

OTP MORTGAGE BANK LTD.

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

FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2023

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OTP MORTGAGE BANK LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023
(UNAUDITED) (in HUF million)

	30 September Note	2023	31 December 2022	30 September 2022
Cash, amounts due from banks and balances with the National Bank of Hungary		17,731	16,778	1,982
Placements with other banks, net of allowance for placement losses	4.	201,768	217,553	161,335
Financial assets at fair value through other comprehensive income	5.	14,523	13,544	12,939
Loans at amortised cost	6.	1,184,718	1,164,795	1,174,165
Loans mandatorily measured at fair value through profit or loss	6.	453,546	454,164	439,880
Securities at amortised cost	7.	304,621	296,619	265,553
Investments in subsidiaries		43	-	-
Property and equipment		50	54	48
Intangible assets		262	228	211
Right of use assets		231	281	259
Derivative financial assets designated as hedge accounting relationships	11.	7,313	11,786	11,847
Current income tax assets		743	1,054	1,130
Deffered tax assets		320	441	482
Other assets		<u>4,249</u>	<u>4,131</u>	<u>4,548</u>
TOTAL ASSETS		<u>2,190,118</u>	<u>2,181,428</u>	<u>2,074,379</u>
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	8.	1,053,087	1,059,717	979,142
Repo liabilities		30,016	13,947	-
Liabilities from issued securities	9.	975,458	971,466	973,297
Derivative financial liabilities designated as hedge accounting relationships	11.	1,933	3,889	3,773
Current tax liabilities		1	7	8
Leasing liabilities		238	296	296
Provisions		602	1,448	2,288
Other liabilities		<u>8,122</u>	<u>5,985</u>	<u>11,382</u>
TOTAL LIABILITIES		<u>2,069,457</u>	<u>2,056,755</u>	<u>1,970,186</u>
Share capital		82,000	82,000	57,000
Retained earnings and reserves		<u>38,661</u>	<u>42,673</u>	<u>47,193</u>
TOTAL SHAREHOLDER'S EQUITY		<u>120,661</u>	<u>124,673</u>	<u>104,193</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>2,190,118</u>	<u>2,181,428</u>	<u>2,074,379</u>

Budapest, 10 November 2023

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András Becsei
Chief Executive Officer

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Péter Radics
Chief Financial Officer

OTP MORTGAGE BANK LTD.
CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTH
PERIOD ENDED 30 SEPTEMBER 2023 (UNAUDITED) (in HUF million)

	Note	Nine month period ended 30 September 2023	Nine month period ended 30 September 2022	Year ended 31 December 2022
Interest income and similar to interest income total	12.	138,215	82,961	121,196
Interest expenses total	12.	(117,502)	(71,293)	(108,417)
NET INTEREST INCOME		20,713	11,668	12,779
Risk cost total		2,679	(570)	(36)
NET INTEREST INCOME AFTER RISK COST		23,392	11,098	12,743
(Losses) / Gains arising from derecognition of financial assets measured at amortised cost		(51)	(29)	(61)
Modification loss		(11,008)	(9,472)	(22,278)
Net profit / (loss) from fees and commissions		(2,257)	(1,667)	(2,523)
Net operating (expenses) / income		(4,5489)	5,565	13,963
Other administrative expenses		(5,913)	(10,648)	(11,562)
PROFIT / (LOSS) BEFORE INCOME TAX		(385)	(5,153)	(9,718)
Income tax		(690)	(522)	(622)
PROFIT / (LOSS) AFTER INCOME TAX		<u>(1,075)</u>	<u>(5,675)</u>	<u>(10,340)</u>
Earnings per share (in HUF)				
Basic and diluted		(1,311)	(9,956)	(21,438)

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH
PERIOD ENDED 30 SEPTEMBER 2023 (UNAUDITED) (in HUF million)

	Note	Nine month period ended 30 September 2023	Nine month period ended 30 September 2022	Year ended 31 December 2022
NET (LOSS) / PROFIT FOR THE PERIOD		(1,075)	(5,675)	(10,340)
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		1,493	(2,544)	(1,998)
Deferred tax related to securities fair value through other comprehensive income		(136)	232	187
Gains on derivative financial instruments designated as cash flow hedge		(4,315)	6,417	6,052
Other comprehensive income, net of income tax		(2,958)	4,105	4,241
NET COMPREHENSIVE (LOSS) / INCOME		<u>(4,033)</u>	<u>(1,570)</u>	<u>(6,099)</u>

