expectations regarding a financial asset (loan) to be recovered, it will be written off partially or fully at the time of emergence.

The gross amount and loss allowance of the loans shall be written off in the same amount to the estimated maximum recovery amount while the net carrying value remains unchanged. Subsequent recoveries for loans previously written-off partially or fully, which may have been derecognized from the books with no reasonable expectations for the recovery will be booked in the Consolidated Statement of Profit or Loss on "Income from recoveries of written-off, but legally existing loan" line in Risk cost.

2.4.8. Modified financial assets

If the net present value of the contracted cash flows changes due to the modification of the contractual terms and it is not qualified as derecognition, modification gain or loss should be calculated and accounted for in the consolidated statement of profit or loss. Modification gain or loss is accounted in cases like restructuring – as defined in internal policies of the Group – prolongation, renewal with unchanged terms, renewal with shorter terms and prescribing capital repayment rate, if it doesn't exist or has not been earlier.

The changes of net present value should be calculated on portfolio level in case of retail exposures. Each retail contract is restructured based on restructuring frameworks. The Group has to evaluate these frameworks (and not individual contracts). The changes of net present value should be calculated individually on contract level in case of corporate portfolio.

Among the possible contract amendments, the Group considers as a derecognition and a new recognition the followings:

- merging several debts into a single debt,
- change of currency,
- change in counterparty,
- failing SPPI test after modification,
- interest rate change (fixed to floating or floating to fixed),
- when the discounted present value – discounted at the original effective interest rate – of the cash flows under the new terms is at least 10 per cent different from the discounted present value of the remaining cash flows.

In case of derecognition and new recognition of a financial asset, the unamortised fees of the derecognized asset should be presented as Income similar to interest income. The newly recognized financial asset is initially measured at fair value and is placed in stage 1 if the derecognized financial asset was in stage 1 or stage 2 portfolio. The newly recognized financial asset will be purchased or originated credit impaired financial asset ("POCI") if the derecognized financial asset was in stage 3 portfolio or it was POCI.

The modification gain or loss shall be calculated at each contract amendments unless they are handled as a derecognition and new recognition. In case of modification the Group recalculates the gross carrying amount of the financial asset. To do this, the new contractual cash flows should be discounted using the financial asset's original effective interest rate (or credit-adjusted effective interest rate for POCI financial asset). Any costs or fees incurred adjust the carrying amount of the modified financial asset are amortised over the remaining term of the modified financial asset.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Loss allowance

A loss allowance for loans and placements with other banks is recognized by the Group based on the expected credit loss model in accordance with IFRS 9. Based on the three-stage model the recognized loss allowance equals to 12-month expected credit loss from the initial recognition. On financial assets with significantly increased credit risk or credit impaired financial assets (based on objective evidence) the recognized loss allowance is the lifetime expected credit loss.

In the case of purchased or originated credit impaired financial assets, a loss allowance is recognized in the amount of the lifetime expected credit loss since initial recognition. The impairment gain in the Consolidated Statement of Profit or Loss is recognized if lifetime expected credit loss for purchased or originated credit impaired financial assets at measurement date is less than the estimated credit loss at initial recognition.

A loss allowance for loans and placements with other banks represents Management's assessment for potential losses in relation to these activities.

The default occurs when either or both of the following events have taken place:

- objective criterion meaning that the credit obligation of the client is overdue exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or the obligor has breached the limit of the overdraft with an amount exceeding the materiality threshold for more than 90 consecutive days (90+ default DPD), or
- probability criterion meaning that the probability that the obligor will be unable to pay its credit obligations in full (UTP= Unlikely to Pay). The following conditions indicate the occurrence of the probability criterion: specific credit risk adjustment, sell of credit obligation with significant loss, distressed restructuring, termination of the contract on the initiative of the Bank, Bankruptcy, liquidation, personal bankruptcy, forced deleted status.

Previously described conditions should result in default status mandatorily. Moreover, during the individual expert-based assessment the client's default status shall be established if in the specific case the default can be justified on subjective basis. The default status should be terminated if in the last 3 months no other default criterion exists and the condition (either probability criterion or objective criterion) that resulted in the default status ceased at least 3 months ago.

The expected loss calculation should be forward looking. Available forward-looking information has to be included in the parameter estimation by using different scenarios, including forecasts of future economic conditions. The determination of probability-weighted forward-looking scenarios are based on the OTP Group' macro model. In general, there are two crisis scenarios (4-5), and three non-crisis scenarios (1-3) but the calculation of impairment should be based on at least two scenarios in the OTP Group. The macro conditioning is performed by Vasicek-model, which captures the relationship between point-in-time (PiT) and through-the-cycle (TTC) PD.

The Vasicek PD transformation can also be used to estimate the PIT PDs of the buckets. The required parameters (such as correlation coefficient and macro condition parameter) can be derived from the OTP's macro model.

In the collective provisioning methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. At portfolio segmentation, setting the segments is a key element of the provisioning calculation and requires the extensive knowledge of the portfolio. The segmentation is expected to stay stable from month to month. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The estimation of one-year and lifetime probability of default (PD) of collectively assessed exposures is performed via transition matrices. The assets should be allocated to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfil contractual obligations. The mandatory variables of the group level assessment procedure are payment delay, deal/client rating, the restructured flag, the default status and product type. Further segmentation is advisable in case significant differences are observed in probability of default. Transition matrices should be determined for each portfolio segment separately. The Group model handles healing (from default) rate in the PD parameter, thus the calculated probabilities should be reduced by this rate.

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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Loss allowance [continued]

Two different methods are applied in OTP Group for LGD parameter calculation: Retail mortgage loans and non-retail portfolios (MSE and Wholesale) that are significantly secured by mortgage: modified LGD methodology based on the Asset Quality Review (AQR) – the primary source of the recovery the collateral itself but cash recovery is also taken into account. The calculation is performed for each exposure individually based on the estimated parameters (main parameters: FSR – foreclosure success rate, SR – sales ratio, TTS – time to sale, C – cost, REC – cash recovery) and the actual value of collaterals (e.g. property, guarantee, surety, bail).

For Consumer loans and car finance: recovery based LGD methodology estimated from historical recoveries. The LGD calculation should not be automatically identified with historic actual data. The direction and degree of the shift in the factors impacting the LGD, also considering the macroeconomic effects, in addition to the anticipated developments in those, must always be analysed. The LGD – just like the PD – is not independent of the business cycles either; typically it increases in parallel with the economic downturn.

Loss allowance for loan and placements are determined at a level that provides coverage for individually identified credit losses. For loans for which it is not possible to determine the amount of the individually identified credit loss in the absence of objective evidence, a collective impairment loss is recognized. With this, the Group reduces the carrying amount of financial asset portfolios with similar credit risk characteristics to the amount expected to be recovered based on historical loss experience.

At subsequent measurement the Group recognizes an impairment gain or loss through “Impairment gain on POCI loans” in the Consolidated Statement of Profit or Loss as part of “Risk cost” line as an amount of expected credit losses or reversal which is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized in accordance with IFRS 9. If the reason for the impairment no longer exist the impairment is released in the Consolidated Statement of Profit or Loss for the current period.

If a financial asset, for which previously there were no indicators of significant increase in credit risk (i.e. classified in Stage 1) is subsequently classified in Stage 2 or Stage 3 then loss allowance is adjusted to lifetime expected credit loss. If a financial asset, which was previously classified in Stage 2 or Stage 3 is subsequently classified in Stage 1 then the loss allowance is adjusted to the level of 12 month expected credit loss.

Classification into risk classes

According to the requirements of the IFRS9 the Group classifies the financial assets measured at amortised cost, at fair value through other comprehensive income and loan commitments and financial guarantees into the following stages:

- Stage 1 – performing financial instruments without significant increase in credit risk since initial recognition
- Stage 2 – performing financial instruments with significant increase in credit risk since initial recognition but not credit-impaired
- Stage 3 – non-performing, credit-impaired financial instruments
- POCI – purchased or originated credit impaired

In the case of trade receivables the Group applies the simplified approach and calculates only lifetime expected credit loss. The simplified approach is the following:

- for the past 3 years the average annual balance of receivables under simplified approach is calculated,
- the written-off receivables under simplified approach are determined in the past 3 years,
- historical losses are adjusted to reflect information about current conditions and reasonable forecasts of future economic conditions,
- the loss allowance ratio is the sum of the written-off amounts divided by the sum of the average balances,
- the loss allowance is multiplied by the end-of-year balance, it is the actual loss allowance on these receivables,
- loss allowance should be recalculated annually.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Loss allowance [continued]

Classification into risk classes [continued]

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. This might occur if the financial asset has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers sovereign exposures as having low credit risk.

Stage 1: financial instruments for which the events and conditions specified in respect of Stage 2 and Stage 3 do not exist on the reporting date.

A client or loan must be qualified as default if one or both the following two conditions occur:

- The client delays more than 90 days. This is considered a hard trigger.
- There is reasonable probability that the client will not pay all of its obligation. This condition is examined on the basis of probability criteria of default.

The subject of default qualification is that exposure (on-balance and off-balance) which originates credit risk (so originated from loan commitments, risk-taking contracts).

A financial instrument shows significant increase in credit risk, and is allocated to Stage 2, if in respect of which any of the following triggers exist on the reporting date, without fulfilling any of the conditions for the allocation to the non-performing stage (stage 3):

- the payment delay exceeds 30 days,
- it is classified as performing forborne,
- based on individual decision, its currency suffered a significant "shock" since the disbursement of the loan,
- the transaction/client rating exceeds a predefined value or falls into a determined range, or compared to the historic value it deteriorates to a predefined degree,
- in the case retail mortgage loans, the loan-to-value ratio exceeds a predefined rate,
- default on another loan of the retail client, if no cross-default exists,
- monitoring classification of corporate and municipal clients above different thresholds defined on group
 - financial difficulties at the debtor (capital adequacy, liquidity, deterioration of the instrument quality),
 - significant decrease of the liquidity or the activity on the active market of the financial instrument can be observed,
 - the rating of the client reflects high risk, but it is better than the default one,
 - significantly decrease in the value of the recovery from which the debtor would disburse the loan,
 - clients under liquidation.

A financial instrument is non-performing and it is allocated to Stage 3 when any of the following events or conditions exists on the reporting date:

- default (based on the group level default definition),
- classified as non-performing forborne (based on the group level forborne definition),
- the monitoring classification of corporate and municipal clients above different thresholds defined on group level (including but not limited to):
 - breaching of contracts,
 - significant financial difficulties of the debtor (like capital adequacy, liquidity, deterioration of the instrument quality),
 - bankruptcy, liquidation, debt settlement processes against debtor,
 - forced strike-off started against debtor,
 - termination of loan contract by the Bank,
 - occurrence of fraud event,
 - termination of the active market of the financial instrument.

If the exposure is no longer considered as credit impaired, the Group allocates this exposure to Stage 2.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.5. Loss allowance [continued]

Classification into risk classes [continued]

When loss allowance is calculated at exposures categorized into stages the following process is needed by stages:

- Stage 1 (performing): loss allowance at an amount equal to 12-month expected credit loss should be recognized,
- Stage 2 (significant increase in credit risk): loss allowance at an amount equal to lifetime expected credit loss should be recognized,
- Stage 3 (non-performing): loss allowance at an amount equal to lifetime expected credit loss should be recognized.

For lifetime expected credit losses, an entity shall estimate the risk of a default occurring on the financial instrument during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring.

An entity shall measure expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- the time value of money and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2.6. Sale and repurchase agreements, security lending

Where debt or equity securities are sold under a commitment to repurchase them at a pre-determined price, they remain on the Consolidated Statement of Financial Position and the consideration received is recorded in Other liabilities or Amounts due to banks, the National Governments, deposits from the National Banks and other banks. Conversely, debt or equity securities purchased under a commitment to resell are not recognized in the Consolidated Statement of Financial Position and the consideration paid is recorded either in Placements with other banks or Deposits from customers. Interest is accrued based on the effective interest method evenly over the life of the repurchase agreement.

In the case of security lending transactions, the Bank as a transferor does not derecognize the securities because it believes that it retains substantially all the risks and rewards of the ownership of the securities. Only a financial liability is recognized against the consideration received. If the Bank is the transferee in security lending transactions, the Bank does not recognize the securities because it believes that the transferor retains substantially all the risks and rewards of the ownership of the securities. Only a financial receivable is recognized against the consideration paid.

2.7. Liabilities from issued securities

Issued mortgage bonds are measured at amortised cost. The costs related to their issuance is included in the amortised cost of the issued securities and amortised over the term of the securities using effective interest method. Collateral of mortgage bonds are secured by the actual amount of loan receivables – involved by collateral in the Group's collateral register. Both in 2025 and 2024 the issued mortgage bonds were covered only by ordinary collateral (loan receivables).

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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.8. Property, equipment and intangible assets

Property, equipment and intangible assets are stated at cost, less accumulated depreciation and amortization and impairment, if any. The depreciable amount (book value less residual value) of the non-current assets must be allocated over their useful lives. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets based on the following annual percentages:

Intangible assets	
Software	20% - 33.3%
Property rights	16.7% - 33.3%
Property	1% - 2.0%
Office equipment and vehicles	11.1% - 33.3%

Depreciation and amortization on properties, equipment and intangible assets starts on the day when such assets are placed into service. At each balance sheet date, the Group reviews the carrying value of its tangible and intangible assets to determine if there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated to determine the extent (if any) of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where the carrying value of property, equipment, other tangible fixed assets and intangible assets is greater than the estimated recoverable amount, it is written down immediately to the estimated recoverable amount.

The Bank has no intangible assets with indefinite useful life.

2.9. Financial liabilities

The financial liabilities are presented within these lines in the Consolidated Financial Statements:

- Amount due to banks, the Hungarian Government, deposits from the National Bank of Hungary and other banks
- Repo liabilities
- Liabilities from issued securities
- Derivative financial liabilities designated as hedge accounting
- Other financial liabilities

At initial recognition, the Group measures financial liabilities at fair value plus or minus – in the case of a financial liability not at fair value through profit or loss – transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Usually, the initial fair value of financial liabilities equals to transaction value. However, when the amounts are not equal, the initial fair value difference should be recognized.

If the fair value of financial liabilities is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the initial fair value difference in the Consolidated Statement of Profit or Loss.

When the fair value of financial liabilities is based on models for which inputs are not observable, the difference between the transaction price and the fair value is deferred and recognized in profit or loss on a systematic manner.

In the case of financial liabilities measured at amortised cost fees and commissions related to the origination of the financial liability are recognized through profit or loss during the maturity of the instrument using effective interest method. In certain cases, the Group repurchases a part of financial liabilities (mainly issued securities) and the difference between the carrying amount of the financial liability and the amount paid for it is recognized in the net profit or loss for the period and included in other operating income.

OTP MORTGAGE BANK LTD.
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.10. Leases

An agreement is a lease or contains a lease if it transfers the rights to control the use of an identified asset for a given period in exchange for compensation.

Expenses related to the use of lease assets, the majority of which were previously recognised in external services costs, will be currently classified as depreciation/amortisation and interest costs. Usufruct rights are depreciated using a straight line method, while lease liabilities are settled using an effective discount rate.

Recognition of lease liabilities

The Group will recognise lease liabilities related to leases which were previously classified as "operating leases" in accordance with IFRS 16 Leases. These liabilities will be measured at the present value of lease payments receivable as at the date of commencement of the application of IFRS 16. Lease payments shall be discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Interest rate applied by the Group: weighted average lessee's incremental borrowing rate: ~5.3%

At their date of initial recognition, lease payments contained in the measurement of lease liabilities comprise the following types of payments for the right to use the underlying asset for the life of the lease:

- fixed lease payments less any lease incentives,
- variable lease payments which are dependent on market indices,
- amounts expected to be payable by the lessee under residual value guarantees,
- the strike price of a purchase option, if it is reasonably certain that the option will be exercised, and
- payment of contractual penalties for terminating the lease, if the lease period reflects that the lessee used the option of terminating the lease.

The Group makes use of expedients with respect to short-term leases (less than 12 months) as well as in the case of leases in respect of which the underlying asset has a low value (less than HUF 1.5 million) and for which agreements it will not recognise financial liabilities nor any respective right-of-use assets. These types of lease payments will be recognised as costs using the straight-line method during the life of the lease.

Recognition of right-of-use assets

Right-of-use assets are initially measured at cost.

The cost of a right-of-use asset comprises:

- the amount of the initial measurement of lease liabilities,
- any lease payments made at or before the commencement date, less any lease incentives received,
- any initial direct costs incurred by the lessee,
- estimates of costs to be incurred by the lessee as a result of an obligation to disassemble and remove an underlying asset or to carry out renovation/restoration.

Right-of-use assets are presented separately in the consolidated statement of financial position.

2.11. Share capital

Share capital is the capital determined in the Articles of Association and registered by the Budapest-Capital Regional Court. Share capital is the capital the Bank raised by issuing common stocks at the date the shares were issued. The amount of share capital has not changed over the current period

OTP MORTGAGE BANK LTD.
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.12. Interest income and income similar to interest income and interest expense

Interest income and expenses are recognised in profit or loss in the period to which they relate, using the effective interest rate method.

For exposures categorized into stage 1 and stage 2 the interest income is recognized on a gross basis. For exposures categorized into stage 3 (using effective interest rate) the interest income is recognized on a net basis.

The time-proportional income similar to interest income of derivative financial instruments calculated without using the effective interest method and the positive fair value adjustment of interest rate swaps are also included in income similar to interest income. Interest income of FVTPL loans is calculated based on interest fixed in the contract and presented in “Income similar to interest income” line. Refer to note 2.4.3. for the presentation of derivative financial instruments.

Interest from loans and deposits are accrued on a daily basis. Interest income and expense include certain transaction cost and the amortisation of any discount and premium between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

All interest income and expense recognised are arising from loans, placements with other banks, repo receivables, securities at fair value through other comprehensive income, securities at amortised cost, and amounts due to banks, repo liabilities, deposits from customers, liabilities from issued securities, subordinated bonds and loans are presented under these lines of financial statements.

2.13. Fees and Commissions

Fees and commissions that are not involved in the amortised cost model are recognized in the Consolidated Statement of Profit or Loss on an accrual basis according to IFRS 15 Revenue from contracts with customers.

The Group recognizes income if performance obligations related to the certain goods or services are satisfied, performed, and control over the asset is transferred to the customer, and it is probable that consideration payable will probably flow to the entity. In case of those services, where the Group transfers control over the asset continuously, income is recognised on accrual basis.

The Group provides foreign exchange trading services to its customers, the profit margin achieved on these transactions is presented as Net profit from fees and commissions in the Consolidated Statement of Profit or Loss.

The other fees mainly consist of the cost of services in connection with lending activity and mortgage bond issues, which are not directly attributable to separate issuance, and includes fees related to FVTPL loans, which are settled when incurred.

The Group’s fee and commission income from services where performance obligations are satisfied over time are followings:

Net insurance fee income

Due to the fact that the Bank does not provide insurance services to its clients, only acts as an agent, the fee income charged to the customers and fees payable to the insurance company are presented net in the fee income. Fees for ongoing services are charged on a monthly basis during the period when they are provided.

