OTP Group

Sustainable Finance Framework introduction and Credit Update

Investor Presentation

June 2022

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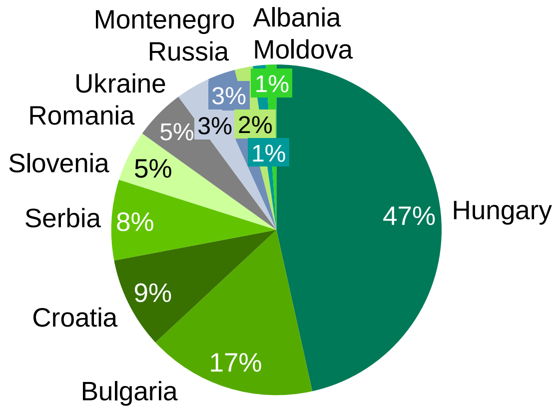
Content

1. Overview OTP Group

OTP Group offers universal banking services to around 16 million active customers in 11 countries with majority of its operations located in European Union countries that offer attractive growth opportunities versus EU average

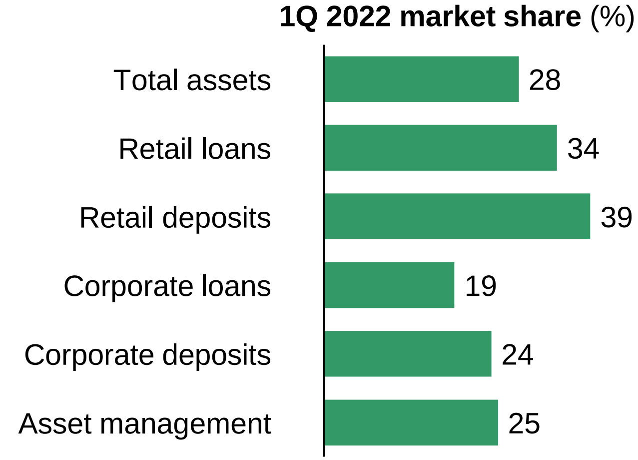
Major Group Members in Europe

Total Assets[1]

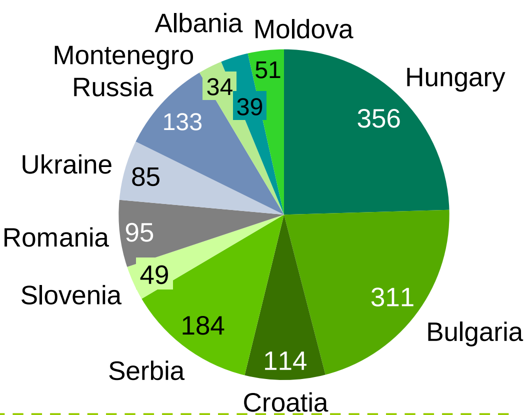


Total Assets: HUF 28,790 billion

Systemic position in Hungary…

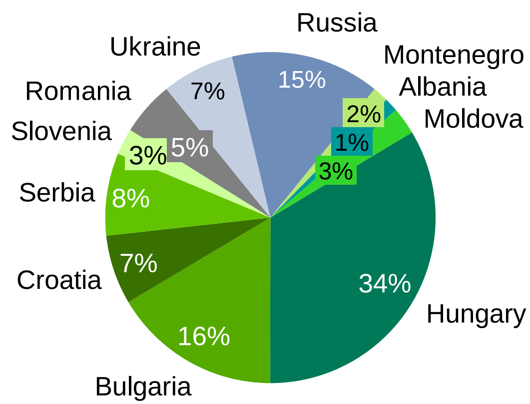


Number of Branches[1]



Total number of branches: 1,451

Headcount[1]



Total headcount: 33,464[2]

... as well as in other CEE countries[3]

Bulgaria	No. 2 in Total assets No. 1 in Retail deposits No. 1 in Retail loans
Serbia	No. 2 in Total assets No. 1 in Gross loans
Slovenia	No. 3 in Total assets
Croatia	No. 4 in Total assets
Russia[2]	No. 1 in POS lending No. 10 in Credit card business No. 20 in Cash loan business
Montenegro	No. 1 in Total assets

[1] As of 1Q 2022
[2] Excluding selling agents employed at OTP Bank Russia and at OTP Bank Ukraine.
[3] Estimated market positions, including OTP MFO.

Strong CEE franchise offsets temporary losses in Ukraine and Russia

2021 / 1Q 2022[1]

PROFITABILITY	SIZE & GROWTH	CAPITAL STRENGTH	ASSET QUALITY	FUNDING & LIQUIDITY
Profit after tax €1.27bn/-€0.09bn	Total assets €74.7bn/€77.9bn	CET1 ratio 17.5% / 16.2%	Stage 3 ratio 5.3% / 5.2%	Net LTD 75% / 74%
ROE 17.0% / -4.6%	Loan growth +15% / +3%	CAR 19.1% / 17.8%	Risk cost rate 0.30% / 1.42%	LCR 180% / 224%

- Stable management
- Adjusted profit after tax without Russia and Ukraine demonstrates resilience
- Stable asset quality with prudent provision coverage levels
- Decent capital standing supported by historically strong capital generation
- Ample liquidity reserves, light redemption profile
- Strong commitment to regional leadership position in financing the transition to a low carbon economy

[1] Based on IFRS financial statements for 31 December 2021 and 31 March 2022, or derived from those, see Footnotes and glossary in Appendix.

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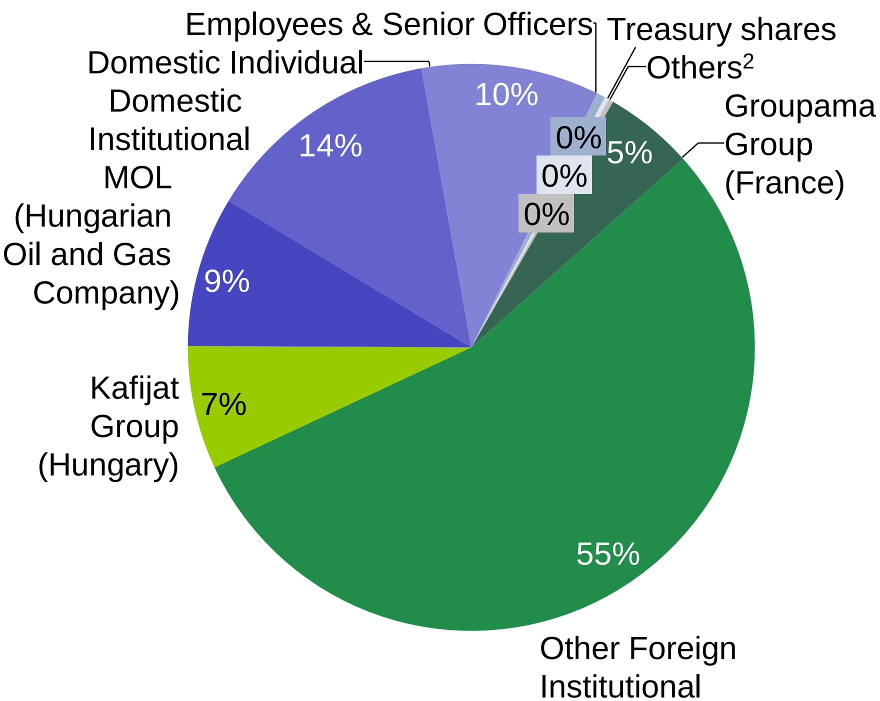
OTP Bank offers a unique investment opportunity to access the CEE banking sector. The Bank is a recognised and transparent player with a well-diversified ownership structure

Ownership structure of OTP Bank on 31 March 2022



Best Bank in CEE 2018 and 2021
Best Bank in Hungary 2017,2018, 2020 and 2021
Best Bank in Bulgaria 2021
Best Bank in Montenegro 2020 and 2021
Best Bank in Albania 2020 and 2021

Best Bank in CEE 2021
Best Bank in Hungary 2020 and 2021
Bank of the Year in Croatia in 2021
Bank of the Year in Montenegro in 2021
Bank of the Year in Slovenia in 2020 and 2021

Best Bank in CEE 2022
Best Bank in Hungary since 2012 in all consecutive years
Best Bank in Montenegro in 2022
Best Bank in Slovenia in 2022

Best Consumer Digital Bank in Hungary in 2019, 2020 and 2021

Safest Bank in Hungary in 2020 and 2021

Best SME Bank in CEE and in Hungary in 2022

Best FX providers in Hungary in 2017, 2018, 2019, 2020, 2021 and 2022
Best FX providers in Bulgaria in 2021 and 2022
Best FX providers in Slovenia in 2022

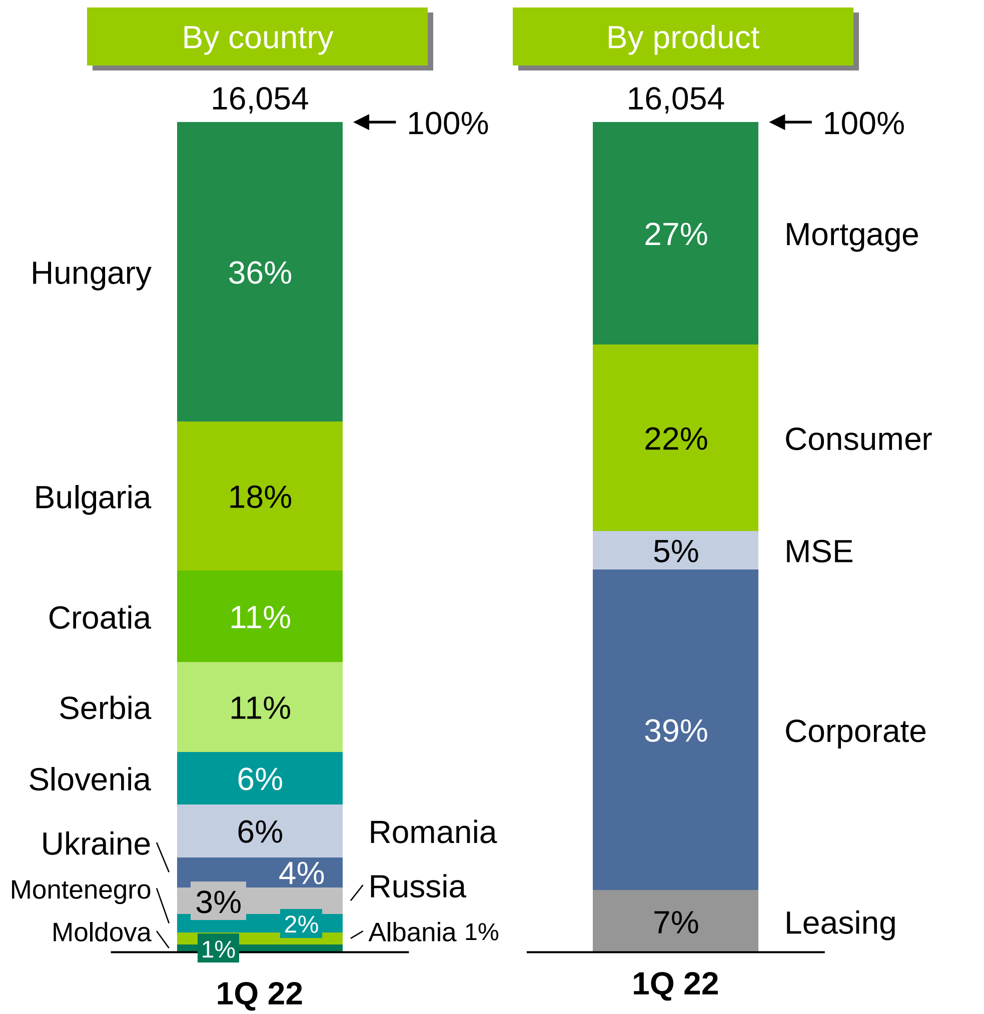
Best Private Bank in CEE in 2022
Best Private Bank in Hungary in 2020 and 2021 and 2022
Best Private Bank in Montenegro in 2022