OTP MORTGAGE BANK LTD.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE
MONTH PERIOD ENDED 30 SEPTEMBER 2023 (UNAUDITED) (in HUF million)

	Share capital	Capital reserve	Retained earnings and other reserves	Total
Balance as at 1 January, 2022	37,000	476	66,264	103,740
Net profit for the year	-	-	(5,675)	(5,675)
Other comprehensive income	-	-	4,105	4,105
Total comprehensive income	<u>37,000</u>	<u>476</u>	<u>64,694</u>	<u>102,170</u>
Share-based payment			23	23
Dividend paid	-	-	(18,000)	(18,000)
Share capital raise	20,000	-	-	20,000
Balance as at 30 September, 2022	<u>57,000</u>	<u>476</u>	<u>46,717</u>	<u>104,193</u>
Balance as at 1 January, 2023	82,000	476	42,197	124,673
Net profit for the year	-	-	(1,075)	(1,075)
Other comprehensive income	-	-	(2,958)	(2,958)
Total comprehensive income	<u>82,000</u>	<u>476</u>	<u>38,164</u>	<u>120,640</u>
Share-based payment	-	-	21	21
<u>Balance as at 30 September, 2023</u>	<u>82,000</u>	<u>476</u>	<u>38,185</u>	<u>120,661</u>

OTP MORTGAGE BANK LTD.
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOW FOR THE NINE MONTH PERIOD
ENDED 30 SEPTEMBER 2023 (UNAUDITED) (in HUF million)

	Nine month period ended 30 September 2023	Year ended 31 December 2022	Nine month period ended 30 September 2022
Profit before income tax	(385)	(9,718)	(5,153)
Net accrued interest	6,832	(10,610)	(1,868)
Income tax paid	1	-	-
Depreciation and amortization	168	256	195
Loss allowance / (Release of loss allowance)	(3,828)	361	717
Share-based payment	21	32	23
Unrealised gains on fair value adjustment of financial instruments at fair value through profit or loss	4,193	(14,147)	(5,856)
Unrealised gains on fair value adjustment of derivative financial instruments	2,617	(3,544)	(3,867)
Interest expense from leasing liabilities	(8)	(6)	(4)
Foreign exchange loss	(6)	(4)	19
Proceeds from sale of tangible and intangible assets	9	6	-
Net change in assets and liabilities in operating activities	(534)	(70,676)	(116,483)
Net cash provided by operating activities	<u>9,080</u>	<u>(108,050)</u>	<u>(132,277)</u>
Net cash used in investing activities	<u>(12,094)</u>	<u>(117,290)</u>	<u>(84,588)</u>
Net cash provided by financing activities	<u>3,943</u>	<u>226,345</u>	<u>203,199</u>
Net decrease in cash and cash equivalents	929	1,005	(13,666)
Cash and cash equivalents at the beginning of the year	16,624	15,619	15,619
Cash and cash equivalents at the end of the year	<u>17,553</u>	<u>16,624</u>	<u>1,953</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

NOTE 1: ORGANIZATION AND BASIS OF FINANCIAL STATEMENTS

1.1. General information

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

1.2. Accounting

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

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

The accounting policies followed by the Bank in the preparation of these financial statements conform with International Financial Reporting Standards ("IFRS"). The Bank followed the same accounting policies and methods of computation in the interim financial statements as compared with the most recent annual financial statements.

NOTE 2: SIGNIFICANT EVENTS DURING THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

Pursuant to Government Decree No. 175/2023 (issued on 12 May) the Government extended the interest rate cap scheme until December 31, 2023 under unchanged conditions.

