CREDIT OPINION
9 January 2025

Update

Send Your Feedback

RATINGS

OTP Bank Nyrt

Domicile	Budapest, Hungary
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa3
Type	Senior Unsecured - Fgn Curr
Outlook	Negative
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Melina Skouridou, CFA +357.2569.3021
VP/Sr Analyst-Financial Institutions
melina.skouridou@moodys.com

Maria Jose Mori +34.91.768.8227
Senior Vice President
mariajose.mori@moodys.com

Alexander Hendricks, CFA +49.69.70730.779
Associate Managing Director
alexander.hendricks@moodys.com

Francesco Masciandaro +49.69.86790.2142
Sr Ratings Associate
francesco.masciandaro@moodys.com

OTP Bank Nyrt

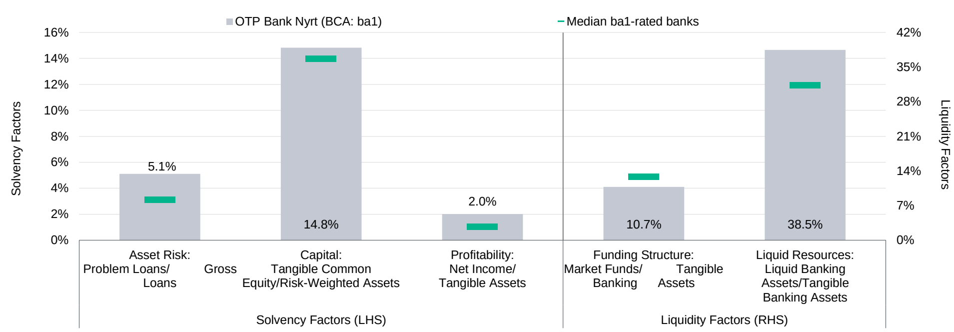
Update following change of outlook

Summary

OTP Bank Nyrt's deposit and debt ratings capture its ba1 standalone Baseline Credit Assessment (BCA) and three notches of uplift for the deposit ratings and no uplift for the senior unsecured debt ratings following the application of our Advanced Loss Given Failure (LGF) analysis. Our assumption of moderate support from the Government of Hungary (Baa2 negative) results in one notch of uplift for the senior unsecured and no uplift for the deposit ratings because they already exceed the government rating before support considerations.

OTP's ba1 BCA reflects the diversification in its revenue and asset composition because of its leading franchise in Hungary and several Central and Southern Eastern European countries, and in weaker operating environments such as the Commonwealth of Independent States. The bank's BCA also considers its strong profitability, which we expect to remain robust; its high capitalisation, supported by strong internal capital generation; and its strong liquidity buffers and deposit-based funding structure.

Exhibit 1
Key financial ratios



Source: Moody's Ratings

Credit strengths

» Strong capitalisation, with ample excess capital above regulatory requirements

» Strong profitability supported by high net interest margins (NIM)

» Stable deposit-based funding structure and sizeable liquidity buffers

Credit challenges

» Relatively high level of nonperforming loans (NPL)

» Exposure to countries with a weaker operating environment than that of Hungary, which elevates risks

Outlook

The positive outlook on OTP's long-term deposit ratings reflects our expectation that the bank's strong financial performance, particularly profitability and capitalisation, and the trend of improving asset quality will be maintained over the next 12-18 months.

The negative outlook on OTP's senior unsecured debt rating reflects the negative outlook on the Government of Hungary's issuer rating as these ratings could lose the current government support uplift in case of a downgrade of Hungary's Baa2 rating.

Factors that could lead to an upgrade

» We could upgrade OTP's senior unsecured debt rating, and its subordinated and junior subordinated debt ratings, if its BCA is upgraded or if the bank issues more junior instruments resulting in lower losses for the relevant creditors and a higher uplift from the application of our Advanced LGF analysis. Conversely, because of the negative outlook on Hungary's ratings, any potential benefits to OTP's deposit ratings from a higher BCA could be offset by a lower sovereign rating as under our methodology the deposit ratings are constrained at two notches above the sovereign rating.

» OTP's BCA could be upgraded following sustained improvements in its solvency, mainly through persistent improvement in asset quality while maintaining strong profitability and capitalisation.

Factors that could lead to a downgrade

» We could downgrade OTP's senior unsecured debt rating following a downgrade of the sovereign rating. The bank´s ratings could also be downgraded following a downgrade of its BCA or changes in its liability structure that would result in a lower notching following the application of our Advanced LGF analysis.

» OTP's BCA could be downgraded following a significant deterioration in its solvency and its liquidity.

