

Senior management and executive members of the Board of Directors¹ of OTP Bank



Dr. Sándor Csányi
Chairman of the BoD
Chairman & CEO

He graduated from the College of Finance and Accounting in 1974 with a bachelor's degree in business administration and from the Karl Marx University of Economic (now: Corvinus University) in 1980 with a master's degree in economics and finance, where he also obtained a doctorate in finance between 1981-1983. He is a chartered accountant – certified by the Ministry of Finance in 1982. After graduating he worked at the Tax Revenue Directorate and then at the Secretariat (Banking Supervision Section) of the Ministry of Finance. From 1983 to 1986, he was Head of Department at the Ministry of Agriculture and Food Industry. From 1986 to 1989 he was a senior department head at the Hungarian Credit Bank (MHB). From 1989 to 1992 he was Deputy CEO of K&H Bank. He has been the Chairman and CEO of OTP Bank Plc. since 1992. He is Vice Chairman of the Board of Directors of MOL Plc. and Co-Chairman of the Chinese-Hungarian Business Council. In 2022, he founded Unity Asset Management Foundation, which acts as his family office, by contributing 100% of the shares of Bonitás 2002 Zrt. and Hungerit Zrt. as well as HUF 700 million in cash. Bonitás 2002 Zrt. is the holding company that oversees his investments in agriculture, the food industry, real estate and asset management, which comprise some 240 directly or indirectly owned companies. Bonitás 2002 Zrt. is one of the largest investors in agriculture and food industry in the CEE region through Bonafarm Group, Hungerit Zrt. and KITE Zrt. generating a total annual revenue of EUR 2.5 billion with more than 9,500 employees and with a total of 40,000 hectares

of cultivated farmland. The Bonafarm Group is vertically integrated with agricultural companies producing the raw materials for food processors. Bonitás 2002 Zrt. has significant investments in venture capital and real estate through the Bonitás Venture Capital and Real Estate Fund. The size of venture capital fund is EUR 20 million and the average VC investment is between EUR 900,000 and EUR 2 million, while the size of the real estate fund is EUR 70 million. He has been President of the Hungarian Football Federation (MLSZ) since 2010. He has been a member of the UEFA Finance Committee and a member of the FIFA Council since 2017, and Vice President of the FIFA Council since 2018. He has been the owner of Pick Szeged Handball Club since 2011. He has been the Honorary Vice President of the International Judo Federation since 2008. He has been the Vice President of the Board of Trustees of the International Children's Safety Service since 1995, and Chairman of the Board of Trustees of the Prima Primissima Foundation since 2003. In 2005, he established the Csányi Foundation for Children with his own funds. Since 2009, he has been a member of the Board of Trustees of the Media Union for Social Awareness Formation Foundations. Since 2020, he has been the Chairman of the Board of Trustees of the Pro Sopron University Foundation. In 2021, he became the Chairman of the Board of Trustees of the Hungarian University of Agriculture and Life Sciences (MATE) Foundation. As of 31 December 2023 he held 12,000 ordinary OTP shares (while the total number of OTP shares held directly and indirectly by him was 4,712,949).



András Becsei
Deputy CEO
Retail Division

In 2001, he graduated with a master's degree in Finance from the Budapest University of Economic Sciences and Public Administration. During his studies he was awarded a scholarship at the University of Southern California in Los Angeles. He went on to get a second master's degree in International Management from the University of Cologne (2002) and an MBA from INSEAD (2005-2006). His career started as a Mergers & Acquisitions analyst at MOL in 2000, before moving to Ruhrgas in Essen (2001-2002). Between 2002-2009, he worked as a Consultant and a Project Manager at McKinsey & Company. Since 2009, he has worked at OTP Bank in various roles including Managing Director of the Retail Subsidiary Management and Business Development Directorate (2009-2012), CEO of OTP Mortgage Bank and OTP Building Society (from 2014), Director of Retail Product Development (2012-2016), and Managing Director of Budapest Region (2017-2022). Alongside his primary role at OTP Bank, he has performed other duties as a member of the Supervisory Board of OTP Bank Ukraine – JSC OTP Bank (2010-2014) and as the Vice President of the Hungarian Banking Association since 2014. He temporary served as President for 9 months since July 2019. Since the beginning of 2023, he has been appointed to Deputy CEO at OTP Bank leading the Retail Banking Division. As of 31 December 2023 he held 7,199 ordinary OTP shares.



László Bencsik
Chief Strategic and Financial Officer
Deputy CEO
Strategy and Finance Division

In 1996, he graduated from the Faculty of Business Administration at the Budapest University of Economic Sciences, and in 1999 he obtained a Master's in Business Administration (MBA) from INSEAD Business School in France. Between 1996 and 2000 he worked as a consultant at Andersen Consulting (now Accenture). From 2000 to 2003 he was a project manager at consulting firm McKinsey & Company. He joined OTP Bank in 2003, when he became managing director of the Bank Operations Management Directorate, and the manager with overall responsibility for controlling and planning. He has been deputy CEO of OTP Bank, and head of the Strategy and Finance Division, since August 2009. Since 13 March 2012 he has been Chairman of the Supervisory Board of DSK Bank. As of 31 December 2023 he held 15,462 ordinary OTP shares.



Péter Csányi
Member of the BoD
Deputy CEO
Digital Division

He graduated from City University London in 2006 with a bachelor's degree in economics, then in 2007 with a master's degree in finance from the IE Business School in Madrid. In 2015, he received the Master of Business Administration (MBA) diploma from Kellogg School of Management in the USA. He began his career in 2006 at Merrill Lynch's London office as an intern and he was working part-time on corporate finance projects for financial institutions while attending university as well. From 2007 to 2011, he was an analyst in Deutsche Bank's London office and then a financial advisor in the field of corporate finance (for Central and Eastern European corporate customers). From 2011-2016, he worked for McKinsey & Company Inc. as a senior consultant mostly working on banking related projects. He joined OTP Bank in 2016 as managing director of the Digital Sales and Development Directorate. After the agile transformation at the Bank, he became responsible for the management of the Omnichannel Tribe from 2019. In addition, since January 2021, he was the head of the Daily Banking Tribe. Since March 2021, he has been the Deputy CEO of OTP Bank, the head of the IT Division (as of 1 May 2021 Digital Division). From 2020 he has been Chairman of the Supervisory Board of OTP banka d.d. in Croatia. He is also a member of the OTP Mobil Kft. Supervisory Board and the Board of Directors of PortfoLion Ltd. He is also the head of the Digitization Working Group of the Hungarian Banking Association and a member of the Mastercard European Advisory Board and the vice president responsible for digital transformation of IVSZ IT Association of Hungary. He has been a member of OTP Bank's Board of Directors since 16 April 2021. As of 31 December 2023 he held 25,939 ordinary OTP share.



György Kiss-Haypál
Deputy CEO
Risk Management Division

He is a qualified economist. He graduated from the Budapest University of Economic Sciences in 1996. He started his career as a project finance analyst for Budapest Bank Plc., and by 2007 he was appointed head of the bank's risk management department. Between 2002 and 2006 he also worked in Ireland as corporate credit risk portfolio manager for GE Consumer Finance Europe, and in Austria as GE Money Bank's consumer loans portfolio manager. Between 2008 and 2015 he was member of the Board of Directors of Budapest Bank. From 2015 he was deputy head of the Credit Approval and Risk Management Division of OTP Bank Plc., and then was appointed acting head of the Division. Since 3 May 2017, he has been deputy CEO of OTP Bank Plc., the head of Credit Approval and Risk Management Division. As of 1 January 2024 Risk Management Division. As of 31 December 2023 he held 15,160 ordinary OTP shares.



László Wolf
Member of the BoD
Deputy CEO
Commercial Banking Division

He graduated from the Karl Marx University of Economic Sciences (now: Corvinus University) in 1983. After graduation, he worked at the Bank Relations Department of the National Bank of Hungary for 8 years, and then he was head of Treasury at BNP-KH-Dresdner Bank between 1991 and 1993. From April 1993 he was managing director of OTP Bank's Treasury Directorate, and since 1994 he has been the head of Commercial Banking Division as Deputy CEO of OTP Bank Plc. Since 2003 he has been a member of DSK Bank's Supervisory Board. He has been a member of OTP Bank's Board of Directors since 15 April 2016. Since 13 June 2023 he has been the Chairman of Supervisory Board of Ipoteka Bank. As of 31 December 2023 he held 544,502 ordinary OTP shares.

¹ The members of the Board of Directors are elected by the General Meeting for a term of five years.

Non-executive members of the Board of Directors of OTP Bank



Tamás György Erdei
Deputy Chairman of the BoD
BSc Business Administration

He graduated in 1978 with a degree from the College of Finance and Accounting. He began his professional career at OTP, in a variety of administrative roles (his last position was branch manager), before going on to work at the Ministry of Finance in the area of bank supervision. From 1983 he was employed by the Hungarian Foreign Trade Bank, where he gradually worked his way up through the ranks. In 1985 he became managing director, in 1990 he was appointed Deputy CEO, then in 1994 he became CEO, and from 1997 until the end of March 2012 he was Chairman & CEO. Between 1997 and 2008, and between 2009 and 2011, he was the elected president of the Hungarian Banking Association. He is the Chairman of the Supervisory Board of the International Children's Safety Service. He has been a member of OTP Bank's Board of Directors since 27 April 2012. He has been the Chairman of OTP Bank's Risk Assumption and Risk Management Committee, and he was a member of the Nomination Committee between 2014 and 2020. He has been the Deputy Chairman of the Board of Directors of OTP Bank Plc. since April 2019 and the Chairman of the Work-out Committee since October 2019. He has been Chairman of the Board of Directors at OTP Factoring Ltd. since December 2019. As of 31 December 2023 he held 53,885 ordinary OTP shares.



