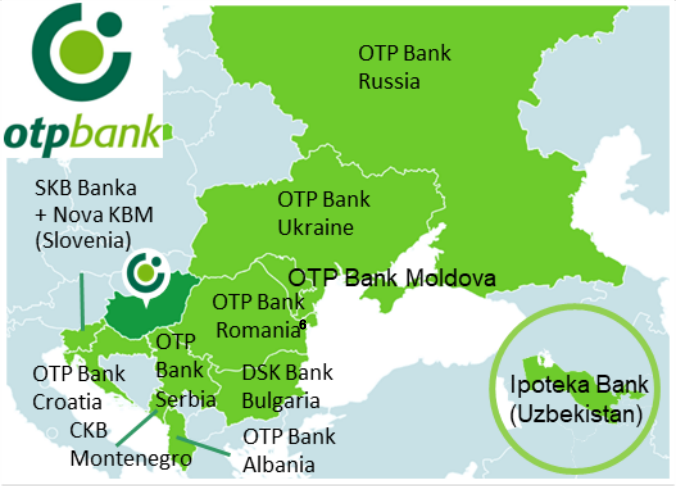
CECBC Conference

Presented by: Csaba Nagy
Deputy CEO of OTP Mortgage Bank
10th October 2024

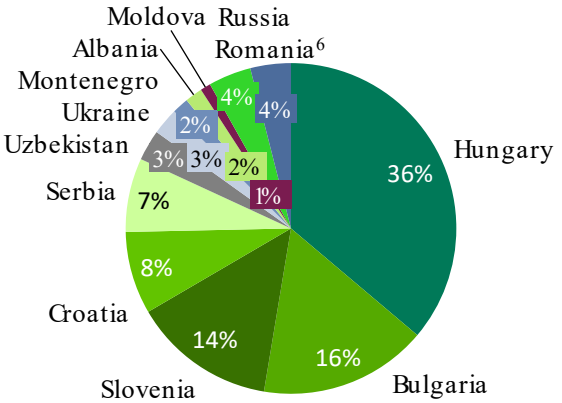
OTP Group Highlights

OTP Group in Numbers

Major Group Members

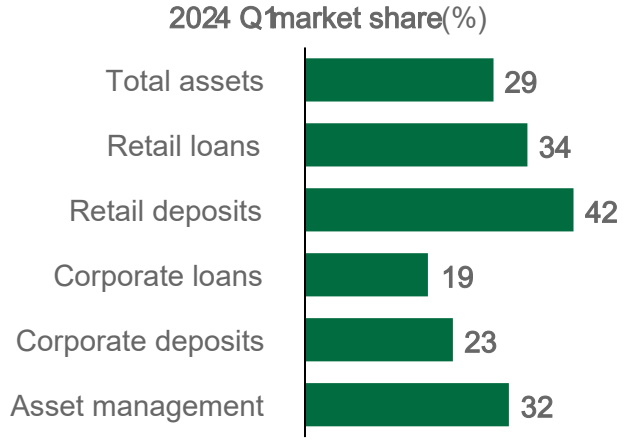


Total Assets [1]