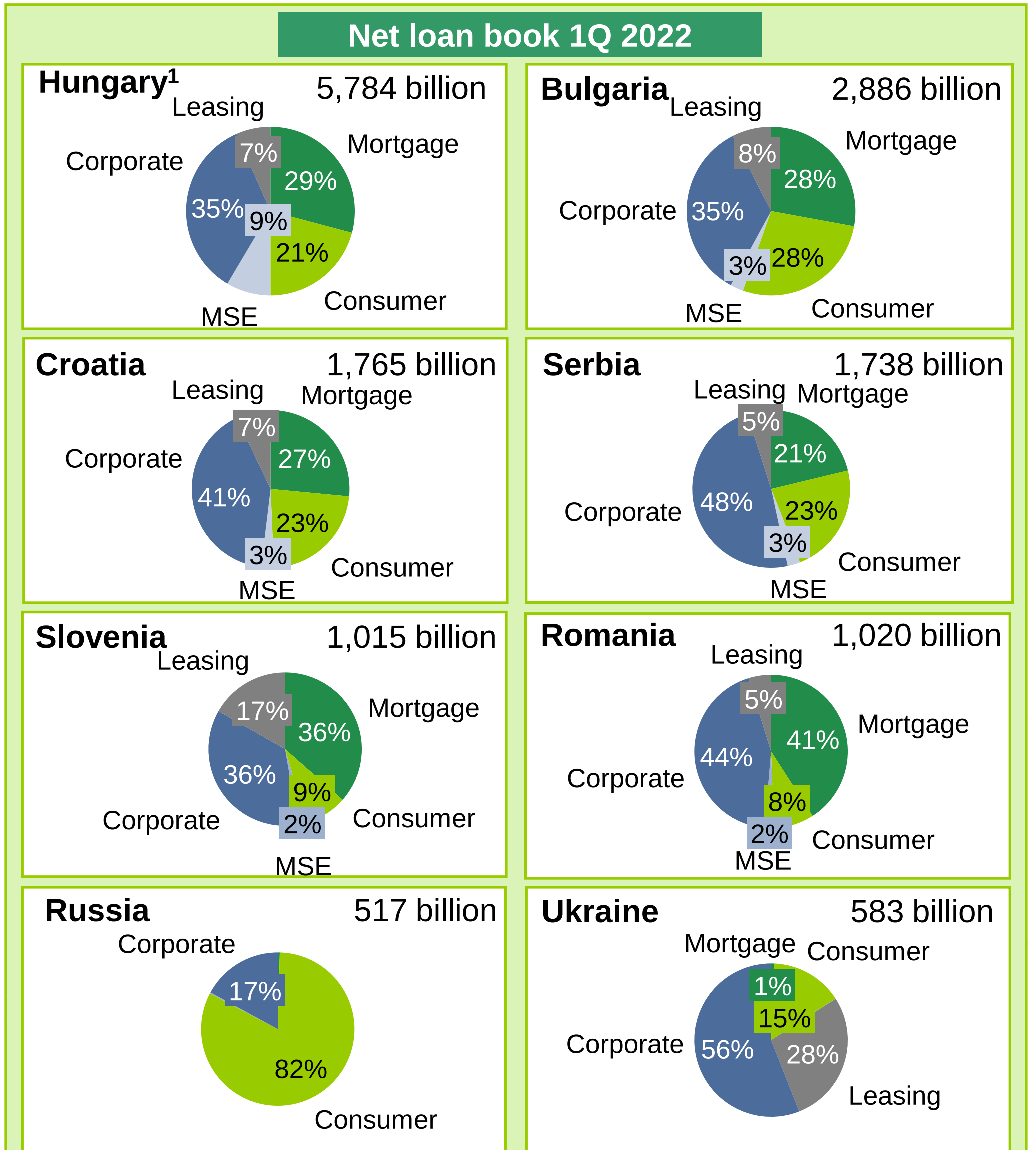
Best Bank for Sustainable Finance in Hungary in 2022

[1] On 6 May 2022.
[2] Foreign individuals, International Development Institutions, government held owner and non-identified shareholders.

Almost 80% of the total net loan book is invested in EU countries. Retail lending remains the leading product

Breakdown of the consolidated net loan book
(in HUF billion)

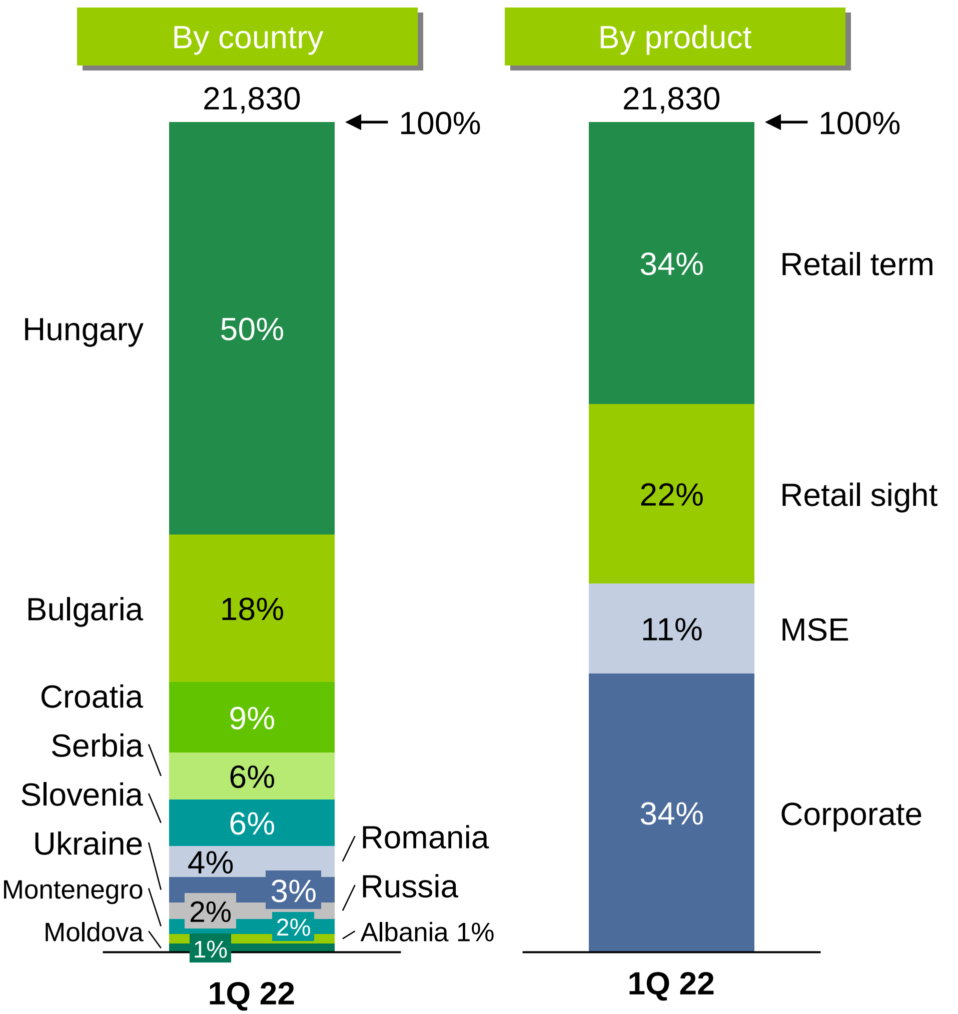




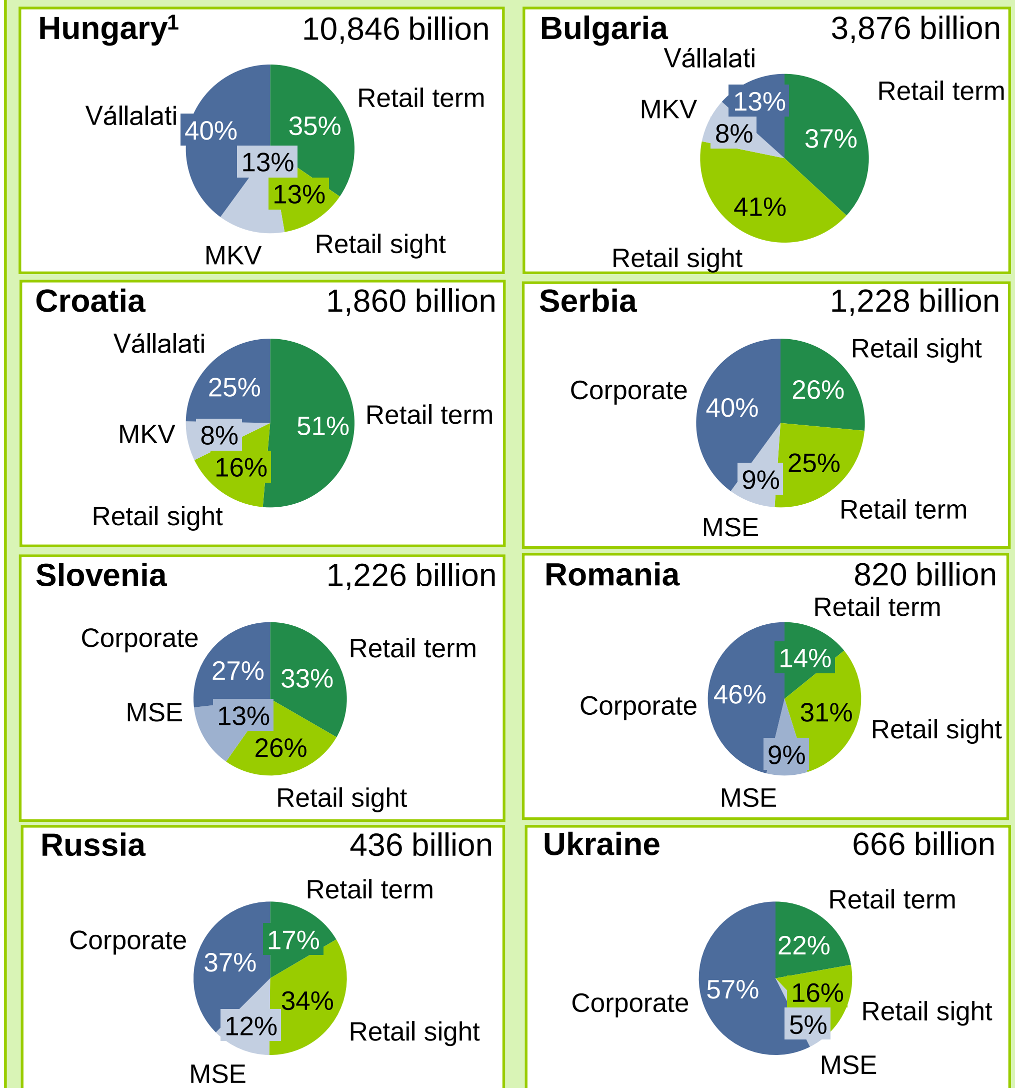
[1] Including OTP Core and Merkantil Group (Hungarian leasing).

Hungary represents half of the deposit book, Bulgaria is the second largest deposit holder in the Group. Retail volumes account for 56% of the total deposit base

Breakdown of the consolidated deposit base
(in HUF billion)



Deposit base 1Q 2022



¹ Including OTP Core and Merkantil Group (Hungarian leasing).

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Acquisitions completed in the last few years materially improved OTP's positions in many countries. The financial closure of the Slovenian and Albanian acquisitions are expected to be completed in 2Q 2022, subject to regulatory approvals

Year	Target (seller, date of closing)		Net loan volumes (in HUF billion)	Market share in total assets (before/after acquisition[1], %)		Book value (in EUR million)	
2017	**Splitska banka**, Croatia (SocGen, 2Q 2017)	(Nov 18)	631	4.8	11.2	(4Q 16)	496
2017	**Vojvodjanska banka**, Serbia (NBG, 4Q 2017)	(1Q 19)	266	1.5	5.7	(3Q 17)	174
2019	**SocGen Expressbank**, Bulgaria (SocGen, 1Q 2019)	(1Q 19)	774	14.0	19.9	(4Q 18)	421
2019	**SocGen Albania** (SocGen, 1Q 2019)	(1Q 19)	124		6.0	(4Q 18)	58
2019	**SocGen Moldova** (SocGen, 3Q 2019)	(3Q 19)	102		14.0	(4Q 18)	86
2019	**SocGen Montenegro** (SocGen, 3Q 2019)	(3Q 19)	126	17.6	30.4	(4Q 18)	66
2019	**SocGen Serbia** (SocGen, 3Q 2019)	(3Q 19)	716	5.3	13.7	(4Q 18)	381
2019	**SKB Banka**, Slovenia (SocGen, 4Q 2019)	(4Q 19)	827		8.5	(4Q 18)	356
2021	**Alpha Bank SH.A.**, Albania (Alpha Int. Holdings, signed but not closed)	(4Q 20)	99	6.2	10.9	(4Q 20)	73
2021	**Nova KBM**, Slovenia (Apollo Global and EBRD, signed but not closed)	(4Q 20)	1,633	8.2	28.7	(4Q 20)	992
2021	**Ipoteka Bank**, Uzbekistan (Uzbek State, put on hold[2])	(4Q 20)	690		8.3	(4Q 20)	314
	Acquisitions total:		**5,988**				**3,417**

[1] Reference date of market share data: Croatia: 2Q 2017, Serbia - Vojvodjanska 4Q 2016, Bulgaria: 1Q 2019, Albania - SocGen: 4Q 2018, Serbia - SocGen 2Q 2019, Moldova: 2Q 2019, Montenegro: 2Q 2019, SKB Slovenia: 4Q 2018, Nova KBM Slovenia: 4Q 2020, Ipoteka Uzbekistan: 3Q 2021, Albania – Alpha: 3Q 2021. [2] On 29 September 2021 OTP Bank signed a non-binding Memorandum of Agreement regarding the potential acquisition of the majority stake of Ipoteka Bank.

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The Hungarian loan penetration levels are still low in regional comparison implying good volume growth potential. This is also the case for Romania, as well as for the Bulgarian housing loan segment

Market penetration levels in Hungary in ...