Gabriella Balogh
MSc Economics,
specialization in marketing

She graduated as organizing chemical engineer from the University of Veszprém in 1993 and as marketing economist from the University of Economics, Budapest in 1997. She worked as a marketing associate between 1993 and 1998, as director of the Marketing Department from 1998 to 2005 and as managing director of the Marketing and Sales Directorate between 2005 and 2008 at OTP Bank Plc. She has been the managing director of GoodStep Consulting Kft. since 2008. She fulfilled group management tasks as a member of the Board of Directors at the Central European Media and Publishing Company between 2010 and 2017. She has been co-owner and Board of Directors member of Net Media Plc. since 2016. She is Presidium member and Chairwoman of the Marketing and Media Board of the Hungarian Football Federation. She is the Chairwoman of the Supervisory Board of Művészetek Palotája Ltd. Since 2023 she has been the Member of the Board of Directors of Richter Gedeon Plc. She has been a member of OTP Bank's Board of Directors since 16 April 2021. As of 31 December 2023 she held 17,793 ordinary OTP shares.



Mihály Baumstark
BSc Agricultural Business
Administration, MSc Economics

He graduated with a degree in agricultural business administration at Gödöllő University of Agriculture (1973), and went on to do a masters in economics at the Karl Marx University of Economic Sciences (now: Corvinus University) (1981). He was employed by the Ministry of Agriculture and Food Industry between 1978 and 1989. When he left the Ministry he was Deputy Head of the Investment Policy Department. Then he was managing director of Hubertus Bt., and from 1999 to 2011 he was deputy CEO and then Chairman & CEO of Villányi Winery Ltd. (now Csányi Winery Ltd.). He is currently retired. He was a member of OTP Bank's Supervisory Board from 1992 to 1999, and has been a non-executive member of OTP Bank's Board of Directors since 1999. He has been Chairman of OTP Bank's Ethics Committee since 2010, as well as a member of its Remuneration Committee since 2011. He was the member of the Nomination Committee between 2014 and 2020. As of 31 December 2023 he held 59,200 ordinary OTP shares.



Dr. István Gresa
PhD Business Administration
and Economics

He graduated from the College of Finance and Accountancy in 1974 and received a degree in economics from the Karl Marx University of Economic Sciences (now: Corvinus University) in 1980. He earned a PhD from the University of Economic Sciences in 1983. He has been working in the banking sector since 1989. Between 1989 and 1993 he was branch manager of Budapest Bank's Zalaegerszeg branch. From 1993 he was director of OTP Bank's Zala County Directorate, and from 1998 he was the managing director of the Bank's West Transdanubian Region. From 1 March 2006 until 14 April 2016 – when he retired – he was Deputy CEO of OTP Bank Plc., the Head of the Credit Approval and Risk Management Division. He was Chairman of the Board of Directors at OTP Factoring Ltd. between 2006 and 2017. He has been a member of OTP Bank's Board of Directors since 27 April 2012. As of 31 December 2023 he held 192,458 ordinary OTP shares.



Antal György Kovács
MSc Economics

He graduated from the Karl Marx University of Economic Sciences (now: Corvinus University) with a degree in economics. He began his professional career in 1990 at the Nagyatád branch of K&H Bank, where he worked as a branch manager between 1993 and 1995. He has been working at OTP Bank Plc. since 1995, first as a county director and from 1998 as the executive director of OTP Bank's South Transdanubian Region. From 1 July 2007 to 31 December 2022 he was the head of Retail Division as OTP Bank's Deputy CEO. He has received additional training at the International Training Centre for Bankers and on various courses held by the World Trade Institute. Between April 2007 and April 2012 he was Chairman of the Supervisory Board of OTP banka Hrvatska d.d. He has been Chairman of the Supervisory Board of OTP Bank Romania SA since 12 December 2012. He has been Chairman of the Board of Directors of OTP Mortgage Bank Ltd. and OTP Building Society Ltd. since 24 April 2014. He was a member of OTP Bank's Supervisory Board from 2004 to 14 April 2016. Between 15 April 2016 and 27 April 2023 he was a member of OTP Bank's Board of Directors, on 28 April 2023 the General Meeting of OTP Bank elected him as non-executive member of the Board of Directors. As of 31 December 2023 he held 126,584 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 130,884).



György Nagy
Msc International Economics

He graduated from the Department of International Foreign Economics of University of International Relations (Moscow) in 1989. He was a founding owner of Wallis Holding (founded in 1990) and he managed the Wallis Group as CEO until 2000. He founded Westbay Holding Kft. in 2004, the company's portfolio includes several successful investments. He has been the Chairman of the Hungarian Shooting Federation since 2012, Presidium member of the European Shooting Confederation (ESC) since 2013 and he was elected the Vice President of ESC in 2021. He has been a member of OTP Bank's Board of Directors since 16 April 2021. As of 31 December 2023 he held 44,400 OTP shares (while the total number of OTP shares held by him directly and indirectly was 1,068,885).



Dr. Márton Gellért Vági
General Secretary
Hungarian Football Association

He graduated in 1987 from the department of foreign economics at the Karl Marx University of Economic Sciences (now: Corvinus University). From 1987 to 2000 he was lecturer at University of Economic Science of Budapest (today Corvinus University of Budapest) and from 1994 onwards associate professor and head of department. He has a university doctorate and a PhD in economics. He has authored or co-authored more than 80 studies, essays and books. Between 2000 and 2006 he worked at the State Holding and Privatisation Co. (ÁPV Zrt.) as managing director, Deputy CEO and then CEO. Between 2006 and 2010 he was the Chairman of the National Development Agency. In various periods between 2000 and 2010, he was the Chairman of the Board of Directors of Magyar Villamos Művek, Paks Nuclear Power Plant and the National Textbook Publishing House. Between 2002 and 2010, he was a member of the Board of Directors of Földhitel és Jelzálogbank Nyrt., and the Chairman of the Board of Directors for 4 years. Since 2010 he has been general secretary of the Hungarian Football Federation. He was a member of UEFA's HatTrick Financial Assistance Committee between 2011 and 2023. He has been a member of FIFA's Financial Committee since 2017 and since 2023 he has been a member of the UEFA National Teams Competition Committee. He was a member of OTP Bank's Supervisory Board between 2011–2021. He was a member of OTP Bank's Audit Committee between 2014–2021. He was a member of OTP Bank's Nomination Committee between 2020–2021. He has been a member of OTP Bank's Board of Directors since 16 April 2021. As of 31 December 2023 he held 15,800 OTP shares.



Dr. József Zoltán Vörös
Professor emeritus, academician
University of Pécs

He earned a degree in economics from the Karl Marx University of Economic Sciences (now: Corvinus University) in 1974. In 1984 he earned a PhD in economics from the Hungarian Academy of Sciences, and a Doctor of Science degree in 1993. He has been a member of the Hungarian Academy of Sciences since 2013. Between 1990 and 1993 he was the dean of the Faculty of Business and Economics, Janus Pannonius University (JPTE) in Pécs. In 1993 he attended a course in management for senior executives at Harvard University. From 1994 he was a professor at JPTE, from 2021 he has been professor emeritus. He was the senior Vice Rector of the University from 2004–2007, between 2007 and 2011 he was the Chairman of the Economic Council of the University of Pécs. He has been a non-executive member of OTP Bank's Board of Directors since 1992. He has been the Chairman of OTP Bank's Remuneration Committee since 2009, and member of its Risk Assumption and Risk Management Committee since 2014. As of 31 December 2023 he held 196,314 ordinary OTP shares.

Members of the Supervisory Board² of OTP Bank

Independent members:



Tibor Tolnay
Chairman of the SB

He graduated from Budapest University of Technology as a qualified civil engineering in 1978, and in 1983 he obtained a degree in economic engineering. In 1993 he finished his studies as specialized economist at Budapest University of Economics. From 1989 to 1994, he was the director of State Construction Company No. 21. From 1994 to 2015 he was the Chairman & CEO of the already privatized Magyar Építő Joint Stock Company. He has been the managing director of Érték Ltd. since 1994. From 2018 to 2021 he was the President of the National Association of Entrepreneurs and Employers, since 2021 co-President. Since 1992 he has been a member of OTP Bank's Supervisory Board, and Chairman of the Supervisory Board since 1999. He was a member and Deputy Chairman of OTP Bank's Audit Committee between 2007 and 2011 and has been again since 2014. He has been the Chairman of OTP Bank's Nomination Committee since 2020. As of 31 December 2023 he held 54 ordinary OTP shares.



Dr. József Gábor Horváth
Deputy Chairman of the SB
Retired Lawyer

He earned a degree in law from Eötvös Loránd University in Budapest in 1980. From 1983 he worked for the Hungarian State Development Bank. He has been a lawyer since 1986, and from 1990 to 2023 he run his own law firm, which was specialised in corporate finance and corporate governance. He has been a member of the Supervisory Board of OTP Bank since 1995 and was a member of MOL Plc.'s Board of Directors between 1999 and 2014. He has been Deputy Chairman of OTP Bank's Supervisory Board since 2007. He was Chairman of OTP Bank's Audit Committee between 2007 and 2011 and has been again since 2014. He has been a member of OTP Bank's Nomination Committee since 2020. He was a member of the Board of Directors of INA Industrija Nafta d.d. from 2014 to 2018. As of 31 December 2023 he held no ordinary OTP shares.