Other

Fees that are not material in the Banks total income are included in Other fees category. Such fees are, special procedure fee, account rent fee, fee of a copy of document, etc. Other fees may include charges for continuous services or for ad hoc administration services. Continuous fees are charged monthly at the beginning of the period, typically at a fixed rate. Fees for ad hoc services are charged immediately after the service obligation had been met, typically also in a fixed amount. Fees for ongoing services are charged on a monthly basis during the period when they are provided. Fees for ad hoc services are charged when the transaction takes places.

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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.14. Income tax

The Group considers corporate income tax as current tax according to IAS 12. The Group also considers local business tax and the innovation contribution as income tax in Hungary.

Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences between the tax bases of assets and liabilities and their carrying value for financial reporting purposes, measured at the tax rates that apply to the future period when the asset is expected to be realized or the liability is settled.

Current tax asset or current tax liability is presented related to income tax and innovation contribution separately in the Consolidated Statement of Financial Position.

Pillar Two – Global Anti-base Erosion Model Rules (“GloBE), global minimum tax – introduces a minimum effective tax rate of at least 15%, calculated based on a specific rule set. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation is effective for the Group’s financial year beginning 1 January 2024. The Group considers this top-up tax as an income tax according to IAS 12.

Deferred tax assets are recognized by the Group for the amounts of income taxes that are recoverable in future periods in respect of deductible temporary differences as well as the carryforward of unused tax losses and the carryforward of unused tax credits.

The Group recognizes a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

The Group considers the availability of qualifying taxable temporary differences and the probability of other future taxable profits to determine whether future taxable profits will be available according to IAS 12.

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- the Bank is able to control the timing of the reversal of the temporary difference, and
- it is probable that the temporary difference will not reverse in the foreseeable future.

The Group only offsets its deferred tax liabilities against deferred tax assets when:

- there is a legally enforceable right to set-off current tax liabilities against current tax assets, and
- the taxes are levied by the same taxation authorities on either
 - the same taxable entity or
 - different taxable entities which intend to settle current tax liabilities and assets on a net basis.

2.15. Banking tax

The Group and some of its subsidiaries are obliged to pay banking tax based on Act LIX of 2006. As the calculation is not based on the taxable profit but on the adjusted total assets as reported in the Consolidated Financial Statements of the Bank and its entities for the second period preceding the current tax year, therefore, the banking tax is considered as another administrative expense, not as income tax. Pursuant to Government Decree No. 197/2022 published on 4 June 2022, the Hungarian Government decided to impose a windfall tax on credit institutions and financial enterprises temporarily, that is for 2022 and 2023. During 2024, the Government amended the Decree on the windfall tax and the obligation was extended to 2025. In 2025 Mortgage Bank paid windfall tax in the amount of HUF 1.1 billion. The windfall tax is considered as another administrative expense, not as income tax.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.16. Off-balance sheet commitments and contingent liabilities

In the ordinary course of its business, the Group enters into off-balance sheet commitments such as guarantees, letters of credit, commitments to extend credit and transactions with financial instruments. The provision for off-balance sheet commitments and contingent liabilities is maintained at a level adequate to absorb future cash outflows which are probable and relate to present obligations.

In the case of commitments and contingent liabilities, the Management determines the adequacy of the loss allowance based upon reviews of individual items, recent loss experience, current economic conditions, the risk characteristics of the various categories of transactions and other pertinent factors. The Group recognizes provision for off-balance sheet commitment and contingent liabilities in accordance with IAS 37 when it has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation.

Other provision includes provision for litigation, provision for retirement and expected liabilities and provision for confirmed letter of credit.

A provision is recognized by the Group when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

For financial guarantees and loan commitments given which are under IFRS 9 the expected credit loss model is applied when the provision is calculated. After initial recognition the Group subsequently measures those contracts at a higher of the amount of the loss allowance or of the amount initially recognised less the cumulative amount of income recognized in accordance with IFRS 15.

2.17. Share-based payment

The Group has applied the requirements of IFRS 2 Share-based Payment.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the year, based on the Bank's estimate of shares that will eventually vest.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2.18. Employee benefit

The Group has applied the requirement of IAS 19 Employee Benefits. The Group's short-term employee benefits are wages, salaries and bonuses, premium, paid annual leave and paid sick leave and other free services (health care, reward holiday).

Short-term employee benefits are expected to pay by the Bank within 12 month. These benefits are recognised as an expense and liability undiscounted in the consolidated financial statements.

Long-term employee benefits are mostly the jubilee reward. Long-term employee benefits are recognised as an expense and liability in the consolidated financial statements. Liabilities are regularly remeasured. Gains or losses due to the remeasurement are recognised in the consolidated statement of profit or loss (Personnel expenses)

2.19. Statement of Cash Flows

Cash flows arising from the operating, investing or financing activities are reported in the Statement of Cash-Flows of the Group primarily on a gross basis. Net basis reporting are applied by the Group in the following cases:

- when the cash flows reflect the activities of the customer rather than those of the Group, and
- for items in which the turnover is quick, the amounts are large, and the maturities are short.

For the purposes of reporting cash flows "Cash, due from banks and balances with the NBH" line item excluding compulsory reserve are considered as cash and cash equivalents by the Group. This line item shows balances of HUF and foreign currency cash amounts, and sight depos from NBH and from other banks, furthermore balances of current accounts.

Cash flows from hedging activities are classified in the same category as the item being hedged. The unrealised gains and losses from the translation of monetary items to the closing foreign exchange rates and the unrealised gains and losses from derivative financial instruments are presented separately net in the statement of cash flows for the monetary items, which have been revaluated. Hedging gains and losses are presented on the same line item, refer to note 2.4.5.1.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES [continued]

2.20. Government subsidies to client

The Group receives subsidies from the Hungarian government designed to compensate for the difference between the amount of interest charged to the customer, such interest being capped by legislation, and the interest charge on the issued mortgage bonds. Such subsidies are calculated on a monthly basis, are applicable over the life of the loan and are recognized among interest income in the Consolidate Statement of Profit or Loss in the period to which they relate.

2.21. Segment report

Operating segments are components of a business that can generate income or expenses, the operating results of which are regularly reviewed by the Chief Operating Decision Maker (CODM), and about which discrete financial information is available. The CODM is the person or group of people who allocates resources and evaluates the unit's performance. The duties of the CODM are performed by the Group's Executive Board.

OTP Mortgage Bank is a subsidiary of OTP Bank engaged in mortgage lending, its activity is regulated by Act XXX of 1997 on Mortgage Loan Companies and on Mortgage Bonds.

As a specialized credit institution, the main activity of OTP Mortgage Bank is retail mortgage lending covered by Hungarian real estate. As a supplementary commercial activity, the company is engaged in real estate appraisal. The company is authorized to issue mortgage bonds, on the other hand it cannot collect deposits.

Based on the evaluation of the Bank's internal reporting structure, the management has identified only one operational segment, which segment is not broken down geographically either, because its activities are carried out exclusively in Hungary. As the Bank's and the Group's operation is simple with a less complex product portfolio the Group's management manages and controls the activity of the Bank as a single product and geographical segment.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND DECISIONS IN THE APPLICATION OF ACCOUNTING POLICIES

The presentation of financial statements in conformity with IFRS as adopted by the European Union requires the management of the Group to make judgements about estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period. Actual results could differ from those estimates. Significant areas of subjective judgements include:

3.1. Loss allowances on financial instruments exposed to credit risk

The Group regularly assesses its financial instruments portfolio for loss allowance. Management determines the adequacy of the loss allowances based upon reviews of individual loans and placements, recent loss experience, current economic conditions, the risk characteristics of the various categories of loans and other pertinent factors. The use of the three-stage model was implemented for IFRS 9 purposes. The impairment methodology is used to classify financial instruments in order to determine whether credit risk has significantly increased since initial recognition and to identify the credit-impaired assets. For instruments with credit-impairment or significant increase of credit risk lifetime expected losses are recognized.

3.2. Valuation of instruments without direct quotations

Financial instruments without direct quotations in an active market are valued using the valuation model technique. The models are regularly reviewed and each model is calibrated for the most recent available market data. While the models are built only on available data, their use is subject to certain assumptions and estimates (e.g. correlations, volatilities, etc.). Changes in the model assumptions may affect the reported fair value of the relevant financial instruments.

IFRS 13 Fair Value Measurement seeks to increase the consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The Group evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the beginning of the reporting period. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

3.3. Provisions

Provision is recognized and measured for commitments to extend credit and for warranties arising from Grouping activities based on IFRS 9 Financial Instruments. Provision for these instruments is recognized based on the credit conversion factor, which shows the proportion of the undrawn credit line that will probably be drawn.

Other provision includes provision for litigation, provision for retirement and expected liabilities and provision for confirmed letter of credit.

A provision is recognized by the Group when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 4: IMPACT OF ECONOMIC SITUATION ON THE OTP MORTGAGE GROUP (in HUF million)

Windfall tax

- On 19 June 2025, the Parliament decided, through Act No. LIV of 2025, to maintain the windfall tax obligation for financial institutions for the year 2026 as well. In 2026, the tax base is the adjusted profit for the year 2024, and the rate increases to 8% up to a tax base of HUF 20 billion, and to 20% above that (from the previous 18%). The option to halve the payable tax remains available under the conditions specified in the act, similarly to previous years.
- In accordance with Government Decree No. 358/2025 (XI. 13.), the provisions of the windfall tax legislation shall be applied with the following amendments: from 2026, the tax rate will be 10% (instead of 8%) up to HUF 20 billion tax base, and 30% (instead of 20%) above. In 2026, the rules on tax reduction related to the purchase of government securities were tightened: the reduction may not exceed 10% of the increase in the relevant government securities holdings and may not exceed 30% (instead of 50%) of the windfall tax calculated without taking this reduction into account.

Interest rate cap

- On 26 June 2025, Government Decree No. 170/2025 (VI.26) enacted the extension of the interest rate cap on certain housing loans, until 31 December 2025.
- On 26 November 2025, Government Decree No. 364/2025 (XI.26) enacted the extension of the interest rate cap on certain housing loans, until 30 June 2026.

Family support schemes and economic stimulus measures

- From 1 January 2025, housing loans are available for energy-efficient homes up to 90% of the collateral value, and the repayment instalment may reach 60% of the borrower's income, regardless of the income.
- On 1 January 2025, the Rural Home Renovation Subsidy was launched in settlements with less than 5,000 residents with a maximum amount of HUF 3 million, for up to 50% of the labour and material costs. The range of applicants has been modified several times, so now the subsidy is also available to pensioners. For the advance investment costs, borrowers may apply for a subsidized home renovation mortgage loan in a maximum amount of HUF 6 million, with a fixed 3% interest rate.
- On 15 October 2025, the conditions of the energy home renovation programme, targeting the modernisation of family homes built before 2007, were amended. The maximum available amount increased from HUF 6 million to HUF 10 million, of which HUF 5 million is a non-refundable grant and HUF 5 million can be taken as an interest-free loan. The required own contribution was reduced to 5%, mandatory contractor registration was abolished, and the range of eligible renovation activities were widened with for example shading devices, solar collectors, and control systems being included into the list.
- The subsidized Home Start Loan Program is available from 1 September 2025, regardless of marital status or plans to have children. The terms and conditions of the loan have been modified several times since the announcement, but the essential elements remained unchanged: the maximum amount of the one-time applicable loan is HUF 50 million, with a fixed interest rate of up to 3%, for a maximum term of 25 years and with at least 10% downpayment. The loan is available if, at the time of application and during the preceding 10 years, the applicant has not held more than 50% ownership share in a residential property, and if had at least two years of uninterrupted social security coverage. The loan can be used for residential properties with a maximum value of HUF 100 million in the case of a flat, or HUF 150 million in the case of a house, which price shall not exceed HUF 1.5 million per square metre. The loan may be combined with other (subsidized) home loans. The detailed rules of the loan are set in Government Decree 227/2025 (VII. 31.).

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 4: IMPACT OF ECONOMIC SITUATION ON THE OTP MORTGAGE GROUP (in HUF million) [continued]

Financial assets modified during the year ended 31 December 2025 related to interest rate cap

Modification due to prolongation of existing interest rate cap till 31 December 2025

Gross carrying amount before modification	174,180
Modification due to interest rate cap	(3,646)
Gross carrying amount after modification	<u>170,534</u>
Loss allowance before modification	(1,772)
Net amortised cost after modification	<u>168,762</u>

Modification due to prolongation of existing interest rate cap till 30 June 2026

Gross carrying amount before modification	167,874
Modification due to interest rate cap	(3,394)
Gross carrying amount after modification	<u>164,480</u>
Loss allowance before modification	(1,408)
Net amortised cost after modification	<u>163,072</u>

Financial assets modified during the year ended 31 December 2024 related to interest rate cap

Modification due to prolongation of existing interest rate cap till 31 December 2024

Gross carrying amount before modification	191,765
Modification due to interest rate cap	(4,457)
Gross carrying amount after modification	<u>187,308</u>
Loss allowance before modification	(3,127)
Net amortised cost after modification	<u>184,181</u>

Modification due to prolongation of existing interest rate cap till 30 June 2025

Gross carrying amount before modification	182,855
Modification due to interest rate cap	(3,911)
Gross carrying amount after modification	<u>178,944</u>
Loss allowance before modification	(2,124)
Net amortised cost after modification	<u>176,820</u>

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
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NOTE 5: CASH, AMOUNTS DUE FROM BANKS AND BALANCES WITH THE NATIONAL BANK OF HUNGARY (in HUF million)

	2025	2024
Within one year:		
In HUF	150	21,370
In foreign currency	<u>16</u>	<u>51</u>
	<u>166</u>	<u>21,421</u>
Loss allowance	-	(32)
Subtotal	<u>166</u>	<u>21,389</u>
Compulsory reserve	121	136
Closing balance of cash	<u>45</u>	<u>21,253</u>
From this: amounts due from OTP Bank	22	21,214
An analysis of the change in the loss allowance	2025	2024
Balance as at 1 January	32	46
Provision for the period	238	444
Release of loss allowance	<u>(270)</u>	<u>(458)</u>
Closing balance	≡	<u>32</u>

	8% (from 1 August 2025), 10% (until 31 July 2025)*	10% (from 1 January 2024)
Rate of the compulsory reserve		

*From August 1, 2025, the compulsory reserve ratio changed again.

The Bank shall deposit compulsory reserve in a determined percent of its liabilities at NBH. Liabilities considered in compulsory reserve calculation are as follows:

- a) deposits and loans,
- b) debt instruments,
- c) after 1 July 2023 repos,

The amount of the compulsory reserve is the multiplication of the daily average of the liabilities considered in the compulsory reserve calculation and compulsory reserve rate, which are determined by the NBH in a specific decree. The Bank is required to complete compulsory reserve requirements in the second month after the reserve calculation period, requirements shall be completed daily. The Bank complies with the compulsory reserve requirements by the deposit of the adequate amount of cash as the calculated compulsory reserve on the bank account at NBH.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 6: PLACEMENTS WITH OTHER BANKS (in HUF million)

	2025	2024
Within one year in HUF	171,478	36,794
Within one year in foreign currency	<u>3,892</u>	-
Subtotal	<u>175,370</u>	<u>36,794</u>
Over one year in HUF	<u>191,662</u>	<u>344,408</u>
Subtotal	<u>191,662</u>	<u>344,408</u>
Total	<u>367,032</u>	<u>381,202</u>
Impairment	(169)	(438)
Total	<u>366,863</u>	<u>380,764</u>
From this: amounts due from OTP Bank	175,075	211,949

An analysis of the change in the loss allowance on placements with other banks

	2025	2024
Balance as at 1 January	438	470
Provision for the period	838	833
Release of loss allowance	<u>(1,107)</u>	<u>(865)</u>
Closing balance	<u>169</u>	<u>438</u>
Interest conditions of placements with other banks	2025	2024
Within one year		
in HUF	6.50%	6.5%-7.41%
in foreign currency	2.01%-2.40%	-
Over one year		
in HUF	7.3%-7.6%	6.49%-7.14%
Average interest of placements with other banks		
Placements with other banks in HUF	6.10%	6.83%

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 7: SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
(in HUF million)

	2025	2024
Hungarian Government bonds	=	<u>15,435</u>
Total	=	<u>15,435</u>

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:

	2025	2024
Within one year, fixed interest	=	<u>15,435</u>
Total	=	<u>15,435</u>
Interest rate:	-	5.5%

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

	Amortised cost	Net fair value
Hungarian Government bonds	<u>15,645</u>	<u>15,435</u>
Total	<u>15,645</u>	<u>15,435</u>

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 8: LOANS (in HUF million)

Loans mandatorily measured at fair value through profit or loss

	2025	2024
Within one year	43,626	34,298
Over one year	<u>813,225</u>	<u>524,505</u>
Total	<u>856,851</u>	<u>558,803</u>

Loans at amortised cost

	2025	2024
Within one year	89,045	88,032
Over one year	<u>1,372,667</u>	<u>1,254,265</u>
Loans gross total	<u>1,461,712</u>	<u>1,342,297</u>

Provision for impairment on loan losses	(7,163)	(7,403)
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Total	<u>1,454,549</u>	<u>1,334,894</u>
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An analysis of the loan portfolio by currency (%):

	2025	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 (%):

	2025	2024
Loans denominated in HUF	2.26% - 30.66%	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 (%):

	2025	2024
Loans denominated in HUF, with a maturity within one year	1.55% - 22.61%	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	2.19% - 9.72%	1.9% - 9.72%
Average interest on loans denominated in HUF	7.09%	7.31%
Average interest on loans denominated in foreign currency	4.81%	4.77%

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 8: LOANS (in HUF million) [continued]

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

	2025	2024
Balance as at 1 January	7,403	12,051
Loss allowance for the period	10,566	14,643
Release of loss allowance	(10,413)	(18,616)
<i>from this: effect of change in parameters used for loss allowance calculation</i>	(332)	(5,274)
Other movement	(393)	(675)
Closing balance	<u>7,163</u>	<u>7,403</u>

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. The Hungarian Government provides interest subsidies directly to borrowers if they meet the prescribed conditions.