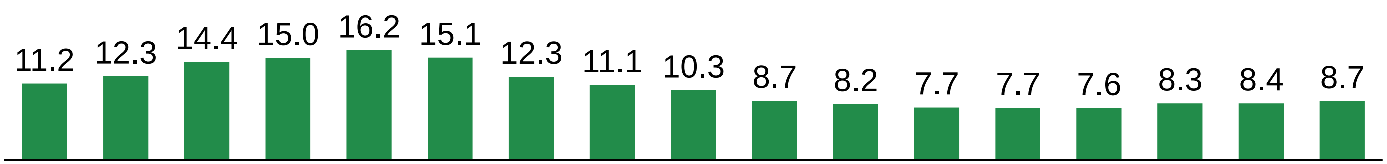
Net loan to deposit ratio in the Hungarian credit institution system[1]

168% → **87%**

1Q 2009 → 1Q 2022

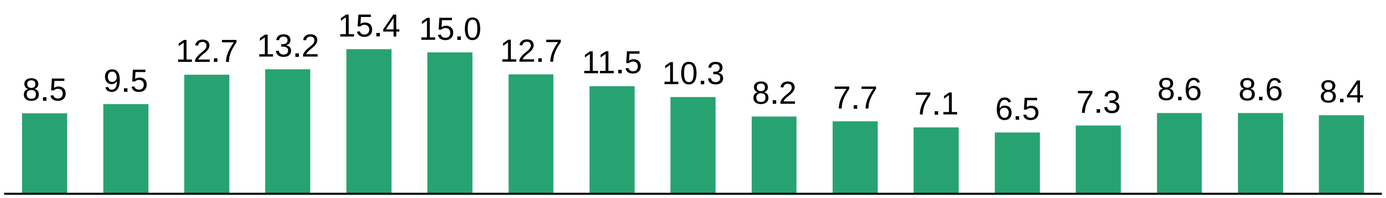
1Q 2022 data for other CEE/CIS countries (in % of GDP)

housing loans (in % of GDP)



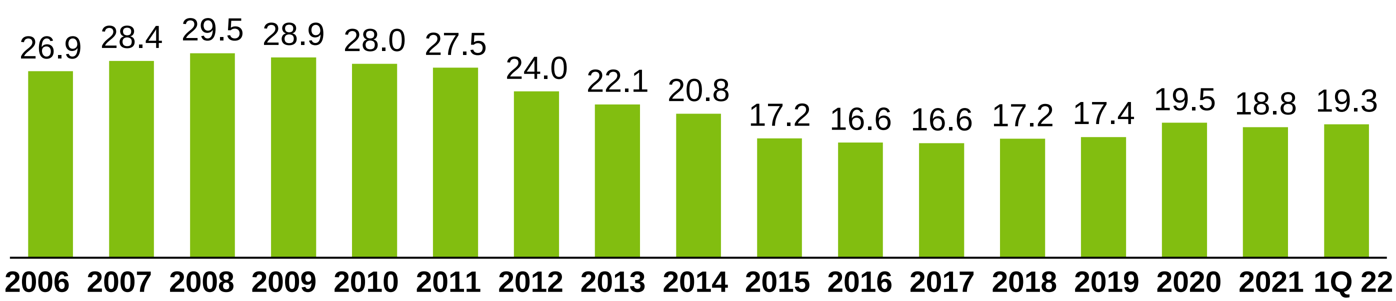
39.4	Slovakia	**10.7**	Bulgaria
28.3	Montenegro	**9.1**	Russia
28.2	Czechia	**8.5**	Romania
20.8	Serbia	**8.1**	Albania
20.1	Poland	**4.9**	Moldova
15.7	Croatia	**0.5**	Ukraine
14.3	Slovenia		

consumer loans (incl. home equities) (in % of GDP)



16.8	Croatia	**6.3**	Czechia
12.9	Serbia	**5.3**	Romania
11.3	Bulgaria	**5.0**	Slovenia
10.1	Poland	**4.4**	Moldova
9.7	Russia	**4.3**	Albania
7.9	Slovakia	**3.8**	Ukraine

corporate loans (in % of GDP)



28.5	Bulgaria	**20.4**	Czechia
25.5	Montenegro	**18.4**	Slovenia
23.5	Serbia	**13.8**	Poland
23.2	Albania	**13.5**	Moldova
22.6	Slovakia	**13.0**	Romania
21.5	Croatia	**12.2**	Ukraine

[1] Latest available data. According to the supervisory balance sheet data provision.

2. OTP Group’s Sustainability Approach

OTP's way to a sustainable world: dedicated permanent ESG organization, strategic focus, and visible results

ORGANISATION

The **whole organization of the Bank and its Subsidiaries are involved in the ESG transformation**, that is steered by the ESG Committee, managed by the Green Program Director as Leader of ESG business transformation.

Board of Directors
One of the Board members is responsible for ESG

ESG Committee
Standing Executive Committee

Task: Formulating strategy, plans and policies in relation to ESG, supporting management bodies, responsible for execution of the strategy
Chair: Delegate of Board of Directors

ESG Subcommittee
Operating Committee of ESG Committee

Task: operating body supporting the work of ESG Committee, preliminary decision-making
Chair: Green Program Director responsible for ESG business transformation of the OTP Group

ESG risk management

ESG business transformation

ESG control function
in progress

STRATEGY

OTP Bank has successfully started implementing its ESG strategy, the main results are as follows:

Green mortgage bond issuance:
In August 2021 OTP Mortgage Bank was the first to issue a green mortgage bond on the domestic market.

Current volume of issued green mortgage bonds: **HUF 95 billion**

Green Home Programme:
In October 2021 OTP Bank was amongst the first banks joining the programme.

Contracted amount of Green Housing loans (21 Q4): **HUF 21 billion**
Validated[1] Green Housing loans (21 Q4) : **HUF 4 billion**

Green corporate lending:
OTP's Green Lending Framework was the first among domestic banks approved by the National Bank of Hungary. The approval will allow OTP to begin financing green projects of corporate customers.

Validated[1] corporate green loans and green bonds: **HUF 67.5 billion**

UN environment programme finance initiative

OTP Bank, as the first bank in Hungary, has become an official **Signatory of the *UN Principles for Responsible Banking.***

RATINGS

OTP Bank's improving sustainability performance has been recognised with upgraded ratings by the major ESG rating agencies:

SUSTAINALYTICS a Morningstar company

20.3

SEVERE | HIGH | MEDIUM | LOW | NEGLIGIBLE

MSCI

A

CCC | B | BB | BBB | A | AA | AAA

CDP DRIVING SUSTAINABLE ECONOMIES

most recent update

B-

D | C | B- | A

Source: Company data
[1] Accounted for in the Green Capital Relief Program of the National Bank of Hungary.

We have defined the main pillars of OTP Group' ESG Strategy

OTP GROUP ESG STRATEGY

OTP Group is aiming to be the regional leader in financing a fair and gradual transition to a low-carbon economy and building a sustainable future through our responsible solutions

IMPLEMENTATION TIMELINE

Present '21-'22: Planning
Establish ESG frameworks (including but not limited to SFDR implementation), develop processes, set targets

Near Future '22-'24: Roll out
Cascade ESG strategy in breadth and depth across OTP Group

Beyond '25: ESG business as usual
Green banking is standard part of OTP banking, with a working ESG org

KPI's TO MEASURE STRATEGIC ESG GOALS

	Short term	Long term
Building the green book	Green credit portfolio **by 2022** • Corporate: HUF 150 billion • Retail: HUF 80 billion	Green credit portfolio **by 2025** • Corporate: HUF 1,000 billion • Retail: HUF 500 billion
Green products on market	5 products by 2022	Green products in all segments
Reducing own emissions	Net carbon neutrality by the end of 2022	Total carbon neutrality strategy on group level
Transparent responsibility	Member of UN's Principles of Responsible Banking initiative	OTP to be listed DJSI ESG index by 2025

Source: Company data

With the help of Green Loan Framework based on EU and CB Taxonomy OTP Group established the new reference level for green loans and the basis for development of the corporate green lending in the whole Group

Approved Processes

Sustainability Strategy
focusing on financing the transition

The OTP's Sustainability Strategy – adopted in 2021 – concentrates on the opportunities linked to the climate change, aims to help the transition of OTP's clients, sets goals to greening the own operation as well as building the green portfolio.

Green Loan Framework (GLF)
based on GLP, EU and CB Taxonomy

Main task of GLF is to ensure that the definition of „green" in the OTP Group is in line with the international standards as Green Loan Principles, Taxonomy Regulation and Climate Bond Taxonomy. The OTP has only one GLF used by all subsidiaries.

Internal rules of green assessment
based on GLF, customized to subsidiaries

The next level is the internal regulation about assessing green loans that is incorporated into the corporate loan origination procedure. This level is customized in each subsidiaries.

IT tools for flagging and assessing
supporting green lending procedure

The results of green assessment are recorded and flagged in the IT system supporting the green lending procedure. An other tool supports the decision making about the ‚greenness' of the use of proceeds.

Handbooks, guidelines
supporting colleagues in branches

Because the GLF and the internal rules cover a new type of lending with new green requirements the role of education is crucial by planning a successful green lending campaigns.

Green financial products
ensuring access for SME to green loans

In the SME segment the enterprises don't have enough resources to meet GLF-s requirements so simple easy-to-verify financial products are given to them.

Steps of introducing a green lending procedure into the corporate lending

- Adoption of GLF, customization of verifying documentations in the Annex of GLF, Second Party Opinion for the customized Annex
- Development of green products based on GLF
- Development of supporting educational material and education of staff

3. Sustainable Finance Framework and Second Party Opinion

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OTP Group's Sustainable Finance Framework has been set up to align the broader OTP Group corporate responsibility strategy with its funding needs. By issuing Sustainable Finance Instruments, OTP Group shows its commitment to promoting sustainable business activities in the industry sectors and regions where the bank is operating

OTP Group has established a Sustainable Finance Framework in order to issue Sustainable Finance Instruments (including green/social covered, senior and subordinated bonds)

The Sustainable Finance Instruments will help enable the transition to a low carbon and resilient economy, and/or provide positive societal impact and to mitigate social problems

Proceeds will be used to finance green buildings, renewable energy, clean transportation and SMEs

Structured in line with the ICMA Green/Social Bond Principles, LMA Green/Social Principles and taking guidance from the EU Climate Delegate Act

Second Party Opinion from ISS ESG

OTP Group's Sustainable Finance Framework is based on the ICMA Green/Social Bond Principles and LMA Green/Social Loan Principles and as such is presented through the following four key pillars: 1) Use of Proceeds; 2) Process for Projects Evaluation & Selection; 3) Management of Proceeds; 4) Reporting & External

1 Use of Proceeds

- OTP Group intends to use an amount equivalent ot the net proceeds of the Sustainable Finance Instruments to finance and/or refinance a **portfolio** of green and social loans, credits and investments, the "Eligible Loan Portfolio"

✓ **Green Buildings**

✓ **Clean Transportation**

✓ **Renewable Energy**

✓ **SMEs Financing**

2 Process for Project Evaluation & Selection

- Eligible loans financed and/or refinanced are evaluated and selected based on **compliance with the Green/Social Bond eligibility criteria** described in the Sustainable Finance Framework
- A **Sustainable Finance Working Group** assesses loans eligibility and allocation of proceeds to Eligible loans
- **Exclusion list** (framework-wide and social bond specific)

3 Management of Proceeds

- OTP Group allocates the net proceeds from the Sustainable Finance Instruments to an **Eligible Loan Portfolio**, selected in accordance with the use of proceeds criteria and evaluation and selection process
- Unallocated net proceeds will be held in OTP Group's liquid asset portfolio (Bank Treasury Management)

4 Reporting & External Review

- **Allocation and impact reporting:** OTP Group intends to request on an annual basis, starting one year after the issuance of any Sustainable Finance Instrument and until the maturity (or full allocation) of such Sustainable Finance Instrument, a limited assurance report of the allocation of the proceeds of such Sustainable Finance Instrument, which will be provided by its external auditor
- In addition, OTP Group intends, within one year from the date of issue of any Sustainable Finance Instrument and annually thereafter until the proceeds have been fully allocations to prepare an allocation report and, where feasible, an impact report
- OTP Group's Sustainable Finance Framework has been reviewed by **ISS ESG** who has issued a **Second Party Opinion**

An amount equal to the net proceeds from Green Finance Instruments issued by OTP Group will be used to finance and/or refinance a portfolio of eligible loans as defined by the Green Eligibility Criteria[1]

Green Buildings

Eligibility criteria

Financing and refinancing new or existing buildings:

- ✓ Buildings built before 31 December 2020 with EPC label ≥ "A"
- ✓ Buildings built before 31 December 2020 belonging to the top 15% of the national building stock based on primary energy demand (PED)
- ✓ Buildings built after 31 December 2020 with energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings ("NZEB") in the local market
- ✓ Buildings that have been refurbished resulting in a reduction of primary energy demand of at least a 30%
- ✓ New, existing or refurbished commercial buildings which received at least one of the following certifications:
  - ❖ BREEAM "Very Good" or above
  - ❖ LEED "Gold" or above
  - ❖ HQE "Excellent" or above
  - ❖ Other equivalent internationally recognized Green Building certifications

Contribution to UN SDGs

Renewable Energy

Eligibility criteria

Financing and refinancing production of renewable energy:

- ✓ **Solar power:** Photovoltaics (PV), concentrated solar power (CSP) and solar thermal facilities
- ✓ **Wind power:** Onshore and offshore wind energy generation facilities and other emerging technologies, such as wind tunnels and cubes
- ✓ **Geothermal power:** Geothermal energy projects with life cycle emissions of less than 100g CO_2e/kWh
- ✓ **Hydropower:** Small-scale hydropower projects (less than 25MW) with either:
  - ❖ Life cycle emissions of less than 100g CO_2e/kWh; or
  - ❖ Power density greater than 5W/m^2; or
  - ❖ The electricity generation facility is a run of river plant and does not have an artificial reservoir

Contribution to UN SDGs

Clean Transportation

Eligibility criteria

Financing and refinancing low-carbon vehicles and related infrastructure:

- ✓ **Low-carbon vehicles and rail rolling stock:**
  - ❖ Fully Electric, Hydrogen or otherwise zero-emission passenger vehicles
  - ❖ Electrified rail transportation for passenger and freight (e.g. light rail transit, metro, tram, trolleybus, bus and wagons)
- ✓ **Low-carbon transportation infrastructure:**
  - ❖ EV charging, electrified railway, hydrogen fueling stations

Contribution to UN SDGs

1. The green portfolio consists of the following OTP Group countries: Hungary, Bulgaria, Slovenia, Croatia, Serbia, Montenegro, Romania and Albania.