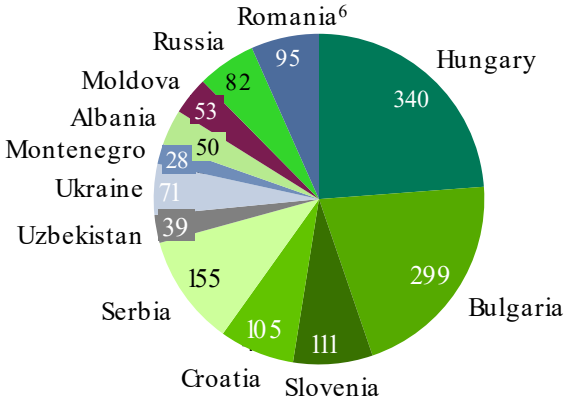


Total Assets: HUF 41,482 billion

Systemic position in Hungary

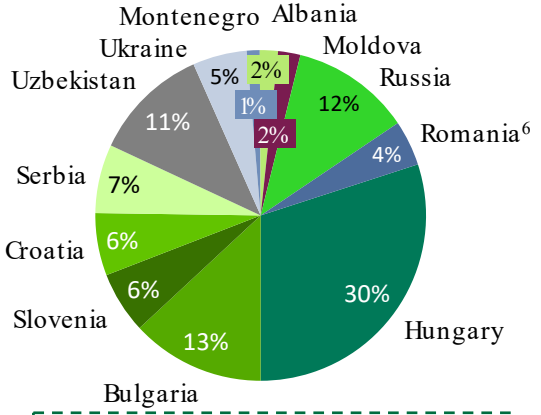


Number of Branches [1]



Total number of branches: 1,128

Headcount [1]



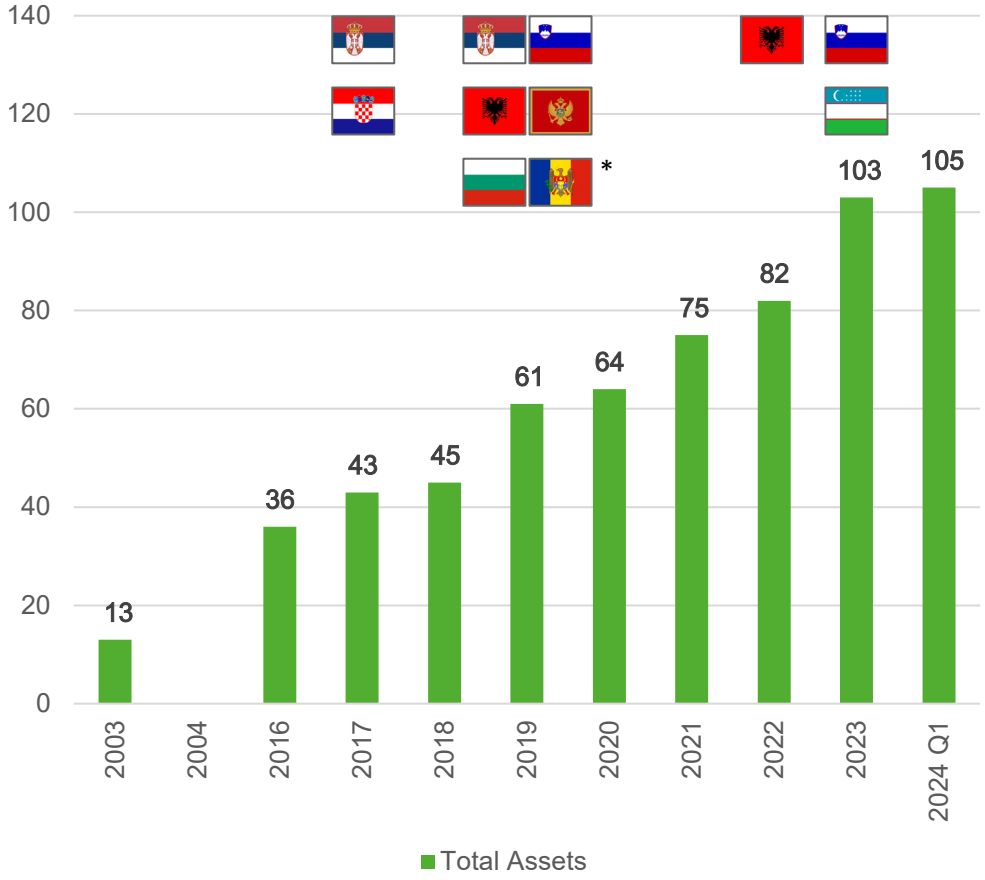
Total headcount: 39,482 [2]

Dominant position in CEE [3]