Dr. Tamás Gudra
BSc Business Administration,
Lawyer

He graduated as business administrator in 1993 from the College of Commerce and Catering. He is a Hungarian chartered auditor since 1997. He also obtained a university degree in 2010 as a lawyer at the Faculty of Law of Janus Pannonius University in Pécs. He worked as an auditor from 1993 to 2001 at Deloitte & Touche. Between 2001 and 2003 he was an accounting expert of subsidiaries at the Accounting and Tax Directorate of the Hungarian Oil and Gas Public Limited Company (MOL Rt). Then he was managing director at the Auditor, Financial and Accounting Directorate of the National Privatization and Asset Manager Plc. (ÁPV Zrt.) between 2003 and 2007 and became the director of Controlling Directorate at the Hungarian National Asset Manager Plc. (MNV Zrt.) from 2008 to 2010. Following these assignments, he worked as the CFO of the Hungarian Football Federation from 2011 until June of 2020. As of July 2020, he became the group-level CFO of Bonafarm Zrt. He was a member of the Supervisory Board of OTP Lakás-takarék Zrt. between 2012 and 2021 and he is Chairman of the Hungarian Paralympic Committee's Supervisory Board since 2016. Since 2021 he has been property inspector of Hungarian University of Agriculture and Life Sciences, member of the Executive Committee of Pick Szeged Zrt., SOLE-Mizo and MCS Vágóhid Zrt. He has been a member of the Supervisory Board and Audit Committee of OTP Bank since 16 April 2021. As of 31 December 2023 he held no ordinary OTP shares.



Olivier Péqueux
Groupama International SA

He graduated from Institute of Actuaries of France, Polytechnique School and ENSAE Paris Tech. Started to work in 1998 as an insurance commissioner for the French Insurance Supervisory Authority. In 2003, he joined the French Ministry of Finance to take part in the pension law reform and the setup of a pension fund for French civil servants. Then he became technical adviser to the French Minister of health and pensions. In 2005 he joined Groupama Group, first in charge of the actuary and accounting department of Gan Patrimoine, a life insurance company, and then in 2007 as Chief Financial Officer of Groupama Paris Val de Loire. He moved to China in March 2011 as Deputy General Manager of Groupama China, in charge of finance, actuary and investments in the joint venture between AVIC and Groupama. From 2015 to 2017, he was the General Manager of Groupama AVIC. He has been the Chief International Officer of Groupama Assurances Mutuelles since March 2018. He has been Groupama Assurances Mutuelles Deputy CEO since September 2020. He has been a member of OTP Bank's Supervisory Board, and Audit Committee since 2018. As of 31 December 2023 he held no ordinary OTP shares.

Employee delegates:



Klára Bella
Director
Large Corporate Department

She graduated from the College of Finance and Accountancy and later obtained a degree from the Budapest University of Economic Sciences. From 1992 to 1994 she worked as a clerk at the Fertőszentmiklós branch of OTP Bank. From 1994 to 1995 she was a lending consultant at Polgári Bank. From 1995 to 1996 she worked as a risk manager at the Central Branch of OTP Bank. From 1996 to 1997 she was authorizer in the Credit Approval and Risk Management Division. From 1997 to 2010 she was Deputy Managing Director at the Central Branch. From 2010 to 2016 she was Director at the Central Branch. Between 2017 and 2020, she was Director of the Corporate Directorate. Since 1 July 2020, she has been the Director of the Large Corporate Department of the Specialised Finance Directorate. She has been a member of OTP Bank's Supervisory Board, and representative of the Bank's employees since 12 April 2019. As of 31 December 2023 she held no ordinary OTP shares.



András Michnai
President of OTP Bank's Employees'
Trade Union

He graduated in 1981 from the College of Finance and Accounting with a degree in business administration. He has been an employee of the Bank since 1974, and until 1981 held a variety of posts in the branch network. Following this he held a management position in the central network coordination department before returning to work in the branch network. From 1994, as deputy managing director, he participated in the central coordination of the branch network. Between 2005 and 2014 he was the managing director of the Bank's Compliance Department. He further expanded his professional skills, obtaining a Master's degree at the Budapest Business School, and is a registered tax advisor. He has been a member of OTP Bank's Supervisory Board, and representative of the Bank's employees since 2008. He has been President of OTP Bank's Employees' Trade Union since December 2011. As of 31 December 2023 he held 1,410 ordinary OTP shares.

² Supervisory Board members are elected by the General Meeting for a term of three years.

Information for Shareholders

General company data

Date of foundation:

31 December 1990, registered by the Metropolitan Court of Budapest as Court of Registration on 28 October 1991 under company registration number 01-10-041585. The latest Article of Association may be requested from the Company or may be downloaded from the Bank's website.

Legal predecessor:

Országos Takarékpénztár, founded 1 March 1949

Registered head office of OTP Bank Plc.:

H-1051 Budapest, Nádor utca 16.
Telephone: +36 1 473 5000

Share capital:

OTP Bank's share capital as at 31 December 2023 was HUF 28,000,001,000, consisting of 280,000,010 ordinary shares of nominal value HUF 100 each.

Stock exchange listing

The ordinary shares of OTP Bank Plc. are listed on the Budapest Stock Exchange under category "Premium Equity", and the global depository receipts (GDRs) representing the ordinary shares that are traded abroad are listed on the Luxemburg Stock Exchange and the London Stock Exchange. (2 GDRs represent 1 ordinary share.) The depository bank for OTP GDRs is the Bank of New York Mellon. (Stock exchange symbol for OTP Bank shares: OTP, Reuters: OTPB.BU)

Participation and voting rights at the Annual General Meeting

The General Meeting will be conducted with the personal presence of those entitled to participate. Shareholders may participate in the General Meeting in person or through

a proxy. OTP Bank Plc. is entitled to check the personal identity of the shareholders and their proxies based on documents, prior to their admission to the General Meeting.

The authorisations relating to representation as a proxy at the General Meeting must comply with the relevant provisions of Hungarian law. The authorisation must include, clearly and expressly, a statement of authorisation with respect to the proxy, a specification of the authoriser and of the proxy, and any limitations that may apply to the authorisation. The authorisation must be issued in the form of a notarised deed or a private document of full probative force.

One representative may represent several shareholders; however, he/she must possess authorisations from every shareholder represented by him/her, either in the form of a notarised deed or a private document of full probative force. If several proxies are indicated in one authorisation, then it must be specified that, under the authorisation, each proxy may exercise his/her right of representation independently. If one shareholder is represented by several proxies, they may not vote or make statements differently from each other.

The letter of proxy may be issued as valid for one General Meeting, or for a specified period, but for a maximum of twelve months. The letter of proxy – in the absence of a provision to the contrary – shall extend to a General Meeting convened to continue a suspended General Meeting, or a General Meeting that has been reconvened due to lack of quorum.

If a shareholder is represented at the General Meeting by its lawful representative (e.g. chief executive, managing director, mayor, etc.), the court or company court document evidencing the right of representation – in its original form, or in the form of a copy certified as authentic by a notary public, issued not more than

30 days previously – or a certificate regarding the election of the mayor, as the case may be, must be presented at the venue of the General Meeting. When providing evidence of the existence of companies (and other organisations) registered abroad, and of the right to represent the entity issuing the authorisation, it is essential that the foreign document must be issued by a certified public records body or that these facts must be attested by a notary public.

If the authorisation or any document submitted as evidence of the representation right was not issued in Hungary, the form of the document must satisfy the legal regulations pertaining to the certification and/or legalisation of documents issued abroad. According to these regulations, in the absence of a bilateral international agreement to the contrary, (i) the diplomatic certification and/or legalisation of the document is needed, or (ii) – if the given country is a party to the relevant international convention – the furnishing of the document with an apostille is required. According to the Subsection 7 of Section 44 of Act LXXVIII of 2017 on the Activity of attorney at law, diplomatic certification and/or legalisation or apostille certification is not required for full probative force of a document countersigned by an attorney which is under the scope of this Act, but signed by the parties abroad. Detailed information on the applicable rules is provided by the Hungarian foreign representation offices. If the document is written in a language other than English or Hungarian, then a certified Hungarian translation of the document must be presented.

The authorisation and the related documents must be handed over by 14:00 Budapest time on 23 April 2024 (Tuesday) at the very latest, at any of the designated OTP branches listed under section X below, or – if the proxy, based on a foreign document, is representing more than one shareholder – at the Legal Directorate of OTP Bank Plc. (H-1051 Budapest, Nádor utca 16.).

Preconditions for participation in the General Meeting and for the exercising of voting rights are that:

- the result of the shareholder identification procedure confirms the shareholding as at the date of the shareholder identification procedure;
- the shareholder be registered in the Company's Share Register by the closure of the register as specified in section III of this announcement;
- the shareholding and/or the voting rights of the shareholder do not violate the legal regulations or the provisions of the Company's Articles of Association, and the Company shall check this circumstance.

Dividend

On 26 April 2024 OTP Bank Plc.'s Annual General Meeting decided to pay dividend HUF 535.71 dividend per share for for the year 2023, i.e. 535.71% of the share face value. The actual dividend rate paid to shareholders shall be calculated and paid based on the Company's Articles of Association, so the Company distributes the dividends for its own shares among the shareholders entitled for dividends. The dividends shall be paid from 3rd of June 2024 in accordance with the policy determined in the Articles of Association.