Key indicators

Exhibit 2
OTP Bank Nyrt (Consolidated Financials) [1]

	06-24 [2]	12-23 [2]	12-22 [2]	12-21 [2]	12-20 [2]	CAGR/Avg. [3]
Total Assets (HUF Billion)	42,523.6	39,609.1	32,804.2	27,552.5	23,335.0	18.7 [4]
Total Assets (USD Million)	115,400.8	114,475.2	87,427.3	84,426.7	78,722.8	11.5 [4]
Tangible Common Equity (HUF Billion)	4,230.7	3,914.4	3,269.9	2,854.0	2,226.4	20.1 [4]
Tangible Common Equity (USD Million)	11,481.4	11,313.0	8,714.7	8,745.3	7,510.8	12.9 [4]
Problem Loans / Gross Loans (%)	4.6	4.6	5.5	5.8	6.3	5.4 [5]
Tangible Common Equity / Risk Weighted Assets (%)	14.8	14.7	13.9	14.6	12.8	14.2 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	18.8	18.8	23.4	24.1	28.0	22.6 [5]
Net Interest Margin (%)	4.3	3.8	3.6	3.5	3.6	3.8 [5]
PPI / Average RWA (%)	4.6	5.2	3.3	3.3	3.1	3.9 [6]
Net Income / Tangible Assets (%)	2.4	2.7	1.3	1.7	1.1	1.8 [5]
Cost / Income Ratio (%)	49.9	46.3	60.0	57.7	57.6	54.3 [5]
Market Funds / Tangible Banking Assets (%)	11.5	10.7	8.7	7.9	8.4	9.4 [5]
Liquid Banking Assets / Tangible Banking Assets (%)	35.7	38.5	37.0	37.3	36.9	37.1 [5]
Gross Loans / Due to Customers (%)	71.4	70.3	73.1	73.8	75.9	72.9 [5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. All figures and ratios are adjusted using Moody's standard adjustments. Basel III - fully loaded or transitional phase-in; IFRS. May include rounding differences because of the scale of reported amounts. Compound annual growth rate (%) based on the periods for the latest accounting regime. Simple average of periods for the latest accounting regime. Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

Profile

OTP Bank Nyrt is Hungary's largest bank with significant foreign operations, boosted by a large number of acquisitions in recent years.

As of September 2024, OTP had domestic market shares of 29% of its total assets, 27% of its total loans and 27% of its total deposits in Hungary. The bank is particularly dominant in the Hungarian retail market, holding market shares of 42% in total retail deposits as of September 2024 and around 35% in retail loans. In addition to its strong domestic franchise, OTP has operations in 10 foreign countries.

The purchase of Nova Kreditna Banka Maribor d.d (NKBM) in February 2023 was the most significant acquisition in the history of OTP. In August 2024, NKBM was legally merged with the other Slovenian subsidiary of the group, SKB Banka d.d., and the combined entity was renamed as OTP banka d. d. (A3 positive, Baa2 positive, baa3[1]).

In a strategic divestment, OTP concluded the sale of OTP Bank Romania S.A. to Banca Transilvania (Baa2 stable, Baa3 stable, ba1) on 30 July 2024.

As of September 2024, through its subsidiaries, OTP was the largest bank in terms of net loans in Bulgaria, Serbia and Montenegro, the second largest in Slovenia, the third-largest in Albania and the fourth-largest in Croatia and Moldova. It also has bank subsidiaries in Ukraine, Russia and Uzbekistan, where in 2023 it became the majority shareholder of Ipoteka Bank[2], the fifth-largest bank in the country as of September 2024.

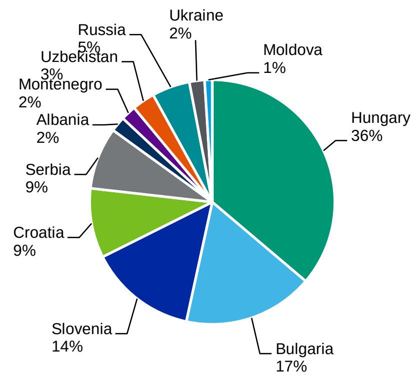
As of September 2024, foreign operations accounted for 64% of the bank's assets, and 69% of its profit after tax in terms of profit contribution.

Detailed credit considerations

Exposure to countries with a weaker operating environments weighs on OTP's blended macro profile

OTP's weighted average "Moderate -" macro profile reflects the dominance of its operations in Hungary (with a Moderate macro profile), Slovenia (Strong -), Croatia (Moderate +) and Bulgaria (Moderate -), which together account for around 76% of its total assets as of September 2024. On the other hand, the bank's operations in Russia (Very Weak), Ukraine (Very Weak -) and Uzbekistan (Weak -) weigh on its macro profile.

Exhibit 3
Breakdown of assets by country
As of September 2024



Source: Company filings

Relatively high level of NPLs, although well covered by provisions

Our assigned ba2 Asset Risk score is one notch higher than the initial score, reflecting our expectation that OTP's relatively high level of NPLs will stabilise at current levels. Our assessment also incorporates OTP's diversified loan book both geographically but also across different industries and segments, as well as its long track record of relatively limited credit losses in relation to its pre-provision income.

OTP holds higher problem loan stocks than other CEE peers because it runs its own workout unit through its subsidiary, OTP Factoring Ltd. As a result, problem loans may sit on the bank's balance sheet for longer. The group runs similar operations in other countries it operates.