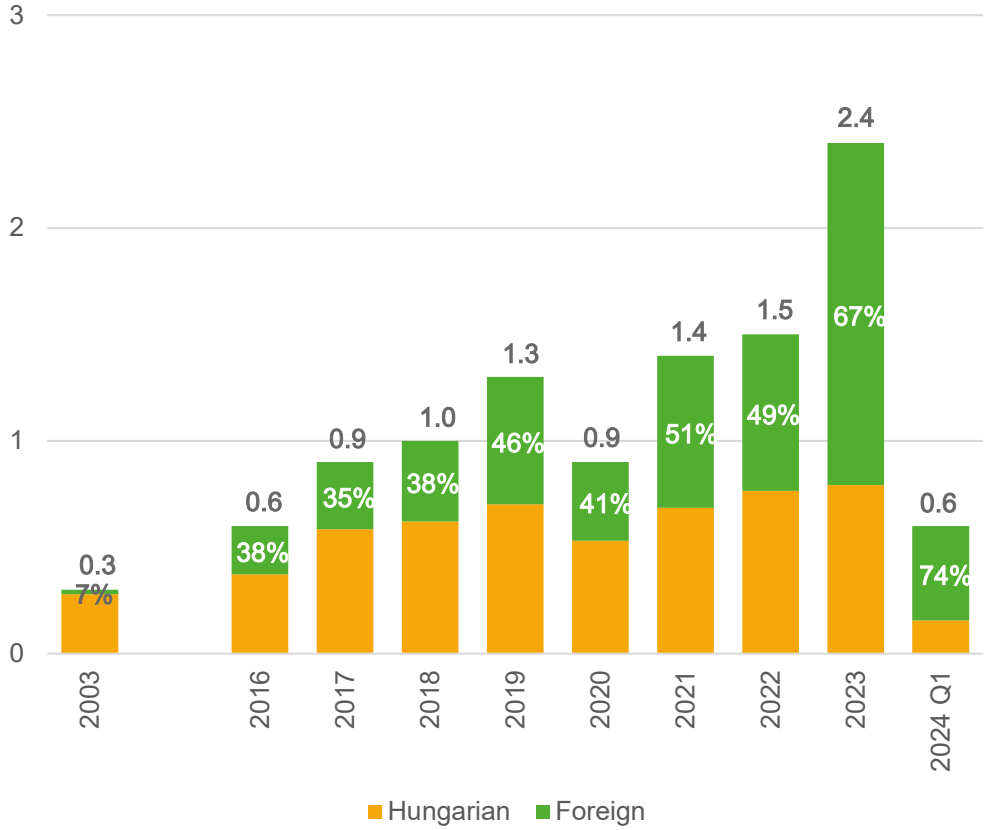
[1] As at 1Q 2024. [2] Excluding selling agents employed at OTP Bank Russia and at OTP Bank Ukraine. [3] Market shares as a % of total assets unless otherwise noted; latest available data; source: National Banks, Banking Associations, Golden books. [4] Based on net loans. [5] Based on gross loans. [6] On 9 February 2024 OTP Bank concluded an agreement to sell its directly and indirectly owned 100% shareholding in OTP Bank Romania S.A., Source: OTP BANK

OTP Group Development

Total Assets Development of OTP Group (EUR bn)



Contribution of Hungarian and Foreign Operations to Adjusted Profit After Tax (EUR bn)



Flags represent countries in which acquisitions were closed in the given year

*On 9 February 2024 OTP Bank concluded an agreement to sell its directly and indirectly owned 100% shareholding in OTP Banka Hrvatska d.d. and OTP Banka S.A.
Source: OTP Bank

OTP GROUP ESG INFO

We have kept implementing our ESGstrategy, but there is still a long road ahead

OTP Group's ESG Strategy

The six pillars of OTP Group's ESG Strategy

Green finance	Green funding	Reporting, controlling	Emissions	Risk	Non-business ESG

▸ Volume targets
▸ Green pricing
▸ Green capital adequacy relief
	▸ Sustainable Financing Framework
	▸ Green bonds
	▸ Refinancing, guarantees from IFIs
		▸ Green flagging
		▸ Green data flow
		▸ Disclosures
			▸ Own emissions
			▸ Financed emissions
			▸ Decarbonisation plan
				▸ ESG factors in management of:
				  ▸ credit risk
				  ▸ market risk
				  ▸ op. risk
				▸ ESG Risk Appetite & Tolerance
					▸ ESG ratings
					▸ ESGspecific medals
					▸ Internal trainings

