

Relevant information of the consolidated and separate financial statements for the year ended 2020

In accordance with subsection 3 of section 3:272 of Act V of 2013 on Civil Code, regarding to the announced 16 April 2021 decision making of the Board of Directors acting in the competency of the Annual General Meeting the Board of Directors of the OTP Bank Plc. releases the relevant information of the consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards for the year ended 2020, and the report on relevant information of the Board of Directors and the Supervisory Board hereunder.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in HUF mn)

	2020	2019
Cash, amounts due from banks and balances with the National Banks	2,432,312	1,784,378
Placements with other banks, net of loss allowance for placements	1,148,743	342,922
Repo receivables	190,849	67,157
Financial assets at fair value through profit or loss	234,007	251,990
Securities at fair value through other comprehensive income	2,136,709	2,426,779
Securities at amortized cost	2,624,920	1,968,072
Loans at amortized cost and mandatorily at fair value through profit or loss	12,477,447	10,909,799
Finance lease receivables	1,051,140	969,263
Associates and other investments	52,443	20,822
Property and equipment	322,766	320,430
Intangible assets and goodwill	239,004	242,219
Right-of-use assets	46,283	52,950
Investment properties	38,601	41,560
Derivative financial assets designated as hedge accounting	6,820	7,463
Deferred tax assets	22,317	26,543
Current income tax receivables	38,936	12,769
Other assets	266,474	214,580
Assets classified as held for sale / discontinued operations	<u>6,070</u>	<u>462,071</u>
TOTAL ASSETS	<u>23,335,841</u>	<u>20,121,767</u>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	1,185,315	812,911
Repo liabilities	117,991	488
Financial liabilities designated at fair value through profit or loss	34,131	30,862
Deposits from customers	17,890,863	15,171,308
Liabilities from issued securities	464,213	393,167
Derivative financial liabilities held for trading	104,823	86,743
Derivative financial liabilities designated as hedge accounting	11,341	10,709
Leasing liabilities	48,451	54,194
Deferred tax liabilities	25,990	29,195
Current income tax payable	27,684	35,928
Other liabilities	607,737	592,540
Subordinated bonds and loans	274,704	249,938
Liabilities directly associated with assets classified as held for sale / discontinued operations	<u>5,486</u>	<u>362,496</u>
TOTAL LIABILITIES	<u>20,798,729</u>	<u>17,830,479</u>
Share capital	28,000	28,000
Retained earnings and reserves	2,629,076	2,319,263
Treasury shares	(124,080)	(60,931)
Non-controlling interest	4,116	4,956
TOTAL SHAREHOLDERS' EQUITY	<u>2,537,112</u>	<u>2,291,288</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>23,335,841</u>	<u>20,121,767</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(in HUF mn)

	2020	2019
CONTINUING OPERATIONS		
Interest income calculated using the effective interest method	841,901	762,639
Income similar to interest income	<u>135,986</u>	<u>133,497</u>
Interest income and income similar to interest income	<u>977,887</u>	<u>896,136</u>
Interest expense	<u>(195,216)</u>	<u>(197,095)</u>
NET INTEREST INCOME	782,671	699,041
Loss allowance on loans, placements and on repo receivables	(200,315)	(44,605)
from this: gain / (loss) from derecognition of impaired financial assets	1,978	(15,137)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	(3,262)	(4,376)
(Loss allowance) / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	(7,309)	9
Provision for commitments and guarantees given	(8,662)	(7,995)
Release of impairment of assets subject to operating lease and of investment properties	878	280
Risk cost total	<u>(218,670)</u>	<u>(56,687)</u>
NET INTEREST INCOME AFTER RISK COST	<u>564,001</u>	<u>642,354</u>
Income from fees and commissions	486,529	447,084
Expense from fees and commissions	<u>(88,896)</u>	<u>(72,903)</u>
Net profit from fees and commissions	397,633	374,181
Foreign exchange gains, net	19,204	6,782
Gains on securities, net	16,106	11,611
from this: gain from derecognition of securities at amortized cost	1,402	714
Loss on financial assets /liabilities measured at fair value through profit or loss	(2,396)	(849)
Dividend income	527	7,955
Other operating income	33,461	111,093
Other operating expense	<u>(39,447)</u>	<u>(44,758)</u>
Net operating income	27,455	91,834
Personnel expenses	(308,642)	(276,754)
Depreciation and amortization	(92,761)	(77,048)
Goodwill impairment	-	(4,887)
Other general expenses	<u>(306,264)</u>	<u>(282,528)</u>
Other administrative expenses	<u>(707,667)</u>	<u>(641,217)</u>
PROFIT BEFORE INCOME TAX	<u>281,422</u>	<u>467,152</u>
Income tax expense	<u>(27,376)</u>	<u>(49,902)</u>
NET PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	<u>254,046</u>	<u>417,250</u>
From this, attributable to:		
Non-controlling interest	<u>220</u>	<u>341</u>
Owners of the company	<u>253,826</u>	<u>416,909</u>
DISCONTINUED OPERATIONS		
Gains from disposal of subsidiary classified as held for sale	<u>199</u>	-
Gains / (Loss) from discontinued operations	<u>5,391</u>	<u>(4,668)</u>
PROFIT FROM CONTINUING AND DISCONTINUED OPERATION	<u>259,636</u>	<u>412,582</u>
Earnings per share (in HUF)		
From continuing operations		
Basic	<u>982</u>	<u>1,594</u>
Diluted	<u>982</u>	<u>1,593</u>
From continuing and discontinued operations		
Basic	<u>1,004</u>	<u>1,576</u>
Diluted	<u>1,003</u>	<u>1,575</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in HUF mn)