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:

	2025	2024
Loss allowance on placements with other banks	(301)	(46)
Loss allowance on loans at amortised cost	153	(3,973)
Total	<u>(148)</u>	<u>(4,019)</u>

The Bank sells non-performing non-subsidised loans, that are non-guaranteed by The Government without recourse at estimated fair value to an OTP Group member, OTP Faktoring Ltd. In addition, the Bank sells non-performing subsidised loans, guaranteed by The Government without recourse at estimated fair value to OTP Bank Plc.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 9: SECURITIES AT AMORTISED COST (in HUF million)

	2025	2024
Government bonds	<u>178,698</u>	<u>277,074</u>
Subtotal	<u>178,698</u>	<u>277,074</u>
Provision for impairment	<u>(499)</u>	(1,083)
Total	<u>178,199</u>	<u>275,991</u>

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

	2025	2024
Balance as at 1 January	1,083	1,895
Loss allowance	50	302
Release of loss allowance	<u>(634)</u>	<u>(1,114)</u>
Closing balance at 31 December	<u>499</u>	<u>1,083</u>

The distribution of the securities at amortised cost by currency (%):

	2025	2024
Interest rates on securities at amortised cost	1.5% - 6.75%	1% - 6.75%
Average interest on securities at amortised cost denominated in HUF	6.53%	6.28%

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

	2025	2024
Within one year:		
fixed interest	<u>41,733</u>	<u>104,556</u>
Over one year:		
fixed interest	<u>136,965</u>	<u>172,518</u>
Total	<u>178,698</u>	<u>277,074</u>

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 10: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS AND RIGHT OF USE ASSETS (in HUF million)

There are different kinds of tangible and intangible assets held by the Group. In the followings there are presented reasons of the changes from opening values to closing ones in the gross values, the accumulated depreciation and amortization and in the impairment of the tangible and intangible assets in the Group. Here can be found information about the fair values of the tangible assets and gross amounts of those assets which were fully depreciated, but which are still in use.

For the year ended 31 December 2025

	Intangible assets	Property	Office equipment and vehicles	Construction in progress	Right of use assets	Total
Gross book value						
Balance as at January 1, 2025	2,489	9	239	4	421	3,162
Additions	283	-	6	11	10	310
Disposals	(155)	-	(15)	(6)	(3)	(179)
Deconsolidation	(129)	(9)	(148)	(4)	(176)	(466)
Balance as at December 31, 2025	<u>2,488</u>	≡	<u>82</u>	<u>5</u>	<u>252</u>	<u>2,827</u>
Accumulated Depreciation and Amortization						
Balance as at January 1, 2025	2,089	2	177	-	257	2,525
Charge for the year	158	-	11	-	53	222
Disposals	-	-	(15)	-	-	(15)
Deconsolidation	(17)	(2)	(125)	-	(154)	(298)
Balance as at December 31, 2025	<u>2,230</u>	≡	<u>48</u>	≡	<u>156</u>	<u>2,434</u>
Net book value						
Balance as at January 1, 2025	<u>400</u>	<u>7</u>	<u>62</u>	<u>4</u>	<u>164</u>	<u>637</u>
Balance as at December 31, 2025	<u>258</u>	≡	<u>34</u>	<u>5</u>	<u>96</u>	<u>393</u>
Fair Value	-	-	34	-	-	34
Gross amount of any fully depreciated tangible and intangible asset that is still in use	1,984	-	30	-	-	2,014

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2025

NOTE 10: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS AND RIGHT OF USE ASSETS (in HUF million) [continued]

For the year ended 31 December 2024

	Intangible assets	Property	Office equipment and vehicles	Construction in progress	Right of use assets	Total
Gross book value						
Balance as at January 1, 2024	2,255	9	222	-	410	2,896
Additions	485	-	38	11	11	545
Disposals	<u>(251)</u>	-	<u>(21)</u>	<u>(7)</u>	-	<u>(279)</u>
Balance as at December 31, 2024	<u>2,489</u>	<u>9</u>	<u>239</u>	<u>4</u>	<u>421</u>	<u>3,162</u>
Accumulated Depreciation and Amortization						
Balance as at January 1, 2024	1,953	1	175	-	167	2,296
Charge for the year	151	1	19	-	90	261
Disposals	<u>(15)</u>	-	<u>(17)</u>	-	-	<u>(32)</u>
Balance as at December 31, 2024	<u>2,089</u>	<u>2</u>	<u>177</u>	<u>≡</u>	<u>257</u>	<u>2,525</u>
Net book value						
Balance as at January 1, 2024	<u>302</u>	<u>8</u>	<u>47</u>	<u>≡</u>	<u>243</u>	<u>600</u>
Balance as at December 31, 2024	<u>400</u>	<u>7</u>	<u>62</u>	<u>4</u>	<u>164</u>	<u>637</u>
Fair Value	-	7	62	-	-	69
Gross amount of any fully depreciated tangible and intangible asset that is still in use	1,887	-	142	-	-	2,029

There was no carrying amount of the temporarily idle properties as at 31 December 2025 and 31 December 2024, respectively.

There were no restrictions on title and properties, plants or equipment pledged as security for liabilities as at 31 December 2025 and 31 December 2024.

There were no contractual commitments for the acquisition of tangible and intangible assets as at 31 December 2025 and 31 December 2024.

NOTE 11: DERIVATIVE FINANCIAL ASSETS DESIGNATED AS HEDGE ACCOUNTING (in HUF million)

	2025	2024
Interest rate swaps designated as fair value hedge	-	6,388
CCIRS designated as fair value hedge	-	15,140
Interest rate swaps designated as cash flow hedge	<u>2,869</u>	<u>4,365</u>
Total	<u>2,869</u>	<u>25,893</u>

OTP MORTGAGE BANK LTD.
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NOTE 12: OTHER ASSETS (in HUF million)

	2025	2024
Other financial assets		
Receivables from OTP Employee Stock Ownership Program (OTP ESOP)	2,236	1,746
Prepayments and accrued income	102	96
Trade receivables	279	598
Receivables from suppliers	11	35
Other	<u>286</u>	<u>409</u>
Loss allowance	(66)	(125)
Other financial assets total	<u>2,848</u>	<u>2,759</u>
Other non-financial assets		
Current income tax receivable	421	834
Receivable related to Hungarian Government subsidies	2,305	1,157
Accrued expenses	18	38
Inventories	-	3
Other	<u>1,013</u>	<u>590</u>
Provision for impairment on other assets	(7)	(8)
Other non-financial assets total	<u>3,750</u>	<u>2,614</u>
Total	<u>6,598</u>	<u>5,373</u>

An analysis of the movement in the loss allowance on other financial assets is as follows:

	2025	2024
Balance as at 1 January	125	162
Charge for the period	47	61
Release of loss allowance	(23)	(66)
Use of loss allowance	(15)	(32)
Deconsolidation	<u>(68)</u>	-
Balance as at 31 December	<u>66</u>	<u>125</u>

An analysis of the movement in the loss allowance on other non-financial assets is as follows:

	2025	2024
Balance as at 1 January	8	11
Charge for the period	17	18
Release of provision	<u>(18)</u>	<u>(21)</u>
Balance as at 31 December	<u>7</u>	<u>8</u>

OTP MORTGAGE BANK LTD.
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NOTE 12: OTHER ASSETS (in HUF million) (continued)

Other financial assets under simplified approach:

31 December 2025	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate						
Gross value	2,808	-	-	-	64	2,872
Loss allowance	=	=	=	=	<u>60</u>	<u>60</u>
Net carrying amount	<u>2,808</u>	=	=	=	<u>4</u>	<u>2,812</u>
31 December 2024	Without delay	< 30 days	31 - 60 days	61 - 90 days	> 91 days	Closing balance
Expected credit loss rate						
Gross value	2,619	55	15	9	151	2,849
Loss allowance	=	=	=	=	<u>122</u>	<u>122</u>
Net carrying amount	<u>2,619</u>	<u>55</u>	<u>15</u>	<u>9</u>	<u>29</u>	<u>2,727</u>

NOTE 13: AMOUNTS DUE TO BANKS AND HUNGARIAN GOVERNMENT, DEPOSITS FROM THE NATIONAL BANK OF HUNGARY AND OTHER BANKS (in HUF million)

	2025	2024
Within one year:		
in HUF	209,553	175,847
in foreign currency	<u>96</u>	<u>153</u>
From this: EUR	8	8
JPY	84	138
CHF	4	7
Subtotal	<u>209,649</u>	<u>176,000</u>
Over one year:		
in HUF	<u>1,225,452</u>	<u>1,221,626</u>
Subtotal	<u>1,225,452</u>	<u>1,221,626</u>
Total	<u>1,435,101</u>	<u>1,397,626</u>
From this: amounts due to OTP Bank	1,344,750	1,205,635

Interest conditions on amounts due to OTP Bank and other banks

	2025	2024
Within one year:		
in HUF	0.75%-5.88%	0.6% - 0.9%
in foreign currency	(0.06)%-2.12%	0.45% - 3.48%
Over one year:		
in HUF	0%-10.49%	0%-10.49%

OTP MORTGAGE BANK LTD.
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NOTE 14: LIABILITIES FROM ISSUED SECURITIES (in HUF million)

	2025	2024
Within one year		
In HUF	2,744	249,415
In EUR	<u>10,527</u>	<u>6,113</u>
Subtotal	<u>13,271</u>	<u>255,528</u>
Over one year		
In HUF	630,596	599,731
In EUR	<u>578,863</u>	<u>208,751</u>
Subtotal	<u>1,209,459</u>	<u>808,482</u>
Total	<u>1,222,730</u>	<u>1,064,010</u>
Issued mortgage bonds during the period (nominal value)	415,400	190,000
Mortgage bonds became due or repurchased during the period (nominal value)	240,000	271,000
Interest conditions on issued securities		
Interest conditions in HUF	1.25%-6.75%	1.25%-11%
Interest conditions in EUR	3%-3.60%	3.60%

A reconciliation of the face value and the amortised cost is as follows:

	2025	2024
Nominal value of the issued securities	1,213,220	1,050,165
Unamortised premiums	(2,212)	(4,968)
Fair value hedge adjustment	(1,549)	3,104
Accrued interest	<u>13,271</u>	<u>15,709</u>
Amortised cost	<u>1,222,730</u>	<u>1,064,010</u>

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, the property register data and the normal and additional collateral in the coverage register.

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NOTE 14: LIABILITIES FROM ISSUED SECURITIES (in HUF million) [continued]

Issuance Programs of OTP Mortgage Bank

OTP Mortgage Bank had a Mortgage Bond and Bond Program in the value of HUF 1,000 billion with the intention of issuing dematerialized bonds in Hungary until 11 November 2025, approved by the NBH on 11 November 2024 and has a Mortgage Note Program in the value of EUR 5 billion with the intention of issuing dematerialized mortgage notes in Luxembourg, approved by the CSSF on 5 June 2025, that are valid for 12 months following their approval.

There were maturing mortgage bonds in the amount of HUF 240 billion and HUF 271 billion in 2025 and 2024. Mortgage bonds were issued in the amount of HUF 415.4 billion and HUF 190 billion in 2025 and 2024. Fees related to the issuances were HUF 1,194 million and HUF 408 million in 2025 and 2024.

Issued securities denominated in HUF and foreign currency as at 31 December 2025 (in HUF million)

Name	Currency	Date of issue	Maturity	Nominal value in fx million	Nominal value in HUF million	Amortised cost in HUF million	Interest condition in % p.a.		Hedged
OJB2027/I	HUF	23/07/2020	27/10/2027	120,100	120,100	119,855	1.25%	fix	not hedged
OJB2031/I	HUF	18/08/2021	22/10/2031	95,020	95,020	91,355	2.50%	fix	not hedged
OJB2029/A	HUF	25/07/2022	24/05/2029	175,000	175,000	175,247	6.75%	variable	not hedged
OJB2032/A	HUF	20/09/2023	24/11/2032	25,000	25,000	25,017	6.75%	variable	not hedged
OJB2029/B	HUF	10/04/2024	20/06/2029	70,000	70,000	70,175	6.75%	variable	not hedged
OJB2029/I	HUF	16/09/2024	31/10/2029	120,000	120,000	121,634	6.25%	fix	not hedged
OJB2032/B	HUF	22/09/2025	20/12/2032	30,000	30,000	30,057	6.75%	variable	not hedged
OMB 2029/I	EUR	20/12/2023	07/03/2029	500	192,700	201,548	3.60%	fix	hedged
OMB 2030/I	EUR	20/06/2025	20/06/2030	500	192,700	195,486	3.00%	fix	hedged
OMB 2031/I	EUR	01/10/2025	31/03/2031	500	192,700	192,356	3.14%	fix	hedged
Total issued securities					<u>1,213,220</u>	<u>1,222,730</u>			

Issued securities denominated in HUF and foreign currency as at 31 December 2024 (in HUF million)

Name	Currency	Date of issue	Maturity	Nominal value in fx million	Nominal value in HUF million	Amortised cost in HUF million	Interest condition in % p.a.		Hedged
OJB2025/II	HUF	2/3/2020	11/26/2025	90,000	90,000	89,301	1.50%	fix	partially hedged
OJB2025_I	HUF	7/31/2009	7/31/2025	150,000	150,000	157,712	11.00%	fix	not hedged
OJB2027/I	HUF	7/23/2020	10/27/2027	120,100	120,100	119,549	1.25%	fix	not hedged
OJB2029/A	HUF	7/25/2022	5/24/2029	175,000	175,000	175,111	6.75%	variable	not hedged
OJB2029/B	HUF	4/10/2024	6/20/2029	70,000	70,000	70,156	6.75%	variable	not hedged
OJB2029/I	HUF	9/16/2024	10/31/2029	120,000	120,000	121,630	6.25%	fix	not hedged
OJB2031/I	HUF	8/18/2021	10/22/2031	95,020	95,020	90,692	2.50%	fix	not hedged
OJB2032/A	HUF	9/20/2023	11/24/2032	25,000	25,000	24,995	6.75%	variable	not hedged
OMB 2029/I	EUR	12/20/2023	3/7/2029	500	205,045	214,864	3.60%	fix	hedged
Total issued securities					<u>1,050,165</u>	<u>1,064,010</u>			

NOTE 15: DERIVATIVE FINANCIAL LIABILITIES DESIGNATED AS HEDGE ACCOUNTING (in HUF million)

	2025	2024
Interest rate swap designated as fair value hedge	1,402	2,881
CCIRS designated as cash flow hedge	38,117	-
CCIRS designated as fair value hedge	<u>4,031</u>	-
Total	<u>43,550</u>	<u>2,881</u>

OTP MORTGAGE BANK LTD.
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NOTE 16: OTHER LIABILITIES AND PROVISIONS (in HUF million)

	2025	2024
Other financial liabilities		
Accounts payable	3,290	3,007
Accrued expenses	5,788	3,245
Clearing account	<u>3,633</u>	<u>2,004</u>
Other financial liabilities total	<u>12,711</u>	<u>8,256</u>
Other non-financial liabilities		
Current income tax payable	420	442
Social contribution	55	85
Settlement accounts	13	42
Other	<u>214</u>	<u>160</u>
Other non-financial liabilities total	<u>702</u>	<u>729</u>
Other liabilities total	<u>13,413</u>	<u>8,985</u>

The provision on other liabilities, off-balance sheet commitments and contingent liabilities are detailed as follows:

	2025	2024
Provision for losses on other off-balance sheet commitments and contingent liabilities	408	281
Provisions in accordance with IFRS 9	<u>408</u>	<u>281</u>
Provision for litigation	20	22
Provisions in accordance with IAS 37	<u>20</u>	<u>22</u>
Total	<u>428</u>	<u>303</u>

Movements in the provision for losses on commitments and contingent liabilities in accordance with IFRS 9 can be summarized as follows:

	2025	2024
Opening balance	281	413
Provision for the period	2,053	1,663
Release of provision	(1,860)	(1,704)
Use of provision	<u>(66)</u>	<u>(91)</u>
Closing balance	<u>408</u>	<u>281</u>

Movements in the provision for losses on litigations in accordance with IAS 37 can be summarized as follows:

	2025	2024
Opening balance	22	39
Provision for the period	3,495	3,756
Release of provision	<u>(3,497)</u>	<u>(3,773)</u>
Closing balance	<u>20</u>	<u>22</u>

NOTE 17: SHARE CAPITAL (in HUF million)

All shares are ordinary shares with a nominal value of HUF 100 thousand and are authorised and fully paid.

	2025	2024
Authorized, issued and fully paid:		
Share capital (in HUF million)	<u>82,000</u>	<u>82,000</u>

All of the shares are ordinary shares representing the same rights to the shareholders. Furthermore, there are no restrictions on the distribution of dividends and the repayment of capital.

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NOTE 18: RETAINED EARNINGS AND RESERVES (in HUF million)

The Bank is not expected to pay dividends on its 2025 results.

Share capital

Share capital is the portion of a the Bank's equity that has been obtained by the issue of shares in the corporation to a shareholder, usually for cash.

Retained earnings

Profit of previous years generated by the Bank that are not distributed to shareholders as dividends.

Other comprehensive income

Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other IFRSs. This line contains changes in fair value of financial assets at fair value through other comprehensive income and cash flow hedge reserve.

General reserve

The Bank shall place ten per cent of the after-tax profit of the year into general reserve prescribed by the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. The Bank is allowed to use general reserves only to cover operating losses arising from their activities.

The equity correlation table of the Bank based on paragraph 114/B of Act on Accounting as at 1 January 2025:

Balance as at 1 January, 2025	Share capital	Capital reserve	Retained earnings and other reserves	Evaluation reserve	Tied-up reserve	Net profit/(loss) for the period	Total
Capital items according to IFRS	82,000	-	62,531	-	-	-	144,531
Other comprehensive income	-	-	(5,500)	5,500	-	-	-
Net profit for the year	-	-	(10,683)	-	-	10,683	-
Share based payment	-	210	(210)	-	-	-	-
General reserve	-	-	(22,794)	-	22,794	-	-
Capital items according to 114/B.§ of Accounting Act	82,000	210	23,344	5,500	22,794	10,683	144,531

The equity correlation table of the Bank based on paragraph 114/B of Act on Accounting as at 31 December 2025:

Balance as at 31 December, 2025	Share capital	Capital reserve	Retained earnings and other reserves	Evaluation reserve	Tied-up reserve	Net profit/(loss) for the period	Total
Capital items according to IFRS	82,000	-	68,858	-	-	-	150,858
Other comprehensive income	-	-	4,806	(4,806)	-	-	-
Net profit for the year	-	-	(16,604)	-	-	16,604	-
Share based payment	-	239	(239)	-	-	-	-
General reserve	-	-	(24,067)	-	24,067	-	-
Capital items according to 114/B.§ of Accounting Act	82,000	239	32,754	(4,806)	24,067	16,604	150,858

Under the Hungarian Act on Accounting, the untied retained earnings presented below indicate the maximum possible dividend pay-out, calculated based on equity correlation as per paragraph 114/B of the Act on Accounting. Untied retained earnings are not compatible with any equity component under IFRS.