Announcements

OTP Bank Plc. fulfils its disclosure obligations related to corporate events and prescribed in Act CXX of 2001 on the website of the OTP Bank Plc. (www.otpbank.hu), on the website of the Budapest Stock Exchange (www.bet.hu), and on the website operated by the National Bank of Hungary (<https://kozvetelek.mnb.hu>).

Investor relations

Institutional shareholders of OTP Bank Plc. should contact the following address if they require further information:

OTP Bank Plc. Investor Relations & DCM

H-1051 Budapest, Nádor utca 16.

Telephone: +36 1 473 5460

E-mail: investor.relations@otpbank.hu

Anti-money laundering measures

Money laundering is any act or attempted act by criminals or other persons to conceal or disguise the identity of obtained proceeds of criminal offences so that they appear to have originated from legitimate sources, for which they may try using the services of financial institutions.

In order to prevent the use of our bank for money-laundering purposes, we do our best to ascertain the true identities of those who would use our services and the rationale of using the services. OTP Bank establishes business relationship only with those clients who give evidence of their true identities in accordance with the relevant legal provisions.

In keeping with the provisions of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing OTP Bank has introduced, and applies, the following measures and rules:

- It operates an internal control and information system designed to prevent banking

or financial transactions that might enable, or in themselves constitute, money laundering.

- It has internal regulations, in accordance with the Anti-money Laundering Act, MNB Decree 26/2020. (VIII. 25.) and NGM Decree 21/2017. (VIII. 3.)
- The employees of the bank must fulfil their customer due diligence and reporting obligations.
- Compliance with the reporting obligations is not construed as a breach of bank, securities, insurance or business secrets.
- Failure to fulfil the reporting obligation may result in prosecution under criminal law.
- OTP Bank cooperates with the criminal investigation authorities in the investigation of all circumstances suggestive of money laundering.

OTP Bank discloses the customer identification procedure applied by the bank and the related data processing in an Announcement posted in all rooms open for serving customers.



Sustainability reporting annex

Employee data

GRI 2-7 Employees under permanent versus temporary contracts by country, 31.12.2023:

	Permanent		Temporary	
	%	persons	%	persons
Hungary	97.9	13,533	2.1	288
Bulgaria	95.8	5,033	4.2	218
Slovenia	98.2	2,457	1.8	44
Croatia	92.0	2,384	8.0	206
Serbia	96.6	2,743	3.4	97
Albania	95.7	716	4.3	32
Montenegro	85.1	468	14.9	82
Uzbekistan	99.7	4,329	0.3	15
Russia	97.5	6,679	2.5	174
Ukraine	99.2	2,258	0.8	18
Romania	95.5	1,737	4.5	81
Moldova	86.7	755	13.3	116
Malta	80.0	4	20.0	1
OTP Group	96.9	43,096	3.1	1,372

GRI 2-7 Full-time and part-time employees by country, 31.12.2023:

	Full time employees		Part-time employees	
	%	persons	%	persons
Hungary	91.9	12,700	8.1	1,121
Bulgaria	95.2	5,000	4.8	251
Slovenia	96.2	2,405	3.8	96
Croatia	98.3	2,547	1.7	43
Serbia	99.4	2,824	0.6	16
Albania	100.0	748	0.0	0
Montenegro	99.1	545	0.9	5
Uzbekistan	98.8	4,292	1.2	52
Russia	92.8	6,361	7.2	492
Ukraine	96.9	2,206	3.1	70
Romania	95.7	1,740	4.3	78
Moldova	99.3	865	0.7	6
Malta	60.0	3	40.0	2
OTP Group	95.0	42,236	5.0	2,232

GRI 401-1 **Employees left, employees hired, 2023:**

	Left	New hires
OTP Bank	1,294	1,777
Per country – OTP Group		
Hungary	1,886	2,552
Bulgaria	896	1,058
Slovenia	155	178
Croatia	195	232
Serbia	408	445
Albania	262	239
Montenegro	44	57
Uzbekistan	425	532
Russia	3,798	3,058
Ukraine	676	444
Romania	369	329
Moldova	138	110
Malta	1	1
By gender – OTP Group		
Men	2,500	3,235
Women	6,753	6,000
By age group – OTP Group		
Under 30 years	3,702	4,488
Between 30–49 years	4,459	4,224
Over 50 years	1,092	523
Total – OTP Group	9,253	9,235

GRI 205-2 **Distribution of employees by position, number of employees, 31.12.2023:**

	OTP Bank	OTP Group
Senior manager	6	110
Middle manager	1,313	3,725
Employees	9,396	40,633

GRI 402-1 **Minimum notice periods**
regarding significant operational changes that could substantially affect employees:

	Minimum notice periods	Are minimum notice periods and provisions for consultation and negotiation set out in the collective agreement?
OTP Bank and Hungarian subsidiaries with collective bargaining agreements	15 days	yes
Additional Hungarian subsidiaries	15 days	no
DSK Bank	45 days	yes
SKB Bank	30 days	yes
NKBM	not specified	no
OTP Croatia	8 days	yes
OTP Bank Serbia	8 days	yes
OTP Bank Albania	30–90 days	no
CKB	8 days	no
Ipoteka Bank	60 days	no
OTP Bank Russia	60 days	no
OTP Bank Ukraine	60 days	no
OTP Bank Romania	20 working days	no
OTP Bank Moldova	5 working days	no

GRI 404-2 Programmes provided to upgrade employee skills and to facilitate continued employability and the management of career endings in 2023:

	OTP Bank	OTP Group
In-house training courses	Available	Typically available
Support for external trainings or education programmes	Available	Typically available
Leave of absence for studying, with job guaranteed to be reserved	Available	Typically available
Continued training for those who intend to keep on working after retirement	Not available	Typically not available
Severance pay	Available	Typically not available
If the organisation provides severance pay, does it take into account the employee's age	Yes	Typically not
If the organisation provides severance pay, does it take into account the number of the employee's years of service	Yes	Typically yes
Jobseeker assistance for employees made redundant	Not available	Typically not available
Assistance during the transition to life without employment	Not available	Typically not available

Weighted average by employee headcount.

Typically not available/Typically no: available at less than 50% of the members of the Group.

Partly available: available at 51-70% of the members of the Group.

Typically available: available at 71-99% of the members of the Group.

GRI 207-4 Taxation by country:

	Revenue from sales to third parties	Revenue from transactions within the Group and between countries	Profit/loss before tax (+) gain/(-) loss	Tangible assets and inventories	Income tax on a cash-flow basis	Income tax liabilities recognised against profit after tax (IAS12) without deferred tax	Statutory corporate tax rate	Effective tax rate without deferred tax
Country	1	2	3	4	5	6	7	8=6/3
	HUF billion						%	
Albania	38.28	1.56	14.07	13.56	2.47	2.44	15%	17.3%
Bulgaria	338.17	29.29	226.89	63.97	20.09	21.52	10%	9.5%
Cyprus	0.00	0.00	3.48	0.00	0.00	0.00	12.5%	-
Croatia	230.04	1.12	66.16	30.26	14.88	11.94	18%	18.1%
Hungary	2,472.94	122.60	842.69	306.33	38.22	50.34	9%	6.0%
Malta	0.23	39.31	4.77	0.02	0.84	0.08	35%	1.6%
Moldova	41.60	0.26	16.67	6.39	1.92	2.05	12%	12.3%
Montenegro	44.63	2.70	25.22	7.90	2.12	3.87	9%	15.3%
Russia	276.41	8.85	132.51	11.38	33.07	27.29	20%	20.6%
Romania	141.79	25.58	31.13	10.45	1.78	1.01	16%	3.3%
Serbia	207.49	5.86	63.14	37.14	8.79	9.18	15%	14.5%
Slovenia	292.27	11.90	108.02	30.42	10.26	15.43	19%	14.3%
Ukraine	163.59	4.62	82.18	5.88	12.36	37.36	50%*	45.5%
Uzbekistan	109.67	0.00	-57.08	24.75	5.41	1.56	20%*	-2.7%
Total	4,357.11	253.63	1,559.85	548.44	152.20	184.06	-	11.8%

The data for Russia also include data for Velvin Ventures Ltd., a company incorporated in Belize, on account of its tax residency in Russia.

The effective tax rate is the quotient of the actual income tax expense for the current year, as recognised in the profit and loss statement as per IAS 12, and the profit before tax, including the amount of dividends received. The amount of tax liability taken into account in the calculation of the effective tax rate does not

include the amount of deferred taxes.

The effective tax rate in the various countries may differ from the corporate tax rate under local tax laws. The deviation can typically be traced back to the following:

- The preparation of consolidated accounts under IFRS requires some adjustments to the data of individual statements prepared in accordance with local accounting standards in order to comply with IFRS.

* The tax rate shown for Ukraine and Uzbekistan refers to the banks

- The effective tax rate calculated using these adjusted figures may deviate from the tax rate under local tax laws.
- Revenue that does not create a tax base (e.g. dividend) or expenses that are not permanently deductible for tax purposes.
- Withholding taxes levied abroad and other taxes imposed in addition to corporate tax that are considered income taxes (e.g. Hungarian local business tax and innovation contribution).
- Loss used in the tax year.

GRI Content Index

The GRI Content Index contains technical information on sustainability reporting and the use of the GRI Standards, and shows the disclosures/indicators on which, and where, the OTP Group reports.