As of 30 June 2024, OTP's NPLs[3] stood at 4.6% of its gross loans, in line with the year-end 2023 figure, reflecting some increase in stage 3 loans in its Uzbek operations and some idiosyncratic defaults in the Hungarian corporate portfolio, which are offset by the credit quality improvements in Ukraine and Russia. The bank's NPL coverage ratio decreased slightly to 99% from 103% in the first half of 2024, yet it remained robust. Additionally, the own coverage of total consolidated stage 3 loans[4] was also good at 61%. Riskier stage 2 loans decreased to 12.7% of its gross loans from 13.2% as of year-end 2023. As of 30 September 2024, the bank's stage 3 ratio improved further to 4.0% from 4.2% as of June 2024.

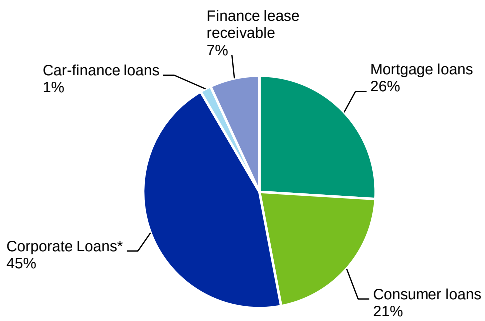
Around a quarter of OTP's loan portfolio is comprised of mortgages, which carry lower credit risk. The bank's exposure to consumer loans, is relatively high accounting for more than one-fifth of its total loan book. The corporate loan portfolio, is relatively diversified with no industry exposure exceeding 50% of CET 1. The bank's exposure to riskier sectors such as income generating commercial real estate is contained.

The bulk of the bank's problem loans is generated from its large operations in Hungary, Bulgaria and Croatia, and in weaker operating environments such as Russia, Ukraine and Uzbekistan. The ratio of stage 3 loans to gross loans in its Hungarian operations stood at 4.2% as of June 2024 and remained above the average NPL ratio of Hungarian banks of 2.5%[5]. The high asset risk from the bank's sizeable problem loans in Russia and Ukraine[6] was largely mitigated by loan loss reserves of 95% and 77%, respectively, of stage 3 loans as of June 2024. The coverage of the NPLs in Ipoteka Bank is lower, but overall adequate at close to 80% as of September 2024.

Exhibit 4

OTP's loan book is well diversified

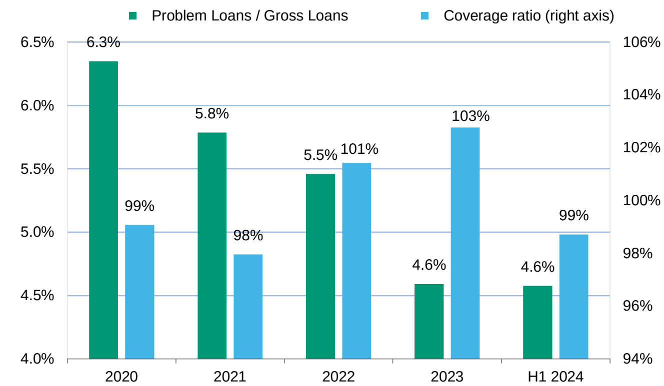
As a percentage of gross loans at amortised costs and financial lease receivables, June 2024



* Including both loans to medium and large corporates and loans to micro and small enterprises.
Sources: Company filings and Moody´s Ratings

Exhibit 5

OTP's problem loans are highly provisioned



Our definition of problem loans includes loans classified both as stage 3 and purchased or originated credit-impaired financial assets.
Coverage ratio = Loan loss reserves/problem loans.
Sources: Company filings and Moody's Ratings

Robust capitalisation, with ample excess capital above regulatory requirements

We assign a baa3 Capital score to OTP, in line with the initial score. The assigned score reflect's the bank's strong internal capital generation and low leverage while also incorporating its acquisitive growth strategy.

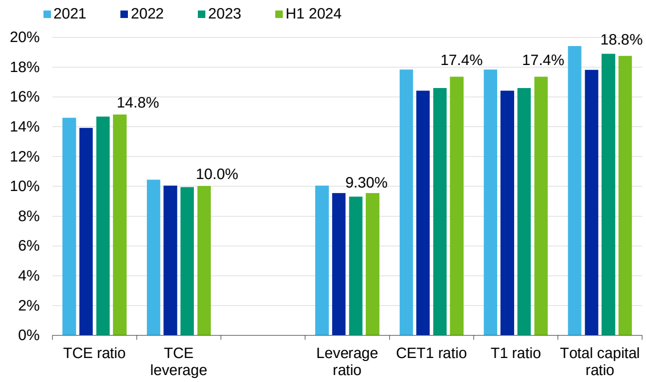
OTP's TCE stood at 14.8% of its Moody's-adjusted risk-weighted assets (RWA) as of 30 June 2024, broadly stable from 14.7% as of year-end 2023, reflecting exceptionally high internal capital generation in H1 2024.[7] This compensated for a HUF150 billion dividend payout (corresponding to 15% of 2023 net income), HUF60 billion (6% of 2023 net income) allocated for share repurchases, and significant RWA growth of 7.1%. Our measure of leverage, based on TCE/tangible assets, stood at 10.0%, signaling a solid capital base exceeding regulatory requirements.