	2025	2024
Retained earnings	32,754	23,344
Net profit for the year	16,604	10,683
Untied retained earnings	49,358	34,027

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NOTE 18: RETAINED EARNINGS AND RESERVES (in HUF million) [continued]

Items of retained earnings and other reserves

	2025	2024
Retained earnings	32,754	23,344
General reserves	24,067	22,794
Fair value of financial instruments measured at fair value through other comprehensive income	1,200	2,075
Share-based payment reserve	239	210
Fair value of derivative financial instruments designated as cash-flow hedge	(6,006)	3,425
Net profit after income tax	<u>16,604</u>	<u>10,683</u>
Retained earnings and other reserves	<u>68,858</u>	<u>62,531</u>

Fair value adjustment recognised through other comprehensive income:

	2025	2024
Balance as at 1 January	2,020	466
Change of fair value	(901)	1,829
Deferred tax related to change of fair value	<u>81</u>	<u>(275)</u>
Balance as at 31 December	<u>1,200</u>	<u>2,020</u>

Expected credit loss on securities at fair value through other comprehensive income:

	2025	2024
Balance as at 1 January	55	95
Increase of loss allowance	1	18
Release of loss allowance	<u>(56)</u>	<u>(58)</u>
Balance as at 31 December	=	<u>55</u>

Change in fair value of securities at fair value through other comprehensive income

	2025	2024
Balance as at 1 January	2,075	562
Increase	211	616
Deferred tax related to change of fair value correction	(14)	(62)
(Losses) / Gains on separated currency spread of financial instruments designated as hedging instrument	(1,114)	1,212
Deferred tax related to separated currency spread of financial instruments designated as hedging instrument	102	(218)
Release of loss allowance	<u>(60)</u>	<u>(35)</u>
Balance as at 31 December	<u>1,200</u>	<u>2,075</u>

Change in fair value of derivative financial instruments designated as cash-flow hedge

	2025	2024
Balance as at 1 January	3,425	3,522
Increase	76,749	61,786
Release	<u>(86,180)</u>	<u>(61,883)</u>
Balance as at 31 December	<u>(6,006)</u>	<u>3,425</u>

Change on separated currency spread of financial instruments designated as hedging instrument

	2025	2024
Balance as at 1 January	2,212	1,219
Increase	33,936	58,298
Release	<u>(34,948)</u>	<u>(57,305)</u>
Balance as at 31 December	<u>1,200</u>	<u>2,212</u>

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NOTE 19: INTEREST SUBSIDIES RELATED TO HOUSING LOANS

During 2025 several types of interest-subsidised loans were among OTP Mortgage Bank's portfolio:

- (i) loans granted before 16 June 2003
- (ii) loans granted between 16 June 2003 and 21 December 2003
- (iii) loans granted between 22 December 2003 and 30 June 2009
- (iv) loans granted after 1 October 2009
- (v) Family Housing loans granted after 2012 including interest subsidy of families with three or more children, and including interest subsidy of housing loans at preferred townships
- (vi) loans granted under the Green Home Program of the MNB-funded Growth Loan Program from 2021
- (vii) Family Housing CSOK Plus loans granted for families and Housing loans for people living in small township from 2024
- (viii) From 2025, fixed 3% (FIX3) housing loans provided under the Home Start Program.

The new state-subsidized FIX3% loans available in 2025 may be accessed by persons eligible for support under the Government Decree for the construction or purchase of a new property, as well as for the purchase of an existing property.

The aim of the Home Start Program is to support young people in acquiring their first residential property through a fixed 3.0% interest-subsidized loan. The maximum amount of the subsidized loan is set at HUF 50 million. The interest subsidy rate is determined as a percentage of the government securities yield and may be granted for a period of up to 25 years.

Demand for subsidized loans increased significantly in the year under review, supported by the introduction of new subsidized loan products. OTP Mortgage Bank disbursed a total of HUF 653.3 billion in loans in 2025, of which HUF 353.6 billion were subsidized loans. This represents 2.4 times the volume of the previous year. At the end of the year, the Mortgage Bank's portfolio of subsidized loans amounted to HUF 874.5 billion, which is HUF 292.5 billion higher than a year earlier (nominal gross data, including MNB NHP ZOP loans).

OTP MORTGAGE BANK LTD.
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NOTE 20: INTEREST INCOME AND EXPENSES (in HUF million)

	2025	2024
Interest income accounted for using the effective interest rate method from / on		
Loans at amortised cost	97,707	91,041
FVOCI securities	179	386
Placements with other banks	21,949	30,101
Amounts due from banks and balances with National Bank of Hungary	2,120	1,797
Securities at amortised cost	15,893	17,296
Repo receivables	681	477
Interest subsidy on housing loans financed by mortgage bonds	<u>211</u>	<u>649</u>
Subtotal	<u>138,740</u>	<u>141,747</u>
Income similar to interest income		
Loans mandatorily measured at fair value through profit or loss	47,144	38,164
Swap and forward deals related to Placements with other banks	<u>12,334</u>	<u>13,058</u>
Subtotal	<u>59,478</u>	<u>51,222</u>
Interest income total	<u>198,218</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	115,455	97,050
Leasing liabilities	7	11
Liabilities from issued securities	53,862	65,564
Financial liabilities	-	319
Repo liabilities	-	<u>127</u>
Subtotal	<u>169,324</u>	<u>163,071</u>

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NOTE 21: RISK COST (in HUF million)

	2025	2024
Loss allowance of loans at amortised cost		
Loss allowance	(10,566)	(14,643)
Release of loss allowance	<u>10,413</u>	<u>18,616</u>
Total	<u>(153)</u>	<u>3,973</u>
Loss allowance of placements with other banks		
Loss allowance	(1,076)	(1,276)
Release of loss allowance	<u>1,377</u>	<u>1,322</u>
Total	<u>301</u>	<u>46</u>
Loss allowance on FVOCI securities		
Loss allowance	(1)	(18)
Release of loss allowance	<u>61</u>	<u>53</u>
Total	<u>60</u>	<u>35</u>
Loss allowance of securities at amortised cost		
Loss allowance	(50)	(302)
Release of loss allowance	<u>634</u>	<u>1,114</u>
Total	<u>584</u>	<u>812</u>
Provision on loan commitments and financial guarantees		
Loss allowance	(2,053)	(1,663)
Release of loss allowance	<u>1,926</u>	<u>1,795</u>
Total	<u>(127)</u>	<u>132</u>
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss		
Release of loss allowance	<u>(915)</u>	<u>1,302</u>
Total	<u>(915)</u>	<u>1,302</u>
Net loss allowance / (release of loss allowance) total	<u>(250)</u>	<u>6,300</u>

NOTE 22: NET PROFIT FROM FEES AND COMMISSIONS (in HUF million)

	2025	2024
Income from fees and commissions		
Fees and commissions relating to lending	3,105	2,245
Other	<u>504</u>	<u>4,032</u>
Total	<u>3,609</u>	<u>6,277</u>
Expense from fees and commissions		
Fees and commissions relating to issued securities	670	433
Fees and commissions relating to lending	6,819	3,972
Other	<u>2,689</u>	<u>6,445</u>
Total	<u>10,178</u>	<u>10,850</u>
Net loss from fees and commissions	<u>(6,569)</u>	<u>(4,573)</u>

The other fees mainly consist of the cost of services in connection with lending activity and mortgage bond issues, which are not directly attributable to separate issuance, and includes fees related to FVTPL loans, which are settled when incurred.

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NOTE 23: GAINS AND LOSSES (in HUF million)

	2025	2024
Losses arising from derecognition of financial assets measured at amortised cost		
Gain from loans	-	10
Loss from loans	(199)	-
Loss from securities	(55)	(600)
Other	=	(13)
Total	<u>(254)</u>	<u>(603)</u>
	2025	2024
Foreign exchange gains		
Gain from foreign exchange	662	284
Margin gains	3	4
Margin losses	(11)	(10)
Total	<u>654</u>	<u>278</u>
Gain on derivative instruments, net	<u>3,368</u>	<u>155</u>
Gains / (Losses) on financial instruments at fair value through profit or loss		
Gains on loans mandatorily measured at fair value through profit or loss and result on hedge relationships	37,696	19,354
Losses on loans mandatorily measured at fair value through profit or loss and result on hedge relationships	(34,278)	(21,814)
Total	<u>3,418</u>	<u>(2,460)</u>
Gains on sale of investments in subsidiaries	<u>4,511</u>	=
Net gains / (losses) from financial instruments	<u>11,951</u>	<u>(2,027)</u>

For the year ended 31 December 2025 and December 2024 gains and losses attributable to the hedged risk on the hedged item and on the hedging instruments and also ineffectiveness in case of fair value hedge on amortised cost line items as follows

	Hedged items	Hedging instrument	Hedge ineffectiveness
31 December 2025			
Fair value hedge	8,139	(7,973)	(3,850)
31 December 2024			
Fair value hedge	(8,121)	8,414	293

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NOTE 24: OTHER OPERATING INCOME AND EXPENSES AND OTHER ADMINISTRATIVE EXPENSES (in HUF million)

	2025	2024
Other operating income		
Income from closed lawsuits	11	-
Green home program, part of the funding for growth scheme	(32)	(13)
Other	<u>85</u>	<u>150</u>
Total	<u>64</u>	<u>137</u>
Other operating expenses		
Provisions for future liabilities	(21)	17
Non-repayable assets contributed	(1)	(2)
Other	<u>(14)</u>	<u>(22)</u>
Total	<u>(36)</u>	<u>(7)</u>
Other administrative expenses:		
Personnel expenses:		
Wages	(867)	(1,318)
Taxes related to personnel expenses	(112)	(189)
Other personnel expenses	<u>(100)</u>	<u>(206)</u>
Total	<u>(1,079)</u>	<u>(1,713)</u>
Depreciation and amortization	<u>(222)</u>	<u>(261)</u>
Other administrative expenses:		
<i>Bank tax</i>	(3,974)	(3,879)
<i>Credit institution's extra profit tax</i>	(1,122)	-
<i>Other taxes</i>	=	<u>(1)</u>
Total taxes, other than income	<u>(5,096)</u>	<u>(3,880)</u>
Services	(443)	(655)
Professional fees	(903)	(1,081)
Rental fees	(21)	(155)
Material type expenses	(6)	(30)
Advertising	-	(135)
Other	=	<u>(14)</u>
Total	<u>(6,469)</u>	<u>(5,950)</u>

The table below contains the detailing of the fees for audit services, which is presented in professional fees line item.

	2025	2024
Annual audit without VAT	44.17	64.60
Non-audit service without VAT	0.58	11.07
Services providing assurance without VAT	<u>148.38</u>	=
Total	<u>193.13</u>	<u>75.67</u>

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NOTE 25: COMPENSATION OF KEY MANAGEMENT PERSONNEL (in HUF million)

	2025	2024
Key executives		
part of salaries	87	118
part of premiums	10	21
part of other personnel expenses	<u>6</u>	<u>10</u>
Total	<u>103</u>	<u>149</u>

The remunerations of key management personnel include only short-term benefits.

NOTE 26: INCOME TAX (in HUF million)

The Group is presently liable for income tax at a rate of 9% of taxable income, local business tax at a rate of 2% of taxable revenue, innovation contribute at a rate of 0.3% of taxable revenue.

A reconciliation of the total income tax charge for the years ended 31 December 2025 and 2024 is as follows:

	2025	2024
Current tax charge	2,394	2,181
Deferred tax (benefit)	<u>(8)</u>	<u>(31)</u>
Total income tax charge	<u>2,386</u>	<u>2,150</u>

A reconciliation of the deferred tax assets as at 31 December 2025 and 2024 is as follows:

	2025	2024
Balance as at January 1	20	269
Recognized in other comprehensive income tax as tax benefit	88	(280)
Deferred tax benefit	<u>8</u>	<u>31</u>
Balance as at December 31	<u>116</u>	<u>20</u>

A reconciliation of deferred tax assets and liabilities as at 31 December 2025 and 2024 is as follows:

	2025	2024
Fair value adjustment for at fair value through other comprehensive income final assets	(118)	(206)
Provision for untaken leave	1	1
Amortised cost of loans	239	230
Difference in depreciation and amortization	<u>(6)</u>	<u>(5)</u>
Deferred tax assets	<u>116</u>	<u>20</u>

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NOTE 26: INCOME TAX (in HUF million) [continued]

A reconciliation of the effective tax rate as at 31 December 2025 and 2024 is as follows:

	2025	2024
Profit before income tax	18,990	13,217
Consolidation adjustment	-	(383)
Income tax at statutory tax rate (9%)	1,709	1,155
<i>Income tax adjustments due to permanent differences are as follows:</i>		
Use of tax	(20)	(23)
Difference in depreciation and amortization	-	(2)
Gains on sale of investments in subsidiaries	(406)	-
Business tax and innovation contribution	1,143	1,046
Other	<u>(40)</u>	<u>(26)</u>
Income tax	<u>2,386</u>	<u>2,150</u>
<i>Effective tax-rate</i>	<i>12.56%</i>	<i>16.27%</i>

Global minimum tax

The global minimum tax legislation has been enacted in certain jurisdictions the OTP Group operates in, generally in the EU Member States. The OTP Group is in scope of the enacted global minimum tax legislation. The legislation has been in effect for the Group's financial year beginning 1 January 2024 and introduced a minimum rate of effective taxation of 15%. The global minimum tax legislation has been adopted in Hungary in Act No. LXXXIV of 2023 on the top-up taxes ensuring a global minimum level of taxation and the amendment of related acts.

From an accounting perspective, it is unclear if the global minimum rules create additional temporary differences, whether to remeasure deferred taxes for the global minimum tax rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, IAS 12 'Income taxes' has been amended to introduce a mandatory temporary exception to the requirements of IAS 12. Under the mandatory temporary exception, a company does not recognise or disclose information about deferred tax assets and liabilities related to the global minimum tax rules. The Group applied the temporary exception for the year ended 31 December 2025.

The Hungarian global minimum tax legislation provides for various options as to who is obliged to pay the Hungarian top-up tax (i.e., the Hungarian Group entities based on certain allocation ratios or a select group entity). OTP Group chose the option where OTP Bank Plc pays the Hungarian top-up tax. Therefore, even if top-up tax obligation arises with respect to Hungary, such top-up tax is payable by OTP Bank Plc. and not the OTP Mortgage Bank.

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NOTE 27: LEASE (in HUF million)

The Bank as a lessee:

The average weighted amount of the implicit interest rate/incremental borrowing rate applied to recognise the lease liabilities was 5.3%, and 5.67% in 2025 and 2024.

Amounts recognised in profit and loss	2025	2024
Interest expense on lease liabilities	7	11
Expense relating to short-term leases	8	154
Leasing liabilities by maturities:		
Within one year	48	73
Over one year	<u>52</u>	<u>103</u>
Total	<u>100</u>	<u>176</u>

An analysis of movement in the carrying amount of right-of-use assets by category is as follows:

	2025	2024
Balance as at 1 January	421	292
Additions due to new contracts	-	7
Change due to revaluation and modification	7	122
Deconsolidation	<u>(176)</u>	-
Closing balance	<u>252</u>	<u>421</u>
Depreciation		
Balance as at 1 January	257	111
Depreciation charge	53	90
Change due to revaluation and modification	-	56
Deconsolidation	<u>(154)</u>	-
Closing balance	<u>156</u>	<u>257</u>
Net carrying amount	<u>96</u>	<u>164</u>

NOTE 28: EARNINGS PER SHARE

Earnings per share attributable to ordinary shares are determined by dividing Net profit for the year by the weighted average number of ordinary shares outstanding during the period. The Group has no preference shares and no options or other rights related to shares. There are no dilutions.

	2025	2024
Net income after taxes (in million HUF)	16,604	10,683
Weighted average number of ordinary shares outstanding during the year for calculating basic EPS (piece)	<u>820,000</u>	<u>820,000</u>
Earnings per share (in HUF)	<u>20,249</u>	<u>13,028</u>

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments may result in certain risks to the Group. The most significant risks the Group faces include²:

29.1. Credit risk

The Group takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical areas and loan types. Such risks are monitored on a periodical basis and subject to an annual or more frequent review. The exposure to any borrower including banks and brokers is further restricted by sublimit covering on- and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is partly managed obtaining collateral, corporate and personal guarantees.

29.1.1. Analysis by loan types

Defining the expected credit loss on individual and collective basis

On individual basis:

The following non-retail, micro- and small enterprise exposures fall under the individual assessment:

- exposure in stage 3,
- exposure in workout management
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above

The calculation of impairment must be prepared and approved by the risk management functional areas. The calculation, all relevant factors (amortised cost, original and current EIR, contracted and expected cash flows (from business and/or collateral) for the individual periods of the entire lifecycle, other essential information enforced during the valuation) and the criteria thereof (including the factors underlying the classification as stage 3) must be documented individually.

The expected credit loss of the exposure equals the difference of the receivable's AC (gross book value) on the valuation date and the present value of the receivable's expected cash flows discounted to the valuation date by the exposure's original effective interest rate (EIR) (calculated at the initial recognition, or in the case of variable rate, recalculated due to the last interest rate change). The estimation of the expected future cash flows should be forward looking, it must also take into account the effects of the possible change of macroeconomic outlook.

At least two scenarios must be used for the estimation of the expected cash flow. At least one scenarios should anticipate the possible difference between the realised cash flows and the contractual cash flows. Probability weights must be allocated to the individual scenarios. The estimation must reflect the probability of the occurrence and non-occurrence of the credit loss, even if the most probable result is the non-occurrence of the loss.

The net carrying amount of financial assets are considered as maximum exposure to credit risk.

² The management of liquidity risk related to financial instruments are shown in Note 35.

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

On a collective valuation basis:

The following exposures are subject to collective assessment:

- retail exposure irrespective of the amount,
- micro and small enterprise exposures irrespective of the amount,
- all other exposures which are insignificant on a stand-alone basis and not part of the workout management,
- exposure which are not in stage 3, and are significant on a stand-alone basis,
- purchased or originated credit-impaired instruments which are in accordance with the conditions mentioned above.

In the collective impairment methodology credit risk and the change of credit risk can be correctly captured by understanding the risk characteristics of the portfolio. In order to achieve these the main risk drivers shall be identified and used to form homogeneous segments having similar risk characteristics. The segmentation is expected to stay stable from month to month however a regular (at least yearly) revision of the segmentation process should be set up to capture the change of risk characteristics. The segmentation must be performed separately for each parameter, since in each case different factors may have relevance.

The Group's Headquarters Group Reserve Committee stipulates the guidelines related to the collective impairment methodology at group level. In addition, it has right of agreement in respect of the risk parameters (PD -probability of default, LGD - loss given default, EAD – exposure at default) and segmentation criteria proposed by the group members.

The review of the parameters must be performed at least annually and the results should be approved by the Group Reserve Committee. Local Risk Managements are responsible for parameter estimations and updates, macroeconomic scenarios are calculated by OTP Bank Headquarters for each subsidiary and each parameter. Based on the consensus proposal of Local Risk Management and OTP Bank Headquarters, the Group Reserve Committee decides on the modification of parameters (all parameters for impairment calculation).

The impairment parameters should be backtested at least annually.

The expected loss calculation should be forward looking, including forecasts of future economic conditions. This may be achieved by applying 3-5 different macroeconomic scenarios, which may be integrated in the PD, LGD and EAD parameters.