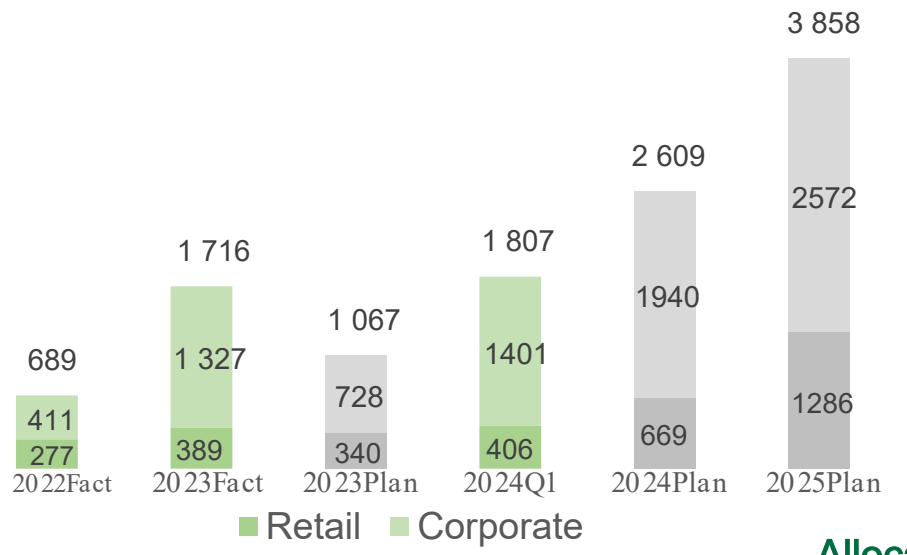
Source: OTP Green Program Directorate

We have over-performed green lending volume targets by a wide margin

Group Members – while everyone reached targets – are in different stages of progress, though

Green finance	Green funding	Reporting, controlling	Emissions	Risk	Non-business ESG

Green lending volume in OTP Group (bn EUR)



Plan vs. actual by Group Members (bn EUR)

	Green loan portfolio		Total loan book, 2023	*Green loan ratio, 2023*
	2023Fact	**2023Target**		
OTP Core	978	656	17 236	*5,7%*
DSK Group	387	142	10 623	*3,6%*
OBH Group	70	70	6 039	*1,2%*
OBR Group	45	27	2 969	*1,5%*
OBA Group	30	26	961	*3,1%*
OBSr Group	90	58	5 169	*1,7%*
Merkantil	46	51	1543	*3,0%*
Total of above	***1 645***	***1 030***	***44 540***	***3,7%***
OTP Group	**1716**	**1067**	***58 690***	***2,9%***

Source: OTP Bank, Green Program Directorate

Allocation of proceeds (2022 issuance, Evaluation Date July 1, 2022)