OTP's Tier 1 (T1) capital ratio was 17.4%[8] as of June 2024, up from 16.6% in 2023, while its capital adequacy ratio (CAR) declined to 18.8% from 18.9% over the same period because of the call of an €500 million subordinated bond. In the third quarter of 2024, the bank's capital ratios improved further by around 170 basis points (bps) because of internal capital generation and the deconsolidation of the Romanian subsidiary, which boosted CET1 capital ratios by around 53 bps. Consequently, the bank held significant capital surpluses above the minimum regulatory requirement for T1 and CAR of around 670 bps and 570 bps, respectively. This excess capital is likely to comfortably cover the impending increases of the countercyclical capital buffer (CCyB) in Hungary by 50 bps[9] and the Pillar 2 Requirement (P2R) for the bank by 19 bps.[10] Furthermore, according to its preliminary estimates, the introduction of Basel IV in January 2025 will lead to a reduction of the CET1 capital ratio between 80 bps and 100 bps.

OTP's strategy is to pursue strong organic growth as well as value accretive acquisitions. Since 2016 the bank has tripled its balance sheet due to strong organic growth and a large number of acquisitions. In the absence of value accretive acquisitions, OTP's board may also consider increasing its historically low dividend payout.

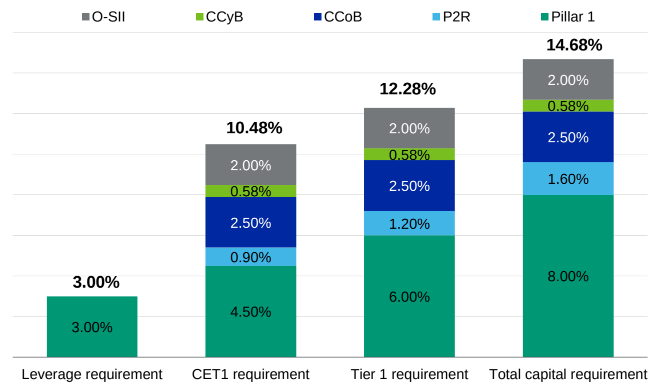
The potential deconsolidation of OTP's Russian activities would improve its CET1 ratio by around 40 bps, a significant improvement from the negative 128 bps impact estimated in Q2 2022. This positive shift is attributed to the full repayment of intragroup funding by the Russian subsidiary and the distribution of dividends totalling RUB37.1 billion, with an additional RUB4.7 billion payment pending authorisation. Similarly, exiting from the Ukrainian operations could potentially increase its CET1 ratio by around 14 bps.

Exhibit 6
High internal capital generation offsets rapid organic and inorganic growth



Sources: Company filings and Moody's Ratings

Exhibit 7
OTP's capital requirements
As of June 2024



CCoB = Capital conservation buffer; CCyB = Countercyclical capital buffer; O-SII = Other systemically important institutions buffer: P2R = Pillar 2 Requirement.
Source: Company filings

Robust profitability, supported by high margins

We assign a baa1 score for Profitability for OTP, in line with the initial score, to reflect our expectation of sustained strong profitability despite headwinds in its euro operations. OTP's robust loan growth and operational efficiency will continue to underpin its earnings.

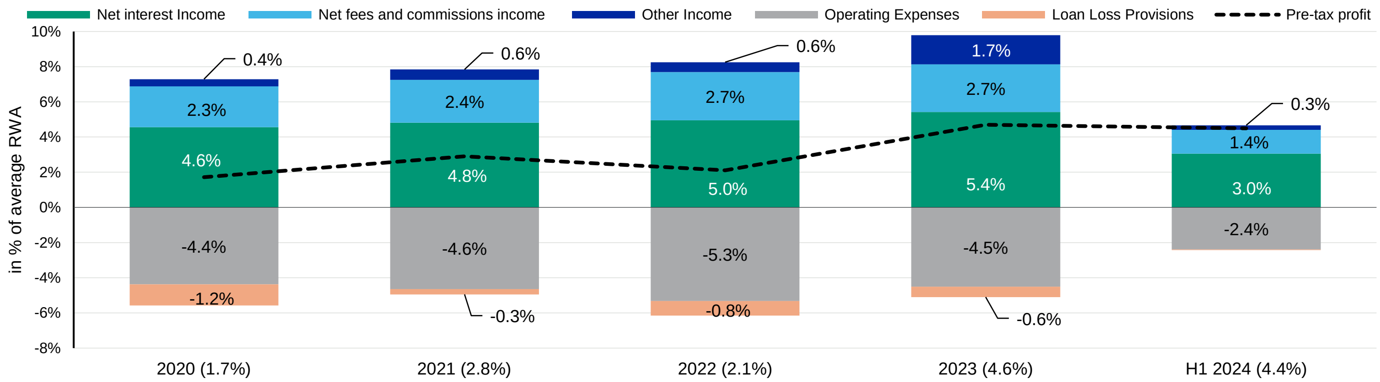
OTP has a strong ability to generate earnings and maintains a high return on assets, underscoring its dominant position in its domestic market, as well as the strong profit contribution from its foreign operations, which in H1 2024 was close to 70% of its net profit.