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

Gross carrying amount and accumulated impairment of financial assets at amortised cost by IFRS 9 stages as at 31 December 2025:

	Carrying amount	Gross carrying amount				POCI	Total	Loss allowance				Total
		Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3	POCI	
Cash amount due from banks and balances with the National Bank of Hungary	166	166	-	-	-	166	-	-	-	-	-	
Placements with other banks	366,863	367,032	-	-	-	367,032	169	-	-	-	169	
Mortgage loans	1,453,413	1,351,494	94,862	13,631	478	1,460,465	1,605	2,606	2,835	6	7,052	
Corporate loans	1,136	763	334	150	-	1,247	6	23	82	-	111	
Loans at amortised cost	1,454,549	1,352,257	95,196	13,781	478	1,461,712	1,611	2,629	2,917	6	7,163	
Securities at amortised cost	178,199	178,698	-	-	-	178,698	499	-	-	-	499	
Other financial assets ³	36	17	9	16	=	42	=	1	5	=	6	
Financial assets total	<u>1,999,813</u>	<u>1,898,170</u>	<u>95,205</u>	<u>13,797</u>	<u>478</u>	<u>2,007,650</u>	<u>2,279</u>	<u>2,630</u>	<u>2,922</u>	<u>6</u>	<u>7,837</u>	
Off balance sheet items	101,202	100,818	657	136	-	101,611	369	22	18	-	409	

³ Of the total amount of HUF 2,848 million of other financial assets, the table does not include HUF 2,812 million of other financial assets, where the impairment is determined using the simplified approach. The financial assets measured using the simplified approach are presented in note 12.

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

Gross carrying amount and accumulated impairment of financial assets at amortised cost by IFRS 9 stages as at 31 December 2024:

	Carrying amount	Gross carrying amount				POCI	Total	Loss allowance				POCI	Total
		Stage 1	Stage 2	Stage 3				Stage 1	Stage 2	Stage 3			
Cash amount due from banks and balances with the National Bank of Hungary	21,389	21,421	-	-	-	21,421	32	-	-	-	-	32	
Placements with other banks	380,764	381,202	-	-	-	381,202	438	-	-	-	-	438	
<i>Mortgage loans</i>	1,333,451	1,224,351	103,429	12,387	536	1,340,703	1,886	2,728	2,629	9	7,252		
<i>Corporate loans</i>	1,443	759	644	191	-	1,594	5	87	59	-	151		
Loans at amortised cost	1,334,894	1,225,110	104,073	12,578	536	1,342,297	1,891	2,815	2,688	9	7,403		
FVOCI securities	15,435	15,435	-	-	-	15,435	55	-	-	-	55		
Securities at amortised cost	275,991	277,074	-	-	-	277,074	1,083	-	-	-	1,083		
Other financial assets ⁴	<u>32</u>	<u>18</u>	<u>9</u>	<u>8</u>	-	<u>35</u>	-	<u>1</u>	<u>2</u>	-	<u>3</u>		
Financial assets total	<u>2,028,505</u>	<u>1,920,260</u>	<u>104,082</u>	<u>12,586</u>	<u>536</u>	<u>2,037,464</u>	<u>3,499</u>	<u>2,816</u>	<u>2,690</u>	<u>9</u>	<u>9,014</u>		
Off balance sheet items	69,324	66,403	3,075	128	-	69,606	196	66	20	-	282		

⁴ Of the total amount of HUF 2,759 million of other financial assets, the table does not include HUF 2,727 million of other financial assets, where the impairment is determined using the simplified approach. The financial assets measured using the simplified approach are presented in note 12.

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

Changes in the Gross carrying amount of Loans at amortised cost by IFRS 9 stages

31 December 2025	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January 2025 IFRS 9	1,225,110	104,073	12,578	536	1,342,297
Transfer to Stage 1	48,176	(47,487)	(689)	-	-
Transfer to Stage 2	(49,516)	51,344	(1,828)	-	-
Transfer to Stage 3	(3,293)	(4,277)	7,570	-	-
New financial assets originated or purchased	285,603	6,250	432	1	292,286
Increase in opening balance	88,050	8,351	1,535	68	98,004
Financial assets derecognised (other than write-offs)	(238,354)	(22,218)	(5,621)	(127)	(266,320)
Changes due to modifications without derecognition (net)	<u>(3,519)</u>	<u>(840)</u>	<u>(196)</u>	-	<u>(4,555)</u>
Gross carrying amount as at 31 December 2025	<u>1,352,257</u>	<u>95,196</u>	<u>13,781</u>	<u>478</u>	<u>1,461,712</u>
31 December 2024	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount as at 1 January 2024 IFRS 9	1,070,312	123,882	17,516	590	1,212,300
Transfer to Stage 1	64,625	(63,341)	(1,284)	-	-
Transfer to Stage 2	(51,047)	54,540	(3,493)	-	-
Transfer to Stage 3	(2,101)	(2,771)	4,872	-	-
New financial assets originated or purchased	270,898	6,560	186	2	277,646
Increase in opening balance	79,465	9,962	1,489	80	90,996
Financial assets derecognised (other than write-offs)	(200,055)	(23,638)	(6,442)	(136)	(230,271)
Changes due to modifications without derecognition (net)	(6,983)	(1,119)	(266)	-	(8,368)
Write-offs	(4)	(2)	-	-	(6)
Gross carrying amount as at 31 December 2024	<u>1,225,110</u>	<u>104,073</u>	<u>12,578</u>	<u>536</u>	<u>1,342,297</u>

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

Changes in the Gross carrying amount of financial Placements with other banks by IFRS 9 stages⁵

31 December 2025	Stage 1	Total
Gross carrying amount as at 1 January 2025 IFRS 9	381,202	381,202
New financial assets originated or purchased	388,981	388,981
Financial assets derecognised (other than write-offs)	<u>(403,151)</u>	<u>(403,151)</u>
Gross carrying amount as at 31 December 2025	<u>367,032</u>	<u>367,032</u>

31 December 2024	Stage 1	Total
Gross carrying amount as at 1 January 2024 IFRS 9	372,026	372,026
New financial assets originated or purchased	119,035	119,035
Financial assets derecognised (other than write-offs)	<u>(109,859)</u>	<u>(109,859)</u>
Gross carrying amount as at 31 December 2024	<u>381,202</u>	<u>381,202</u>

Changes in the Gross carrying amount of financial assets at fair value through other comprehensive income by IFRS 9 stages⁵

31 December 2025	Stage 1	Total
Gross carrying amount as at 1 January 2025 IFRS 9	15,435	15,435
New financial assets originated or purchased	179	179
Financial assets derecognised (other than write-offs)	<u>(15,614)</u>	<u>(15,614)</u>
Gross carrying amount as at 31 December 2025	=	=

31 December 2024	Stage 1	Total
Gross carrying amount as at 1 January 2024 IFRS 9	15,257	15,257
New financial assets originated or purchased	564	564
Financial assets derecognised (other than write-offs)	<u>(386)</u>	<u>(386)</u>
Gross carrying amount as at 31 December 2024	<u>15,435</u>	<u>15,435</u>

Changes in the Gross carrying amount of Securities at amortised cost by IFRS 9 stages⁵

31 December 2025	Stage 1	Total
Gross carrying amount as at 1 January 2025 IFRS 9	277,074	277,074
New financial assets originated or purchased	22,073	22,073
Financial assets derecognised (other than write-offs)	<u>(120,449)</u>	<u>(120,449)</u>
Gross carrying amount as at 31 December 2025	<u>178,698</u>	<u>178,698</u>

31 December 2024	Stage 1	Total
Gross carrying amount as at 1 January 2024 IFRS 9	303,671	303,671
New financial assets originated or purchased	23,138	23,138
Financial assets derecognised (other than write-offs)	<u>(49,735)</u>	<u>(49,735)</u>
Gross carrying amount as at 31 December 2024	<u>277,074</u>	<u>277,074</u>

⁵ No instruments are in stage 2, 3 or in POCI category

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

Changes in the Gross carrying amount of loan commitments and financial guarantees by IFRS 9 stages

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2025 IFRS 9	66,403	3,075	128	69,606
Transfer to Stage 1	2,585	(2,527)	(58)	-
Transfer to Stage 2	(2,435)	2,438	(3)	-
Transfer to Stage 3	(202)	(10)	212	-
New loan commitments and financial guarantees issued	85,235	93	15	85,343
Loan commitments and financial guarantees derecognised (other than write-offs)	<u>(50,768)</u>	<u>(2,412)</u>	<u>(158)</u>	<u>(53,338)</u>
Gross carrying amount as at 31 December 2025	<u>100,818</u>	<u>657</u>	<u>136</u>	<u>101,611</u>

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at 1 January 2024 IFRS 9	59,044	3,918	108	63,070
Transfer to Stage 1	2,328	(2,315)	(13)	-
Transfer to Stage 2	(3,020)	3,033	(13)	-
Transfer to Stage 3	(50)	(85)	135	-
New loan commitments and financial guarantees issued	52,587	1,290	44	53,921
Loan commitments and financial guarantees derecognised (other than write-offs)	<u>(44,486)</u>	<u>(2,766)</u>	<u>(133)</u>	<u>(47,385)</u>
Gross carrying amount as at 31 December 2024	<u>66,403</u>	<u>3,075</u>	<u>128</u>	<u>69,606</u>

Changes in the Loss allowance of Loans at amortised cost by IFRS 9 stages

31 December 2025	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January 2025 IFRS 9	1,891	2,815	2,688	9	7,403
Transfer to Stage 1	1,147	(1,026)	(121)	-	-
Transfer to Stage 2	(104)	393	(289)	-	-
Transfer to Stage 3	(12)	(371)	383	-	-
Net remeasurement of loss allowance	(1,616)	890	1,020	(3)	291
New financial assets originated or purchased	419	198	105	-	722
Financial assets derecognised (other than write-offs)	<u>(114)</u>	<u>(270)</u>	<u>(869)</u>	-	<u>(1,253)</u>
Loss allowance as at 31 December 2025	<u>1,611</u>	<u>2,629</u>	<u>2,917</u>	<u>6</u>	<u>7,163</u>

31 December 2024	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance as at 1 January 2024 IFRS 9	2,849	5,093	4,082	27	12,051
Transfer to Stage 1	2,504	(2,319)	(185)	-	-
Transfer to Stage 2	(178)	797	(619)	-	-
Transfer to Stage 3	(14)	(225)	239	-	-
Net remeasurement of loss allowance	(3,621)	(279)	296	(17)	(3,621)
New financial assets originated or purchased	522	178	42	-	742
Financial assets derecognised (other than write-offs)	<u>(171)</u>	<u>(430)</u>	<u>(1,167)</u>	<u>(1)</u>	<u>(1,769)</u>
Loss allowance as at 31 December 2024	<u>1,891</u>	<u>2,815</u>	<u>2,688</u>	<u>9</u>	<u>7,403</u>

OTP MORTGAGE BANK LTD.
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FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

In the current year, all loans were originated in stage 1, however, in the table above, the loans that were disbursed in the current year, but by the end of the year are already in stage 2 or 3, are shown as impairment losses originated in stage 2 and 3.

Changes in the Loss allowance of Placements with other banks by IFRS 9 stages⁶

31 December 2025	Stage 1	Total
Loss allowance as at 1 January 2025	438	438
Net remeasurement of loss allowance	-	-
New financial assets originated or purchased	169	169
Financial assets derecognised (other than write-offs)	<u>(438)</u>	<u>(438)</u>
Loss allowance as at 31 December 2025	<u>169</u>	<u>169</u>
31 December 2024	Stage 1	Total
Loss allowance as at 1 January 2024	470	470
Net remeasurement of loss allowance	(10)	(10)
New financial assets originated or purchased	80	80
Financial assets derecognised (other than write-offs)	<u>(102)</u>	<u>(102)</u>
Loss allowance as at 31 December 2024	<u>438</u>	<u>438</u>

Changes in the Loss allowance of financial assets at fair value through other comprehensive income by IFRS 9 stages⁶

31 December 2025	Stage 1	Total
Loss allowance as at 1 January 2025	55	55
Net remeasurement of loss allowance	5	5
Deferred tax related to the loss allowance	<u>(60)</u>	<u>(60)</u>
Loss allowance as at 31 December 2025	≡	≡
31 December 2024	Stage 1	Total
Loss allowance as at 1 January 2024	95	95
Net remeasurement of loss allowance	(35)	(35)
Deferred tax related to the loss allowance	<u>(5)</u>	<u>(5)</u>
Loss allowance as at 31 December 2024	<u>55</u>	<u>55</u>

Changes in the Loss allowance of Securities at amortised cost by IFRS 9 stages⁶

31 December 2025	Stage 1	Total
Loss allowance as at 1 January 2025	1,083	1,083
Net remeasurement of loss allowance	(175)	(175)
Financial assets derecognised (other than write-offs)	<u>(409)</u>	<u>(409)</u>
Loss allowance as at 31 December 2025	<u>499</u>	<u>499</u>
31 December 2024	Stage 1	Total
Loss allowance as at 1 January 2024	1,895	1,895
Net remeasurement of loss allowance	(610)	(610)
Financial assets derecognised (other than write-offs)	<u>(202)</u>	<u>(202)</u>
Loss allowance as at 31 December 2024	<u>1,083</u>	<u>1,083</u>

⁶ No instruments are in stage 2, 3 or in POCI category

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

Changes in the Loss allowance of loan commitments and financial guarantees by IFRS 9 stages

31 December 2025	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2025	196	66	20	282
Transfer from Stage 1 to Stage 2	57	(53)	(4)	-
Transfer from Stage 1 to Stage 3	(9)	10	(1)	-
Transfer from Stage 2 to Stage 1	(1)	-	1	-
Net remeasurement of loss allowance	(213)	4	5	(204)
New loan commitments and financial guarantees issued	352	3	1	356
Loan commitments and financial guarantees derecognised (other than write-offs)	<u>(13)</u>	<u>(8)</u>	<u>(4)</u>	<u>(25)</u>
Loss allowance as at 31 December 2025	<u>369</u>	<u>22</u>	<u>18</u>	<u>409</u>

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Loss allowance as at 1 January 2024	224	167	22	413
Transfer from Stage 1 to Stage 2	98	(96)	(2)	-
Transfer from Stage 1 to Stage 3	(14)	16	(2)	-
Transfer from Stage 2 to Stage 1	-	(7)	7	-
Net remeasurement of loss allowance	(274)	(28)	1	(301)
New loan commitments and financial guarantees issued	176	26	3	205
Loan commitments and financial guarantees derecognised (other than write-offs)	<u>(14)</u>	<u>(12)</u>	<u>(9)</u>	<u>(35)</u>
Loss allowance as at 31 December 2024	<u>196</u>	<u>66</u>	<u>20</u>	<u>282</u>

Loan portfolio by internal ratings

31 December 2025	Gross carrying amount				Total
Internal rating grade	Stage1	Stage2	Stage3	POCI	Total
Low grade (1-4)	1,225,862	12,688	-	214	1,238,764
Medium grade (5-7)	114,113	58,237	-	168	172,518
High grade (8-9)	12,282	24,271	-	61	36,614
Non performing	=	=	<u>13,781</u>	35	<u>13,816</u>
Total loans at amortised cost	<u>1,352,257</u>	<u>95,196</u>	<u>13,781</u>	<u>478</u>	<u>1,461,712</u>

31 December 2025	Accumulated loss allowance				Total
Internal rating grade	Stage1	Stage2	Stage3	POCI	Total
Low grade (1-4)	1,177	325	-	1	1,503
Medium grade (5-7)	328	1,351	-	2	1,681
High grade (8-9)	106	953	-	1	1,060
Non performing	=	=	<u>2,917</u>	<u>2</u>	<u>2,919</u>
Total loans at amortised cost	<u>1,611</u>	<u>2,629</u>	<u>2,917</u>	<u>6</u>	<u>7,163</u>

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.1. Credit risk [continued]

29.1.1. Analysis by loan types [continued]

Loan portfolio by internal ratings

31 December 2024 Internal rating grade	Gross carrying amount				POCI	Total
	Stage1	Stage2	Stage3			
Low grade (1-4)	1,098,260	19,866	-		245	1,118,371
Medium grade (5-7)	119,108	60,428	-		179	179,715
High grade (8-9)	7,743	23,779	-		48	31,570
Non performing	=	=	12,578		64	12,642
Total loans at amortised cost	<u>1,225,110</u>	<u>104,073</u>	<u>12,578</u>		<u>536</u>	<u>1,342,297</u>

31 December 2024 Internal rating grade	Accumulated loss allowance				POCI	Total
	Stage1	Stage2	Stage3			
Low grade (1-4)	1,355	482	-		2	1,839
Medium grade (5-7)	472	1,419	-		2	1,893
High grade (8-9)	64	914	-		1	979
Non performing	=	=	2,688		4	2,692
Total loans at amortised cost	<u>1,891</u>	<u>2,815</u>	<u>2,688</u>		<u>9</u>	<u>7,403</u>

Loan portfolio classification by economic activities

Gross loans at amortised cost by economic activities	2025	2024
Retail	1,460,468	1,340,703
Agriculture, forestry and fishing	1,085	1,580
Other services	159	14
Total gross loans	<u>1,461,712</u>	<u>1,342,297</u>

Loss allowance on loans at amortised cost by economic activities	2025	2024
Retail	(7,051)	(7,253)
Agriculture, forestry and fishing	(91)	(148)
Other services	(21)	(2)
Total loss allowance on loans	<u>(7,163)</u>	<u>(7,403)</u>

Collateral

The collateral value held by the Bank by types is as follows (**total collateral at fair value**). The collateral cover loans as well as off-balance sheet exposures.

Types of collateral	2025	2024
Government guarantees	9,212	11,923
Deposit, securities	7,913	22,494
Mortgage	<u>8,356,422</u>	<u>7,698,541</u>
Total	<u>8,373,547</u>	<u>7,732,958</u>

The collateral value held by the Bank by types is as follows (**to the extent of the exposures**). The collateral cover loans as well as off-balance sheet exposures.