GRI 2-2, 2-3 Characteristics of the Sustainability Reporting:

Statement of use	OTP Bank Plc. has reported in accordance with GRI Standards for the period between 01.01.2023 and 31.12.2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	–
Entities covered	OTP Group: OTP Bank Plc. and subsidiaries consolidated under the IFRS
Date of publication	26 April 2024
Reporting cycle	annual
Contact info	csr@otpbank.hu
External assurance	independent (third party) assurance; assurance provider: Ernst & Young Ltd.
Presentation of data – breakdown	<ul style="list-style-type: none"> • essentially OTP Bank and OTP Group; • breakdown by country, where required by the GRI; • financial data – OTP Core* and OTP Group.
Presentation of data – time horizon	preferably, 5 years in retrospect.

* OTP Core is the business entity measuring the core activities of OTP Group Hungary, comprising, members in 2023: OTP Bank Plc., OTP Jelzálogbank Zrt., OTP Lakástakarék Zrt., OTP Faktoring Zrt., OTP Pénzügyi Pont Kft. and entities performing group financing activities; also included are OTP Bank Munkavállalói Rész tulajdonosi Program Szervezet (OTP Bank's Employee Stock Ownership Plan Organisation), OTP Kártyagyártó Kft., OTP Ingatlanüzemeltető Kft., Monicomp Zrt., as well as OTP Ingatlanpont Ingatlanközvetítő Kft., OTP Mobil Szolgáltató Kft., OTP eBIZ Kft. and OTP Otthonmegoldások Kft.

Indicator number	Indicator description	Where to find it	Note/Reasons for omission
GRI 2: General disclosures 2021			
The organisation and its reporting practices			
2-1	Organisational details	pp. 260–261, website, GRI Index	OTP Group is present in 17 countries, of which it has banks in 12 (where it performs monetary intermediary activities), engaging in significant operations.
2-2	Entities included in the organisation's sustainability reporting	pp. 260–261, p. 617, GRI Index	We report in full on the companies covered, including all material topics, but not all material topics and indicators are relevant to all companies. Consolidation approach applied for the topic of GHG emissions: operational control. In the case of acquisitions, from 2023, the principle is that we report on the new member company in the year in which it becomes a member of the OTP Group. GHG emissions data are reported for the full year even if the acquisition took place during the year. The sustainability disclosures do not cover the companies Szajki Mezőgazdasági Zrt., Szekszárdi Mezőgazdasági Zrt., ARANYMEZŐ 2001. Mezőgazdasági Termékelőállító, Kereskedelmi és Szolgáltató Kft., AGROMAG-PLUSZ Mezőgazdasági Termékelőállító, Kereskedelmi és Szolgáltató Kft., ZA Gamma HoldCo Kft., ZA Invest Gamma Kft., ZA-Invest Kappa Kft., Club Hotel Füred Szálloda Kft., DSK Trans Security EAD, OTP Factoring Bulgaria EAD, because their consolidation started in the fourth quarter of the year and it was technically no longer possible to include them in the sustainability data collection. The sustainability disclosures are part of the deconsolidation until the date of deconsolidation, which ceased to be consolidated in the fourth quarter (DSK Tours EOOD). The scope of companies belonging to the OTP Group has changed compared to the 2022 report, the biggest change being the acquisition of NKBM in Slovenia and Ipoteka Bank in Uzbekistan, which limits the comparability of the data presented with previous years, and the material changes related to the acquisitions are indicated in the text of the report. Other changes are not significant in relation to the size of the group and do not affect comparability.
2-3	Reporting period, frequency and contact point	p. 617	
2-4	Restatements of information	GRI Index	Information may be republished due to changes in data collection methodology or if corrections are needed for previously disclosed erroneous information; this is noted at the relevant place within the text, showing the effects of re-publishing. There have been no new additions to this report.
2-5	External assurance	GRI Index, p. 617, pp. 639–641	The external assurance provider is independent of OTP Group. Inter-view with the Vice-Chair of the ESG Committee during the certification.
Activities and employees			
2-6	Activities, value chain and other business relationships	p. 96, pp. 163–164, 172–173, GRI Index, website	In addition to providing financial services, several consolidated companies of the OTP Group are operating in the agricultural and food sector. No material change occurred in the operation, value chain or relevant business relationships of the Group relative to 2022.
2-7	Employees	p. 94, pp. 202–203, p. 615	
2-8	Workers who are not employees	p. 203	
Management			
2-9	Governance structure and composition	FTJ: 1.2–1.4, pp. 99–101	
2-10	Nomination and selection of the highest governance body	FTJ: 1.2.2, 1.4, 1.13, pp. 206–207 GRI Index	The procedure of the nomination of the members of the Board of Directors and the Supervisory Board is disclosed by the Company in its Responsible Corporate Governance Report. Regarding the candidates, the Company observes MNB Recommendation No. 1/2022 (I. 17.) and Act CCXXXVII of 2013 (Credit Institutions Act) concerning independence, diversity, professional competences and conflicts of interest alike. The EBA Guidelines underlying the MNB recommendation provides that when selecting members of the management body (i.e. nominating members), the collective suitability of the management body should also be ensured, for which members with as diverse professional expertise and experience as possible should be selected because owing to the broad range of expertise and experience (e.g. IT, AML, risk management, product development, compliance, HR, etc.), the requirement of the technical/professional diversity of management bodies is a quasi supervisory requirement. Collective assessment of the professional expertise, competences and experience is carried out on the basis of the methodology recommended by EBA. The Company also has a strategy for the promotion of gender diversity. Shareholders can make proposals for candidates in the framework stipulated by law. One member of the Supervisory Board is nominated by the Groupama group which has a larger than 5% share. One third of the Supervisory Board members are nominated by the Bank's work council from the Company's employees.

Indicator number	Indicator description	Where to find it	Note/Reasons for omission
2-11	Chair of the highest governance body	GRI Index, FTJ: 1.2.2	The Chairman of the Supervisory Board is independent.
2-12	Role of the highest governance body in overseeing the management of impacts	pp. 99-101	
2-13	Delegation of responsibility for managing impacts	p. 99, pp. 102-103, p. 161, pp. 179-180, p. 187, 190, pp. 231-232	
2-14	The role of the highest governance body in sustainability reporting	p. 98, GRI Index	
2-15	Conflict of interest	p. 182, pp. 386-387, 560-561, GRI Index, Code of Ethics, Compliance Pol., FTJ: 1.2.2, 1.12	
2-16	Communication of critical concerns	pp. 99-101	The sustainability disclosure is approved by the Board of Directors as part of the business report.
2-17	Collective knowledge of the highest governance body		
2-18	Evaluation of the performance of the highest governance body	FTJ: 1.12	
2-19	Remuneration policies	p. 99, pp. 212-213, website	
2-20	Process to determine remuneration	p. 88, pp. 212-213, website1, website2	
2-21	Annual total remuneration ratio	GRI Index	The indicator is currently not reported. Preparation of reporting the indicator was started in 2022 but it was not finished by the end of the year. Collecting and aggregating adequate data at group level technically takes longer. Also, because of the very large differences between the average wage levels in the countries of the Banking Group, we are reflecting on the most relevant way to present this. The indicator will be presented in 2025 at the latest.
Strategies, guidelines, practices			
2-22	Statement on sustainable development strategy	p. 4	Code of Ethics: A standard Code of Ethics is in force at all members of OTP Group; any deviations are due to compliance with local laws. The Code is available on the websites of OTP Bank and the subsidiaries.
2-23	Policy engagements	pp. 102-103, p. 182, website1, website2, GRI Index	
2-24	Embedding policy engagements	p. 182	
2-25	Processes to remediate negative impacts	pp. 187-190, website	
2-26	Mechanisms for seeking advice and raising concerns	pp. 182-183	
2-27	Compliance with laws and regulations	pp. 185-186	
2-28	Membership in associations	website	
Inclusion of stakeholders			
2-29	Approach to stakeholder engagement	p. 170, pp. 209-210, website	@Stakeholder relations
2-30	Collective bargaining agreements	pp. 208-209, GRI Index	
GRI 3: Material topics 2021			
3-1	Process to determine material topics	pp. 97-99	If the description of any subparagraph is missing in relation to the given topic, it means that the Banking Group has no relevant practice. Our general principle is that we (also) use the topic specific indicators of the given topic as a method of evaluation of the efficiency of the actions taken; we use the indicator's expected data as the result. With other assessment methods, the presentation of the results always includes a clear reference to the method applied.
3-2	List of material topics	pp. 260-261, p. 617	
3-3	Management of material topics	GRI Index	

