otp Mortgage Bank

Green Bond Allocation and Standardized Impact Report 2025

Executive Summary

OTP Jelzálogbank Zrt. (hereinafter: OTP Mortgage Bank or Company) publishes its Green Bond Allocation and Standardized Impact Report for the fifth time. The Company aims to contribute to the achievement of the UN Sustainable Development Goals[1] by financing the energy renewal of the Hungarian housing stock, primarily by increasing the share of affordable and clean energy and reducing the per capita adverse environmental impact of settlements.
We believe that, in addition to the direct environmental benefits of financing green real estate, the initiative's awareness-raising effect will also indirectly contribute to the achievement of sustainability goals.

The purpose of the Green Bond Allocation and Standardized Impact Report (hereinafter: Green Bond Report or Impact and Allocation Report) is to present the key metrics illustrating the expected environmental impact of the portfolio of green bonds issued and green loans granted, as well as of the green lending activity.

Green bonds issued and in circulation

2021 marked the first time OTP Mortgage Bank issued green bonds. In 2025 a total face value of HUF 30 billion green bonds were issued. The nominal value of the portfolio at the end of 2025 was HUF 150 billion.

Portfolio of green loans meeting the criteria of the Green Bond Framework

At the end of 2025, OTP Mortgage Bank's retail mortgage loan portfolio comprised 252 thousand transactions, representing a total of HUF 2 340 billion in receivables from customers. The loan portfolio was secured by 236 thousand properties.

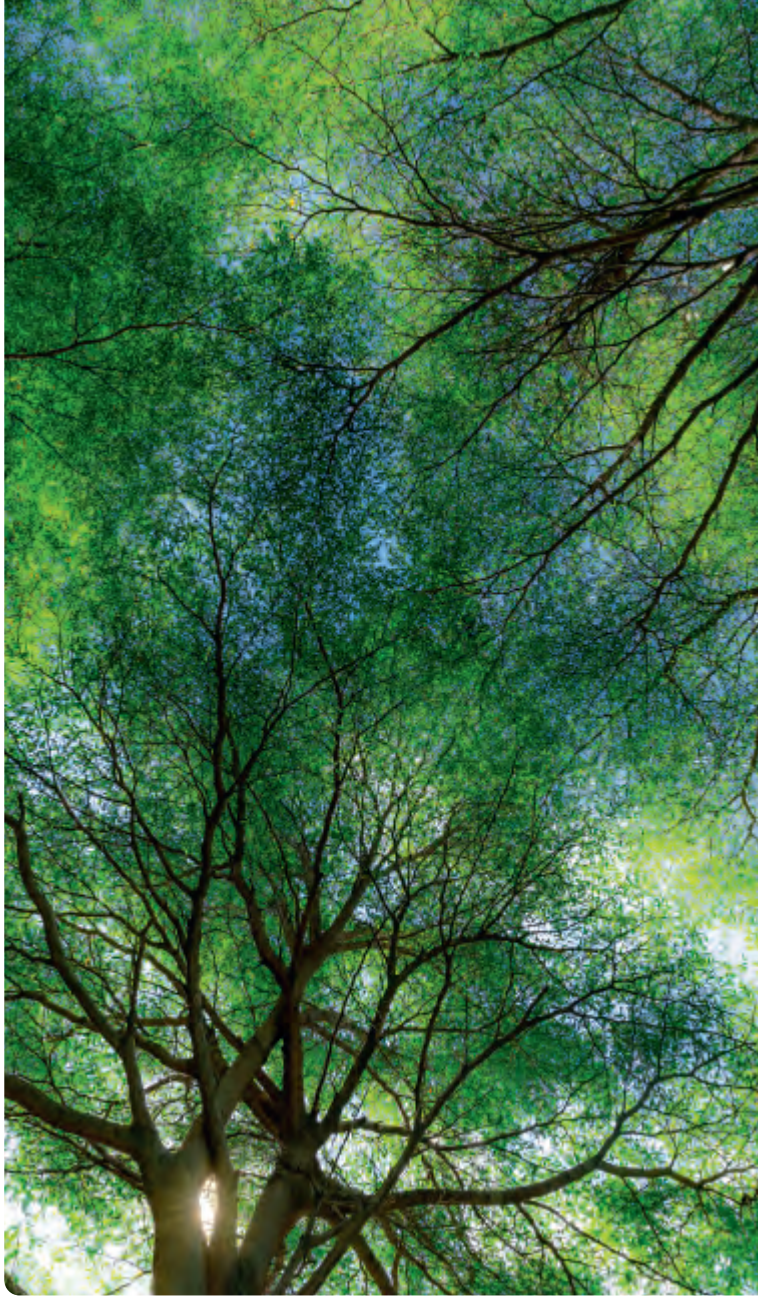
At the end of 2025, the number of transactions meeting the criteria set out in OTP Mortgage Bank's Green Bond Framework was 39 thousand, representing a total of HUF 580 billion in receivables from customers. These transactions are considered to be green loans.