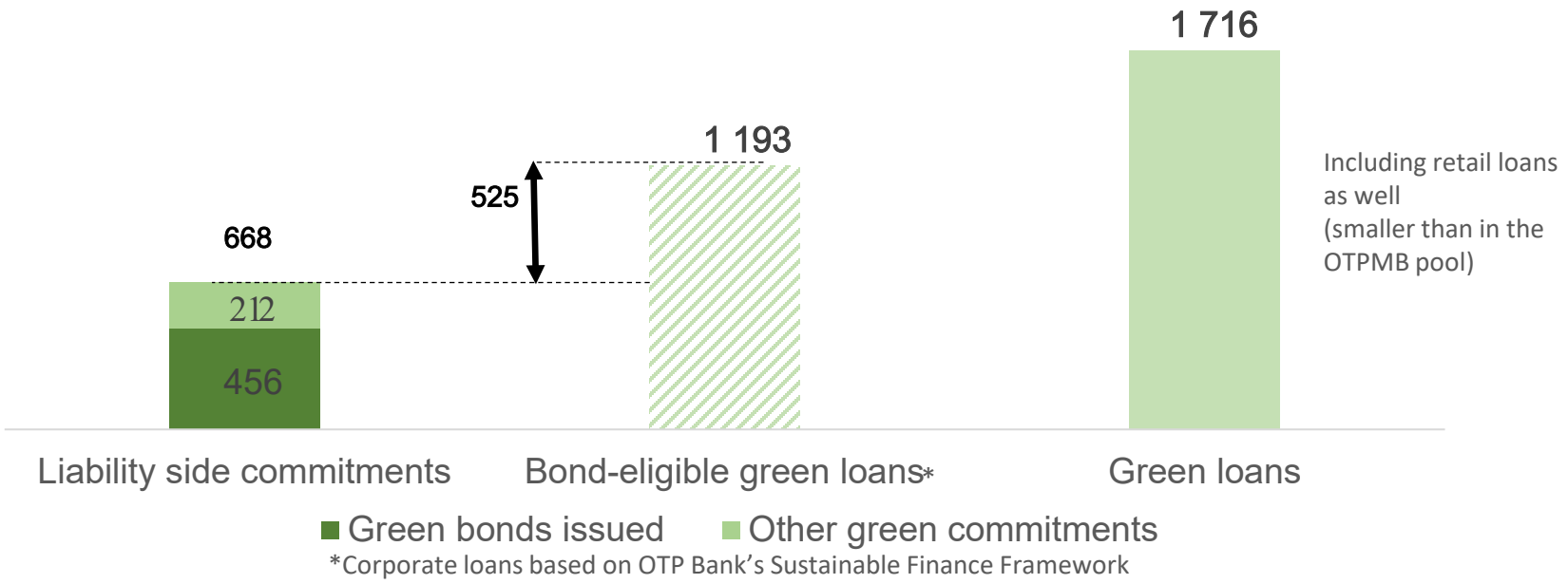
54% - Renewable Energy
37% - Green buildings
9% - Clean transportation

Green Bond Allocation according to OTP Bank Sustainable Finance Framework

The Group is not in the need of wholesale funding yet, green bonds are important for market presence

Green finance	**Green funding**	Reporting, controlling	Emissions	Risk	Non-business ESG