An amount equal to the net proceeds from Social Finance Instruments issued by OTP Group will be used to finance and/or refinance a portfolio of eligible loans as defined by the Social Eligibility Criteria[1]

SMEs Financing

Eligibility criteria

Financing and refinancing SMEs, meeting the following criteria:

- ✓ SMEs as per EU Commission definition
- ✓ SMEs are subject to negative screening as per SMEs Loans Exclusion List[2]
- ✓ SMEs must be located in socioeconomically disadvantaged areas in the countries the bank operates in. Socioeconomically disadvantaged areas are defined as NUTS 2 (2021) regions, meeting the following criteria:
  - ❖ The GDP per capita is lower than the national average
  - ❖ The GDP PPS per capita is lower than 75% of the EU-27 average[3]

  In case of EU candidate countries, where timely standardized at Eurostat are not available (i.e. Serbia[4], Montenegro, Albania), OTP Group will select loans based on latest available published data of the official national statistic providers.

Social benefits			*Target groups*
Employment generation and retention	**Reduction of social and economic inequalities**	**Foster economic growth in deprived areas**	**SMEs in socioeconomically disadvantaged areas**

Contribution to UN SDGs

1 NO POVERTY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

1. The social portfolio consists of the following OTP Group countries: Hungary, Bulgaria, Slovenia, Croatia, Serbia, Montenegro, Romania and Albania. | 2. See the framework for further details. | 3. In case of Montenegro, the entire country is NUTS 2 region (called Crna Gora), therefore only the second condition applies. | 4. Latest available data for Serbia data back to 2019. Furthermore Kosovo iMetohija region will be not included as currently no reliable statistical data are available.

OTP Group has established a clear decision-making process to determine the eligibility of the nominated eligible loans, in accordance with the description of the eligibility criteria mentioned in the Use of Proceeds section of this Framework

OTP Group's Sustainable Finance Working Group

- ✓ Maintain and update the Sustainable Finance Framework, including SPO and related documents from external consultants
- ✓ Evaluate and define the Eligible Loan Portfolio, including excluding projects that no longer meet Eligibility Criteria
- ✓ Oversee the allocation of Sustainable Finance Instruments net proceeds, and the evolution over time
- ✓ Monitor internal processes to identify mitigants to known material risks of negative and/or environmental impacts associated with the Eligible Loan Portfolio
- ✓ Meet at least on annual basis

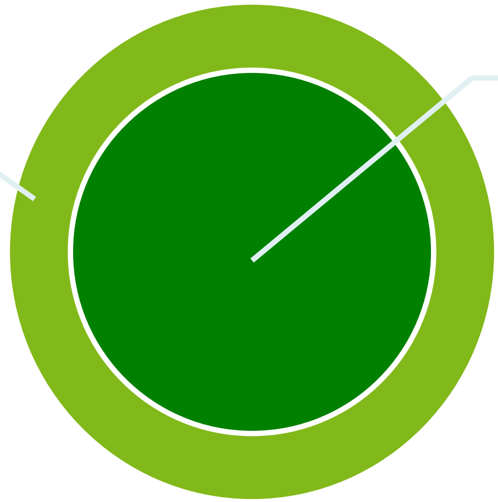
The Sustainable Finance Working Group is set up within OTP Bank Plc and is formed of members of:

- ✓ Green Program Directorate
- ✓ Special Lending Directorate
- ✓ Corporate Directorate
- ✓ Controlling
- ✓ Bank Treasury Management
- ✓ Subsidiary representatives

ESG Committee of OTP Bank Plc

Approve at least on annual basis the use of proceeds, financing and/or refinancing of Eligible Loan Portfolio

The net proceeds from the Sustainable Finance Instruments will be managed by OTP Group in a portfolio approach



- ✓ OTP Group intends to allocate these net proceeds to an Eligible Loan Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process
- ✓ OTP Group will endeavour, over time, to achieve a level of allocation for the Eligible Loan Portfolio that matches or exceeds the balance of net proceeds from its outstanding Sustainable Finance Instruments
- ✓ Eligible Loans will be added to or removed from OTP Group's Eligible Loan Portfolio to the extent required
- ✓ Unallocated net proceeds from Sustainable Finance Instruments will be held in OTP Group's liquid asset portfolio (Bank Treasury Management), in cash or other short term liquid instruments, at OTP Group's sole discretion (a practice deemed good by ISS in their SPO to our Sustainable Finance Framework).

OTP Group will make and keep readily available reporting on the allocation of net proceeds to Eligible Loans and, where feasible, reporting on the impact of the Eligible Green Loan Portfolio

- ✓ OTP Group will report to investors within one year from the date of a Sustainable Finance Instrument transaction and annually thereafter, until the proceeds have been fully allocated

- ✓ On a best effort basis, OTP Group will align the reporting with the portfolio approach described in the ICMA "Green Bonds - working towards a Harmonized Framework for Impact Reporting (June 2021)" and "Social Bonds - working towards a Harmonized Framework for Impact Reporting (June 2020)"

- ✓ The reporting is based on the Eligible Loan Portfolio and numbers will be aggregated for all Sustainable Finance Instruments outstanding.

Allocation reporting will include indicators such as

- ✓ The total amount of proceeds allocated to eligible loans
- ✓ The balance of unallocated proceeds
- ✓ The amount or the percentage of new financing and refinancing
- ✓ The geographical location of the assets, at country level

Impact reporting may include the following indicators

- ✓ Estimated annual energy consumption in KWh/m^2
- ✓ Estimated annual reduced and/or avoided GHG emissions in tonnes of CO_2 equivalent

- ✓ Renewable energy generation in MWh per year
- ✓ Total installed capacity in MW

- ✓ Estimated annual reduced and/or avoided GHG emissions in tonnes of CO_2 equivalent
- ✓ Number of zero-carbon vehicles (units per year)

- ✓ Number of SMEs lent to
- ✓ Estimated number of people employed by SMEs financed

OTP Group has obtained an independent second party opinion from ISS ESG to confirm the validity of the Sustainable Finance Instruments based on three key elements: 1) alignment with OTP Group's sustainability strategy; 2) alignment with ICMA GBP/SBPs and GLP/SLPs; 3) alignment of the eligibility criteria with the UN SDGs and ISS ESG's issue-specific KPIs

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Green Buildings *New, existing or refurbished commercial buildings which received at least one of the following certifications:* ▪ *BREEAM "Very Good" or above* ▪ *LEED "Gold" or above* ▪ *HQE "Excellent" and/or above* ▪ *Other equivalent internationally recognized Green Building certifications*	Significant contribution	11
Green Buildings *New, existing or refurbished buildings* *Buildings built before 31 December 2020 with EPC label ≥ "A"*	Limited contribution	11
Buildings built before 31 December 2020 belonging to the top 15% of the national building stock based on primary energy demand (PED)	Significant contribution	13
Green Buildings	Limited contribution	11
Buildings built after 31 December 2020 with energy performance at least 10% better than the threshold for Nearly Zero-Energy Buildings ("NZEB") in the local market[12]	Significant contribution	13
Green Buildings *Buildings that have been refurbished resulting in a reduction of primary energy demand of at least a 30%*	Limited contribution	7
	Significant contribution	13
Renewable Energy *Solar power (solar PV, CSP, solar thermal facilities) Wind power (on- and offshore) and Geothermal Power*	Significant contribution	7, 13
Renewable Energy *Hydropower* (less than 25MW)	Limited contribution	7, 13
Clean Transportation *Electrified rail transportation for passenger and freight (e.g light rail transit, metro, tram, trolleybus, bus and wagons)* *Fully Electric, Hydrogen or otherwise zero-emission passenger vehicles* *EV charging, electrified railway, hydrogen fuelling stations*	Limited contribution	7, 13
Employment Generation *Loans and credits to finance and refinance SMEs*	Significant contribution	8

ISS ESG

Use of Proceeds – Opinion

ISS ESG considers the Use of Proceeds description provided in OTP's Sustainable Finance Framework as aligned with the ICMA's Green Bond Principles and Social Bond Principles, as well as LMA's Green Loan Principles and Social Loan Principles. The issuer provides a qualitative analysis of the environmental contribution of the project category and defines exclusion criteria for harmful projects categories , in line with best market practice.

Process for Project Evaluation and Selection – Opinion

ISS ESG considers the Process for Project Evaluation and Selection description provided in OTP's Sustainable Finance Framework as aligned with the ICMA's Green Bond Principles and Social Bond Principles, as well as LMA's Green Loan Principles and Social Loan Principle. The issuer involves various relevant stakeholders in this process and clearly defines responsibilities in the process for project evaluation and selection which is in line with best market practice.

Management of Proceeds – Opinion

ISS ESG finds that Management of Proceeds proposed in OTP's Sustainable Finance Framework is well aligned with the ICMA's Green Bond Principles and Social Bond Principles, as well as LMA's Green Loan Principles and Social Loan Principles. The issuer discloses the nature of temporary investments, in line with best market practice.

Reporting – Opinion

ISS ESG finds that the reporting proposed in OTP's Sustainable Finance Framework is well aligned with the ICMA's Green Bond Principles and Social Bond Principles, as well as LMA's Green Loan Principles and Social Loan Principles. The level, information reported, frequency, scope and duration of the issuer's allocation reporting is clearly defined. In addition, the issuer is transparent on the level, information reported, frequency and scope of its impact reporting, in line with best market practice.

Description eligible green loans: Eligibility criteria

Screening criteria

[1Q 2022]

Contribution to Climate Change Mitigation (Article 10), including but not limited to:
1.a) Generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid

Contribution to Climate Change Mitigation (Article 10), including but not limited to:
1.b) Improving energy efficiency, except for power generation activities as referred to in Article 19(3)

Contribution to Climate Change Mitigation (Article 10), including but not limited to:
1.c) Increasing clean or climate-neutral mobility

EUR 949 million

OTP Renewable Energy

- **Solar power:** Photovoltaics (PV), concentrated solar power (CSP) and solar thermal facilities
- **Wind power:** Onshore and offshore wind energy generation facilities and other emerging technologies, such as wind tunnels and cubes
- **Geothermal power:** Geothermal energy projects with life cycle emissions of less than 100g CO_2e/kWh
- **Hydropower:** Small-scale hydropower projects (less than 25MW) with either
  - **Life cycle emissions of less than 100g CO_2e/kWh;**
  - **Power density greater than 5W/m²;**
  - **The electricity generation facility is a run of river plant and does not have an artificial reservoir**

	< 2021 [EUR thousand]	Capacity [Megawatt]	2021 < [EUR thousand]	Capacity [Megawatt]
HUN	**53 317**	***80***	**35 393**	***55***
	53 317	*80*	35 393	*55*
	0	*0*	0	*0*
	0	*0*	0	*0*
BLG	**45 647**	***81***	**84 805**	***248***
	41 759	*77*	38 571	*50*
	0	*0*	46 234	*198*
	3 888	*4*	0	*0*
ROM	**13 309**	***58***	**46 481**	***609***
	10 068	*42*	5 976	*9*
	3 241	*16*	40 505	*600*
	0	*0*	0	*0*
CRO	**18 812**	***42***	**0**	***0***
	21	*0*	0	*0*
	18 791	*42*	0	*0*
	0	*0*	0	*0*
SLO	**0**	***0***	**743**	***2***
	0	*0*	743	*2*
	0	*0*	0	*0*
	0	*0*	0	*0*
SRB	**3 930**	***4***	**0**	***0***
	836	*2*	0	*0*
	0	*0*	0	*0*
	3 094	*2*	0	*0*
ALB	**28 137**	***83***	**11 199**	***17***
	0	*0*	0	*0*
	0	*0*	0	*0*
	28 137	*83*	11 199	*17*
Total	**163 152**	***348***	**178 621**	***931***

OTP Green Buildings

- Buildings built before 31 December 2020 with **EPC label ≥ "A"**
- Buildings built before 31 December 2020 belonging **to the top 15% of the national building stock based on primary energy demand (PED)**
- Buildings built after 31 December 2020 with energy performance **at least 10% better than the threshold for Nearly Zero-Energy Buildings ("NZEB") in the local market[14]**
- Buildings that have been refurbished resulting in a reduction of **primary energy demand of at least a 30%**
- New, existing or refurbished commercial buildings which received at least one of the following certifications:
  - **BREEAM "Very Good" or above**
  - **LEED "Gold" or above**
  - **HQE "Excellent" or above other equivalent**

		< 2021 [EUR thousand]	2021 < [EUR thousand]
HUN		**196 667**	**102 373**
	BREEAM	149 520	18 593
	LEED	47 147	83 780
BLG		**59 766**	**664**
	BREEAM	0	0
	LEED	59 766	664
ROM		**102 688**	**5 594**
	BREEAM	85 719	0
	LEED	16 969	5 594
CRO		**0**	**0**
	BREEAM	0	0
	LEED	0	0
SLO		**0**	**0**
	BREEAM	0	0
	LEED	0	0
SRB		**0**	**38 885**
	BREEAM	0	0
	LEED	0	38 885
ALB		**0**	**0**
	BREEAM	0	0
	LEED	0	0
Total		**359 121**	**147 516**

OTP Clean Transportation

- **Low-carbon vehicles and rail rolling stock**
  - Fully Electric, Hydrogen or otherwise zero-emission passenger vehicles
  - Electrified rail transportation for passenger and freight (e.g light rail transit, metro, tram, trolleybus, bus and wagons)
- **Low-carbon transportation infrastructure:**
  - EV charging, electrified railway, hydrogen fueling stations

	< 2021 [EUR thousand]	2021 < [EUR thousand]
HUN	**0**	**0**
	0	0
BLG	**5 850**	**1 675**
	5 850	1 675
ROM	**0**	**0**
	0	0
CRO	**0**	**0**
	0	0
SLO	**31 118**	**15 336**
	31 118	15 336
SRB	**0**	**47 086**
	0	47 086
ALB	**0**	**0**
	0	0
Total	**36 968**	**64 097**

Description eligible social loans: Eligibility criteria

Screening criteria

[1Q 2022]

OTP Social role as an SME financer

Due to the geographical distribution of OTP Group's wide branch network, we are present in the socioeconomically disadvantaged areas in the Central Eastern European OTP countries. As being a universal banking group, OTP always considered as a top priority to provide fair and equal terms and conditions of our services in each region relative to the countries.