Types of collateral	2025	2024
Government guarantees	9,179	11,878
Deposit, securities	7,913	18,739
Mortgage	<u>2,403,108</u>	<u>1,946,354</u>
Total	<u>2,420,200</u>	<u>1,976,971</u>

OTP MORTGAGE BANK LTD.
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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

Fair value of collaterals held, received (maximum exposure)

31 December 2025	Maximum exposure to credit risk	Fair value collateral					Total collateral	Net exposure	% of exposure subject to collateral requirements	Associated to ECL
		Securities	Guarantee	Property	Surplus collateral					
Cash amount due from banks and balances with the National Bank of Hungary	166	-	-	-	-	-	166	0%	-	
Placements with other banks	366.863	7.913	-	-	-	7.913	358.950	2%	169	
<i>Mortgage loans</i>	<i>1.453.413</i>	-	<i>7.975</i>	<i>5.282.644</i>	<i>(3.827.200)</i>	<i>1.463.419</i>	-	<i>101%</i>	<i>7.052</i>	
<i>Corporate loans</i>	<i>1.136</i>	-	-	<i>11.560</i>	<i>(10.436)</i>	<i>1.124</i>	<i>12</i>	<i>99%</i>	<i>111</i>	
Loans at amortised cost	1.454.549	-	7.975	5.294.204	(3.837.636)	1.464.543	12	101%	7.163	
Securities at amortised cost	178.199	-	-	-	-	-	178.199	0%	499	
Total financial assets at amortised cost	1.999.777	7.913	7.975	5.294.204	(3.837.636)	1.472.456	537.327	74%	7.831	
Derivative financial instruments	2.869	-	-	-	-	-	2.869	0%	-	
Loans mandatorily measured at fair value through profit or loss	856.851	-	1.237	2.886.939	(2.023.765)	864.411	-	101%	-	
Total financial instruments at fair value through profit or loss	859.720	-	1.237	2.886.939	(2.023.765)	864.411	2.869	101%	-	
Loan commitments	101.202	-	-	175.279	(91.946)	83.333	17.869	82%	409	
Total off balance sheet items	101.202	-	-	175.279	(91.946)	83.333	17.869	82%	409	

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

Fair value of collaterals held, received (maximum exposure) [continued]

31 December 2024	Maximum exposure to credit risk	Fair value collateral					Net exposure	% of exposure subject to collateral requirements	Associated to ECL
		Securities	Guarantee	Property	Surplus collateral	Total collateral			
Cash amount due from banks and balances with the National Bank of Hungary	21,389	-	-	-	-	-	21,389	0%	32
Placements with other banks	380,764	22,494	-	-	(10,287)	12,207	368,557	3%	438
<i>Mortgage loans</i>	1,333,451	-	10,261	5,130,497	(3,807,957)	1,332,801	650	100%	7,252
<i>Corporate loans</i>	1,443	-	-	12,763	(11,329)	1,434	9	99%	151
Loans at amortised cost	1,334,894	-	10,261	5,143,260	(3,819,286)	1,334,235	659	100%	7,403
Securities at amortised cost	275,991	-	-	-	-	-	275,991	0%	1,083
Total financial assets at amortised cost	2,013,038	22,494	10,261	5,143,260	(3,829,573)	1,346,442	666,596	67%	8,956
Derivative financial instruments	25,893	-	-	-	-	-	25,893	0%	-
Loans mandatorily measured at fair value through profit or loss	558,803	-	1,662	2,431,612	(1,874,546)	558,728	75	100%	-
Total financial instruments at fair value through profit or loss	584,696	-	1,662	2,431,612	(1,874,546)	558,728	25,968	96%	-
FVOCI securities	15,435	-	-	-	-	-	15,435	0%	55
Total debt instruments at fair value through OCI	15,435	-	-	-	-	-	15,435	0%	55
Loan commitments	69,324	-	-	123,669	(75,880)	47,789	21,535	69%	282
Total off balance sheet items	69,324	-	-	123,669	(75,880)	47,789	21,535	69%	282

The Group had no income from the enforcement of collateral in 2025 and 2024.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

The collateral value (**total collateral value**) held by the Bank related to non-performing loan portfolio

The collateral value of non-performing loans at amortised cost

	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
31 December 2025				
Mortgage loans	14,109	(2,841)	11,268	35,112
Corporate loans	<u>150</u>	<u>(82)</u>	<u>68</u>	<u>421</u>
Total	<u>14,259</u>	<u>(2,923)</u>	<u>11,336</u>	<u>35,533</u>

The collateral value of loans mandatorily measured at fair value through profit or loss

	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
31 December 2025				
Mortgage loans	<u>4,646</u>	<u>(885)</u>	<u>3,761</u>	<u>9,023</u>
Total	<u>4,646</u>	<u>(885)</u>	<u>3,761</u>	<u>9,023</u>

The collateral value of non-performing loans at amortised cost

	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
31 December 2024				
Mortgage loans	12,923	(2,638)	10,285	48,095
Corporate loans	<u>191</u>	<u>(59)</u>	<u>132</u>	<u>758</u>
Total	<u>13,114</u>	<u>(2,697)</u>	<u>10,417</u>	<u>48,853</u>

The collateral value of loans mandatorily measured at fair value through profit or loss

	Gross carrying amount	Loss allowance	Carrying amount	Collateral value
31 December 2024				
Mortgage loans	<u>3,460</u>	<u>(674)</u>	<u>2,786</u>	<u>10,150</u>
Total	<u>3,460</u>	<u>(674)</u>	<u>2,786</u>	<u>10,150</u>

Offsetting

Derivatives:

The Group does not have any derivative for trading purposes. All derivative transactions are designated in hedge relationship. Derivative transactions are concluded with the parent of the Group or the NBH and this is why based on the Group risk management policies master netting agreements and margin deposits are not applied.

Repo transactions:

The Group had no open repo deals as at 31 December 2025 and 2024 respectively.

Other balance sheet positions potentially subject to netting arrangements:

The Group does not have netting arrangements as at 31 December 2025 and 2024 respectively.

Collaterals:

The Group's activity is to disburse mortgage loans to its customers. In accordance with the respective act governing the operation of the Group and in accordance with the respective internal risk management policies such mortgage loan exposures are collateralized.

The Group finances its activity by way of issuing mortgage-backed securities (in accordance with the respective act). Such issued bonds are backed by the performing mortgage portfolio.

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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

Restructured loans

	2025		2024	
	Gross portfolio	Allowance	Gross portfolio	Allowance
Retail loans	3,641	(271)	4,664	(323)
Corporate loans	43	(2)	161	(7)
SME loans	<u>16</u>	<u>(2)</u>	<u>191</u>	<u>(55)</u>
Total	<u>3,700</u>	<u>(275)</u>	<u>5,016</u>	<u>(385)</u>

The forbore definition used by the Group is based on EU 2015/227 regulation. Restructuring (forbearance) is a modification of the contract – initiated by either the client or the bank – that provides a concession or allowance towards the client in respect to the client’s current or future financial difficulties. The table of restructured loans contains exposures classified as performing forbore. An exposure is considered performing forbore if the conditions of the non-performing status are not met at the time of the restructuring, or the exposure fulfilled the requirements of the minimum one-year cure period as non-performing forbore.

Securities at amortised cost as at 31 December 2025

	Baa2	
Hungarian government bonds	<u>178,199</u>	<u>100.00%</u>
Total	<u>178,199</u>	<u>100.00%</u>

Securities at fair value through other comprehensive income as at 31 December 2024

	Baa2	
Hungarian government bonds	<u>15,435</u>	<u>100.00%</u>
Total	<u>15,435</u>	<u>100.00%</u>

Securities at amortised cost as at 31 December 2024

	Baa2	
Hungarian government bonds	<u>275,991</u>	<u>100.00%</u>
Total	<u>275,991</u>	<u>100.00%</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.2. Market risk

Market risks arise from positions taken in securities and other instruments. The Group takes no significant exposure to market risks. Market risks are generally monitored and controlled by the Asset and Liability Management function.

29.2.1. Interest rate sensitivity analysis⁷

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. The analysis was prepared assuming the amount of assets and liabilities outstanding at the balance sheet date was outstanding for the whole year. The analysis were prepared by assuming only the adverse interest rate changes. The main assumptions were as follows:

- Floating-rate assets and liabilities were repriced to the modelled benchmark yields at the repricing dates assuming the unchanged margin compared to the last repricing.
- Fixed-rate assets and liabilities were repriced at the contractual maturity date.
- As for liabilities with discretionary repricing feature by the Bank were assumed to be repriced with two-weeks delay, assuming no change in the margin compared to the last repricing date.
- Deposits with an interest rate lower than 0.3% even at high market rates were assumed to be unchanged for the whole period.
- The sensitivity of interest income to changes in BUBOR is analyzed.

The simulation was prepared by assuming two scenarios:

1. BUBOR decreases gradually by 100 bps over the next year (probable scenario)
2. BUBOR increases gradually by 100 bps over the next year (alternative scenario)

The net interest income in a one-year period beginning with 1 January, 2026 would be increased by HUF 425 million (probable scenario) and decreased by HUF 444 million (alternative scenario) as a result of these simulation.

The effects of the parallel shifts of the yield-curves to the net interest income on a one-year period can be summarized as follows:

Description	Effects to the net interest income in one year period	
	2025	2024
	In HUF million	In HUF million
HUF (0.1%) parallel shift	67	(63)
HUF 0.1% parallel shift	(67)	64

29.2.2. Foreign exchange rate sensitivity analysis

The foreign exchange sensitivity analysis has been determined based on the net open position, taking into account both balance sheet exposure and off-balance sheet exposure. The simulation was made on the assumption, that the price changes happen as a one-off event, and neither does it take into consideration possible balance sheet dynamics, nor the potential increase or decrease of risk costs related to foreign exchange denominated assets.

The total net open position of OTP Mortgage Bank was HUF 371 million long as at 31 December 2025 (compared to HUF 235 million HUF short as at 31 December 2024), which consisted of EUR, JPY and CHF exposure. Since OTP Mortgage Bank has completed the conversion of foreign currency consumer mortgage loans into HUF, from its operation does not arise material FX exposures. The potential loss on current open foreign exchange exposure is marginal compared to the regulatory capital of the Bank.

⁷ Quantitative data on interest rate risk are shown in Note 34

OTP MORTGAGE BANK LTD.
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NOTE 29: FINANCIAL RISK MANAGEMENT (in HUF million) [continued]

29.3. Capital management

The primary objective of the capital management of the Group is to ensure the prudent operation, the entire compliance with the prescriptions of the regulator for a persistent business operation and maximising the shareholder value, accompanied by an optimal financing structure.

The capital management of the Group includes the management and evaluation of the shareholder's equity available for hedging risks, other types of funds to be recorded in the equity and all material risks to be covered by the capital.

The basis of the capital management of the Group in the short turn is the continuous monitoring of its capital position, in the long turn the strategic and the business planning, which includes the monitoring and forecast of the capital position of the Group.

The Group maintains the capital adequacy required by the regulatory bodies and the planned risk taking mainly by means of ensuring and developing its profitability. In case the planned risk level of the Group exceeded its Core and Supplementary capital, the Group ensures the prudent operation by occasional measures including the owner of the Group.

Capital adequacy

The Capital Requirements Directive package (CRDIV/CRR) transposes the global standards on banking regulation (commonly known as the Basel III agreement) into the EU legal framework. The rules are applied from 1 January 2014. They set stronger prudential requirements for institutions, requiring them to keep sufficient capital reserves and liquidity. This framework makes institutions in the EU more solid and strengthens their capacity to adequately manage the risks linked to their activities, and absorb any losses they may incur in doing business.

The Bank has entirely complied with the regulatory capital requirements in 2025 as well as in 2024.

The Bank's capital adequacy calculation is in line with IFRS and based on Basel III as at 31 December 2025 and 2024. The Bank uses the standard method for determining the regulatory capital requirements of the credit risk and market risk while in case of the operational risk the Advanced Measurement Approach (AMA).

Capital adequacy

In HUF million

	2025	2024
Core capital	158,296	147,230
Regulatory capital	<u>158,296</u>	<u>147,230</u>
Credit risk capital requirement	66,106	63,931
Operational risk capital requirement	5,034	3,659
Total required regulatory capital	<u>71,140</u>	<u>67,590</u>
Surplus capital	<u>87,156</u>	<u>79,640</u>
Capital ratio	17.8%	17.4%

The positive components of the Core capital are the following:

Issued capital, Retained earnings of the previous year, Retained earnings, Cumulative Comprehensive Income, Other Reserves

The negative components of the Core capital are the following:

Prudential filter, Intangible assets

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 30: OFF-BALANCE SHEET ITEMS (in HUF million)

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

	2025	2024
Current litigations	799	815
Loan facilities	<u>101,611</u>	<u>69,606</u>
Contingent and future liabilities	<u>102,410</u>	<u>70,421</u>

Legal disputes

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

The Bank believes that the various asserted claims and litigations in which it is involved will not materially affect its financial position, future operating results or cash flows, although no assurance can be given with respect to the ultimate outcome of any such claim or litigation.

Provision due to legal disputes was HUF 20 million and HUF 22 million as at 31 December 2025 and 2024, respectively.

Commitments to extend credit

The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

Undrawn loan commitments are subject to similar credit risk monitoring and credit policies as utilised in the extension of loans. The Management of the Bank believes the market risk associated with guarantees, irrevocable letters of credit and undrawn loan commitments are minimal.

OTP MORTGAGE BANK LTD.
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NOTE 31: SHARE-BASED PAYMENT AND EMPLOYEE BENEFIT (in HUF million)

Previously approved option program required a modification thanks to the introduction of the Bank Group Policy on Payments accepted in resolution of Annual General Meeting regarding to the amendment of CRD III. Directives and Act on Credit Institutions and Financial Enterprises.

Key management personnel affected by the Bank Group Policy receive compensation based on performance assessment generally in the form of cash bonus and equity shares in a ratio of 50-50%. Assignment is based on OTP shares, furthermore performance based payments are deferred in accordance with the rules of Credit Institutions Act.

OTP Bank ensures the share-based payment part for the management personnel of OTP Group members.

The quantity of usable shares for individuals calculated for settlement of share-based payment shall be determined as the ratio of the amount of share-based payment and share price determined by the Supervisory Board of OTP Bank Plc.

The value of the share-based payment at the performance assessment is determined within 10 days by Supervisory Board based on the average of the three previous trade day's middle rate of OTP Bank's equity shares fixed on the Budapest Stock Exchange.

The parameters for the share-based payment relating to ongoing years 2025 for periods of each year as follows:

	The year 2022	The year 2023	The year 2024	The year 2025	Total
Group	2	5	7	25	39

Based on the CRD III directives and the amendment of the Act on Credit Institutions and Financial Enterprises, it was necessary to modify the previous option scheme by introducing the Bank Group Remuneration Policy, which was adopted by a resolution of the OTP Bank's General Meeting.

At the same time, the specific conditions of the share entitlement at a preferential price will be established, with the share entitlement at a preferential price including a maximum discount of HUF 2,000 and the maximum income per share at the time of the share entitlement being HUF 4,000.

NOTE 32: NET FOREIGN CURRENCY POSITION AND FOREIGN CURRENCY RISK (in HUF million)

31 December 2025

	EUR	CHF	JPY	USD	Total
Assets	3,909	5	97	-	4,011
Liabilities	<u>(3,502)</u>	<u>(4)</u>	<u>(84)</u>	<u>(2)</u>	<u>(3,592)</u>
Net position	<u>407</u>	<u>1</u>	<u>13</u>	<u>(2)</u>	<u>419</u>

31 December 2024

	EUR	CHF	JPY	USD	Total
Assets	223,711	7	132	-	223,850
Liabilities	<u>(224,274)</u>	<u>(7)</u>	<u>(138)</u>	<u>(2)</u>	<u>(224,421)</u>
Net position	<u>(563)</u>	<u>≡</u>	<u>(6)</u>	<u>(2)</u>	<u>(571)</u>

Whilst the Group monitors its foreign exchange position for compliance with the regulatory requirements of the NBH and own limit system established in respect of limits on open positions. The measurement of the Group's open foreign currency position involves monitoring the VaR limit on the foreign exchange exposure of the Group.

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NOTE 33: RELATED PARTY TRANSACTIONS (in HUF million)

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

During 2025 the Bank sold its ownership in OTP Ingatlanpont Kft. and OTP Pénzügyi Pont Zrt. to OTP Bank Plc.

Statement of financial position

	2025		2024	
	Parent company	Other related parties	Parent company	Other related parties
Cash, amounts due from banks and balances with the National Bank of Hungary	22	-	21,182	-
Placements with other banks	175,075	-	211,949	-
Other assets	145	354	51	-
Total Assets	<u>175,242</u>	<u>354</u>	<u>233,182</u>	<u>=</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(1,344,750)	-	(1,205,635)	-
Repo liabilities	-	-	-	-
Other liabilities	(9,146)	(255)	(4,946)	(158)
Total Liabilities	<u>(1,353,896)</u>	<u>(255)</u>	<u>(1,210,581)</u>	<u>(158)</u>
Issued securities (nominal value)	(235,457)	(268,828)	(309,098)	(402,327)

Statement of Profit or Loss

	2025		2024	
	Parent company	Other related parties	Parent company	Other related parties
Interest Income	32,099	-	51,532	-
Interest Expense	(110,098)	-	(115,502)	-
Income from fees and commissions	858	98	1,639	111
Expenses from fees and commissions	(5,546)	(701)	(4,657)	-
Income from the sale of investments in subsidiaries	4,511	-	-	-
Other operating (expense) / income	=	(32)	=	109
Total	<u>(78,176)</u>	<u>(635)</u>	<u>(66,988)</u>	<u>220</u>

33.2. 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 5,752 million as at 31 December 2025. These loans were covered by HUF 14,385 million mortgages, which can be categorized into 5 different interest periods:

5 years:	1.70% - 11.02%
10 years:	2.35% - 6.75%
20 years:	2.49% - 4.24%
25 years:	0.00% - 8.44%
30 years:	5.09% - 7.94%

Compensation of key management personnel is shown in Note 25.

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NOTE 34: INTEREST RATE RISK MANAGEMENT

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument, therefore, indicates to what extent it is exposed to interest rate risk.

The majority of the Group 's interest bearing assets and liabilities are structured to match either short-term assets and short-term liabilities, or long-term assets and liabilities with repricing opportunities within one year, or long-term assets and corresponding liabilities where repricing is performed simultaneously.

In addition, the significant spread existing between the different types of interest bearing assets and liabilities enables the Group to benefit from a high level of flexibility in adjusting for its interest rate matching and interest rate risk exposure.

The following table presents the interest repricing dates of the Group. Variable yield assets and liabilities have been reported in accordance with their next repricing date. Fixed income assets and liabilities have been reported in accordance with their maturity.