Environmental impact of the green lending activity

The key sustainability metrics related to green lending activities and green bond issuance are presented in the tables below.

As a leading participant in the domestic covered bond issuance market, the Company seeks to align its practices with the recommendations set out in the Joint Position of the Central Bank of Hungary (hereinafter: MNB) and the Hungarian Banking Association (hereinafter: MBSZ) entitled "Recommendations and Guidelines on Green Mortgage Bond Impact Reporting"[2], published in July 2025.

In view of the impact calculation methodology (PCAF) applied in previous years and the quantitative differences arising from methodological variances compared to the methodology defined MNB, the presentation of both calculation approaches – together with the related avoided emissions data – has become necessary in order to ensure transparency and comparability. Accordingly, environmental impact calculations based on both methodologies are disclosed.



1 Sustainable Development Goals
2 Central Bank of Hungary – Hungarian Banking Association: Joint Position

MNB – MBSZ: Joint Position – Based on average energy and emissions characteristics of the Hungarian real estate stock.

- The estimated annual energy consumption of the properties financed by the total customer loan portfolio is 2 094 GWh, which brought about 343 thousand tonnes of carbon dioxide equivalent greenhouse gas (GHG) emissions.
- The total estimated financed annual energy consumption of energy-efficient properties is 116 GWh, resulting in 21 thousand tonnes of carbon dioxide equivalent greenhouse gas emissions.
- According to OTP Mortgage Bank's portfolio data for the end of 2025, green lending will save 116 GWh of energy consumption and 32 thousand tonnes of carbon dioxide equivalent greenhouse gas emissions.
- The loans financed by the issuance of green bonds will help to avoid 30 GWh of energy consumption and nearly 8 thousand tonnes of carbon dioxide equivalent greenhouse gas emissions per year.

Based on the calculations according to PCAF methodology

- The estimated annual energy consumption of the properties financed by the total customer loan portfolio is 1 869 GWh, which brought about 306 thousand tonnes of carbon dioxide equivalent greenhouse gas (GHG) emissions.
- The total estimated financed annual energy consumption of energy-efficient properties is 90 GWh, resulting in 16 thousand tonnes of carbon dioxide equivalent greenhouse gas emissions.

Table 1: OTP Mortgage Bank green loans – estimated annual energy savings – MNB methodology

Portfolio	Volume of green loans	Part financed by green bonds	Average remaining term	Annual energy consumption avoided*		Annual GHG emissions avoided
	HUF billion	HUF billion	year	GWh	TJ	t CO_2 eq
High energy efficiency	580	150	20	116	418	31,713
Significantly improving energy efficiency	-	-	-	-	-	-
Total green loans	580	150	20	116	418	31,713
Impact of the HUF 1 billion financing				**0,2**	**0.7**	**54.7**
Effect of green bonds**				**30**	**108**	**8,208**

* The avoided energy consumption is calculated based on the energy demand in this report.
** The calculated impact of the HUF 1 billion financing on the total green mortgage bonds issued is slightly different due to decimal rounding.

Table 1: OTP Mortgage Bank green loans – estimated annual energy savings – PCAF methodology

Portfolio	Volume of green loans	Part financed by green bonds	Average remaining term	Annual energy consumption avoided*		Annual GHG emissions avoided
	HUF billion	HUF billion	year	GWh	TJ	t CO_2 eq
High energy efficiency	580	150	20	240	862	37,706
Significantly improving energy efficiency	-	-	-	-	-	-
Total green loans	580	150	20	240	862	37,706
Impact of the HUF 1 billion financing				**0.4**	**1.49**	**65.1**
Effect of green bonds**				**62**	**223**	**9,760**

* The avoided energy consumption is calculated based on the energy demand in this report.
** The calculated impact of the HUF 1 billion financing on the total green mortgage bonds issued is slightly different due to decimal rounding.