By providing loans for the SME clients, OTP largely contributes to the employment generation, and the reduction of the negative effects of lesser fortunate socioeconomic conditions.

OTP Groups portfolio selection criteria system is based on EU standards

1) EU Commission based SME definition,
2) EU Commission based definition of 'less developed regions' (GDP per capita < 75% EU-27 average)
3) Transparent, Eurostat based selection of eligible regions, (Regional Gross Domestic Product per capita in Purchasing Power Standards, by Eurostat)

EUR 4 660 million

Employment Generation, and Programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance

- SMEs as per EU Commission definition
- SMEs are subject to negative screening as per SMEs Loans Exclusion List
- SMEs must be located in socioeconomically disadvantaged areas in the countries the bank operates in

Socioeconomically disadvantaged areas are defined as NUTS 2 (2021) regions, meeting the following criteria:

(i) the GDP per capita is lower than the national average
(ii) the GDP PPS per capita is lower than 75% of the EU-27 average.

- Employment generation and retention
- Reduction of social and economic inequalities
- Foster economic growth in deprived areas
- SMEs in socio-economically disadvantaged areas

		Micro	Small	Medium	Total	Contract Number	Average Maturity	Number Employees
		[EUR thousand]	[EUR thousand]	[EUR thousand]	[EUR thousand]	[piece]	[months]	[piece]
HUN		**972 470**	**693 950**	**395 581**	**2 062 001**	**17 623**	**51**	**184 245**
	Central Hungary	44 222	29 377	2 000	75 598	1 392	0	9 931
	Central Transdanubia	111 565	128 500	50 477	290 541	2 405	51	23 185
	Northern Great Plain	232 150	141 604	100 529	474 283	3 346	58	39 352
	Western Transdanubia	133 232	80 123	40 140	253 495	2 355	57	22 052
	Southern Great Plain	206 677	116 930	84 550	408 157	3 185	57	34 615
	Northern Hungary	101 526	98 696	62 586	262 807	2 224	47	26 445
	Southern Transdanubia	143 099	98 720	55 300	297 119	2 716	46	28 665
BLG		**141 705**	**224 943**	**304 471**	**671 120**	**4 228**	**41**	**68 698**
	Northeastern	34 973	59 789	59 340	154 102	995	40	14 716
	Northern Central	21 287	34 375	55 443	111 105	755	39	12 804
	Northwestern	18 940	31 742	15 133	65 815	555	36	7 612
	Southeastern	25 855	43 563	63 093	132 511	798	45	12 917
	Southern Central	40 650	55 474	111 463	207 588	1 125	40	20 649
ROM		**118 798**	**240 227**	**168 278**	**527 302**	**2 117**	**37**	**36 380**
	Center	27 258	50 867	40 726	118 852	456	37	8 735
	North-East	18 943	31 801	25 366	76 109	352	34	6 243
	North-West	26 218	43 008	27 003	96 228	386	42	6110
	South-East	17 909	34 306	29 354	81 569	358	38	5 882
	South-Muntenia	7 668	33 685	33 703	75 057	230	33	4 591
	South-West Oltenia	4 609	22 761	4 737	32 107	123	41	2 087
	West	16 193	23 800	7 388	47 381	212	39	2 732
CRO		**105 811**	**172 448**	**213 602**	**491 862**	**4 963**	**67**	**88 819**
	Northern Croatia	12 389	20 158	8 578	41 125	629	72	8 329
	Adriatic Croatia	75 009	122 841	185 056	382 906	3 281	68	60 132
	Pannonian Croatia	18 413	29 450	19 968	67 831	1 053	58	20 358
SLO		**9 195**	**4 263**	**0**	**13 458**	**671**	**24**	**3 828**
	Vzhodna Slovenija	9 195	4 263	0	13 458	671	24	3 828
SRB		**61 947**	**183 534**	**379 250**	**624 732**	**4 935**	**35**	**72 047**
	Southern and Eastern Serbia	11 734	30 039	29 410	71 183	1 074	36	15 388
	Šumadija and Western Serbia	21 876	62 185	90 364	174 424	1 684	24	25 397
	Vojvodina	28 337	91 310	259 476	379 124	2 177	39	31 262
CRG		**42 299**	**81 845**	**145 051**	**269 195**	**1 298**	**57**	**17 849**
	Montenegro	42 299	81 845	145 051	269 195	1 298	57	17 849
∑		**1 452 226**	**1 601 210**	**1 606 233**	**4 659 670**	**35 835**	**48**	**471 866**

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4. 1Q 2022 Credit update

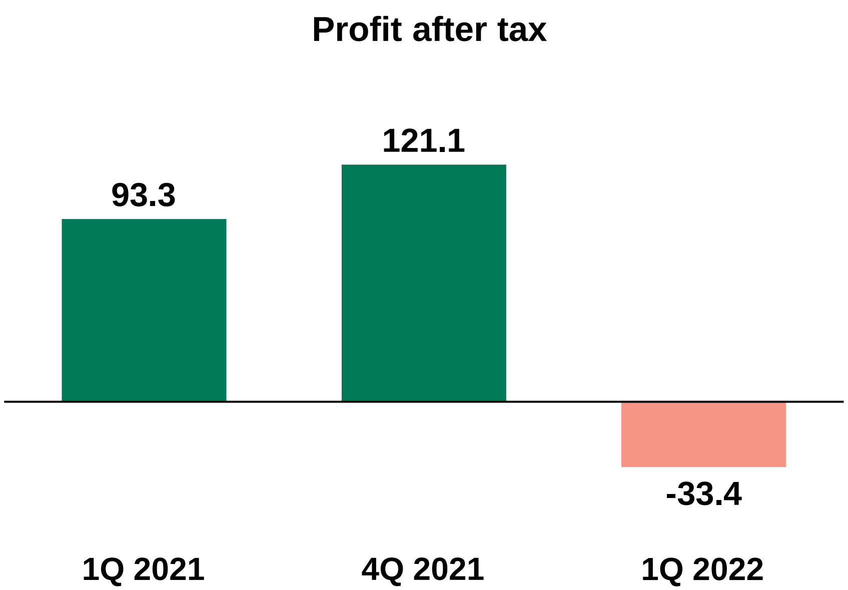
The 1Q 2022 adjusted ROE decreased to 12.1% shaped by surging risk costs in Russia and Ukraine

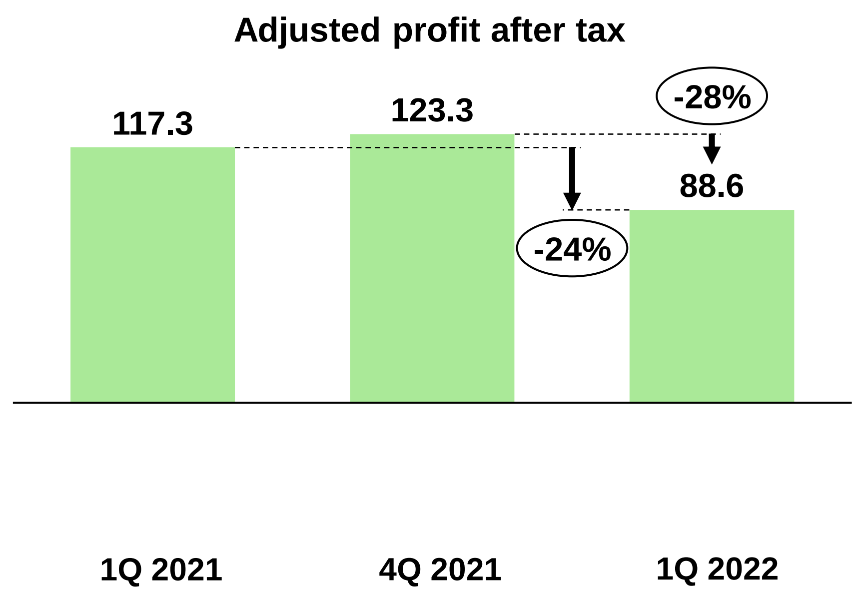
	2003-2008 average	2009-2013 average	2014	2015	2016	2017	2018	2019	2020	2021	1Q 2022 annualised
ROE (from profit after tax)	29.4%	8.3%	-7.4%	5.1%	15.4%	18.5%	18.7%	20.3%	10.9%	17.0%	-4.6% / 4.4%[5]
ROE (from adj. profit after tax)	29.0%	11.6%	8.5%	9.6%	15.4%	18.7%	19.1%	20.6%	13.0%	18.5%	12.1% / 23.4%[5]
Total Revenue Margin[1]	8.60%	8.17%	7.74%	6.98%	6.79%	6.71%	6.33%	6.28%	5.37%	5.21%	5.17% / 4.75%[5]
Net Interest Margin[1]	6.02%	6.28%	5.96%	5.12%	4.82%	4.56%	4.30%	4.12%	3.61%	3.51%	3.43% / 3.05%[5]
Net Fee & Comm. Margin	1.50%	1.47%	1.59%	1.55%	1.62%	1.75%	1.58%	1.65%	1.34%	1.29%	1.23% / 1.18%[5]
Other income Margin[1]	1.08%	0.41%	0.19%	0.31%	0.35%	0.41%	0.44%	0.52%	0.41%	0.41%	0.51% / 0.52%[5]
Operating Costs / Average Assets	4.47%	3.80%	3.85%	3.66%	3.70%	3.68%	3.57%	3.31%	2.90%	2.59% / 2.67%[4]	2.43% / 2.26%[5]
Cost / Income (without one-offs)	51.9%	46.5%	49.8%	52.0%	54.4%	54.9%	56.3%	52.7%	54.1%	49.7% / 51.2%[4]	47.1% / 47.6%[5]
Credit Risk Cost Rate[2]	0.90%	3.37%	3.68%	3.18%	1.14%	0.43%	0.23%	0.28%	1.15%	0.30%	1.42% / -0.41%[5]
CET1 capital ratio[3]	9.1%	13.4%	14.1%	13.3%	13.5%	12.7%	16.5%	14.4%	15.4%	17.5%	16.2%

[1] Excluding one-off items. [2] Provision for impairment on loan and placement losses-to-average gross loans ratio. [3] Until 2006 calculated from Hungarian Accounting Standard based unconsolidated figures as 'quasi CET1' divided by RWA, whereby 'quasi CET1' is calculated as Primary capital less proportional deductions. From 2007 the CET1 ratio is calculated according to Basel 3 regulation, based on IFRS financials.
[4] Adjusted for the shifting of Hungarian local business tax and innovation contribution from costs to the corporate tax line from 2021.
[5] OTP Group excluding the Russian and Ukrainien operations.