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NOTE 34: INTEREST RATE RISK MANAGEMENT [continued]

As at 31 December 2025	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Cash, amounts due from banks and balances with the National Banks	150	16	-	-	-	-	-	-	-	-	-	-	150	16	166
fixed interest	-	13	-	-	-	-	-	-	-	-	-	-	-	13	13
variable interest	150	3	-	-	-	-	-	-	-	-	-	-	150	3	153
Placements with other banks	262,867	-	100,106	3,890	-	-	-	-	-	-	-	-	362,973	3,890	366,863
fixed interest	71,080	-	100,106	3,890	-	-	-	-	-	-	-	-	171,186	3,890	175,076
variable interest	191,787	-	-	-	-	-	-	-	-	-	-	-	191,787	-	191,787
Loans at amortised cost	38,789	34	78,554	61	67,111	-	18,202	-	1,251,798	-	-	-	1,454,454	95	1,454,549
fixed interest	30	-	-	-	-	-	7	-	825,135	-	-	-	825,172	-	825,172
variable interest	38,759	34	78,554	61	67,111	-	18,195	-	426,663	-	-	-	629,282	95	629,377
Loans mandatorily measured at fair value through profit or loss	28,760	-	34,605	-	305,681	-	75,078	-	412,736	-	-	-	856,860	-	856,860
variable interest	28,760	-	34,605	-	305,681	-	75,078	-	412,736	-	-	-	856,860	-	856,860
Securities at amortised cost	-	-	-	-	41,617	-	16,887	-	119,695	-	-	-	178,199	-	178,199
fixed interest	-	-	-	-	41,617	-	16,887	-	119,695	-	-	-	178,199	-	178,199
Derivative financial assets designated as hedge accounting relationships	-	-	2,107	-	1,978	-	-	-	(1,216)	-	-	-	2,869	-	2,869
fixed interest	-	-	-	-	-	-	-	-	(1,216)	-	-	-	(1,216)	-	(1,216)
variable interest	-	-	2,107	-	1,978	-	-	-	-	-	-	-	4,085	-	4,085
Other financial assets	-	-	-	-	-	-	-	-	-	-	2,838	10	2,838	10	2,848
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	2,838	10	2,838	10	2,848

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NOTE 34: INTEREST RATE RISK MANAGEMENT [continued]

As at 31 December 2025	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Amounts due to banks, the Hungarian Government, deposit from the National Banks and other banks	4,302	-	17,522	96	176,137	-	239,954	-	997,090	-	-	-	1,435,005	96	1,435,101
fixed interest	2,003	-	3,314	96	162,020	-	239,954	-	997,090	-	-	-	1,404,381	96	1,404,477
variable interest	2,299	-	14,208	-	14,117	-	-	-	-	-	-	-	30,624	-	30,624
Liabilities from issued securities	300,496	-	-	-	-	-	119,855	-	212,989	589,390	-	-	633,340	589,390	1,222,730
fixed interest	-	-	-	-	-	-	119,855	-	212,989	589,390	-	-	332,844	589,390	922,234
variable interest	300,496	-	-	-	-	-	-	-	-	-	-	-	300,496	-	300,496
Derivative financial liabilities designated as hedge accounting relationships	-	-	206,918	(170,353)	-	-	-	-	445,651	(438,666)	-	-	652,569	(609,019)	43,550
fixed interest	-	-	-	-	-	-	-	-	445,651	(438,666)	-	-	445,651	(438,666)	6,985
variable interest	-	-	206,918	(170,353)	-	-	-	-	-	-	-	-	206,918	(170,353)	36,565
Leasing liabilities	-	-	-	-	-	-	-	86	14	-	-	-	14	86	100
fixed interest	-	-	-	-	-	-	-	-	14	-	-	-	14	-	14
variable interest	-	-	-	-	-	-	-	86	-	-	-	-	-	86	86
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	9,484	3,227	9,484	3,227	12,711
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	9,484	3,227	9,484	3,227	12,711
Net position	25,768	50	(9,068)	174,208	240,250	-	(249,642)	(86)	127,269	(150,724)	(6,646)	(3,217)	127,931	20,231	148,162

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NOTE 34: INTEREST RATE RISK MANAGEMENT (in HUF million) [continued]

As at 31 December 2024	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Cash, amounts due from banks and balances with the National Banks	21,338	51	-	-	-	-	-	-	-	-	-	-	21,338	51	21,389
fixed interest	21,117	50	-	-	-	-	-	-	-	-	-	-	21,117	50	21,167
variable interest	221	1	-	-	-	-	-	-	-	-	-	-	221	1	222
Placements with other banks	183,872	-	-	-	-	-	-	-	196,892	-	-	-	380,764	-	380,764
fixed interest	15,057	-	-	-	-	-	-	-	196,892	-	-	-	211,949	-	211,949
variable interest	168,815	-	-	-	-	-	-	-	-	-	-	-	168,815	-	168,815
Financial assets at fair value through other comprehensive income	-	-	-	-	15,435	-	-	-	-	-	-	-	15,435	-	15,435
fixed interest	-	-	-	-	15,435	-	-	-	-	-	-	-	15,435	-	15,435
Loans at amortised cost	49,497	48	96,963	82	50,012	-	32,858	-	1,105,434	-	-	-	1,334,764	130	1,334,894
fixed interest	32	-	-	-	-	-	-	-	598,093	-	-	-	598,125	-	598,125
variable interest	49,465	48	96,963	82	50,012	-	32,858	-	507,341	-	-	-	736,639	130	736,769
Loans mandatorily measured at fair value through profit or loss	14,208	-	16,978	-	204,133	-	84,832	-	238,652	-	-	-	558,803	-	558,803
variable interest	14,208	-	16,978	-	204,133	-	84,832	-	238,652	-	-	-	558,803	-	558,803
Securities at amortised cost	-	-	-	-	104,147	-	39,070	-	132,774	-	-	-	275,991	-	275,991
fixed interest	-	-	-	-	104,147	-	39,070	-	132,774	-	-	-	275,991	-	275,991
Derivative financial assets designated as hedge accounting relationships	-	-	(199,110)	188,299	2,911	-	-	-	(1,564)	35,357	-	-	(197,763)	223,656	25,893
fixed interest	-	-	-	-	-	-	-	-	(1,564)	35,357	-	-	(1,564)	35,357	33,793
variable interest	-	-	(199,110)	188,299	2,911	-	-	-	-	-	-	-	(196,199)	188,299	(7,900)
Other financial assets	-	-	-	-	-	-	-	-	-	-	2,746	13	2,746	13	2,759
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	2,746	13	2,746	13	2,759

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NOTE 34: INTEREST RATE RISK MANAGEMENT (in HUF million) [continued]

As at 31 December 2024	Within 1 month		Over 1 month and Within 3 months		Over 3 months and Within 12 months		Over 1 year and Within 2 years		Over 2 years		Non-interest- bearing		Subtotal		Total
	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	HUF	FX	
Amounts due to banks, the Hungarian Government, deposit from the National Banks and other banks	37,450	-	14,202	153	112,484	-	167,333	-	1,066,004	-	-	-	1,397,473	153	1,397,626
fixed interest	-	-	-	153	98,367	-	167,333	-	1,066,004	-	-	-	1,331,704	153	1,331,857
variable interest	37,450	-	14,202	-	14,117	-	-	-	-	-	-	-	65,769	-	65,769
Liabilities from issued securities	270,263	-	-	-	247,011	-	-	-	331,872	214,864	-	-	849,146	214,864	1,064,010
fixed interest	-	-	-	-	247,011	-	-	-	331,872	214,864	-	-	578,883	214,864	793,747
variable interest	270,263	-	-	-	-	-	-	-	-	-	-	-	270,263	-	270,263
Derivative financial liabilities designated as hedge accounting relationships	863	-	(53,898)	-	(213)	-	-	-	56,129	-	-	-	2,881	-	2,881
fixed interest	-	-	-	-	(213)	-	-	-	56,129	-	-	-	55,916	-	55,916
variable interest	863	-	(53,898)	-	-	-	-	-	-	-	-	-	(53,035)	-	(53,035)
Leasing liabilities	2	7	1	15	4	43	6	44	8	46	-	-	21	155	176
fixed interest	1	-	1	-	4	-	6	-	8	-	-	-	20	-	20
variable interest	1	7	-	15	-	43	-	44	-	46	-	-	1	155	156
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	5,249	3,007	5,249	3,007	8,256
non-interest-bearing	-	-	-	-	-	-	-	-	-	-	5,249	3,007	5,249	3,007	8,256
Net position	(39,663)	92	(45,474)	188,213	17,352	(43)	(10,579)	(44)	218,175	(179,553)	(2,503)	(2,994)	137,308	5,671	142,979

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NOTE 35: MATURITY ANALYSIS OF ASSETS AND LIABILITIES AND LIQUIDITY RISK (in HUF million)

Liquidity risk is a measure of the extent to which the Group may be required to raise funds to meet its commitments associated with financial instruments. The Group maintains its liquidity profiles in accordance with regulations laid down by the NBH.

The following tables provide an analysis of liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. It is presented under the most prudent consideration of maturity dates where options or repayment schedules allow for early repayment possibilities.

The contractual amounts disclosed in the maturity analyses are the contractual undiscounted cash flows like gross finance lease obligations (before deducting finance charges); prices specified in forward agreements to purchase financial assets for cash; net amounts for pay-floating/receive-fixed interest rate swaps for which net cash flows are exchanged; contractual amounts to be exchanged in a derivative financial instrument for which gross cash flows are exchanged; gross loan commitments.

Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in that statement is based on discounted cash flows. When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. For example, when the amount payable varies with changes in an index, the amount disclosed may be based on the level of the index at the end of the period.

As at 31 December 2025	Within 3 months	Within one year and over 3 month	Within 5 years and over one year	Over 5 years	Total
Cash, due from banks and balances with the National Bank of Hungary	166	-	-	-	166
Placements with other banks	175,370	-	-	191,662	367,032
Loans measured at amortised cost	41,326	54,885	301,968	1,124,034	1,522,213
Loans mandatorily measured at fair value through profit or loss	18,451	25,173	151,426	640,846	835,896
Securities at amortised cost	-	45,662	57,405	103,000	206,067
Other financial assets	<u>2,913</u>	=	=	=	<u>2,913</u>
TOTAL ASSETS	<u>238,226</u>	<u>125,720</u>	<u>510,799</u>	<u>2,059,542</u>	<u>2,934,287</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	27,303	182,972	557,129	737,507	1,504,911
Liabilities from issued securities	7,954	5,318	870,500	342,720	1,226,492
Leasing liabilities	13	39	54	-	106
Other financial liabilities	<u>12,710</u>	=	=	=	<u>12,710</u>
TOTAL LIABILITIES	<u>47,980</u>	<u>188,329</u>	<u>1,427,683</u>	<u>1,080,227</u>	<u>2,744,219</u>
NET POSITION	<u>190,246</u>	<u>(62,609)</u>	<u>(916,884)</u>	<u>979,315</u>	<u>190,068</u>
Receivables from derivative financial instruments designated as fair value hedge	12,326	9,724	480,552	202,108	704,710
Liabilities from derivative financial instruments designated as fair value hedge	<u>(23,956)</u>	<u>(23,752)</u>	<u>(586,923)</u>	<u>(204,873)</u>	<u>(839,504)</u>
Net position of financial instruments designated as fair value hedge	<u>(11,630)</u>	<u>(14,028)</u>	<u>(106,371)</u>	<u>(2,765)</u>	<u>(134,794)</u>
Commitments to extend credit	<u>101,611</u>	=	=	=	<u>101,611</u>
Off-balance sheet commitments	<u>101,611</u>	=	=	=	<u>101,611</u>

OTP MORTGAGE BANK LTD.
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NOTE 35: MATURITY ANALYSIS OF ASSETS AND LIABILITIES AND LIQUIDITY RISK (in HUF million) [continued]

As at 31 December 2024	Within 3 months	Within one year and over 3 month	Within 5 years and over one year	Over 5 years	Total
Cash, due from banks and balances with the National Bank of Hungary	21,422	-	-	-	21,422
Placements with other banks	25,363	11,431	250,592	97,303	384,689
Securities at fair value through other comprehensive income	-	15,436	-	-	15,436
Loans measured at amortised cost	43,067	52,821	286,649	1,029,020	1,411,557
Loans mandatorily measured at fair value through profit or loss	14,793	19,498	109,792	396,570	540,653
Securities at amortised cost	-	106,050	101,775	103,000	310,825
Other financial assets	2,884	-	-	-	2,884
TOTAL ASSETS	<u>107,529</u>	<u>205,236</u>	<u>748,808</u>	<u>1,625,893</u>	<u>2,687,466</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	57,406	121,550	658,696	634,901	1,472,553
Liabilities from issued securities	6,446	249,263	690,145	120,020	1,065,874
Leasing liabilities	25	48	103	-	176
Other financial liabilities	8,256	-	-	-	8,256
TOTAL LIABILITIES	<u>72,133</u>	<u>370,861</u>	<u>1,348,944</u>	<u>754,921</u>	<u>2,546,859</u>
NET POSITION	<u>35,396</u>	<u>(165,625)</u>	<u>(600,136)</u>	<u>870,972</u>	<u>140,607</u>
Receivables from derivative financial instruments designated as fair value hedge	19,023	11,124	306,035	-	336,182
Liabilities from derivative financial instruments designated as fair value hedge	(24,255)	(10,378)	(308,333)	-	(342,966)
Net position of financial instruments designated as fair value hedge	<u>(5,232)</u>	<u>746</u>	<u>(2,298)</u>	<u>≡</u>	<u>(6,784)</u>
Commitments to extend credit	69,606	-	-	-	69,606
Off-balance sheet commitments	<u>69,606</u>	<u>≡</u>	<u>≡</u>	<u>≡</u>	<u>69,606</u>

OTP MORTGAGE BANK LTD.
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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million)

In determining the fair value of a financial asset or liability the Bank in the case of instruments that are quoted on an active market uses the market price. In most cases, reliable and public market information is not available so the Bank has to make assumptions or use valuation techniques to determine the fair value of a financial instrument. See Note 36 for more information about fair value classes applied for financial assets and liabilities measured at fair value in these financial statements.

To provide a reliable estimate of the fair value of those financial instrument, that are originally measured at amortised cost, the Bank used the discounted cash-flow analysis (loans, placements with other banks, amounts due to banks, deposits from customers). The fair value of issued securities and subordinated bonds is based on quoted prices (e.g. Reuters, Bloomberg). Cash and amounts due from banks and balances with the NBH represent amounts available immediately thus the fair value equals to the carrying amount.

The assumptions used when calculating the fair value of financial assets and liabilities when using valuation technique are the following:

- the discount rates are the risk free rates related to the denomination currency adjusted by the appropriate risk premium as of the end of the reporting period,
- the contractual cash-flows are considered for the performing loans and for the non-performing loans, the amortised cost less impairment is considered as fair value,
- the future cash-flows for floating interest rate instruments are estimated from the yield curves as of the end of the reporting period,
- the fair value of the deposit which can be due in demand cannot be lower than the amount payable on demand.

For classes of assets and liabilities not measured at fair value in the statement of financial position, the income approach was used to convert future cash flows to a single current amount. Fair value of current assets is equal to carrying amount, fair value of liabilities from issued securities and other bond-type classes of assets and liabilities not measured at fair value measured based on Reuters market rates and, fair value of other classes not measured at fair value of the statement of financial position are measured using the discounted cash flow method. Fair value of loans, net of allowance for loan losses measured using discount rate adjustment technique, the discount rate is derived from observed rates of return for comparable assets or liabilities that are traded in the market.

Fair value measurements – in relation to instruments measured not at fair value – are categorized in level 3 of the fair value hierarchy.

OTP MORTGAGE BANK LTD.
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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Fair value of financial assets and liabilities

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash, due from banks and balances with the National Bank of Hungary	166	166	21,389	21,389
Placements with other banks	366,863	366,863	380,764	380,764
Securities at amortised cost	178,199	188,126	275,991	287,489
Loans at amortised cost	1,454,549	1,493,681	1,334,894	1,314,025
Other financial assets	2,848	2,848	2,759	2,759
Total assets measured not at fair value	2,002,625	2,051,684	2,015,797	2,006,426
Securities at fair value through other comprehensive income	-	-	15,435	15,435
Loans mandatorily measured at fair value through profit or loss	856,851	856,851	558,803	558,803
Derivative financial assets designated as hedge accounting relationships	2,869	2,869	25,893	25,893
Total assets measured at fair value	859,720	859,720	600,131	600,131
FINANCIAL ASSETS TOTAL	2,862,345	2,911,404	2,615,928	2,606,557
Derivative financial instruments designated as hedging instruments	43,550	43,550	2,881	2,881
Total liabilities measured at fair value	43,550	43,550	2,881	2,881
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,435,101	1,505,208	1,397,626	1,373,829
Liabilities from issued securities	1,222,730	1,232,206	1,064,010	1,040,057
Leasing liabilities	100	100	176	176
Other financial liabilities	12,711	12,711	8,256	8,256
Total liabilities measured not at fair value	2,670,642	2,750,225	2,470,068	2,422,318
FINANCIAL LIABILITIES TOTAL	2,714,192	2,793,775	2,472,949	2,425,199

Fair value hierarchy

Methods and significant assumptions used to determine fair value of the different classes of financial instruments:

- 1st Level: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 2nd Level: inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly.
- 3rd Level: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

OTP MORTGAGE BANK LTD.
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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

The following table presents an analysis of financial instruments carried at fair value and amortised cost by level of the fair value hierarchy:

As at 31 December 2025	Total	Level 1	Level 2	Level 3
Loans mandatorily measured at fair value through profit or loss	856,851	-	-	856,851
Positive fair value of derivative financial instruments designated as fair value hedge	<u>2,869</u>	=	<u>2,869</u>	=
Total assets measured at fair value	<u>859,720</u>	=	<u>2,869</u>	<u>856,851</u>
Placements with other banks	366,863	366,863	-	-
Securities at amortised cost	188,126	188,126	-	-
Loans at amortised cost	1,493,681	-	-	1,493,681
Other financial assets	<u>2,848</u>	=	=	<u>2,848</u>
Total assets not measured at fair value	<u>2,051,518</u>	<u>554,989</u>	=	<u>1,496,529</u>
As at 31 December 2025	Total	Level 1	Level 2	Level 3
Negative fair value of derivative financial instruments designated as fair value hedge	<u>43,550</u>	=	<u>43,550</u>	=
Total liabilities measured at fair value	<u>43,550</u>	=	<u>43,550</u>	=
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,505,208	37,796	1,467,412	-
Liabilities from issued securities	1,232,206	-	1,232,206	-
Leasing liabilities	100	-	-	100
Other financial liabilities	<u>12,711</u>	=	=	<u>12,711</u>
Total liabilities not measured at fair value	<u>2,750,225</u>	<u>37,796</u>	<u>2,699,618</u>	<u>12,811</u>
As at 31 December 2024	Total	Level 1	Level 2	Level 3
Loans mandatorily measured at fair value through profit or loss	558,803	-	-	558,803
Financial assets at fair value through other comprehensive income	15,435	15,435	-	-
Positive fair value of derivative financial instruments designated as fair value hedge	<u>25,893</u>	=	<u>25,893</u>	=
Total assets measured at fair value	<u>600,131</u>	<u>15,435</u>	<u>25,893</u>	<u>558,803</u>
Placements with other banks	380,764	182,204	198,560	-
Securities at amortised cost	287,489	287,489	-	-
Loans at amortised cost	1,314,025	-	-	1,314,025
Other financial assets	<u>2,759</u>	=	=	<u>2,759</u>
Total assets not measured at fair value	<u>1,985,037</u>	<u>469,693</u>	<u>198,560</u>	<u>1,316,784</u>
As at 31 December 2024	Total	Level 1	Level 2	Level 3
Negative fair value of derivative financial instruments designated as fair value hedge	<u>2,881</u>	=	<u>2,881</u>	=
Total liabilities measured at fair value	<u>2,881</u>	=	<u>2,881</u>	=
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,373,829	161,492	1,212,337	-
Liabilities from issued securities	1,040,057	-	1,040,057	-
Leasing liabilities	176	-	-	176
Other financial liabilities	<u>8,256</u>	=	=	<u>8,256</u>
Total liabilities not measured at fair value	<u>2,422,318</u>	<u>161,492</u>	<u>2,252,394</u>	<u>8,432</u>

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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

The Bank has determined that for financial assets and financial liabilities that have a short-term maturity (less than three months), are liquid and are floating rate instruments, their carrying amounts (which are net of impairment where applicable) are a reasonable approximation of their fair value. Such instruments include: cash and balances with central banks; due to and due from banks.

Bonds issued by the Bank are listed on stock exchanges, however there is no active market with observable and transparent prices, therefore they are classified as level 2 in the fair value hierarchy.

Valuation techniques on Level 2 instruments

The fair value of Level 2 instruments is calculated by discounting their expected interest and capital cash flows, Discounting is done with the respective swap curve of each currency.

Valuation techniques and sensitivity analysis on Level 3 instruments

Sensitivity analysis is performed on products with significant unobservable inputs (Level 3) to generate a range of reasonably possible alternative valuations. The sensitivity methodologies applied take account of the nature of the valuation techniques used, as well as the availability and reliability of observable proxy and historical data and the impact of using alternative models.