	2020	2019
NET PROFIT FOR THE YEAR	259,636	412,582
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of securities at fair value through other comprehensive income	(3,175)	26,164
Deferred tax related to fair value adjustment of securities at fair value through other comprehensive income	918	(2,915)
Derivative financial instruments designated as cash flow hedge	(2)	11
Net investment hedge in foreign operations	(9,440)	(2,776)
Deferred tax related to net investment hedge in foreign operations	849	250
Foreign currency translation difference	68,593	79,440
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes of equity instruments at fair value through other comprehensive income	(2,890)	7,619
Deferred tax related to equity instruments at fair value through other comprehensive income	383	(644)
Remeasurement of net defined benefit asset / (liability)	143	(173)
Deferred tax related to remeasurement of net defined benefit asset / (liability)	1	12
Subtotal	<u>55,380</u>	<u>106,988</u>
NET COMPREHENSIVE INCOME	<u>315,016</u>	<u>519,570</u>
From this, attributable to:		
Non-controlling interest	(223)	768
Owners of the company	<u>315,239</u>	<u>518,802</u>

SEPARATE STATEMENT OF FINANCIAL POSITION
(in HUF mn)

	2020	2019
Cash, amounts due from banks and balances with the National Bank of Hungary	579,120	289,686
Placements with other banks, net of allowance for placement losses	1,535,884	1,560,142
Repo receivables	183,364	45,539
Financial assets at fair value through profit or loss	160,483	172,229
Financial assets at fair value through other comprehensive income	911,950	1,485,977
Securities at amortised cost	2,007,692	1,447,224
Loans at amortised cost and mandatorily measured at fair value through profit or loss	3,898,697	3,315,069
Investments in subsidiaries	1,548,972	1,542,538
Property and equipment	77,974	77,754
Intangible assets	57,639	53,282
Right of use assets	13,479	13,607
Investments properties	1,936	2,381
Current tax assets	593	-
Derivative financial assets designated as hedge accounting relationships	6,817	16,677
Other assets	<u>169,794</u>	<u>116,699</u>
TOTAL ASSETS	<u>11,154,394</u>	<u>10,138,804</u>
Amounts due to banks and deposits from the National Bank of Hungary and other banks	766,977	738,054
Repo liabilities	109,612	462,621
Deposits from customers	7,895,735	6,573,550
Leasing liabilities	14,106	13,660
Liabilities from issued securities	28,435	43,284
Financial liabilities at fair value through profit or loss	25,902	28,861
Derivative financial liabilities designated as held for trading	99,987	83,088
Derivative financial liabilities designated as hedge accounting relationships	3,104	10,023
Deferred tax liabilities	3,062	5,875
Current tax liabilities	-	2,896
Other liabilities	224,897	243,780
Subordinated bonds and loans	<u>304,243</u>	<u>279,394</u>
TOTAL LIABILITIES	<u>9,476,060</u>	<u>8,485,086</u>
Share capital	28,000	28,000
Retained earnings and reserves	1,697,133	1,628,354
Treasury shares	<u>(46,799)</u>	<u>(2,636)</u>
TOTAL SHAREHOLDERS' EQUITY	<u>1,678,334</u>	<u>1,653,718</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>11,154,394</u>	<u>10,138,804</u>