NOTE 3: SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- From 9 October 2023, as proposed by Hungary's Ministry of Economic Development, and with an aim to boost lending, a voluntary interest rate cap was created for newly disbursed loans, in agreement with the Hungarian Banking Association. All banks have voluntarily implemented this cap. OTP Mortgage Bank joined this initiative on 9 October 2023. Under the agreement, financial institutions offer non-subsidized housing loans at no more than 8.5% APR, and corporate working capital loans at a maximum interest rate of 12%.
- On 24 October 2023, the MNB's Monetary Council reduced the central bank base rate by 75 basis points, to 12.25%, and simultaneously it lowered the entire interest rate corridor by that much.
- On 25 October 2023, the government announced details on the CSOK Plus family support plan, which will take effect on 1 January 2024. The CSOK Plus subsidized housing loan will be available in communities with more than 5,000 inhabitants, where young couples may apply for HUF 15 million, 30 million, or 50 million loans, depending on the number of children. What is new compared to the previous CSOK product is that only married couples are eligible for it, i.e. CSOK Plus is not available for singles, or for those living in civil partnerships. In another change, this loan is available for yet unborn children, not for existing ones. However, existing children will be taken into consideration when examining the number of children in the family. The interest rate on this subsidized loan will be fixed at 3% until maturity, its duration may be between 10 and 25 years, and it is not available for buying land. To be eligible, the real property's price shall not be more than HUF 80 million (for first-time home buyers), or HUF 150 million (if it is not the first home). To buy the first home, at least 10% downpayment is required; in other cases, the generally applied minimum 20% downpayment is the requirement. Basically, CSOK Plus is available for women under 40, but in a two-year transition period, women who are at least 12 weeks pregnant will also be eligible. In the first year from the loan disbursement, only the capital shall be repaid. When the child is born, the borrowers may request a one-year loan moratorium. Upon the birth of the second and further children, HUF 10 million debt will be forgiven from the capital each time. Further details are likely to be published by the middle of November.

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

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

	30 September 2023	31 December 2022
Within one year		
In HUF	40,816	59,721
Over one year		
In HUF	161,302	159,095
Subtotal	<u>202,118</u>	<u>218,816</u>
Impairment	<u>(350)</u>	(1,263)
Total	<u>201,768</u>	<u>217,553</u>
From this: amounts due from OTP Bank	40,033	58,703
Interest conditions of placements with other banks	30 September 2023	31 December 2022
Within one year		
in HUF	13.00%-13.61%	15.45%-16.87%
Over one year		
in HUF	13.86%-14.35%	17.52%-17.79%
Average interest of placements with other banks		
Placements with other banks in HUF	12.45%	8.71%

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

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

	30 September 2023	31 December 2022
Hungarian Government bonds	<u>14,523</u>	13,544
Total	<u>14,523</u>	<u>13,544</u>
Interest rate:	5.5%	5.5%

The whole portfolio was denominated in HUF as at 30 September 2023.

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

	30 September 2023	31 December 2022
Over one year:		
fixed interest	14,295	13,108
Total	<u>14,295</u>	<u>13,108</u>

The valuation of the securities at fair value through other comprehensive income was as follows as at 30 September 2023:

	30 September 2023	
	Amortized cost	Net fair value
Hungarian Government bonds	<u>15,760</u>	<u>14,295</u>
Total	<u>15,760</u>	<u>14,295</u>

The valuation of the securities at fair value through other comprehensive income was as follows as at 31 December 2022:

	31 December 2022	
	Amortized cost	Net fair value
Hungarian Government bonds	16,079	13,108
Total	<u>16,079</u>	<u>13,108</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

NOTE 6: LOANS (in HUF million)

Loans measured at fair value through profit or loss

	30 September 2023	31 December 2022
Within one year	32,347	31,189
Over one year	<u>421,199</u>	422,975
Loans measured at fair value through profit or loss total	<u>453,546</u>	<u>454,164</u>

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

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

	30 September 2023	31 December 2022
Within one year	90,000	89,012
Over one year	1,110,114	1,092,384
Loans gross total	<u>1,200,114</u>	<u>1,181,396</u>
Provision for impairment on loan losses	<u>(15,396)</u>	(16,601)
Total	<u>1,184,718</u>	<u>1,164,795</u>

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

	30 September 2023	31 December 2022
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 (%):

	30 September 2023	31 December 2022
Loans denominated in HUF	1.31% - 9.85%	1.12% - 17.17%
Average interest on loans denominated in HUF	5.7%	4.22%

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

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

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

	30 September 2023	31 December 2022
Loans denominated in HUF. with a maturity within one year	1.02% - 9.97%	1% - 19.05%
Loans denominated in HUF. with a maturity over one year	0.62% - 9.99%	0.62% - 15.37%
Loans denominated in foreign currency	1.74% - 5.8%	1.74% - 6.87%
Average interest on loans denominated in HUF	6.48%	6.62%
Average interest on loans denominated in foreign currency	3.26%	4.66%

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

	30 September 2023	31 December 2022
Balance as at 1 January	16,601	19,451
Provision for the period	18,442	17,819
Release of provision	(18,076)	(19,428)
Other movement	(277)	(180)
Partial write-off	(1,294)	(1,061)
Closing balance	<u>15,396</u>	<u>16,601</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.