The calculation is based on range or spread data of reliable reference source or a scenario based on relevant market analysis alongside the impact of using alternative models. Sensitivities are calculated without reflecting the impact of any diversification in the portfolio.

OTP MORTGAGE BANK LTD.
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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Unobservable inputs used in measuring fair value

Type of financial instrument	Valuation technique	Significant unobservable input	Range of estimates for unobservable input
Loans mandatorily measured at fair value through profit and loss	Discounted cash flow model	Probability of default	+/- 20%
Loans mandatorily measured at fair value through profit and loss	Discounted cash flow model	Operational costs	+/- 20%
Loans mandatorily measured at fair value through profit and loss	Discounted cash flow model	Demography	Change in the cash flow estimation +/- 5%

The effect of unobservable inputs on fair value measurement

Although the Bank believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 changing the assumptions used to reasonably possible alternative assumptions would have the following effects.

31 December 2025	Unobservable inputs	Carrying amount	Fair values		Effect on profit and loss	
			Favourable	Unfavourable	Favourable	Unfavourable
Loans mandatorily measured at fair value through profit and loss	Probability of default	856,851	857,540	856,186	689	(665)
Loans mandatorily measured at fair value through profit and loss	Operational costs	856,851	863,352	850,518	6,501	(6,333)
Loans mandatorily measured at fair value through profit and loss	Demography	223,095	223,538	222,684	443	(411)
31 December 2024	Unobservable inputs	Carrying amount	Fair values		Effect on profit and loss	
			Favourable	Unfavourable	Favourable	Unfavourable
Loans mandatorily measured at fair value through profit and loss	Probability of default	558,803	559,071	558,553	259	(259)
Loans mandatorily measured at fair value through profit and loss	Operational costs	558,803	565,807	552,001	6,995	(6,811)
Loans mandatorily measured at fair value through profit and loss	Demography	110,042	110,236	109,663	194	(379)

In the loans mandatorily measured at fair value through profit or loss the Bank calculated the favourable and unfavourable effects of using reasonably possible alternative assumptions by modifying the rates of probability of default by +/- 20% as one of the most significant unobservable inputs.

OTP MORTGAGE BANK LTD.
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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Reconciliation of the opening and closing balances of Level 3 instruments for the year ended 31 December 2025

	Opening balance	Issuance/ Disbursement	Change in FVA due to credit risk	Change in FVA due to market factors	Settlement	Closing balance
Loans mandatorily measured at fair value through profit or loss	558,803	324,980	(915)	3,418	(29,435)	856,851

Reconciliation of the opening and closing balances of Level 3 instruments for the year ended 31 December 2024

	Opening balance	Issuance/ Disbursement	Change in FVA due to credit risk	Change in FVA due to market factors	Settlement	Closing balance
Loans mandatorily measured at fair value through profit or loss	463,917	131,932	1,302	(2,461)	(35,887)	558,803

Derivative financial instruments

OTP Mortgage Bank regularly enters into hedging transactions in order to decrease its financial risks.

The assessment of the hedge effectiveness (both for fair value hedges and cash flow hedges) to determine the economic relationship between the hedged item and the hedging instrument is accomplished with prospective scenario analysis via different rate shift scenarios of the relevant risk factor(s) of the hedged risk component(s). The fair value change of the hedged item and the hedging instrument is compared in the different scenarios. Economic relationship is justified if the change of the fair value of the hedged item and the hedging instrument are in the opposite direction and the absolute changes are similar amounts. The hedge ratio is determined as the ratio of the notional of the hedged item and the notional of the hedging instrument. The sources of hedge ineffectiveness are the not hedged risk components (e.g. change of cross currency basis spreads in case of interest rate risk hedges), slight differences in maturity dates and interest payment dates in case of fair value hedges, and differences between the carrying amount of the hedged item and the carrying amount of the hedging instrument (e.g. caused by interest rate risk components in the fair value of the hedging instrument).

Derivative financial instruments designated as hedge accounting relationships

As at 31 December 2025	Assets	Liabilities
Derivatives designated in fair value hedges		
Interest rate swap	-	1,402
Cross-currency interest rate swap	-	4,031
Derivatives designated in cash flow hedges		
Interest rate swaps	2,869	-
Cross-currency interest rate swap	-	38,117
Total derivatives designated in hedge relationship	<u>2,869</u>	<u>43,550</u>
As at 31 December 2024	Assets	Liabilities
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	4,365	-
Total derivatives designated in hedge relationship	<u>25,893</u>	<u>2,881</u>

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Hedge accounting

Interest rate risk management is centralized at OTP Mortgage Bank. Interest rate risk is measured by simulating NII and EVE under different stress and plan scenarios, the established risk limits are described in „OTP Bank’s Group-Level Regulations on the Management of Liquidity Risk and Interest Rate Risk of Banking Book”. The interest rate risk management activity aims to stabilize NII within the approved risk limits.

The risk management objective of these hedge relationships is to mitigate the risk of clean fair value (i.e. excluding accrued interest) change of MIRS loans due to the change of interest rate reference indexes (BUBOR) of the respective currency.

Amount, timing and uncertainty of future cash flows - hedging instruments as at 31 December 2025 in amount in million currency

		Maturity				
		1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
		<i>Interest rate swap</i>				
		HUF				
Interest rate risk	Notional	-	-	-	-	-
	Average Interest Rate	-	-	-	-	-
	EUR					
	Notional (million EUR)	-	-	-	(500)	(500)
Fair value hedge	Average Interest Rate	-	-	-	3.14%	-
	<i>Cross currency interest rate swap</i>					
	Fx risk	EUR/HUF				
		Notional (million EUR)	-	-	-	500
Average Fx Rate		-	-	-	389.9	-
Interest rate risk	<i>Interest rate swap (million HUF)</i>					
	Notional	-	-	28,027	-	28,027
	Average Interest Rate	-	-	1.58%	-	-
	<i>Interest rate swap</i>					
Cash flow hedge	FX and Interest rate risk	Notional	-	-	1,000	1,000
		Average Interest Rate	-	-	3.30%	-
		Average Fx Rate	-	-	404.9	-
		-	-	-	-	-

Amount, timing and uncertainty of future cash flows - hedging instruments as at 31 December 2024 in amount in million currency

		Maturity				
		1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
		<i>Interest rate swap</i>				
		HUF				
Interest rate risk	Notional	-	(15,000)	190,555	-	175,555
	Average Interest Rate	-	1.50%	6.69%	-	-
Fair value hedge	EUR					
	Notional (million EUR)	-	-	(500)	-	(500)
	Average Interest Rate	-	-	3,60%	-	-
	<i>Cross currency interest rate swap</i>					
Fx risk	EUR/HUF					
	Notional (million EUR)	-	-	500	-	500
	Average Fx Rate	-	-	381.48	-	-
Interest rate risk	<i>Interest rate swap (million HUF)</i>					
	Notional	-	-	28,027	-	28,027
	Average Interest Rate	-	-	1.58%	-	-

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Hedge accounting – hedging instruments

as at 31 December 2025	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is located	Change in fair value of hedged item for calculating ineffectiveness
		Assets	Liabilities		
Fair value hedge <i>Interest rate risk</i>	385,400	-	5,433		95
Interest rate swaps <i>Fx risk</i>	192,700	-	1,402	Derivative financial liabilities designated as hedge accounting relationships	(5)
Cross-currency swaps Cash flow hedge <i>Interest rate risk</i>	192,700 413,427	- 2,869	4,031 38,117	Derivative financial liabilities designated as hedge accounting relationships	100 617
Interest rate swaps <i>FX and Interest rate risk</i>	28,027	2,869	-	Derivative financial assets designated as hedge accounting relationships	606
Cross-currency swaps	385,400	-	38,117	Derivative financial liabilities designated as hedge accounting relationships	11
As at 31 December 2024	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is located	Change in fair value of hedged item for calculating ineffectiveness
Fair value hedge <i>Interest rate risk</i>	615,645	21,528	2,881		(441)
Interest rate swaps <i>Fx risk</i>	410,600	6,388	2,881	Derivative financial assets designated as hedge accounting relationships / Derivative financial liabilities designated as hedge accounting relationships	(171)
Cross-currency swaps Cash flow hedge <i>Interest rate risk</i>	205,045 28,027	15,140 4,365	- -	Derivative financial assets designated as hedge accounting relationships	(270) 832
Interest rate swaps	28,027	4,365	-	Derivative financial assets designated as hedge accounting relationships	832

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Hedge accounting – hedged items

As at 31 December 2025	Type of risk	Carrying amount of the hedged item	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses	Line item in the statement of financial position in which the hedged item is included
		Liabilities	Liabilities		
Fair value hedge					
- Liabilities from issued securities	<i>Interest rate risk</i>	192,700	(1,549)	3,099	Liabilities from issued securities
- Liabilities from issued securities	<i>Fx risk</i>	194,575	-	-	Liabilities from issued securities

Hedge accounting – hedged items

As at 31 December 2024	Type of risk	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities	Assets	Liabilities	
Fair value hedge						
- Liabilities from issued securities	<i>Interest rate risk</i>		220,045	-	3,104	Liabilities from issued securities
- Placements	<i>Interest rate risk</i>	190,555	-	(3,486)	-	Placements with other banks
- Liabilities from issued securities	<i>Fx risk</i>	-	205,045	-	-	Liabilities from issued securities

Change in basis swap spread recognised in OCI related to fair value hedges as follows:

As at 31 December 2025	Type of risk	Carrying amount of the hedged items	Items recognized in other comprehensive income	Change in the items recognized in other comprehensive income	Line item in the statement of financial position in which the hedged item is included
Fair value hedge					
- Liabilities from issued securities	Fx risk	Liabilities 194,575	73	(2,139)	Liabilities from issued securities
As at 31 December 2024					
Fair value hedge					
- Liabilities from issued securities	Fx risk	Liabilities 205,045	2,212	994	Liabilities from issued securities

Change in basis swap spread recognised in OCI related to cash flow hedge:

As at 31 December 2025	Type of risk	Carrying amount of the hedged items	Items recognized in other comprehensive income	Change in the items recognized in other comprehensive income	Line item in the statement of financial position in which the hedged item is included
Cash-flow hedge					
- Liabilities from issued securities	FX and Interest rate risk	Liabilities 405,621	1,127	1,127	Liabilities from issued securities

OTP MORTGAGE BANK LTD.
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NOTE 36: FAIR VALUE OF FINANCIAL INSTRUMENTS (in HUF million) [continued]

Change in the fair value of the hedged item and cash flow hedge reserve for hedging instrument related to cash flow hedge:

Cash flow hedge	Type of risk	Carrying amount of the hedged item		Cash flow hedge reserve for hedging instrument	Line item in the statement of financial position in which the hedged item is included
		Assets	Liabilities		
As at 31 December 2025					
- Loans	Interest rate risk FX and	-	28,027	2,139	Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks
- Liabilities from issued securities	Interest rate risk	-	405,621	(8,145)	Liabilities from issued securities
As at 31 December 2024					
- Loans	Interest rate risk	-	28,027	3,425	Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks

Change in the fair value of the hedging instrument related to cash flow hedge:

31 December 2025

Type of instrument	Type of risk	Change in the value of the hedging instrument recognised in cash flow hedge reserve	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Interest rate swap	Interest rate risk	(1,286)	(225)	Gains / (Losses) on financial instruments at fair value through profit or loss
Cross-currency swaps	FX and Interest rate risk	(8,145)	(18,971)	Gains / (Losses) on financial instruments at fair value through profit or loss

31 December 2024

Type of instrument	Type of risk	Change in the value of the hedging instrument recognised in cash flow hedge reserve	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Interest rate swap	Interest rate risk	(97)	(236)	Gains / (Losses) on financial instruments at fair value through profit or loss

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NOTE 37: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS (in HUF million)

Year ended 31 December 2025	Net interest income and expense	Net non- interest gain and loss	Loss allowance	Other comprehensive income
Financial assets measured at amortised cost				
Cash, amounts due from banks and balances with the National Bank of Hungary	2,120	(8)	32	-
Placements with other banks	21,949	-	269	-
Loans at amortised cost	97,918	882	(153)	-
Repo receivables	681	-	-	-
Securities at amortised cost	15,893	(55)	584	-
Financial assets measured at amortised cost total	<u>138,561</u>	<u>819</u>	<u>732</u>	<u>=</u>
Financial assets measured at fair value				
Securities at fair value through other comprehensive income	179	-	60	151
Loans mandatorily measured at fair value through profit or loss	<u>47,144</u>	<u>(1,375)</u>	<u>(915)</u>	<u>=</u>
Financial assets measured at fair value total	<u>47,323</u>	<u>(1,375)</u>	<u>(855)</u>	<u>151</u>
Financial liabilities measured at amortised cost				
Amounts due to banks and deposits from the National Bank of Hungary and other banks	(90,026)	-	-	-
Repo liabilities ⁸	-	-	-	-
Leasing liabilities	(7)	-	-	-
Liabilities from issued securities ⁹	<u>(53,117)</u>	<u>(670)</u>	<u>=</u>	<u>=</u>
Financial liabilities measured at amortised cost total	<u>(143,150)</u>	<u>(670)</u>	<u>=</u>	<u>=</u>
Derivative financial instruments	<u>(13,840)</u>	<u>3,368</u>	<u>=</u>	<u>(10,543)</u>
Total	<u>28,894</u>	<u>2,142</u>	<u>(123)</u>	<u>(10,392)</u>

Derivative financial assets and liabilities designated as hedge accounting:

31 December 2025

Balance as at 1 January	23,012
Change in current period	(63,693)
Interest income/Interest expense	(13,840)
Foreign exchange gains / (losses)	(24,492)
Gains / (Losses) on financial instruments at fair value through profit or loss	3,368
Realized result on closed /matured deals	<u>(28,729)</u>
Closing balance	<u>(40,681)</u>

⁸ The interest of the hedging instrument related to the hedged item in Amounts due to banks and deposits from the National Bank of Hungary and other banks are included in the Derivative financial instruments line

⁹ The interest of the hedging instrument related to the hedged item in Issued securities are included in the Derivative financial instruments line.

OTP MORTGAGE BANK LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 37: NET GAIN OR LOSS REALISED ON FINANCIAL INSTRUMENTS (in HUF million)
[continued]

Year ended 31 December 2024	Net interest income and expense	Net non- interest gain and loss	Loss allowance	Other comprehensive income
Financial assets measured at amortised cost				
Cash, amounts due from banks and balances with the National Bank of Hungary	1,797	(6)	14	-
Placements with other banks	30,101	-	32	-
Loans at amortised cost	91,690	858	3,973	-
Repo receivables	477	-	-	-
Securities at amortised cost	<u>17,296</u>	-	<u>812</u>	-
Financial assets measured at amortised cost total	<u>141,361</u>	<u>852</u>	<u>4,831</u>	-
Financial assets measured at fair value				
Securities at fair value through other comprehensive income	386	-	35	581
Loans mandatorily measured at fair value through profit or loss	<u>38,164</u>	<u>(115)</u>	<u>1,302</u>	-
Financial assets measured at fair value total	<u>38,550</u>	<u>(115)</u>	<u>1,337</u>	<u>581</u>
Financial liabilities measured at amortised cost				
Amounts due to banks and deposits from the National Bank of Hungary and other banks ¹⁰	(82,849)	-	-	-
Repo liabilities	(127)	-	-	-
Leasing liabilities	(11)	-	-	-
Liabilities from issued securities ¹¹	<u>(62,343)</u>	<u>(433)</u>	-	-
Financial liabilities measured at amortised cost total	<u>(145,330)</u>	<u>(433)</u>	-	-
Derivative financial instruments	<u>(4,683)</u>	<u>155</u>	-	<u>1,115</u>
Total	<u>29,898</u>	<u>459</u>	<u>6,168</u>	<u>1,696</u>

Derivative financial assets and liabilities designated as hedge accounting:

31 December 2024

Balance as at 1 January	4,094
Change in current period	18,918
Interest income/Interest expense	(4,683)
Foreign exchange gains / (losses)	14,603
Gains / (Losses) on financial instruments at fair value through profit or loss	155
Realized result on closed /matured deals	<u>8,843</u>
Closing balance	<u>23,012</u>

¹⁰ The interest of the hedging instrument related to the hedged item in Amounts due to banks and deposits from the National Bank of Hungary and other banks are included in the Derivative financial instruments line

¹¹ The interest of the hedging instrument related to the hedged item in Issued securities are included in the Derivative financial instruments line.

OTP MORTGAGE BANK LTD.
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FOR THE YEAR ENDED 31 DECEMBER 2025

NOTE 38: SIGNIFICANT EVENTS DURING THE YEAR ENDED 31 DECEMBER 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.

The purchase price of the two subsidiaries was HUF 4,854 million. The gain on the transaction was HUF 4,511 million, that was recognised in statement of profit and loss during the period.

NOTE 39: POST BALANCE SHEET EVENTS

Post-balance sheet events cover the period until 16 March 2026.

- The Monetary Council, in its decision of 13 January 2026, reduced the reserve requirement from 8% to 6%. The new requirement is to be applied by credit institutions starting from the reserve maintenance period commencing in March 2026.
- OTP Mortgage Bank on 12 February 2026 it has issued mortgage notes in aggregate nominal amount of EUR 500 million. The notes are rated 'A1' by Moody's Investor Service rating agency, the securities are listed on the Luxembourg Stock Exchange.
- According to the preliminary data published by the Central Statistical Office on 30 January 2026, the performance of the Hungarian economy grew by 0.2% q-o-q in the fourth quarter. Annual growth in 2025 reached 0.4%, 0.3% based on seasonally and calendar adjusted and balanced data. Average annual inflation in 2025 amounted to 4.4%.
- At its meeting on February 24 2026 the Monetary Council of the Hungarian National Bank reduced the central bank base rate by 25 basis points to 6.25%, the decision came into effect on February 25 2026.
- On 28 February 2026, the United States and Israel carried out coordinated military strikes against Iran, in response to which Iran launched retaliatory missile and drone attacks against Israel and U.S. military facilities along the Persian Gulf. As a result, among other effects, global energy prices and foreign exchange rates became more volatile.

Capital regulation:

- Pillar 2 capital requirement: based on the announcement made on 16 December 2025, effective from 1 January 2026 the National Bank of Hungary, including a multilateral procedure involving the European Central Bank, and National Bank of Croatia, imposed the below additional capital requirements for OTP Group, on consolidated level:
 - 1.01%-points in case of the Common Equity Tier1 (CET1) capital, accordingly the minimum requirement for the consolidated CET1 ratio is 5.51% (without regulatory capital buffers);
 - 1.34%-points in case of the Tier1 capital, accordingly the minimum requirement for the consolidated Tier1 ratio is 7.34% (without regulatory capital buffers);
 - 1.79%-points in case of the Total SREP Capital Requirement (TSCR), accordingly the minimum requirement for the consolidated capital adequacy ratio is 9.79% (without regulatory capital buffers).

These requirements do not represent any change compared to the additional capital requirements applicable in the preceding period.