SEPARATE STATEMENT OF PROFIT OR LOSS
(in HUF mn)

	2020	2019
Interest income calculated using the effective interest method	239,633	235,679
Income similar to interest income	81,663	88,217
Interest income and similar to interest income	321,296	323,896
Interest expense	(99,630)	(119,384)
NET INTEREST INCOME	<u>221,666</u>	<u>204,512</u>
Loss allowance on loan, placement and repo receivables losses	(61,310)	(29,056)
<i>from this: loss from derecognition of loans at amortised cost</i>	(3,638)	(19,831)
Loss allowance / (Release of loss allowance) on securities at fair value through other comprehensive income and on securities at amortised cost	(1,848)	401
Provision for loan commitments and financial guarantees given	(3,202)	(5,794)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	(405)	(5,432)
Risk cost total	(66,765)	(39,881)
NET INTEREST INCOME AFTER RISK COST	<u>154,901</u>	<u>164,631</u>
MODIFICATION LOSS	(17,358)	=
Income from fees and commissions	259,781	248,954
Expenses from fees and commissions	(40,750)	(35,591)
NET PROFIT FROM FEES AND COMMISSIONS	<u>219,031</u>	<u>213,363</u>
Foreign exchange (losses) and gains	(4,518)	3,288
Gains on securities, net	17,955	8,188
<i>from this: gain from derecognition of securities at amortised cost</i>	360	714
(Losses) / Gains on financial instruments at fair value through profit or loss	(671)	1,260
Gains on derivative instruments, net	7,057	4,715
Dividend income	60,973	78,887
Other operating income	7,900	7,505
Other operating expenses	(28,064)	26,515
NET OPERATING INCOME	<u>60,632</u>	<u>130,358</u>
Personnel expenses	(118,498)	(115,035)
Depreciation and amortization	(38,948)	(29,925)
Other general expenses	(166,514)	(160,198)
OTHER ADMINISTRATIVE EXPENSES	(323,960)	(305,158)
PROFIT BEFORE INCOME TAX	93,246	203,194
Income tax	(772)	(9,840)
NET PROFIT FOR THE YEAR	<u>92,474</u>	<u>193,354</u>
Earnings per share (in HUF)		
Basic	<u>333</u>	<u>691</u>
Diluted	<u>333</u>	<u>691</u>

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
(in HUF mn)

	2020	2019
NET PROFIT FOR THE YEAR	<u>92,474</u>	<u>193,354</u>
Items that may be reclassified subsequently to profit or loss:		
Fair value adjustment of debt instruments at fair value through other comprehensive income	(14,459)	16,732
Deferred tax (9%) related to debt instruments at fair value through other comprehensive income	1,262	(1,332)
(Losses) / Gains on separated currency spread of financial instruments designated as hedging instrument	(1,526)	367
Deferred tax (9%) related to separated currency spread of financial instruments designated as hedging instrument	137	(33)
(Losses) / Gains on derivative financial instruments designated as cash flow hedge	(296)	2,086
Deferred tax (9%) related to derivative financial instruments designated as cash flow hedge	27	(188)
Items that will not be reclassified to profit or loss:		
Fair value adjustment of equity instruments at fair value through other comprehensive income	(3,275)	3,867
Deferred tax (9%) related to equity instruments at fair value through other comprehensive income	<u>310</u>	<u>(348)</u>
Other comprehensive income total	<u>(17,820)</u>	<u>21,151</u>
NET COMPREHENSIVE INCOME	<u>74,654</u>	<u>214,505</u>

The written documents the Board of Directors acting in the competency of the Annual General Meeting shall be available for inspection by the shareholders from 25 of March 2021 at the Budapest Branch Office of OTP Bank (H-1051 Budapest V. Deák Ferenc u. 7-9.) and on the website of the Budapest Stock Exchange (www.bet.hu), on the website operated by the National Bank of Hungary (www.kozzetetelek.hu) and of the Bank (www.otpbank.hu).

Board of Directors of OTP Bank Plc.