The consolidated profit after tax turned into red in 1Q due to the deeply negative balance of adjustment items. The adjusted profit after tax for the first quarter reached HUF 88.6 billion, a decrease of 24% q-o-q and 28% y-o-y

Profit development (HUF billion)

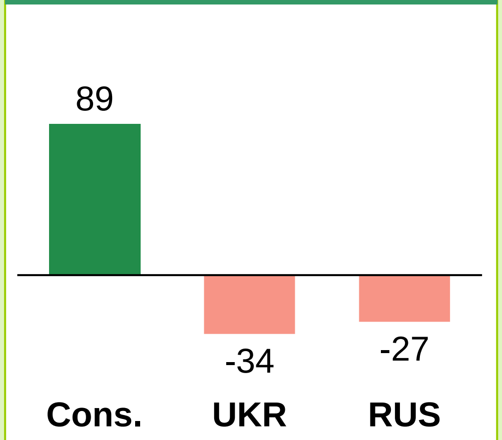




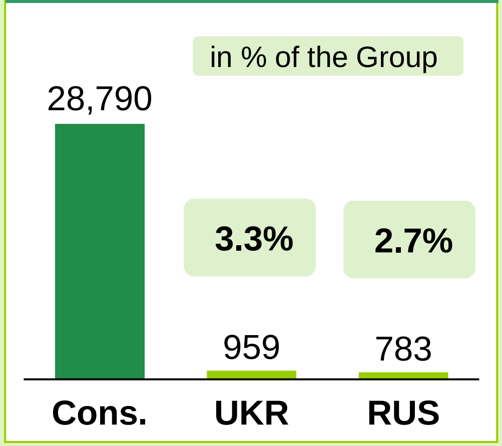
Adjustments (after tax)	**1Q 2021**	**4Q 2021**	**1Q 2022**
Special tax on financial institutions	-18.9	0.0	-20.2
Impairment on Russian government bonds in the books of OTP Core and DSK Bank	-	-	-34.5
Goodwill write-off and tax impact of investment impairment	0.7	2.6	-56.3
Effect of acquisitions	-3.5	-6.7	-2.5
Result of the treasury share swap agreement	-2.4	2.2	-8.5
Total	**-24.0**	**-2.2**	**-122.0**

Regarding Russia and Ukraine, a „going concern” approach is applied. Under an unexpected extremely negative scenario of deconsolidating both entities and writing down the outstanding gross intragroup funding as well, the effect for the consolidated CET1 ratio would be 0 bp in the case of Ukraine and -60 bps for Russia

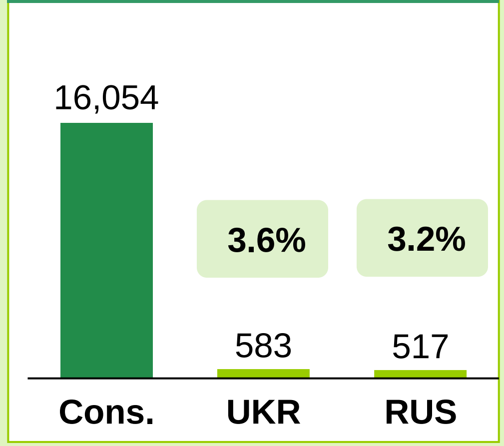
Adjusted profit after tax
(1Q 2022, in HUF billion)



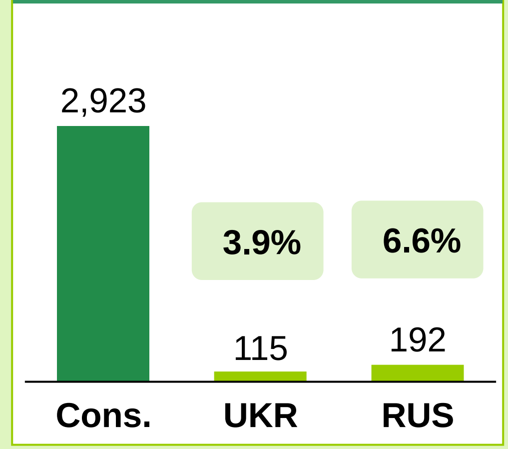
Total assets
(1Q 2022, in HUF billion)



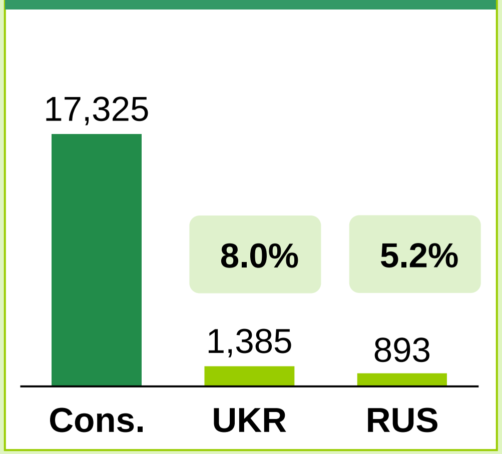
Net loans
(1Q 2022, in HUF billion)



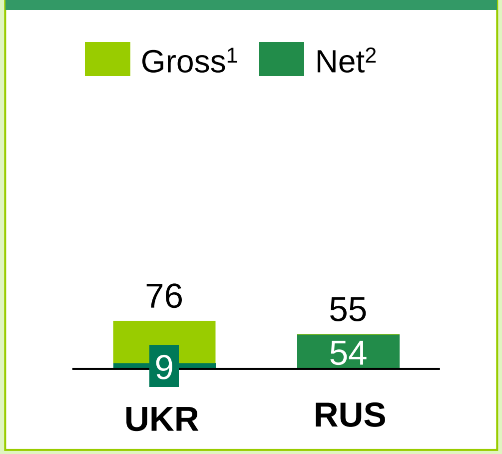
Shareholders’ equity
(1Q 2022, in HUF billion)



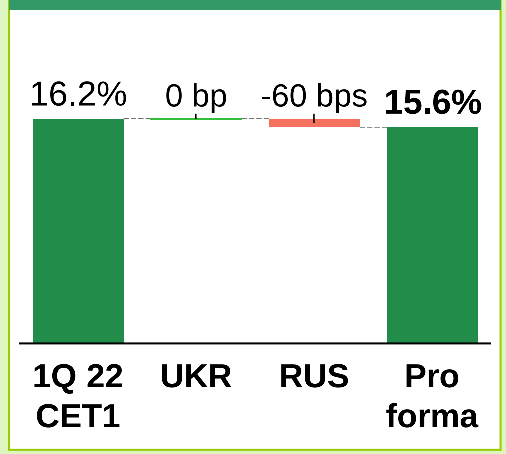
Risk weighted assets
(1Q 2022, in HUF billion)



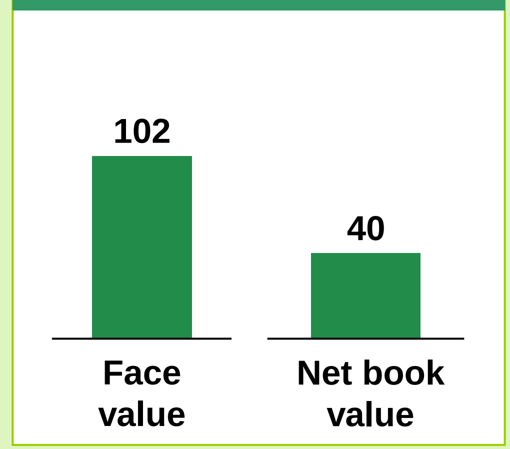
Intragroup funding
(1Q 2022, in HUF billion)



Consolidated capital effect[3]
(on CET1, based on 1Q 2022 data)



Russian bond exposures (1Q 2022, w/o the Russian bank, HUF bn)



[1] HUF equivalent of the intragroup funding provided by the Group to the given country.
[2] Gross funding less deposit placements by the entities in the given country to other Group members.
[3] Estimated CET1 impact of the Russian and Ukrainian operations, based on 1Q 2022 data. Calculation under an extremely negative scenario of deconsolidating both entities and writing down the outstanding gross intragroup funding, as well.

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The decline in adjusted profit after tax was mainly due to the surge in risk costs. The 1Q corporate tax burden was shaped by the write-off of Russian deferred tax assets in the amount of HUF 6.4 billion; in addition to this, the 1Q effective corporate tax rate was upwardly biased by the fact that no deferred tax assets were recognized in Russia and Ukraine

(HUF billion)	1Q 2021	4Q 2021	2021	1Q 2022	Q-o-Q FX-adjusted	Y-o-Y FX-adjusted
Adjusted profit after tax	**117.3**	**123.3**	**496.9**	**88.6**	**-25%**	**-24%**
Profit before tax	138.4	147.6	587.9	118.1	-17%	-14%
Operating profit	146.9	176.9	660.4	190.97	10%	30%
Total income	301.1	362.4	1313.1	361.2	1%	20%
Net interest income	203.2	247.5	884.0	239.8	-1%	18%
Net fees and commissions	71.9	87.3	325.5	85.7	0%	19%
Other net non-interest income	26.0	27.6	103.6	35.7	33%	37%
Operating expenses	-154.2	-185.5	-652.7	-170.2	-7%	10%
Total risk cost	-8.5	-29.3	-72.5	-72.9	147%	749%
Corporate tax	-21.1	-24.3	-91.0	-29.5	24%	39%

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In 1Q 2022, shaped by favourable risk cost developments, Hungary, Bulgaria and Croatia showed stronger q-o-q and y-o-y results. Ukraine, Russia, Romania and Montenegro brought negative returns

	1Q 2021	4Q 2021	2021	1Q 2022	Q-o-Q	Y-o-Y
		HUF billion				
Adjusted profit after tax	**117.3**	**123.3**	**496.9**	**88.6**	**-28%**	**-24%**
OTP Core (Hungary)	56.0	45.9	213.4	94.0	105%	68%
DSK Group (Bulgaria)	18.3	10.7	76.8	21.1	96%	15%
OTP Bank Croatia	5.1	8.3	33.4	11.1	34%	116%
OTP Bank Serbia	6.8	11.4	32.1	10.9	-5%	60%
SKB Bank (Slovenia)	3.1	4.4	16.8	4.9	13%	61%
OTP Bank Romania	0.5	3.3	4.3	-1.8		
OTP Bank Ukraine	8.8	10.2	39.0	-34.4		
OTP Bank Russia	8.0	13.4	37.6	-27.2		
CKB Group (Montenegro)	2.0	-1.2	4.1	-1.2	0%	
OTP Bank Albania	1.1	1.6	5.5	2.3	40%	114%
OTP Bank Moldova	1.5	1.5	5.9	-0.5		
Merkantil Group (Hungary)	1.6	1.5	8.0	4.4	196%	169%
OTP Fund Management (Hungary)	0.8	3.3	6.1	1.2	-64%	38%
Other Group members	3.7	9.1	13.8	3.9	-57%	8%

OTP Group achieved a profit after tax of HUF 28 billion in 1Q 2022 excluding the Russian and Ukrainian operations, with the Russian subsidiary suffering a loss of HUF 27 billion and the Ukrainian HUF 35 billion, respectively in 1Q 2022

	OTP Group without Russia and Ukraine				OTP Bank Russia			OTP Bank Ukraine		
P&L (HUF billion)	**2021**	**4Q 2021**	**1Q 2022**	**Q-o-Q**	**2021**	**4Q 2021**	**1Q 2022**	**2021**	**4Q 2021**	**1Q 2022**
Total income	**1,111**	**303**	**312**	**3%**	**118**	**33**	**26**	**84**	**26**	**23**
Net interest income	731	204	200	-2%	91	25	21	62	19	19
Net fees and commissions	285	76	78	2%	26	8	5	14	4	3
Other net non-interest income	95	24	34	44%	1	0	1	7	4	1
Operating expenses	**-568**	**-162**	**-149**	**-8%**	**-56**	**-15**	**-14**	**-29**	**-9**	**-8**
Operating profit	**543**	**142**	**163**	**15%**	**62**	**18**	**12**	**55**	**17**	**15**
Total risk costs	**-50**	**-23**	**9**		**-15**	**-2**	**-33**	**-7**	**-5**	**-49**
Profit before tax	**493**	**119**	**173**	**45%**	**47**	**17**	**-20**	**47**	**12**	**-34**
Corporate tax	-73	-19	-22	18%	-10	-3	-7	-8	-2	0
Adjusted profit after tax	**420**	**100**	**150**	**51%**	**38**	**13**	**-27**	**39**	**10**	**-34**
Adjustments	-40	-2	-122		0	0	0	0	0	0
of which Russian gov. bond impairment	*0*	*0*	*-35*		*0*	*0*	*0*	*0*	*0*	*0*
of which investment and goodwill impairment	*0*	*2*	*-56*		*0*	*0*	*0*	*0*	*0*	*0*
Profit after tax	**380**	**97**	**28**	**-71%**	**37**	**13**	**-27**	**39**	**10**	**-35**

Performance Indicators										
Adjusted ROE	17.9%	16.5%	23.4%		18.2%	23.1%	-53.3%	28.8%	26.3%	-94.1%
Performing loan growth (FX-adjusted)	+14%	+4%	+3%		+18%	+9%	-7%	+41%	+8%	+5%
Net interest margin	3.09%	3.18%	3.05%		13.2%	13.1%	10.9%	7.5%	7.8%	8.1%
Cost/income ratio	51.1%	53.3%	47.6%		47.2%	45.5%	52.9%	34.5%	34.1%	33.8%
Credit risk cost / average gross loan volumes	0.19%	0.44%	-0.41%		2.0%	0.2%	16.3%	1.1%	2.6%	28.8%

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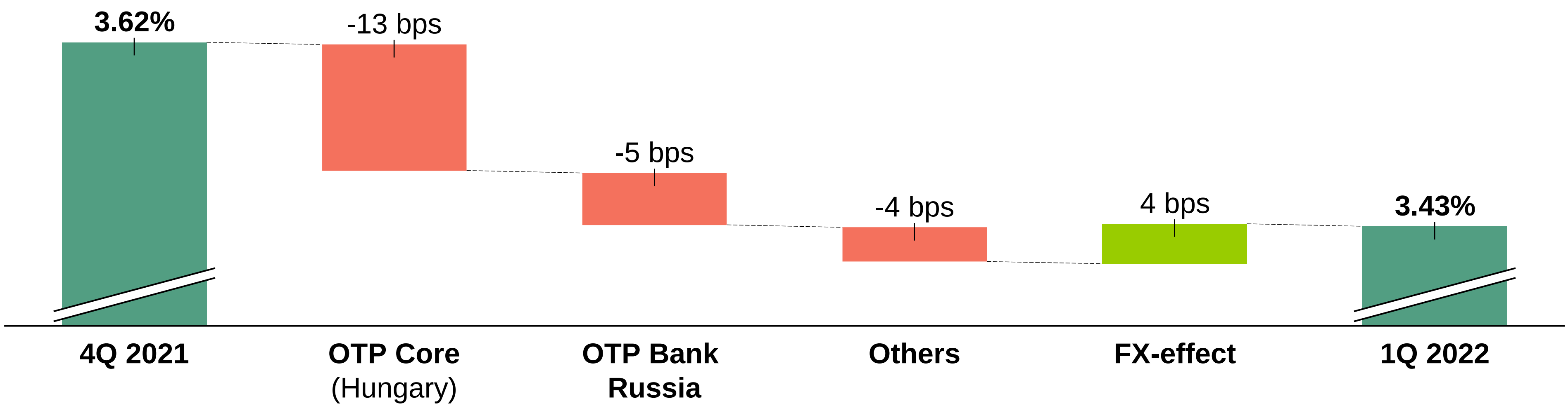
The consolidated net interest margin shrank by 19 bps Q-o-Q, mainly due to the narrowing Hungarian and Russian margins

Drivers behind the Q-o-Q decline of the consolidated net interest margin



OTP Core's net interest income contracted by HUF 4 billion Q-o-Q, and the <u>net interest margin decreased by 26 basis points</u> due to the following factors:

- **-29 bps** NIM decline was caused by the lower swap result;
- **+9 bps** related to the mostly floating rate corporate and MSE loans that reprice gradually in the higher rate environment;
- **-4 bps** related to retail loans, as their average interest rate declined Q-o-Q. Bulk of the loans to households have an interest rate fixation period for at least ten years;
- **+11 bps** explained by the joint effect of higher interest income on financial assets (mainly attributable to higher interest rates on central bank deposits), and higher interest expenditures on customer deposits (mainly in the corporate segment);
- **-13 bps** composition and other effects, mainly triggered by the dilution coming from fast deposit growth and higher repo liabilities.