In H1 2024, OTP reported net income of HUF508 billion, resulting in an adjusted return on tangible assets of 2.4%, up from 2.2%[11] in the corresponding 2023 period. This performance was bolstered by a strong increase in net interest income and fees and commissions, exceeding the growth of operating expenses. The very low cost of risk also supported the bank's bottom line. The bank's profitability in Q3 2024 slightly exceeded that of the first two quarters, primarily because of reduced loan loss provisions and one-off gains.[12]

OTP's net interest margin grew to a strong to 4.3% in H1 2024, up from 3.7% in the corresponding period in 2023, reflecting both an improvement in its domestic market, driven by an inflow of inexpensive retail deposits; and in its foreign operations, with margins improving across the geographies where it operates.[13].

OTP has a strong operational efficiency as reflected by its consolidated cost-to-income ratio of 49.9% in H1 2024. According to management guidance the cost-to-income ratio may improve further to around 45%.

Exhibit 8
High margins and low cost of risk boosted OTP's profitability



Pre-tax profit for H1 2024 is annualised.
Sources: Company filings and Moody's Ratings

Stable deposit-based funding structure

Our baa3 assigned Funding Structure score is in line with the initial score, capturing the bank's deposit-based funding profile, with some reliance on more volatile corporate deposits, and our expectation of a broadly stable stock of market funds, as OTP comfortably meets its minimum requirement for own funds and eligible liabilities (MREL).

As of 30 June 2024, OTP's market funds constituted 11.5% of its tangible banking assets (TBA), primarily comprising HUF1.8 trillion of securities (5% of total liabilities) issued mainly to meet the MREL, and HUF2.3 trillion of interbank loans (6% of total liabilities), around a fifth of which is funding for loan refinancing obtained from the central bank under special schemes to stimulate loan growth, which were launched several years earlier. Because these schemes have expired, we expect this funding to reduce gradually. The bank also has around HUF0.5 trillion of mortgage covered bonds (1% of total liabilities), externally issued via OTP Jelzalogbank Zrt. (Baa3 negative).

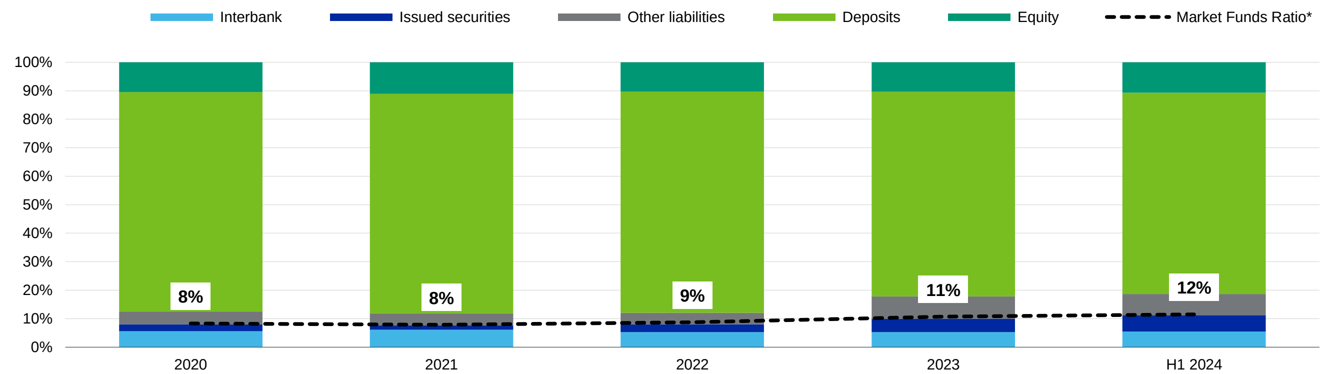
Customer deposits, which represented 79% of OTP's total liabilities as of 30 June 2024, remain the bank's primary funding source. At the group level, 66% of its deposits were from retail clients and micro and small enterprises, with the remainder from corporate customers, which we consider more volatile and confidence-sensitive.