- According to OTP Mortgage Bank's portfolio data for the end of 2025, green lending will save 240 GWh of energy consumption and 38 thousand tonnes of carbon dioxide equivalent greenhouse gas emissions.
- The loans financed by the issuance of green bonds will help to avoid 62 GWh of energy consumption and nearly 10 thousand tonnes of carbon dioxide equivalent greenhouse gas emissions per year.

Quantifying the emissions associated with the financed portfolio faces several difficulties, including the lack of data, and where data are available, the options for verifying such data are limited.
When assessing sustainability indicators, it is expedient to consider the outdated condition of the Hungarian real estate stock and the fact that without dedicated energy modernisation programmes, only moderate success can be achieved in the energy renewal of used housing stock.

Introduction

Incorporated in Hungary, OTP Mortgage Bank is a specialised credit institution engaged in mortgage lending and is a member of OTP Group. As a core activity, it is involved in the financing of the modernisation, the purchase and construction of residential properties and the provision of general-purpose mortgage loans. In 2021, the Company created its Green Strategy[3] and Green Bond Framework[4] with the aim of contributing to the achievement of environmental and climate objectives through its own efforts. Aligned with the latest market needs and regulatory expectations, the Company decided to update its Green Strategy[5] and Green Covered Bond Framework[6] in 2026. The two documents set out the requirements for green covered bond issuances launched after April 1, 2026. The 2025 Impact and Allocation Report still presents the key – primarily quantitative – indicators of the outstanding portfolio of green mortgage bonds and green loans in accordance with the requirements of the framework established in 2021. In line with this framework, the Company also assessed the environmental and social risks associated with its green lending and green mortgage bond issuance activities, and no significant adverse impacts were identified in this regard.

The objective of the Green Bond Framework is to define what the Company considers to be green bonds. This document presents all the concepts, procedures and commitments that define green bonds: eligibility criteria of green bonds in the course of the lending activity; selection process of green instruments, use of proceeds from green bond issuance and the related reporting commitments. The proceeds from the issuance of green bonds are managed at the portfolio level, in line with the principles set out in the Green Bond Framework. In establishing the Green Bond Framework, the Company took into consideration all recommendations that are included in the Green Bond Principles[7] issued by the International Capital Market Association.

It is the primary intention of OTP Mortgage Bank to support, within the limits of its own capabilities, the international and domestic efforts aimed at sustainable development. One of its strategic goals is to facilitate energy-efficient retail real estate investment projects by offering appropriate credit instruments and thus, to contribute to improving the energy efficiency of Hungary's stock of buildings. OTP Mortgage Bank intends to issue green bonds, the proceeds of which will be allocated for the purpose of financing green mortgage loans.

In 2021, OTP Mortgage Bank, as a pioneer amongst mortgage banks, issued green bonds for the first time. Using its green proceeds, the Company ensures the source of green loans to support energy-efficient mortgage lending.

The Green Bond Framework is intended to comply with the requirements of the four components set out below, as well as the recommendations on the Green Bond Framework and the External Review.

1. **Use of Proceeds**
2. **Process for Project Evaluation and Selection**
3. **Management of Proceeds**
4. **Reporting**

To ensure compliance with investors' requirements and with the recommendation included in the Green Bond Principles, OTP Mortgage Bank publishes an annual Report on the allocation of proceeds from Green Bond issuance into suitable green instruments. It is the Company's intention to provide adequate information to investors to enable them to assess the sustainability impacts of their investments. The Report is published in parallel with the publication of the Annual Report of OTP Mortgage Bank.

This document is the Company's Green Bond Allocation and Standardized Impact Report for 2025. The aim of the Report is to present the portfolio of green bonds and green loans in circulation in such a way as to comply with the recommendations set out in the 'Harmonised Framework for Impact Reporting' handbook[8] published by the International Capital Market Association. Furthermore, as a key player in the domestic covered bond issuance market, our Company strives to apply the practices set out in the document[9] titled Joint Position of the Central Bank of Hungary and the Hungarian Banking Association: Recommendations and Guidelines on Green Covered Bond Impact Reports, published in July 2025.

In addition to key data on the portfolio of green bonds issued and in circulation, and on the key data on the portfolio of green loans that meet the criteria of the Green Bond Framework, the Report also presents the main metrics of the expected environmental impact of green lending activity. The stock figures in the Report are as at 31 December 2025.