Consolidated performing loans grew by 3% Q-o-Q, which is the same as the growth rate without Russia and Ukraine. The Hungarian Personal Income Tax refund caused a decline in consumer credit, while mortgage demand (mainly green housing loans) jumped, where disbursements have not yet occurred

Q-o-Q performing (Stage 1 + 2) LOAN volume changes adjusted for FX-effect – 1Q 2022

	Cons.	Core[2] (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	**404**	**18**	**154**	**67**	**62**	**45**	**40**	**28**	**-47**	**20**	**12**	**1**
Total	3%	0%	6%	4%	4%	5%	4%	5%	-7%	6%	6%	1%
Consumer	0%	-2%	3%	1%	1%	0%	4%	-2%	-4%	3%	5%	-2%
Mortgage	2%	1%	3%	4%	3%	2%	4%			2%	5%	-1%
Corporate[1]	5%	1%	10%	6%	6%	11%	4%	10%	-21%	9%	6%	3%
Leasing	1%	0%	4%	4%	-2%	1%	4%	0%			3%	-1%

Core (Hungary) Mortgage breakdown:

Housing loan	Home equity
1%	-1%

[1] Loans to MSE and corporate clients.
[2] Changes of leasing volumes of Merkantil Group in Leasing line.

Consolidated customer deposits increased by 4% Q-o-Q, and by 7% in Hungary partly as a result of the PIT refund. Ukrainian and Russian deposits also increased

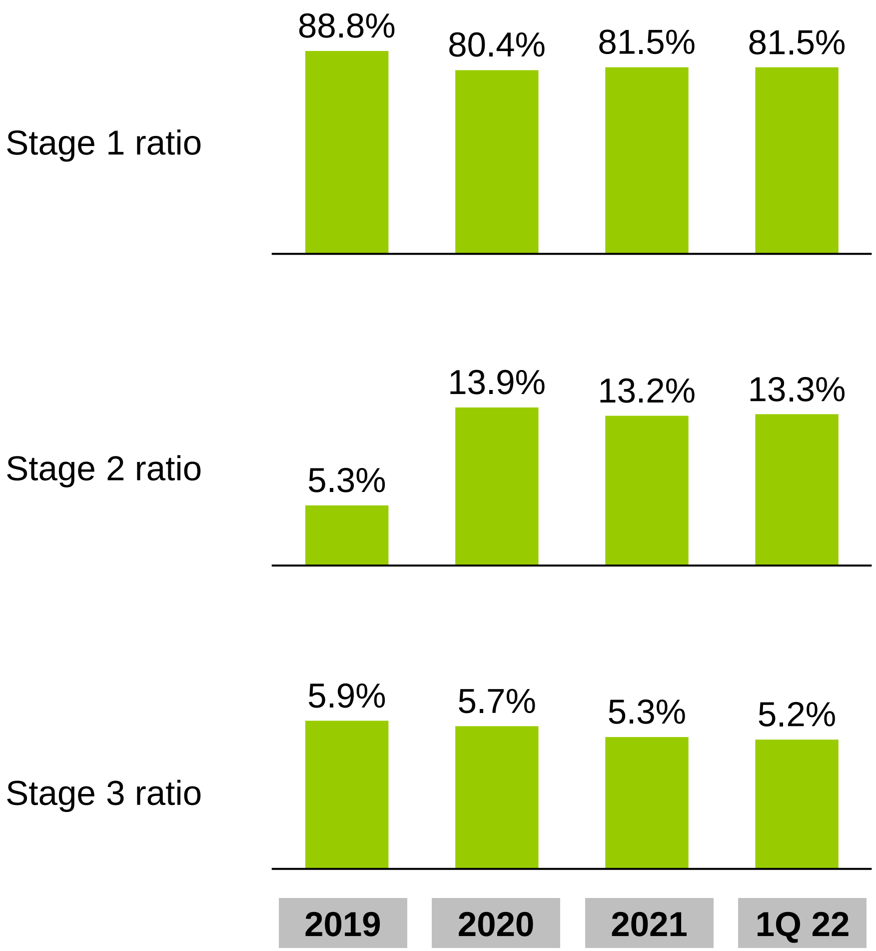
Q-o-Q DEPOSIT volume changes adjusted for FX-effect – 1Q 2022

	Cons.	Core (Hungary)	DSK (Bulgaria)	OBH (Croatia)	OBSrb (Serbia)	SKB (Slovenia)	OBR (Romania)	OBU (Ukraine)	OBRu (Russia)	CKB (Monten.)	OBA (Albania)	OBM (Moldova)
Q-o-Q nominal change (HUF billion)	**792**	**705**	**81**	**-38**	**-13**	**10**	**-13**	**17**	**46**	**1**	**8**	**-14**
Total	4%	7%	2%	-2%	-1%	1%	-2%	3%	12%	0%	3%	-6%
Retail	2%	5%	0%	-1%	-2%	0%	1%	8%	-5%	-2%	1%	-8%
Corporate[1]	6%	9%	9%	-5%	1%	1%	-4%	0%	37%	2%	12%	-4%
Deposits – Net loans gap (HUF billion)	**5,777**	**5,490**	**990**	**95**	**-511**	**211**	**-200**	**82**	**-81**	**27**	**37**	**73**

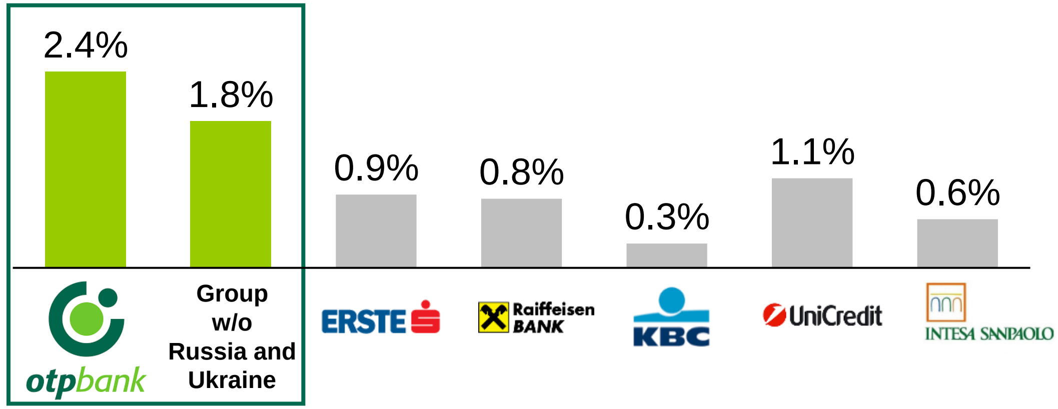
[1] Including MSE. MLE and municipality deposits.

The Stage 3 rate continued to decline in the first quarter of 2022. The management's provisioning policy remained conservative compared to regional banking groups, especially regarding the coverage of performing loans

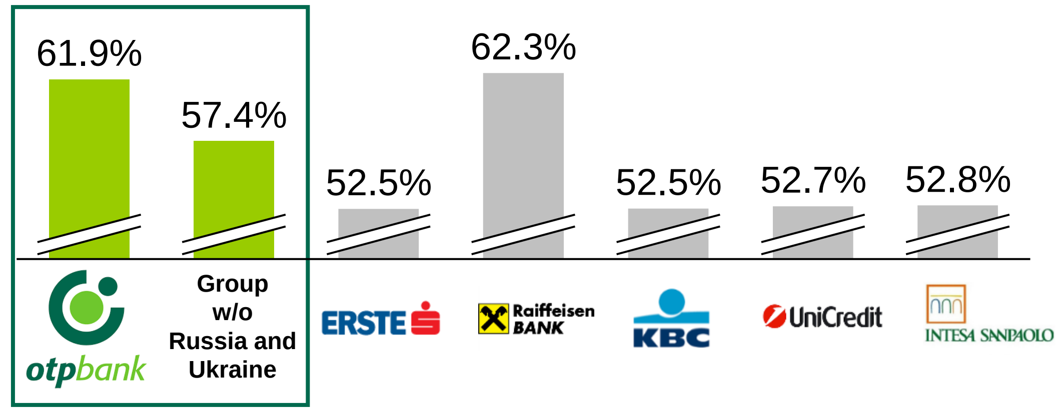
Development of the Group's main credit quality indicators



Own coverage of Stage 1+2 loans compared to regional peers at the end of 1Q 2022



Own coverage of Stage 3 loans compared to regional peers at the end of 1Q 2022

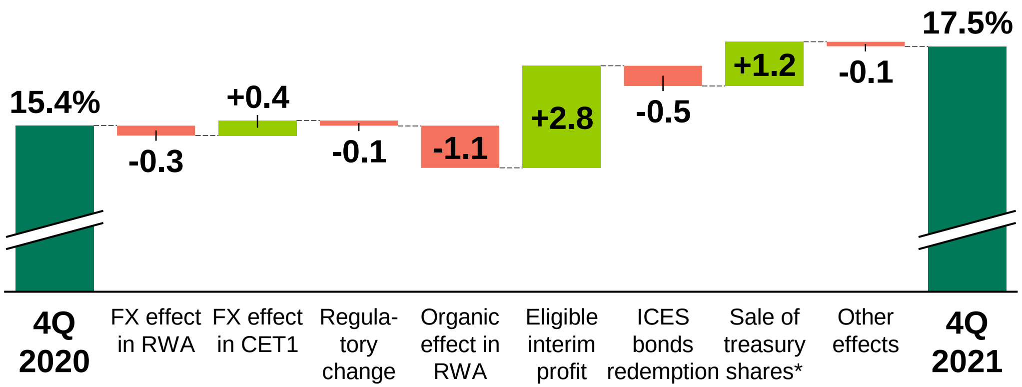


Source: company reports (estimates in some cases).

Strong capital position, all capital adequacy ratios are well above the regulatory requirements

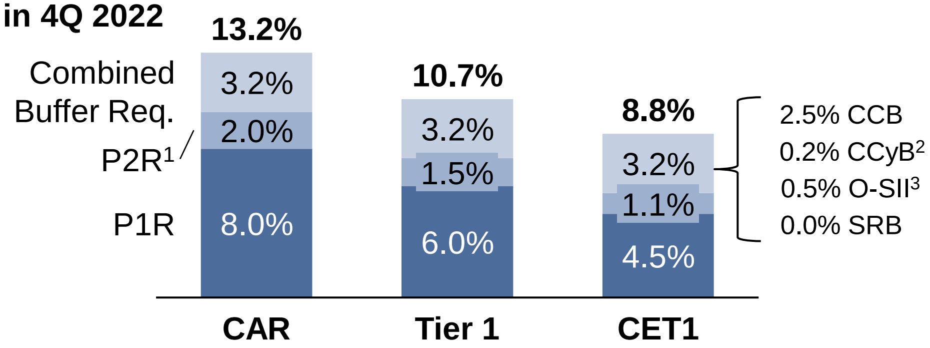
Decomposition of the change in CET1 ratio in 2021

(changes in pps)



* On 15 December 2021, OTP Bank sold in total 12,315,635 treasury shares to two Special Employee Partial Ownership Plan Organizations at a price of HUF 16,047 per share. The positive capital impact of the sale of treasury shares was HUF 198 billion.

Regulatory minima of capital adequacy ratios for OTP Group in 4Q 2022

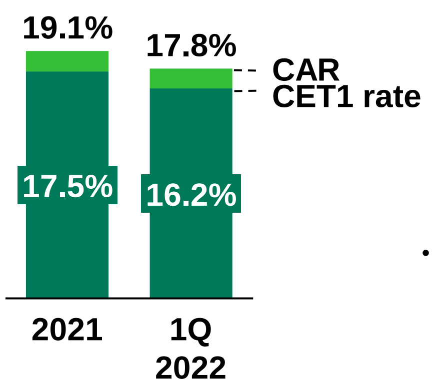


[1] The (P1R + P2R) / P1R ratio (SREP rate) for OTP Group changed to 125% starting from 1 March 2022.