OTP's MREL ratio was 29.3% as of September 2024, with a buffer of more than 500 bps over the regulatory minimum of 24.2% of RWA[14]. Therefore, the bank has no need to increase its MREL stock over the next 12-18 months, unless substantial dividends are distributed. From 16 December 2024, the bank will also be subject to a subordination requirement of 18.7%[15], to which it is already compliant. The bank employs a hybrid resolution strategy with two point-of-entry entities within the group, although it does not dismiss the potential shift to a single point of entry resolution model in the future.

Our assessment also takes into account the funding independence of OTP's subsidiaries, which predominantly finance their loan books through domestic deposits, with two exceptions. Despite the significant improvement in its net loan-to-deposit (LTD) ratio to 101% in June 2024 from 148% two years earlier, the Serbian subsidiary continues to require some parent bank funding, although it is limited by the Basel III intragroup lending limit of a maximum of 25% of regulatory consolidated total capital. Conversely, Ipoteka Bank relies heavily on local government funding, which the parent bank intends to gradually replace with deposits, as illustrated by the improvement of the net LTD ratio to 206% as of September 2024 from 300% a year earlier. OTP Bank Russia, which used to rely on funding from its parent, gradually repaid the bulk of its intragroup liabilities.[16]

Exhibit 9

OTP is mainly deposit-funded



*Market funds ratio = Market funds/TBA.
Sources: Company filings and Moody's Ratings

Ample liquidity buffers

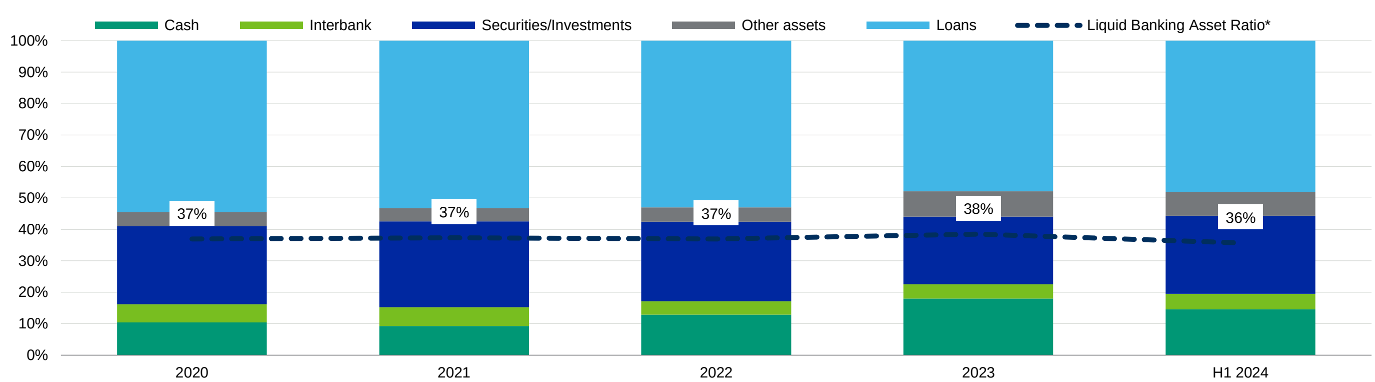
We assign a baa3 Liquid Resources score, in line with the initial score, reflecting our expectation of a relatively stable liquidity position over the next 12-18 months.

As of 30 June 2024, OTP's liquid banking assets comprised HUF6.2 trillion in cash and deposits at the central bank, HUF5.1 trillion in government bonds accounted for at amortised cost, HUF2.1 trillion in interbank deposits and HUF1.6 trillion in financial assets at fair value, resulting in a liquid banking assets ratio of 35.7%.

OTP's ample liquidity was also demonstrated by its liquidity coverage ratio of 179%, while its net stable funding ratio stood at 131% as of the same date. Both indicators thus remained well above their 100% regulatory minima.

Exhibit 10

OTP has abundant liquid reserves



*Liquid banking assets ratio = Liquid banking assets/TBA.
Sources: Company filings and Moody's Ratings

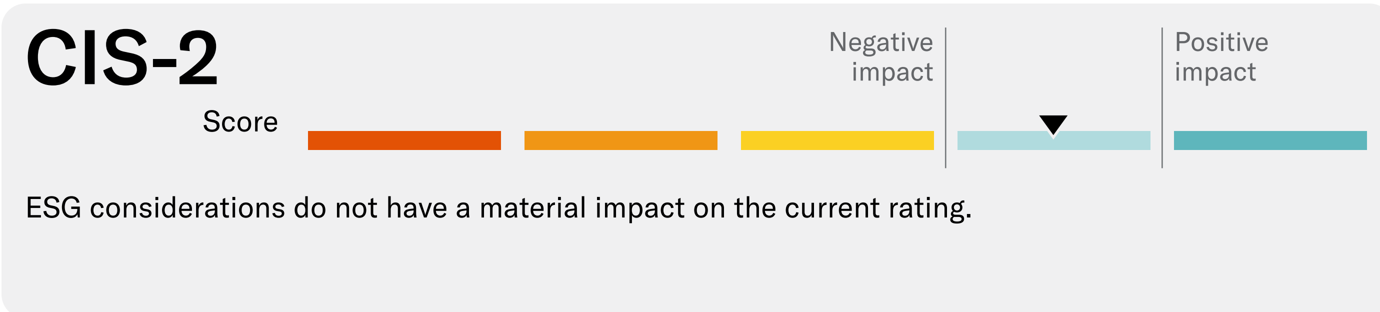
Source of facts and figures cited in this report

Unless noted otherwise, we have sourced data related to systemwide trends and market shares from the central bank. Bank-specific figures originate from banks' reports and Moody's Banking Financial Metrics. All figures are based on our own chart of account and may be adjusted for analytical purposes. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions, published on 8 April 2024.