Indicator number	Indicator description	Where to find it	Note/Reasons for omission
List of material topics			
Social, indirect economic impacts of financial products (ST1)			
3-3	Management of material topics	p. 104, pp. 154-155, 157-158	
203-2	Significant indirect economic impacts	p. 104, pp. 153-154, 156-157, 158-159, website	The OTP Group does not have a general approach and targets for the social, indirect economic impacts of financial products, but certain impacts are managed strategically. In relation to indirect economic impacts as well, we always act in accordance with the principle of ethical business behaviour.
G4 FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	p. 96, pp. 163-164, GRI Index	The report is not comprehensive as regards risk ratings (FS6 2.4).
SASB FN-CB-410a.1.	Commercial and industrial credit exposure, by industry	pp. 163-164, GRI Index	We present assets by sector. (Partial compliance.)
Tax payment (GRI 207 2019)			
3-3	Management of material topics	p. 197	
207-1	Approach to tax payment	pp. 197-198, GRI Index	In accordance with the principle of equal tax treatment, OTP Group spares no effort to ensure maximum compliance with all relevant statutory regulations on tax liabilities, in view of the purposes of taxes and contributions.
207-2	Tax governance, control, and risk management	pp. 197-198, GRI Index, website	The information on the disclosed taxes as part of the consolidated financial statements was audited. The disclosure of the indicators 207-1, 207-2, 207-3, 207-4 are audited as part of the sustainability disclosures.
207-3	Stakeholder engagement and management of concerns related to tax	pp. 197-198, website	
207-4	Country-by-country reporting	p. 202, 616	
Contribution to economic stability (ST2)			
3-3	Management of material topics	pp. 198-200, website	
201-4	Financial assistance received from government	pp. 198-200	
own indicator	EBA stress test result	p. 199	
own indicator	CET1 rate	p. 199	
Environmental impact and GHG emissions of financial products (ST3)			
3-3	Management of material topics	pp. 104-105, website	
305-3	Other indirect (Scope 3) GHG emissions	pp. 162-163, GRI Index	The indicator is applied only to the Scope 3 emissions of lending. The necessary quality of information is not available for reporting, it will be disclosed first in 2025 after improvement of calculation accuracy. Improvement in calculation accuracy will be enabled by an increase in the range of publicly reported data and an improvement in their quality.
305-4	GHG emissions intensity	GRI Index	The indicator is applied only to the Scope 3 emissions of lending. The necessary quality of information is not available for reporting, it will be disclosed first in 2025 after improvement of calculation accuracy. Improvement in calculation accuracy will be enabled by an increase in the range of publicly reported data and an improvement in their quality.
305-5	Reduction of GHG emissions	pp. 162-163, GRI Index	The indicator is applied only to the Scope 3 emissions of lending. The necessary quality of information is not available for reporting, reporting is expected to be started in 2026 in accordance with the decarbonisation strategy.
201-2	Financial implications and other risks and opportunities due to climate change	pp. 108-110, 153-155, 160-163	
SASB FN-MF-450a.3.	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting climate change	pp. 160-163	Partially reported.

Indicator number	Indicator description	Where to find it	Note/Reasons for omission
SASB FN-CB-410a.2.	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	pp. 160–163	Partially reported.
SASB FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	GRI Index	Partially reported. Implementation and disclosure are determined by statutory requirements, because they also require the introduction of a number of new practices. The practices relating to the criteria (items 2–7) required by the indicator are improving continuously but they have not been fully developed, therefore their presentation is expected to start in a few years.
Green products (ST4)			
3-3	Management of material topics	pp. 94–95, p. 106, 108, pp. 153–155	
own indicator	Disclosure according to the Taxonomy Regulation	pp. 111–151	
own indicator	Proportion of products according to Articles 8 and 9 of the SFDR	p. 154	
GHG emissions of operation (GRI 305 2016)			
3-3	Management of material topics	pp. 94–95, 230–235, website	
302-1	Energy consumption within the organisation	p. 233	
305-1	Direct (Scope 1) GHG emissions	p. 234 GRI Index	We do not apply a base year. Consolidation approach: operational management.
305-2	Energy indirect (Scope 2) GHG emissions	p. 234 GRI Index	We do not apply a base year. Consolidation approach: operational management.
Access to finance (ST5)			
3-3	Management of material topics	pp. 165–166, p. 172, pp. 176–177	
own indicator	Number of branches by country	p. 81	
G4 FS13	Access points in low populated or economically disadvantaged areas by type	p. 172, pp. 176–177	
own indicator	Accessibility for the disabled	pp. 176–177	
Financial welfare conditions (ST6)			
3-3	Management of material topics	p. 165, 169	
417-2	Incidents of non-compliance concerning product and service information and labelling	p. 186 GRI Index	In 2023, there was no non-compliance with voluntarily accepted codes regarding information provision on, and labelling of, products and services.
417-3	Incidents of non-compliance concerning marketing communications	p. 186 GRI Index	In 2023, there was no non-compliance with voluntarily accepted codes regarding marketing communications.
own indicator	Number of complaints related to product structure transparency	p. 189	
own indicator	Percentage of overdue loans over 90 days in the retail segment	p. 170	
Compliance (ST7)			
3-3	Management of material topics	p. 178	
205-1	Operations assessed for risk related to corruption	p. 184	
205-2	Communication and training about anti-corruption policies and procedures	pp. 182–184, p. 203, 205, 615, GRI Index	We consider suppliers and commissioned agents as our business partners.
205-3	Confirmed incidents of corruption and actions taken	p. 184	
415-1	Political contributions	GRI Index	OTP Group does not sponsor such persons or organisations, there was no such support in 2023.
206-1	Legal proceedings for anti-competitive behaviour, anti-trust, and monopoly practices	p. 186	
2-27	Compliance with laws and regulations	pp. 185–186	
406-1	Incidents of discrimination and corrective actions taken	p. 183	
410-1	Security personnel trained in human rights policies or procedures	p. 183, website	

Indicator number	Indicator description	Where to find it	Note/Reasons for omission
Responsible employment (GRI 401 2016, 404 2016)			
3-3	Management of material topics	p. 200, pp. 203–205, website	
2-21	Annual total compensation ratio	GRI Index	Preparation of reporting the indicator was started in 2022 but it was not finished by the end of the year. Collecting and aggregating adequate data at group level technically takes longer. Also, because of the very large differences between the average wage levels in the countries of the Banking Group, we are reflecting on the most relevant way to present this. The indicator will be presented in 2025 at the latest.
401-1	New employee hires and employee turnover	pp. 203–205, p. 615	
401-3	Parental leave	p. 217	
402-1	Minimum notice periods regarding operational changes	pp. 208–209, p. 615	
404-1	Average hours of training per year per employee	p. 215	
404-2	Programmes for upgrading employee skills and transition assistance programmes	pp. 214–215, p. 616	
404-3	Percentage of employees receiving regular performance and career development reviews	pp. 211–212	
403-9	Work-related injuries	pp. 219–220	Our legally compliant occupational health and safety risk assessment did not identify threats that may pose a risk of serious accidents.
own indicator	Programmes to help with stress management	p. 218	
own indicator	Employee engagement	p. 206, pp. 209–210	
Equality of opportunities for employees (GRI 405 2016)			
3-3	Management of material topics	p. 201, pp. 206–207, p. 216, website, GRI Index	
202-2	Proportion of senior management hired from the local community	p. 207, GRI Index	OTP Group has no comprehensive policy for giving preference to local residents in respect of employees and senior management. Significant locations of operations: OTP Bank and foreign subsidiaries.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pp. 212–213	Significant locations of operations: OTP Bank and foreign subsidiaries.
405-1	Diversity of governance bodies and employees	pp. 205–206, GRI Index	Data on ethnic background is not listed owing to statutory regulations.
405-2	Ratio of basic salary and remuneration of women to men	p. 203	
Strengthening of financial awareness in vulnerable groups (ST8)			
3-3	Management of material topics	pp. 220–221	
SASB FN-CB-240a.4.	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	pp. 220–221	Partially reported.
own indicator	Education for socially disadvantaged children	pp. 220–225	
own indicator	Financial literacy for people in disadvantaged areas	pp. 220–225	

Indicator number	Indicator description	Where to find it	Note/Reasons for omission
Customer data and information security (GRI 418 2016)			
3-3	Management of material topics	pp. 179–180, website	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 197	
SASB FN-CF-230a.2.	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	p. 193	Partially reported.
own indicator	Ratio of bank card fraud to turnover	p. 193	
own indicator	Amount of prevented bank card fraud	p. 193	
Financing of high social risk sectors (ST9)			
3-3	Management of material topics	pp. 106–107, 161–162	
own indicator	Exclusion and restrictive policies	pp. 161–162	

TCFD indicators*:

Indicator description	Chapters**	Comment
I. Management		
Governance of the organisation in relation to climate risks and opportunities		
a) The governing body's oversight in relation to climate-related risks and opportunities	1., 2.7	
b) Management's role in assessing and managing climate-related risks and opportunities	1.	
II. Strategy		
The actual and potential impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material		
a) Climate-related risks and opportunities identified by the organisation in the short, medium and long-term	ESG strategic directions, 2.2, 2.5, 2.7	Utilisation of the opportunities relating to climate is targeted by green financing, which is a dominant element of the ESG strategy.
b) Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	ESG strategic directions, 2.2, 2.5, 2.7	In the course of the risk assessment activities presented here we also take account of transition (actual and expected, regulatory, technological, market and reputation) risks and the (acute and chronic) physical risks alike.
c) The resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	2.7	
III. Risk Management		
The way of the identification, assessment and management of climate risks		
a) The organisation's procedures for identifying and assessing climate-related risks	2.5, 2.7	
b) The organisation's processes for managing climate related risks	2.5, 2.7	
c) How processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management	2.5, 2.7	
IV. Metrics and objectives		
The metrics and objectives used in the assessment and management of the relevant climate risks where such details are relevant		
a) The metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	ESG strategic directions, 2.2, 2.5, 2.7	The metrics and objectives are enhanced and they grow more and more accurate continuously.
b) Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2.2, 2.5, 2.7	
c) Targets used by the organisation to manage climate related risks and opportunities and performance against targets	ESG strategic directions, 2.2, 7.	

* In 2023, OTP Bank reports on the indicators included in the TCFD indicators from the IFRS S1 and IFRS S2 indicators, so we use the TCFD notation.

** The chapters are the chapters of the OTP Group's Sustainability Activities for 2023 and Environmental Policy, Environmental Protection Measures (pp. 93–239).

UNEP FI PRINCIPLES FOR RESPONSIBLE BANKING REPORT

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

OTP Group is one of the fastest growing banking groups in Central and Eastern Europe, with unique knowledge of the region and a lasting commitment to it. With more than 41,000 employees in now 12 countries of the CEE and Central Asian region, the Group provides universal financial services to 17 million customers.