The Report was approved by the Company's Green Bond Committee on 27 April 2026.

OTP Mortgage Bank publishes the Report – along with all other documents related to green bonds, including the Green Bond Framework – on its website[10].

OTP Mortgage Bank has commissioned KPMG Advisory Ltd. to conduct a Second Party Opinion (SPO) regarding the Green Bond Report. The Second Party Opinion (SPO) of KPMG Advisory Ltd. will be published on the website of OTP Mortgage Bank.

3 OTP Mortgage Bank Green Strategy 2021
4 OTP Mortgage Bank Green Bond Framework 2021
5 OTP Mortgage Bank Green Strategy 2026
6 OTP Mortgage Bank Green Bond Framework 2026
7 ICMA Green Bond Principles
8 ICMA Handbook Harmonised Framework for Impact Reporting
9 Central Bank of Hungary – Hungarian Banking Association: Joint Position
10 OTP Mortgage Bank

Meeting green targets in 2025

OTP Mortgage Bank is committed to facilitating energy-efficient retail real estate investment projects by offering appropriate credit instruments and thus, to contribute to improving the energy efficiency of Hungary's stock of buildings. The strategic objective set out in the Green Bond Framework is to continuously increase the share of green mortgage loans in the retail mortgage loan portfolio and to support this process by issuing green bonds on the funding side.

To this end, in 2025 the Company carried out the following tasks.

The identification of green loans in OTP Mortgage Bank's portfolio, as defined in the Green Bond Framework, has continued. The volume of green loans identified in the Mortgage Bank's loan portfolio exceeded the volume of green bonds issued throughout the year.

In 2025 the Green Mortgage Loan prodcut continued to be offered to retail customers for energy-efficient purchases and for upgrading existing properties. OTP Mortgage Bank encourages these types of loans by offering a green interest rate discount.

Since 2023 the Company expanded its activities with green refinancing. This involves refinancing loan transactions in the portfolio of its commercial banking partners that meet the criteria for green loans set out in the Company's Green Mortgage Bond Framework. Through green refinancing, OTP Mortgage Bank is now contributing not only directly but also indirectly to improving the energy efficiency of the domestic building stock by promoting green real estate investments.

Green bonds

Changes in the volume of green bonds issued by OTP Mortgage Bank

2021 marked the first time OTP Mortgage Bank issued green bonds. In 2023, a single issuance was carried out, with a nominal value of HUF 25 billion. In 2025, a total face value of HUF 30 billion green bonds was issued, so the nominal value of the portfolio at the end of the year remained unchanged at HUF 150 billion.

Table 2: Changes in the volume of green bonds issued by OTP Mortgage Bank in 2025

2025 opening portfolio	**HUF 120,020,000,000**
Issuance	HUF 30,000,000,000
Maturity	HUF 0
Repurchased mortgage bonds withdrawn from circulation	HUF 0
Currency revaluation effect (in case of denominations other than HUF)	HUF 0
Total turnover	**HUF 30,000,000,000**
2025 closing portfolio	**HUF 150,020,000,000**

Summary data of OTP Mortgage Bank's green bonds in circulation as of 31 December 2025

Table 3: OTP Mortgage Bank green bonds in circulation

Series	ISIN identifier	Currency	Face value	Maturity
OJB2031/I	HU0000653456	HUF	95,020,000,000	22 October 2031
OJB2032/A	HU0000653621	HUF	25,000,000,000	24 November 2032
OJB2032/B	HU0000653860	HUF	30,000,000,000	20 December 2032

Green real estate and green loans

Based on its Green Bond Framework, green loans in the Company's view are loans where the property(ies) serving as collateral for the loan meet at least one of the criteria of the following two categories:

1. **high energy efficiency real estates: buildings falling within the best 15% of Hungary's total stock of buildings based on their energy efficiency rating; and**
2. **real estates with significantly improving energy efficiency: properties undergoing refurbishment or modernisation using the loan provided by the Company in order to improve their energy performance.**

Hereafter, properties meeting either of the above two criteria are referred to as green properties.

High energy efficiency real estate

OTP Mortgage Bank deems properties as ones with high energy efficiency if they fall within the best 15% of Hungarian residential property stock based on their energy efficiency rating.