[2] In 4Q 2022 the CCyB level will increase to 1% in Bulgaria and 0.5% in Romania, therefore the weighted CCyB requirement on a consolidated basis is expected to be 0.19% in 4Q 2022.

[3] NBH set the O-SII buffer requirement at 0.5% starting from 2022 and the requirement is expected to further increase to 1% from 2023 and to 2% from 2024.

CAR and CET1 rate actual values[1]



CET1 ratio decreased by 1.3 pps Q-o-Q:

- **CET1 capital decreased by HUF 115 billion:**
  - -33 bn: impact of quarterly profit after tax
  - -80 bn: effect of changes in the fair value of available-for-sale financial instruments
  - -28 bn: due to the transitional effects of IFRS 9
  - -15 bn: deductions due to deferred tax increase
  - +40 bn: effect of write-off of Russian goodwill
- **RWA increased by HUF 633 billion:**
  - -60 bn: effect of changes in FX rates
  - +554 bn: the effect of organic growth
  - +139 bn: increase in non-credit risk RWA

Consolidated MREL requirements

- The consolidated MREL requirement has to be met by 1 January 2024, following a 2-year transitional period. Required level is 17.66% of the Group's total risk exposure amount (TREA or RWA) and 5.89% of the Group's total exposure measure (TEM).
- Mandatory intermediate target level that had to be met by 1 January 2022 was 14.45% of the Group's TREA or RWA and 5.89% of the Group's TEM.
- The MREL requirement is to be reviewed at least once a year.
- The minimum level of subordination applicable from 16 December 2024 is set at 13.5% of TREA or RWA, 5% of TEM and 8% of TLOF.
- OTP Group has to meet the combined buffer requirement in addition to the MREL TREA requirement / MREL TREA subordination requirement.

[1] Indicators calculated for the scope of accounting (IFRS) consolidation. In the absence of additional core capital (AT1), the Tier 1 rate is the same as the CET1 rate.
Abbreviations: P1R: Pillar 1 requirement; P2R: Pillar 2 req.; CCB: Capital conservation buffer; CCyB: Countercyclical buffer; O-SII: Other Systemically Important Institutions buffer; SRB: Systemic Risk buffer.

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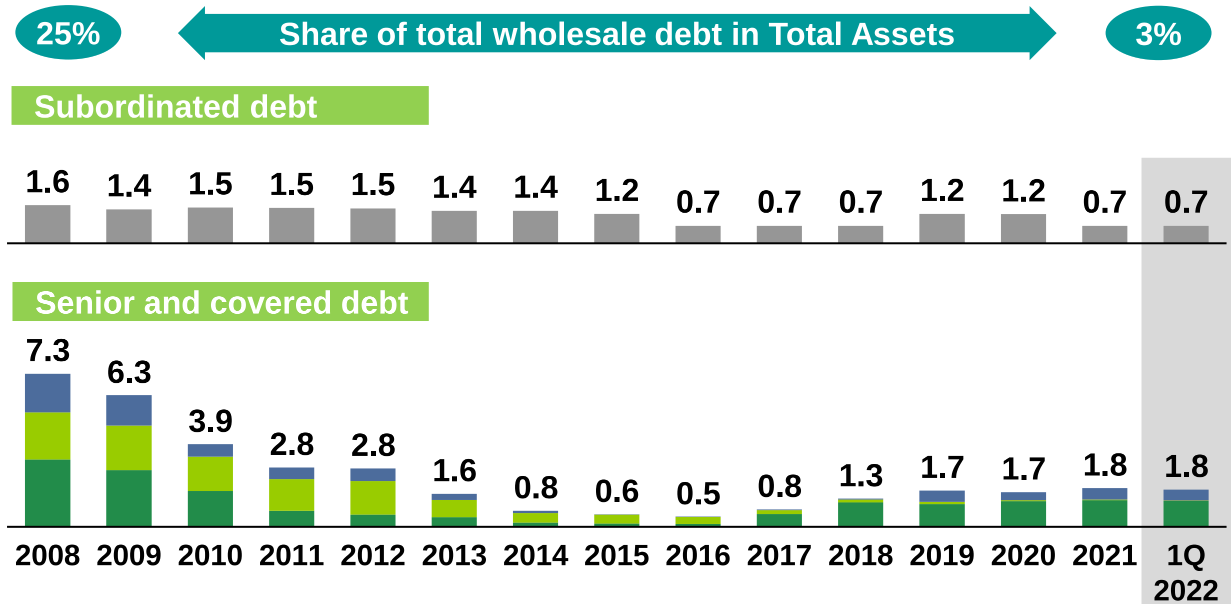
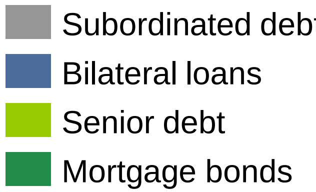
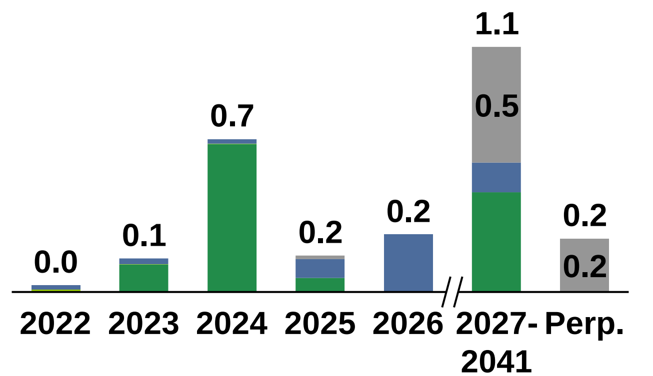
Robust liquidity position with more than EUR 8 billion equivalent liquidity reserves; 74% net loan to deposit ratio; 224% LCR, 123% NSFR and light maturity profile with marginal refinancing needs

Consolidated[1] outstanding amount of wholesale debt (in EUR billion)

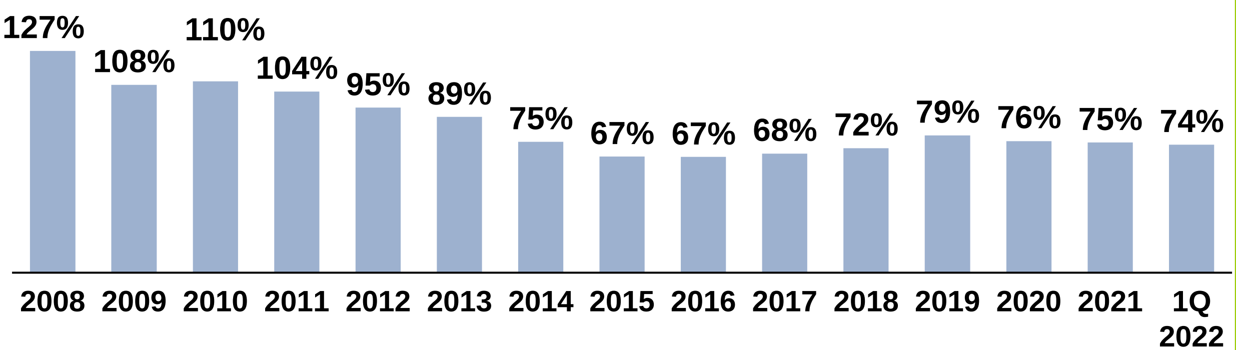




Maturity profile (end-1Q 2022, in EUR billion)



Consolidated Net loans/(Deposits + Retail bonds) ratio



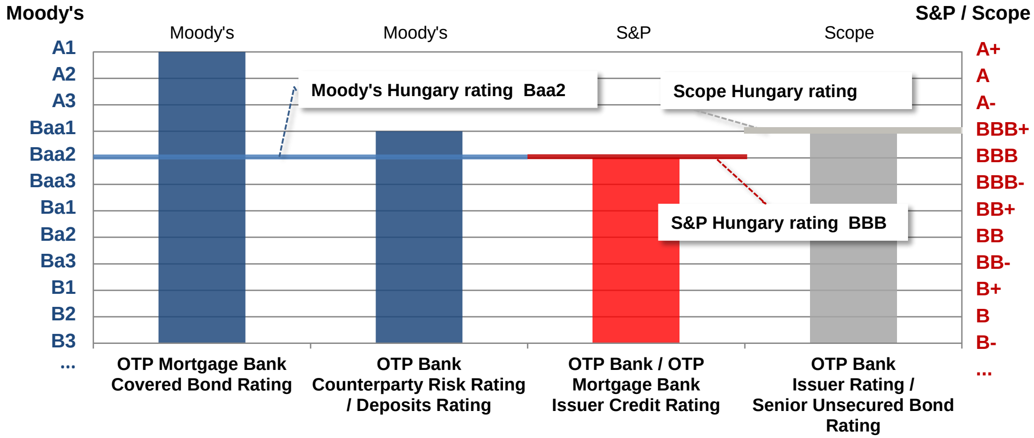
Key liquidity ratios and liquid reserves

	2020	2021	1Q 2022	Thres-hold
Net loan/deposit ratio	76%	75%	74%	-
Liquidity coverage ratio (LCR)	214%	180%	224%	≥ 100%
Net stable funding ratio (NSFR)	139%	135%	123%	≥ 100%
Operational liquidity reserves in Hungary (in EUR billion equivalent)	8.9	9.1	8.0	-

[1] Outstanding amount of bonds are decreased by the amounts purchased by Group members. Senior bonds include retail targeted bonds, too

OTP Bank ratings closely correlate with the sovereign ceilings

Hungarian sovereign, OTP Bank and OTP Mortgage Bank ratings



Long-term credit ratings of OTP Group member banks

	Moody's	S&P	Scope	
OTP Bank	-	BBB	BBB+	
Counterparty Rating[1]	Baa1	BBB	-	
Deposits	Baa1	-	-	
Senior Unsecured Bonds	-	-	BBB+	
Non-preferred Senior Unsecured Bonds	-	-	BBB	
Subordinated Tier 2 Bonds	Ba1	-	BB+	EUR 500mn 15/07/2019
OTP Mortgage Bank	Baa2	BBB	-	
Counterparty Risk Rating	Baa1	-	-	
Covered Bonds	A1	-	-	HUF 95bn 29/09/2021

Composition of main ratings by Moody's and S&P

Moody's

Macro Factors	
Weighted Macro Profile	**Moderate-**
Financial Profile	
Combined Solvency Score	ba1
Combined Liquidity Score	baa3
Financial Profile	**ba1**
Qualitative Adjustments & Support	
Total qualitative adjustment & Support	**0**
Adjusted BCA	**ba1**
Loss Given Failure (LGF) Analysis	
Counterparty Risk / Deposits	+3
Dated subordinated debt	0
Counterparty Risk Rating / Deposit Rating	**Baa1**
Dated Subordinated Bank Debt Rating	**Ba1**

S&P

Macro Factors	
Anchor	**bbb-**
Bank-Specific Factors	
Business position	+1
Capital and earnings	0
Risk position	-1
Funding and liquidity	+1
Stand-Alone Credit Profile	**bbb**
External Support	
Total support	**0**
Additional Factors	
Additional factors	0
Issuer Credit Rating	**BBB**

[1] Long-term Counterparty Risk Rating for Moody's and long-term Resolution Counterparty Rating for S&P Global

Footnotes and Glossary

Slide 6

Profit after tax and Total assets calculated with 358.52 / 364.27 (2021 / 1Q 2022) HUF/EUR average exchange rate and 369.00 / 369.62 (2021 / 1Q 2022) HUF/EUR closing exchange rate

Loan growth: FX-adjusted performing (Stage 1 + Stage 2) loan growth year-on-year in 2021 and quarter-on-quarter in 1Q 2022

CET1 ratio: Common Equity Tier1 ratio under accounting scope of consolidation, including the unaudited interim profit and deducting the indicated dividend amount

CAR: Capital Adequacy Ratio under IFRS including the unaudited interim profit and deducting the indicated dividend amount

Net LTD: consolidated net loans / (customer deposits + retail bonds) ratio

Glossary

Adjustments or Adjusted or (adj.)	In order to present Group level trends in a comprehensive way, where indicated, the presented profit and loss statement lines or metrics calculated therefrom are adjusted by OTP Bank.
CEE/CIS	Central and Eastern Europe / Commonwealth of Independent States
CET1	Common Equity Tier 1
CET1 ratio	Common Equity Tier 1 / risk weighted assets
EBA	European Banking Authority
ECB	European Central Bank
ESG	Environmental, Social, Governance
FX	Foreign currency
ICES	Income Certificates Exchangeable for Shares
Leverage ratio	The leverage ratio is calculated pursuant to Article 429 of CRR
Liquidity Coverage Ratio (LCR)	(Stock of High Quality Liquid Assets) / (Total net cash outflows over the next 30 calendar days)
M&A	Merger and acquisition
MLE	Medium and large sized enterprises
MREL	Minimum requirement for own funds and eligible liabilities
MSE	Micro and small sized enterprises
NII	Net interest income
Net interest margin (NIM)	Net interest income / average total assets
NSFR	Net Stable Funding Ratio
Performing loans	Stage 1 + Stage 2 loans
POS	Point of sale loans
Return on Equity (ROE)	Net profit / average equity
Risk cost rate	Provision for impairment on loan and placement losses / Average gross customer loans
Stage 3 ratio	Stage 3 loans / gross customer loans
TLOF	Total liabilities and own funds
Total revenue margin	Total revenues / average total assets

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