ESG considerations

OTP Bank Nyrt's ESG credit impact score is CIS-2

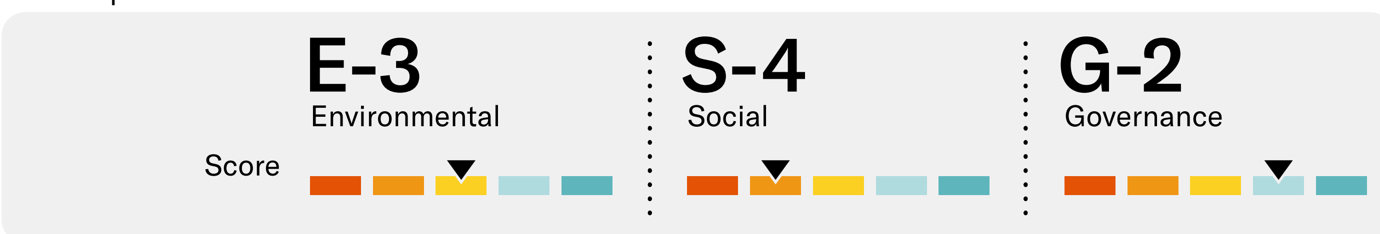
Exhibit 11
ESG credit impact score



Source: Moody's Ratings

OTP Bank's ESG Credit Impact Score **CIS-2** indicates that ESG considerations do not have a material impact on the current rating.

Exhibit 12
ESG issuer profile scores



Source: Moody's Ratings

Environmental

OTP Bank faces moderate exposure to environmental risks because of its portfolio exposure to carbon transition risk as the largest bank in Hungary and widely diversified in the Central and Eastern European region. In line with its peers, OTP Bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, OTP Bank is engaging in optimising its loan portfolio towards less carbon-intensive assets.

Social

OTP's exposure to social risks is high, stemming principally from demographics and social trends. On societal trends, banks in Hungary have been exposed to the government's interventionist policies, which demonstrate its predisposition towards supporting social policy at the detriment of banks' financial performance.

Governance

OTP faces low governance risks, and its risk management, policies and procedures are in line with industry practices and suitable for the bank's risk appetite.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

OTP is subject to the EU Bank Recovery and Resolution Directive (BRRD), which is an operational resolution regime. Thus, we apply our advanced LGF analysis. In accordance with the Hungarian legislation, we also take into account full depositor preference, whereby junior deposits are preferred over senior debt creditors. All the other assumptions are in line with our standard ones. Given OTP's current resolution strategy we exclude from the resolution perimeter certain domestic operations as well as OTP's subsidiaries in Slovenia, Russia, Ukraine, Uzbekistan.

Using historical data as of June 2024, our LGF analysis indicates that OTP's junior deposits are likely to face extremely low loss given failure, while its senior unsecured debt is likely to face a moderate loss given failure, resulting in a three-notch uplift and no uplift above the adjusted BCA, respectively, before government support considerations.

Government support considerations

We assume a moderate probability of government support for OTP's senior creditors in the event of its failure. Our assumption reflects OTP's importance in its domestic market as the largest bank in Hungary, with a particularly strong retail deposit franchise balanced against the limits the BRRD sets on the government to provide such support.

Our government support assessment results in one notch of uplift to the bank's senior unsecured bond rating to Baa3. There is no uplift for the bank's deposit ratings stemming from government support because at Baa1, the deposits are already at a higher level than the sovereign rating.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our rating committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may significantly differ from that suggested by raw data alone (although it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 13
Rating Factors

Macro Factors							
Weighted Macro Profile	**Moderate -**	**100%**					
Factor		**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency							
Asset Risk							
Problem Loans / Gross Loans		5.1%	ba3	↑	ba2	Expected trend	Sector concentration
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		14.8%	baa3	↑↑	baa3	Risk-weighted capitalisation	
Profitability							
Net Income / Tangible Assets		2.0%	baa1	↔	baa1		
Combined Solvency Score			ba1		baa3		
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets		10.7%	baa3	↔	baa3	Extent of market funding reliance	
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets		38.5%	baa3	↔	baa3	Expected trend	
Combined Liquidity Score			baa3		baa3		
Financial Profile					baa3		
Qualitative Adjustments					Adjustment		
Business Diversification					0		
Opacity and Complexity					0		
Corporate Behavior					0		
Total Qualitative Adjustments					0		
Sovereign or Affiliate constraint					Baa2		
BCA Scorecard-indicated Outcome - Range					baa2 - ba1		
Assigned BCA					ba1		
Affiliate Support notching					0		
Adjusted BCA					ba1		