Green lending volume vs. green bonds issued as at end-2023, *million EUR*

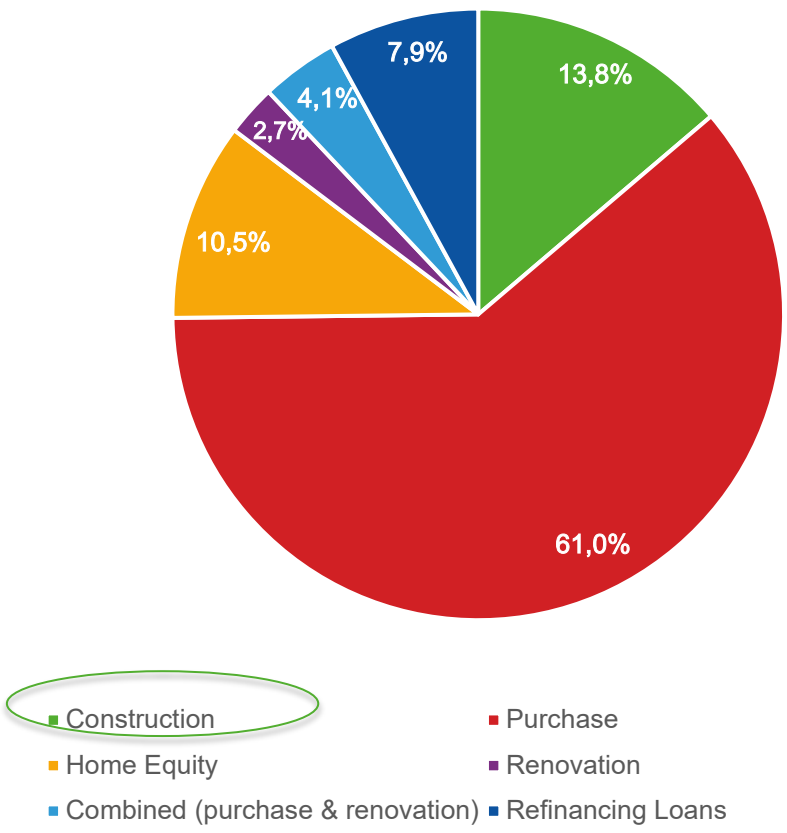


Source: OTP Green Program Directorate

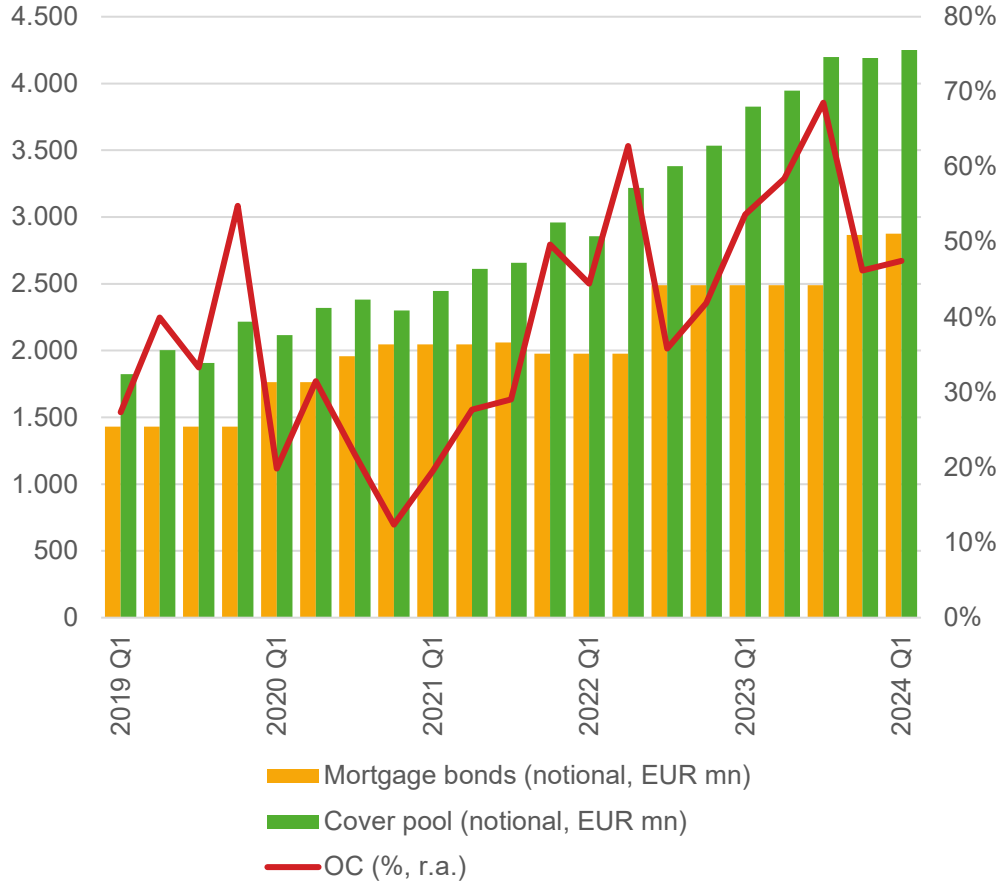
OTP Mortgage Bank

OTP Mortgage Bank Cover Pool Overview (2024 Q1)

Loan distribution by purpose (%)



Over-Collaterisation



*EUR values calculated from original HUF values using FX rate of 390 HUF/EUR

Green Bond Framework

Green Bond Framework

- OTP Mortgage Bank has set up its Green Strategy and Green Bond Framework in 2021, using the ICMA GBP standards.
- Second Party Opinion provider is Deloitte Hungary

Issuances

- **OTP Mortgage Bank was the first issuer out of Hungary to issue green mortgage bonds in Q3 2021.**
- OTP Mortgage Bank currently has two series in circulation with total notional of HUF 120 bn

Series	ISIN	Currency	National Outstanding (in EUR mn)	Interest	Maturity	Threshold (yearly)	Issue year
OJB2031/I	HU0000653456	HUF	243,6	2.50%	22/10/2031	118 kWh/m2	2021
OJB2032/A	HU0000653621	HUF	64,1	1M BUBOR + 0.25%	24/11/2032	113 kWh/m2	2023
TOTAL			**307,7**				