In Hungary, OTP Bank Plc. is one of the largest commercial bank when measured in terms of banking assets. OTP is a universal bank, providing a high level of service to the financial needs of retail, private banking, micro and small business, medium and large enterprise and municipal customers, both through our domestic subsidiaries and branches and via the continuously developing innovative digital services.

The Bank offers a comprehensive range of other financial services, including fund management, leasing, and factoring. Serving agricultural companies and small and medium-sized enterprises is a priority for OTP Group.

Besides Hungary, OTP Group currently operates in 11 countries of the region via its subsidiaries: in Albania (Banka OTP Albania SHA), in Bulgaria (DSK Bank AD), in Croatia (OTP banka dioničko društvo), in Romania (OTP Bank Romania S.A.), in Serbia (OTP banka Srbija akcionarsko društvo Novi Sad), in Slovenia (SKB Banka d.d. Ljubljana, Nova KBM d.d.), in Ukraine (Joint-Stock Company OTP Bank), in Moldova (OTP Bank S.A.), in Montenegro (Crnogorska Komercijalna Banka AD Podgorica), in Russia (Joint Stock Company "OTP Bank") and in Uzbekistan (Ipoteka Bank).

The continued development and expansion of OTP Bank have significantly contributed to the successful and efficient operation of the Banking Group, which can provide high quality services for both the retail and the institutional clients.

<https://www.otpgroup.info/home>

<https://www.otpgroup.info/about/group-members>

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☒ Yes

☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☐ UN Guiding Principles on Business and Human Rights

☒ International Labour Organization fundamental conventions

☐ UN Global Compact

☐ UN Declaration on the Rights of Indigenous Peoples

Principle 1 : Alignment	
<input type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: <input type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: <input type="checkbox"/> None of the above	<p>OTP Group wants to play a regional leading role in financing a fair and gradual transition to a low-carbon economy and building sustainable future with its financing solutions.</p> <p>The Group's responsibility for sustainable development starts with its business activities; we contribute to a financial infrastructure that is key to a well-functioning society by reducing risks and help achieve a more sustainable future by creating business opportunities. In addition to economic considerations, ethical, social and environmental risks are incorporated into our business decision-making, our business development and our operations.</p> <p>OTP Group approaches ESG from three main perspectives: as a responsible service provider, as a responsible employer and as a responsible social player. In addition to business opportunities, the strategy includes the management of relevant risks as well as social and corporate governance objectives.</p> <p>OTP Group has a strong will for its activity to serve for sustainable growth and social improvement, we committed to doing it with transparency and in line with Paris Agreement. We align our sustainability strategy with the Sustainable Development Goals. In order to avoid negative environmental and social impacts and to leverage potential business benefits, OTP Group considers sustainability a high priority, which received significant external attention in.</p> <p>https://www.otpgroup.info/static/sw/file/OTPGroup_ESG_approach.pdf https://www.otpbank.hu/static/portal/sw/file/OTP_Csoport_hozzajarulas_SDG.pdf</p>

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

o Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

The Group has conducted an analysis to identify the positive and negative impacts of company activities and to identify the areas with the most significant impacts, also considering the context in which it operates.

We used the UNEP FI Portfolio Impact Analysis Tool to undertake an impact analysis of our portfolio. Due to the complexity of bank operations in different countries, the data collection required for the impact analysis is a major challenge. We are currently focusing on domestic market and the core business segments (retail and corporate).

In Hungary Climate change, green financing, inclusive and healthy economies, affordable housing, resource efficiency and security, water quality are identified as high impact areas. To ensure consistency of proposed targets with stakeholder expectations, the Materiality matrix has been cross referenced. Green finance was rated as the most important issue for our stakeholders, while economic prosperity, financial literacy and digitalization were ranked in the top three issues for stakeholders.

Integrated report 2023

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

OTP Group provides financial services to various sectors as described in 1. (Business model), some of which may present Environment and Social risks.

Based on the impact analysis, areas of high importance and risk in the countries of the OTP group and also relevant from the perspective of the financial sector:

- Housing problems
- Resources efficiency, security
- Inclusive&Healthy economies
- Education
- Justice&Equality
- Strong Institutions, peace&Stability

Based on the Impact Analysis, the areas of climate change and financial inclusion are among the most significant ones.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Principle 2: Impact and Target Setting	
<i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i>	<p>We conducted an impact analysis to identify the positive and negative impacts of company activities and to identify the areas with the most significant impacts, also considering the context in which it operates. The organised and effective management of the Group's environmental impacts is one of the key issues that has emerged. Our ESG goals are identifying the risks related to climate and environmental change, evaluating their impact and gradually introducing metrics for measuring them, focusing first and foremost on identifying climate risks. In said context, OTP Bank has also launched a process of acquiring useful information for managing environmental risks and gradually integrating these factors into the Risk Management Framework.</p> <p><i>With regard to credit exposures, our objective is to follow an integrated approach to take account of climate risks at all relevant stages of the credit process, by gradually implementing tools that make it possible to collect information and incentivise lending in sectors with significant ESG performance and support the transition of companies in said sectors towards a more sustainable business model and, ultimately, a smaller environmental footprint.</i></p> <p>Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)5? Please disclose.</p> <p>Climate Change Financial Health&Inclusion</p> <p>d) For these (min. two prioritized impact areas): Performance measurement. Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p> <p>In line with OTP Group's ESG strategy, we have set a preliminary target to increase our loan portfolio in green assets to HUF 1,500 billion by 2025. Based on the results of our impact analysis and in line with our strategic goals and target setting requirements, we started by determining a baseline for 2021.</p> <p>OTP Group has become a signatory of Partnership for Carbon Accounting Financials (PCAF) in June 2023. This means that in the financed emission calculation, we are not only following PCAF methodology, but we are also using its emission factor database for calculation. We have estimated financed emission for 2021 and 2022, estimation for 2023 is still in progress. However, the results have not yet been made public, the first disclosure of our estimated financed emission is planned in early 2025.</p> <p>Though the coverage slightly varied between the years, we included 75-80% of our total asset into the calculations. All economic sectors are included, the remaining 20-25% is mainly composed of unsecured residential loans due to lack of methodology. In accordance with PCAF guidance, we cover 4 segments: business loans, mortgages, commercial real estate and motor vehicle loans.</p> <p>In the last two years, OTP Bank has established the basis for a methodologically and data-quality-wise sound financed emission calculation of banking group portfolio: we have developed an in-house automated calculation engine to estimate financed emission, however, it is still in a pilot stage. It makes the financed emission calculation replicable, accurate and transparent. We strive to further refine the results of our financed emissions by expanding the range of data reported and improving the quality used and incorporate additional data. This not only requires collaboration between group members, but also engagement with our clients in all countries and sectors of the OTP Group.</p> <p>Currently, setting climate targets is in progress under a so-called 'decarbonization project'. By the end of 2024, we aim to set targets in the most carbon intensive sectors, according to the up-to-date professional standards, in the majority of countries where OTP is present. By the broad involvement of several key departments both in the headquarter and subsidiaries, we are also making significant efforts to involve all areas of bank's business and risk areas in defining and to understand what is needed to steer our portfolio to be aligned with the Paris Climate Change Agreement.</p> <p>For several years, OTP Group has made it a priority to contribute to the improvement of the financial literacy of the population. We believe that conscious money management and self-provisioning are essential for financial well-being. To this end, we have produced general financial education videos on a variety of topics, and several of our campaigns focus on responsible money management.</p>

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

Principle 2: Impact and Target Setting

As one of the top retail and commercial banks, we have the responsibility to support the development of inclusive and sustainable societies. We believe we can help more people prosper and enjoy the benefits Financially empowered people of growth by empowering them financially, giving them access to tailored financial products and services, and improving their financial resilience through education. We aim to financially empower more people in the near future.

We seek to provide tailored finance to people with less access to credit. We offer solutions to unbanked and underserved groups. We aim to foster social mobility by helping low-income and underbanked entrepreneurs set up and grow their businesses.

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:

☒ Yes

☐ In progress

☐ No

Portfolio composition:

☒ Yes

☐ In progress

☐ No

Context:

☒ Yes

☐ In progress

☐ No

Performance measurement:

☐ Yes

☒ In progress

☐ No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

How recent is the data used for and disclosed in the impact analysis?

☐ Up to 6 months prior to publication

☒ Up to 12 months prior to publication

☐ Up to 18 months prior to publication

☐ Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

⁶ You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

Other informations 629

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.
You can build upon the context items under 2.1.

Once setting our decarbonization targets – which is an ongoing project in 2024 – we strive to align our portfolio with climate scenarios defined in the Paris Agreement. At the same time, we want to ensure that the sector-by-sector decarbonization approaches are realistic, implementable, and supported by society, and in line with the strategic priorities we have set ourselves according to the UN Sustainable Development Goals.

Financial Literacy and Financial Health remain a main limitation of the wellbeing of many in the region. For several years, OTP Group has made it a priority to contribute to the improvement of the financial literacy of the population, in addition to providing correct information to customers and the calculators and guides available on our website.

We take responsibility for educating young people and adults with basic financial literacy and responsible decision-making skills. Our aim is to create and spread financial literacy on a broad scale, with this initiative we are contributing to the EU goal of reducing poverty by 2030 as well as to progress on the UN SDGs.