Balance Sheet	**in-scope (HUF Million)**	**% in-scope**	**at-failure (HUF Million)**	**% at-failure**
Other liabilities	5,426,056	17.5%	7,685,221	24.8%
Deposits	22,685,141	73.3%	20,371,257	65.9%
Preferred deposits	16,787,004	54.3%	15,947,654	51.6%
Junior deposits	5,898,137	19.1%	4,423,602	14.3%
Senior unsecured bank debt	1,492,546	4.8%	1,547,266	5.0%
Junior senior unsecured bank debt	73,061	0.2%	73,061	0.2%
Dated subordinated bank debt	239,516	0.8%	239,516	0.8%
Junior subordinated bank debt	91,228	0.3%	91,228	0.3%
Equity	928,069	3.0%	928,069	3.0%
Total Tangible Banking Assets	30,935,617	100.0%	30,935,617	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	23.6%	23.6%	23.6%	23.6%	3	3	3	3	0	baa1
Counterparty Risk Assessment	23.6%	23.6%	23.6%	23.6%	3	3	3	3	0	baa1 (cr)
Deposits	23.6%	4.3%	23.6%	9.3%	2	3	3	3	0	baa1
Senior unsecured bank debt	23.6%	4.3%	9.3%	4.3%	2	0	0	0	0	ba1
Dated subordinated bank debt	4.1%	3.3%	4.1%	3.3%	-1	-1	-1	-1	0	ba2
Junior subordinated bank debt	3.3%	3.0%	3.3%	3.0%	-1	-1	-1	-1	-1	ba3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	baa1	0	Baa1	Baa1
Counterparty Risk Assessment	3	0	baa1 (cr)	0	Baa1(cr)	
Deposits	3	0	baa1	0	Baa1	Baa1
Senior unsecured bank debt	0	0	ba1	1		Baa3
Dated subordinated bank debt	-1	0	ba2	0		Ba2
Junior subordinated bank debt	-1	-1	ba3	0		Ba3 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 14

Category	Moody's Rating
OTP BANK NYRT	
Outlook	Positive(m)
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	ba1
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)
Senior Unsecured	Baa3
Subordinate	Ba2
Jr Subordinate	Ba3 (hyb)
OTP JELZALOGBANK ZRT. (OTP MORTGAGE BANK)	
Outlook	Negative
Counterparty Risk Rating	Baa1/P-2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)
Bkd Issuer Rating -Dom Curr	Baa3
OTP BANKA D.D.	
Outlook	Positive
Counterparty Risk Rating	A3/P-2
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Senior Unsecured -Dom Curr	Baa2

Source: Moody's Ratings

Endnotes

1 The bank ratings shown in this report are the deposit rating, senior unsecured rating and BCA.

2 As of September 2024, Ipoteka Bank reported total assets of HUF1,326 billion and held a domestic market share of around 7%. In addition, it was the market leader in mortgage lending.

3 Defined as stage 3 loans plus purchased or originated credit impaired loans.

4 Including dedicated loan loss reserves for stage 3 loans only.

5 According to the Hungarian central bank consolidated banking sector data

6 In Russia, the stage 3 ratio improved to 11.0% from 13.5% in 2023. In Ukraine, stage 3 loans/gross loans improved to 17.7% from 21.7% in 2022. The stage 3 loan ratio in Russia is highly volatile and depends on NPL block sale transactions.

7 OTP's return on RWA was 3.6% in H1 2024.

8 Equivalent to the Common Equity Tier 1 (CET1) capital ratio, as the bank holds no Additional Tier 1 (AT1) capital.

9 In July 2024, a CCyB of 0.5% was introduced in Hungary, which will be further increased to 1.0% in July 2025. Consequently, the CCyB applicable to OTP at a consolidated level is likely to rise to 0.9%.

10 Following the conclusion of the Supervisory Review and Evaluation Process, the National Bank of Hungary is expected to increase the P2R for OTP group to 1.01% for CET1, 1.34% for T1 and 1.79% for CAR from January 2025.

11 Adjusted for the effect of the winding up of Sberbank (HUF10 billion) and badwill from acquisitions (HUF169 billion).

12 Including HUF16 billion positive fair value adjustment for subsidised housing loans, and HUF11 billion in connection with the sale of the Romanian subsidiary.

13 The only exceptions are the very volatile subsidiaries in Ukraine and Russia, and the one in Moldova, because of sharply declining base rates.

14 Including the combined buffer requirement (CBR)

15 Including OTP's CBR.

16 Only a small HUF8 billion subordinated loan was outstanding as of June 2024.

REPORT NUMBER 1428856