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

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

	30 September 2023	31 December 2022
Loss allowance on placements with other banks	(1,013)	1,030
Loss allowance on loans at amortised cost	(1,546)	(3,326)
Total	<u>(2,559)</u>	<u>(2,296)</u>

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

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

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

	30 September 2023	31 December 2022
Government bonds	306,537	298,944
Provision for impairment	<u>(1,916)</u>	<u>(2,325)</u>
Total	<u>304,621</u>	<u>296,619</u>

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

	30 September 2023	31 December 2022
Balance as at 1 January	2,325	329
Loss allowance	81	2,170
Release of loss allowance	(490)	(174)
Closing balance at 31 December	<u>1,916</u>	<u>2,325</u>

The distribution of the securities at amortised cost by currency (%):

	30 September 2023	31 December 2022
Interest rates on securities at amortised cost	1% - 6.75%	1% - 6.75%
Average interest on securities at amortised cost denominated in HUF	2.82%	3.71%

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

	30 September 2023	31 December 2022
Within one year:		
fixed interest	30,448	-
Over one year:		
fixed interest	262,676	295,286
Total	<u>293,124</u>	<u>295,286</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

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

	30 September 2023	31 December 2022
Within one year:		
in HUF	88,625	110,099
in foreign currency	163	185
Subtotal	<u>88,788</u>	<u>110,284</u>
Over one year:		
in HUF	964,299	949,433
Subtotal	<u>964,299</u>	<u>949,433</u>
Total	<u>1,053,087</u>	<u>1,059,717</u>
From this: amounts due to OTP Bank	866,519	875,761

Interest conditions on amounts due to OTP Bank and other banks

	30 September 2023	31 December 2022
Within one year:		
in HUF	3.45% - 15.31%	0.9% - 15.97%
in foreign currency	0.96% - 4.8%	0.1% - 2.83%
Over one year:		
in HUF	0.6% - 15.31%	0% - 15.97%

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

	30 September 2023	31 December 2022
Within one year		
In HUF	127,023	55,173
Over one year		
In HUF	848,435	916,293
Total	<u>975,458</u>	<u>971,466</u>
Issued mortgage bonds during the period (nominal value)	25,000	200,000
Mortgage bonds became due or repurchased during the period (nominal value)	25,000	-
<i>Interest conditions on issued securities</i>		
Interest conditions	1.25% - 13.99%	1.25% - 17.36%

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

In the first half of 2023, OTP Mortgage Bank repurchased mortgage bonds worth HUF 25,000 million and issued mortgage bonds worth HUF 25,000 million.

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

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

	30 September 2023	31 December 2022
Current litigations	903	934
Loan facilities	62,550	101,085
Contingent and future liabilities	<u>63,453</u>	<u>102,019</u>

NOTE 11: DERIVATIVE FINANCIAL INSTRUMENTS (in HUF million)

Fair value of derivative instruments

	30 September 2023	
	Assets	Liabilities
Derivative financial instruments designated as hedge accounting		
Derivatives designated in fair value hedges		
Interest rate swap	-	1,933
Derivatives designated in cash flow hedges		
Interest rate swaps	7,313	-
Total derivatives designated in cash flow hedges	<u>7,313</u>	<u>1,933</u>
	31 December 2022	
	Assets	Liabilities
Derivative financial instruments designated as hedge accounting		
Derivatives designated in fair value hedges		
Interest rate swap	-	3,889
Derivatives designated in cash flow hedges		
Interest rate swaps	11,786	-
Total derivatives designated in cash flow hedges	<u>11,786</u>	<u>3,889</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

NOTE 12: NET INTEREST INCOME (in HUF million)