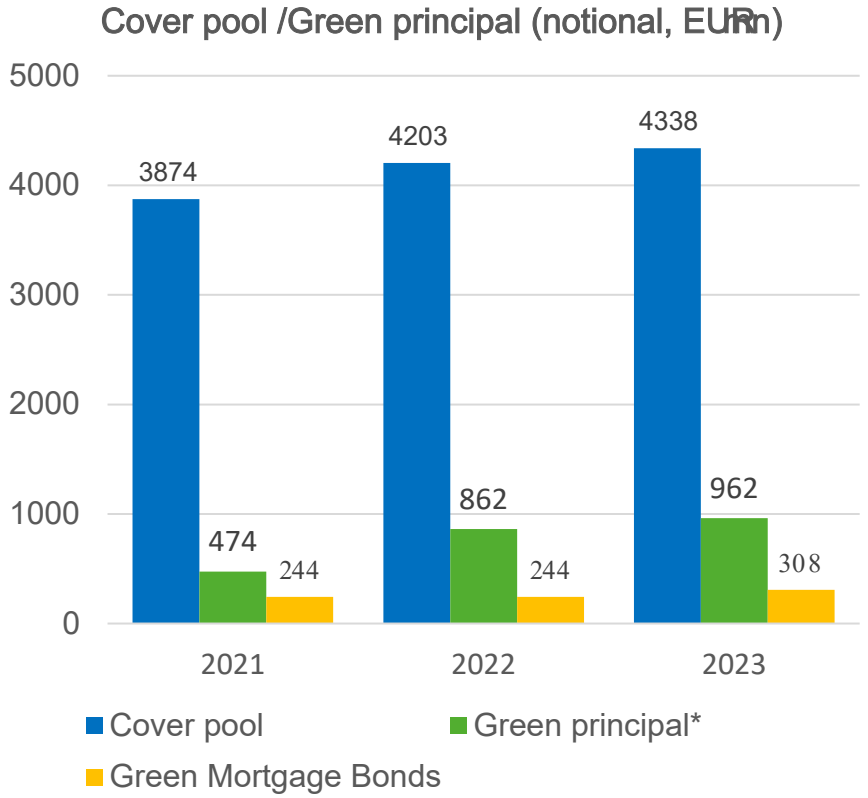
*EUR values of HUF denominated bonds calculated from original HUF values using FX rate of 390 HUF/EUR

Documents

The Green Strategy, Green Bond Framework and Green Bond Reports of OTP Mortgage Bank are available on the bank's website under Sustainability Reports, as well as all related Second Party Opinions.

OTP Mortgage Bank Green Bond Overview 2021- 2023

	Total portfolio	Non-green principal amount	Green principal amount*	Number of properties (thousand properties)	Green Bonds
2021	3 874 mn EUR	3 400 mn EUR	474 mn EUR	254.4	244 EUR mn
2022	4 203 mn EUR	3 341mn EUR	862 mn EUR	246.7	244 mn EUR
2023	4 338 mn EUR	3 377 mn EUR	962 mn EUR	233.4	308 mn EUR



*Green principal amount based on eligible loans defined in the document of OTP Mortgage Bank Green Bond Framework 2021.

EUR values calculated from original HUF values using FX rate of 390 HUF/EUR

Green Bond Framework: Use of Proceeds

Products

Own mortgage loans and refinancing mortgage loans granted to commercial banks

Clientele

Solely retail clients for both own and refinancing mortgage loans

Loan purpose

Residential mortgages for construction or purchase of used or newly refurbished residential homes, and general purpose mortgages

Geographical focus

Real estate collateral located in Hungary

Time limitation

Energy performance certificate issued after 31 December 2015

Energy characteristics

Property(ies) that meet at least one of the following criteria:

1. energy-efficient properties: buildings falling within the best 15% of Hungary's total stock;
2. buildings with significantly improving energy performance.

Thank you for your attention ！