<https://www.otpgroup.info/sustainability/responsible-social-actor>

https://www.otpgroup.info/static/sw/file/OTPGroup_ESG_approach.pdf

- b) **Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.
You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	climate strategy?	
	Paris Alignment target?	
	Climate policy?	
	Portfolio analysis?	
	Financed emission?	only for internal use only for internal use
Impact area Financial health & inclusion	Indicator code	Response
	participants of adult training programs	IR page 222
	participants of students training programs	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

<p>c) SMART targets (incl. key performance indicators (KPIs)⁹). Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p> <p>To align our portfolio with the Paris Agreement objectives and to reach net-zero financed emissions by 2050, we are in the process to set decarbonization targets in the most carbon intensive sectors. The first interim targets will be set for 2030 with 5 years milestones until reaching net-zero by 2050.</p> <p>The OK Educational and Innovation Centre and the OTP Fáy András Foundation provide free finance and economics courses in Hungary, Romania and Moldova, helping thousands of students and adults every year to expand their knowledge.</p> <p>SMART targets are being developed and will be reported in the next report.</p>
<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p> <p><i>under development</i></p>

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Self-assessment summary	
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your areas of most significant impact.	
Climate Change	Financial Health&Inclusion
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:
Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

We are currently working on the finalization of the goals and the targets will be shown in our next report.

Links and references

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹ in place to encourage sustainable practices?

☐ Yes ☐ In progress ☒ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes ☐ In progress ☒ No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities². It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

With its products and service provision methods, the Banking Group can contribute to the financial welfare of its clients and enable them to make the responsible financial decisions best suited to their particular life situations. The group's practices influence the extent to which responsible cash handling options are available or unavailable to customers in different financial and social circumstances. Financial products and services are often complex, and the information provided by the Banking Group is essential to understanding them.

We are committed to promoting our customers' financial welfare and we offer them products that are aligned with their real needs and possibilities. We always aim to make sure that our communication and customer service is fair, clear and straightforward. Our objectives are also presented in our Responsible Marketing Policy and Consumer Protection Compliance Program

https://www.otpgroup.info/static/sw/file/SRMP_Statement_20230630.pdf

https://www.otpgroup.info/static/sw/file/PAL_Statement_20210331__1_.pdf

https://www.otpgroup.info/static/sw/file/OTP_Partneri_EtikaKodex_EN.pdf

[@Responsible Marketing Policy](#)

[@Consumer Protection Compliance Program](#)

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services³, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

OTP Group aims to service all customer segments. All our products and services are designed to comply with the principles of ethical business conduct and legal requirements. Environmental considerations are becoming an increasingly important factor in economic and investment decisions, helping to achieve sustainable growth. OTP Group intensively supports the financing of renewable energy projects, including solar park, windfarm, hydropower and energy efficiency investment projects.

We strive to ensure the availability of state and international preferential funding for both our retail and corporate customers. These funds typically support important social and environmental objectives. Schemes promoting energy efficiency and the use of renewable energy sources have recently become emphatic in this area.

https://www.otpgroup.info/static/sw/file/Sustainable_Finance_Framework_ENG.pdf

https://www.otpbank.hu/static/portal/sw/file/Green_loan_framework_ENG.pdf

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹) you have identified as relevant in relation to the impact analysis and target setting process?

☒ Yes

☐ In progress

☐ No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.


Memberships: Within the PCAF (Partnership for Carbon Accounting Financial) we participate on further developing methodologies and validating the database of emission factors for the CEE region.

Clients: OTP Group regularly performs surveys among the population in our core markets. Some of these specifically address ESG factors and how important they are perceived as being by our clients. We support some regional events on specific ESG relevant topics

Employees: We inform and engage with employees on ESG topics via online learning platform. We announced an idea competition to give employees the chance to participate in and actively contribute to sustainability projects in our offices and beyond.

Management and supervisory board: Our management is engaged in all ESG related strategy decisions and target achievements.

¹ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

<p>Principle 5: Governance & Culture</p>  <p>We will implement our commitment to these Principles through effective governance and a culture of responsible banking</p>	<p>5.1 Governance Structure for Implementation of the Principles</p> <p>Does your bank have a governance system in place that incorporates the PRB?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No</p> <p>Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about</p> <ul style="list-style-type: none"> • which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to), • details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as • remuneration practices linked to sustainability targets. <p>The fulfilment of our PRB commitment as well as our ESG strategy lies with the ESG Committee, consisting of Board members and senior managers. ESG Committee meetings are held four times a year.</p> <p>https://www.otpgroup.info/static/sw/OTPGGroup_ESG_approach.pdf</p>
	<p>5.2 Promoting a culture of responsible banking:</p> <p>Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).</p> <p>To create awareness for the importance of sustainability in our daily business ESG trainings and events are mandatory for all employees to provide information themselves about ESG strategy and ongoing initiatives.</p> <p>The members of the Banking Group have launched numerous programmes, awareness-raising campaigns and involved employees to promote environmental awareness and the protection of natural values.</p> <p>OTP Bank has launched the Green Challenge idea contest among its employees to come up with solutions that support the reduction of the bank's carbon footprint and that can be easily implemented in everyday practice. To start the competition, we launched a series of articles on six topics on the intranet. We rewarded the employees who answered the quiz questions at the end of each article the fastest.</p> <p><i>Links and references</i></p>
	<p>5.3 Policies and due diligence processes</p> <p>Does your bank have policies in place that address environmental and social risks within your portfolio?¹ Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.</p> <p>Our ESG policies are available at otpgroup.info.</p> <p>https://www.otpgroup.info/sustainability/policies</p>

¹ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

☒ Yes

☐ No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

☒ Yes

☐ No

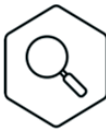
Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

☒ Yes

☐ In progress

☐ No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

☐ Yes ☐ Partially ☒ No

If applicable, please include the link or description of the assurance statement.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- ☒ GRI
- ☒ SASB
- ☒ CDP
- ☐ IFRS Sustainability Disclosure Standards (to be published)
- ☒ TCFD
- ☐ Other:

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

In the next 12 months we plan to complete the following steps:

- decarbonization strategy
- decarbonization targets for our portfolio
- Financial literacy strategy
- Financial health and inclusion indicators in target setting

Links and references

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

Principle 6: Transparency & Accountability

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- ☐ Embedding PRB oversight into governance
- ☒ Customer engagement
- ☐ Gaining or maintaining momentum in the bank
- ☐ Stakeholder engagement
- ☐ Getting started: where to start and what to focus on in the beginning
- ☒ Data availability
- ☐ Conducting an impact analysis
- ☒ Data quality
- ☐ Assessing negative environmental and social impacts
- ☐ Access to resources
- ☒ Choosing the right performance measurement methodology/ies
- ☒ Reporting
- ☐ Setting targets
- ☐ Assurance
- ☐ Other: ...
- ☐ Prioritizing actions internally

If desired, you can elaborate on challenges and how you are tackling these:

This is a translation of the Hungarian Report
INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the management of OTP Bank Nyrt.

Scope

We have been engaged by OTP Bank Plc. (hereinafter 'the Company', or 'OTP') to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement on the 'Sustainability Activity of OTP Group of 2023', the 'Annex to the Sustainability Report' and the 'GRI Content Index' ('Sustainability Report') prepared by OTP Bank for the financial year beginning 1 January 2023 and ending 31 December 2023 (the 'Subject of the Engagement'), in accordance with the Global Reporting Initiative Standards 2021 ("Criteria").

The scope of our work is to express limited assurance regarding the Subject matter, by expressing:

- ▶ conclusion on five specific sustainability disclosures in the Subject matter whether those are in line with the requirements of the Criteria:
 - 2-7 Employees
 - 2-30 Collective bargaining agreements
 - 205-3 Confirmed incidents of corruption and actions taken
 - 305-2 Energy indirect (Scope 2) GHG emissions
 - 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
- ▶ conclusion whether the Subject Matter overall fulfils the Criteria.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Subject Matter, and accordingly, we do not express a conclusion on this information.

OTP Bank's responsibilities

OTP Bank's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 Revised'), and the terms of reference for this engagement as agreed with OTP Bank Nyrt. on 14 February 2024.



Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and have the required competencies and experience to conduct this assurance engagement.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ We conducted interviews with key personnel and management of OTP Bank from the Real Estate Operations Department, Human and Organization Development Directorate, Retail Customer Tribe, Digital Infrastructure Services Directorate, and Compliance Directorate organizational units to understand the process for collecting, collating and reporting the Subject matter during the reporting period from 1 January 2023 to 31 December 2023.
- ▶ We conducted an interview with key personnel of the CSR Group on the application of GRI Standards during the reporting process.
- ▶ We conducted an interview with the leader of the ESG Operating Subcommittee.
- ▶ We reviewed the narrative content of the Subject matter and the presentation of the selected disclosures to assess whether:

- The selected disclosures in the Subject Matter are consistent with other information obtained from interviews or from internal policies or other external or internal communications about OTP Bank's sustainability agenda
- The selected disclosures in the Subject Matter are consistent with the requirements of the Criteria.
- We reviewed the reporting of the selected five sustainability disclosures by:
 - Conducting interviews with the OTP Bank specialists responsible for managing, collating, and reviewing data at the corporate level;
 - Observing whether the data was generated and presented according to the Criteria set for the specific disclosures.
 - Undertaking analytical review procedures on each sustainability disclosure, i.e.: number and gender of temporary and permanent employees working full or part time; percentage of employees covered by collective agreements; report of ethic hotline cases; energy consumption data; number of verified complaint cases investigated.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.

Budapest, 16 April 2024

(The original Hungarian version has been signed.)

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