	Nine month period ended 30 September 2023	Nine month period ended 30 September 2022	Year ended 31 December 2022
Interest income accounted for using the effective interest rate method from / on			
Loans at amortised cost	54,244	49,023	72,426
FVOCI securities	297	305	405
Placements with other banks	26,099	9,230	16,134
Amounts due from banks and balances with National Bank of Hungary	2,186	704	1,685
Securities at amortised cost	12,739	4,694	8,754
Interest subsidy on housing loans financed by mortgage bonds	16,832	6,131	4,092
Subtotal	112,397	70,087	103,496
Income similar to interest income			
Loans mandatorily measured at fair value through profit or loss	25,881	13,284	18,162
Swap and forward deals related to Placements with other banks	(63)	(410)	(462)
Subtotal	25,818	12,874	17,700
<u>Interest income total</u>	<u>138,215</u>	<u>82,961</u>	<u>121,196</u>
Interest expense due to / from / on			
Amounts due to banks and deposits from the National Bank of Hungary and other banks	46,861	37,353	52,554
Leasing liabilities	8	3	6
Liabilities from issued securities	67,442	33,518	55,081
Financial assets	825	419	769
Repo liabilities	2,366	-	7
<u>Subtotal</u>	<u>117,502</u>	<u>71,293</u>	<u>108,417</u>

OTP MORTGAGE BANK LTD.
NOTES TO UNAUDITED, CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD 30 SEPTEMBER 2023

NOTE 13: RELATED PARTY TRANSACTIONS (in HUF million)

13.1. Outstanding balances/Transactions due from or due to OTP Bank

13.1.1. Outstanding balances in the consolidated Statement of Financial Position related to OTP Bank

The Bank had the following assets and liabilities due from or due to the OTP Bank:

	30 September	31 December
	2023	2022
Assets		
Cash, amounts due from OTP Bank	17,338	16,618
Placements with OTP Bank	25,664	58,703
Accrued receivables	105	99
	30 September	31 December
	2023	2022
Liabilities		
Amounts due to OTP Bank and other banks	(813,353)	(875,761)
Repo liabilities	(30,016)	(13,947)
Face value of issued mortgage bonds held by OTP Bank	(233,689)	(316,196)
Accrued interest expense due to OTP Bank	(3,507)	(3,977)
Other liabilities due to OTP Bank	(3,064)	(2,224)

13.1.2. Transactions in the consolidated Statement of Profit or Loss related to OTP Bank

	Nine month	Year ended	Nine month
	period ended 30	31 December	period ended 30
	September 2023	2022	September 2022
Interest income	6,797	579	307
Interest expense	(44,566)	(49,192)	(35,407)
Account handling fees paid to OTP Bank	(2,193)	(3,000)	(2,254)
Other fees and commissions relating to lending received from OTP Bank	1,204	2,203	1,700
of which: Revenue from the value appraisal activity from OTP Bank	659	985	736
Other fees and commissions relating to lending paid to OTP Bank	(1,292)	(2,550)	(1,860)

13.2. Outstanding balances related to key management personnel

The management, the members of the Board of Directors and the Supervisory Board and their close relatives have loans of HUF 5,718 million as at 30 September 2023. These loans were covered by HUF 12,288 million mortgages and loanlines, which loans finance on a market basis.

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

13.3. Outstanding balances/Transactions related to other related parties

13.3.1. Transactions related to OTP Building Society Ltd.

	30 September 2023	31 December 2022
Face value of issued mortgage bonds held by OTP Building Society Ltd.	64,691	64,696
Accrued interest expense	(971)	(1,926)

13.3.2. Transactions of the Mortgage Bank's loan portfolio related to OTP Factoring Ltd.

	Nine month period ended 30 September 2023	Year ended 31 December 2022	Nine month period ended 30 September 2022
Book value of non-performing loans sold to OTP Faktoring Ltd.	155	114	42
Selling price of the non-performing loans related to OTP Faktoring Ltd.	108	95	32

13.3.3. Further Outstanding balances/Transactions related to Merkantil Bank Ltd.

	30 September 2023	31 December 2022
Face value of issued mortgage bonds held by Merkantil Bank Ltd.	122,665	122,665
Accrued interest expense	(1,841)	(2,248)

13.3.4. Further Transactions related to other related party

	Nine month period ended 30 September 2023	Year ended 31 December 2022	Nine month period ended 30 September 2022
Other liabilities due to other related party	(505)	97	(464)
Other operating income from other related party	27	137	(118)
Revenue from the value appraisal activity from OTP Faktoring Ltd. And from other related party	662	1,051	820

In the normal course of the business the Bank enters into other transactions with the entities within the OTP Group, the amounts and volumes of which are not significant to these financial statements taken as a whole. Only relevant transactions were highlighted.