In determining the energy efficiency of properties, the Company relies primarily on the building's energy quality rating in letters as specified in its energy certificate and the scaled value of consolidated energy characteristics. In determining the best 15% of Hungary's real estate stock, OTP Mortgage Bank primarily relies on data included in the energy performance certificate of the collateral properties, or in the absence thereof, publicly available energy data published by the Lechner Knowledge Centre[11], a professional background institution of the Prime Minister's Office specialising in architecture, construction, land records and electronic spatial planning, data on the national building stock published by the Hungarian Central Statistical Office[12], and other publicly available official sources.

From 2021 onwards, for retail customers as part of the lending process the Company requires the submission of an energy performance certificate along with the keeping of records of the data contained therein, with the consent of the customer concerned. In case of refinanced loans, the refinanced institution is required to provide the energy performance certificates of the real estate collateral for the loan transactions offered for green refinancing.

Among the energy performance certificate data on the Lechner Knowledge Centre website, data on ratings are publicly available, and the data identical with the unique identifiers (topographic lot number, address) of the real estate serving as collateral for OTP Mortgage Bank loans were queried from here. The energy rating of 53% of the mortgaged properties is known, covering a total of 124 thousand properties.

Prior to green bond issuance, the Company determines which quality rating in letters and aggregate energy performance scale (specific energy requirement) meets the criteria of high energy efficiency properties, i.e. falling within the top 15% of the Hungarian residential property stock.

- Green bonds issued in 2021 (HUF 95 billion nominal value), the property's scaled value of consolidated energy characteristics must not exceed the threshold of 118 kWh/m^2/year, so properties with a lower specific energy consumption are considered green.
- Green bonds issued in 2023 (HUF 25 billion nominal value) the above detailed threshold is determined of 113 kWh/m^2/year.
- Green bonds issued in 2025 (HUF 30 billion nominal value) the above detailed threshold is determined of 113 kWh/m^2/year.

In accordance with the above until the 1 of November 2023 all properties rated AA++, AA+, AA and BB, furthermore A+++, A++, A+, A and B according to the new energy rating scale, on the energy rating scale are considered green and are part of the top 15% of the Hungarian property stock. The specific energy requirement of real estates in these categories cannot exceed the above defined thershold levels. The specific energy requirement of real estates with an energy rating of CC is maximum 130 kWh/m^2/year, and 121.6 kWh/m^2/year according to the new energy rating scale of C, therefore this portfolio must be divided into two parts, a green and a non-green (less energy efficient) sub-portfolio.

There is a total of 17 thousand properties rated CC in the portfolio, and the specific energy requirement is only known for 25% of these. (The energy requirements for properties with C ratings are all known.) For the remaining part, CC-rated properties are categorised at portfolio level using the statistical method, according to the following rules.

11 Lechner Knowledge Centre
12 Hungarian Central Statistical Office

- A portfolio of properties with unknown energy requirements and a CC energy rating must be divided into two parts, a green and a non-green sub-portfolio.
- For the purposes of this division, a green portfolio is defined as a sub-portfolio that can be statistically shown to have a 99% probability of containing properties with an energy efficiency better than the specific energy requirement of 118 kWh/m²/year (green bonds issued in 2021) and 113 kWh/m²/year (green bonds issued in 2023 and in 2025).
- The portfolio is divided based on a statistical ratio. According to the data on energy performance certificates published by the Lechner Knowledge Centre between 2016 and 2019[13], 68% of CC-rated properties are in the top 15% of the Hungarian property stock[14]. Since the portfolio of OTP Mortgage Bank's real estate collateral does not necessarily have the same statistical characteristics as the national real estate stock, a sample-based statistical estimation is required to determine the appropriate statistical ratio.
- OTP Mortgage Bank has used a statistical method to determine the ratio of green and non-green properties within the CC category. The statistical method used determines with a 99% probability the ratio of energy-efficient properties within the CC category with a specific energy requirement better than 118 kWh/m²/year (green bonds issued in 2021) and 113 kWh/m²/year (green bonds issued in 2023 and in 2025) (or the prevailing threshold). Based on the calculation completed in 2021, 67% of the CC category properties registered among OTP Mortgage Bank's collaterals have a specific energy requirement below 118 kWh/m²/year. Based on the calculation completed in 2023, 59% of the CC category properties registered among OTP Mortgage Bank's collaterals have a specific energy requirement below 113 kWh/m²/year. Based on the calculation completed in 2025, 59% of the CC category properties registered among OTP Mortgage Bank's collaterals have a specific energy requirement below 113 kWh/m²/year.
- The Company has set a lower ratio (adjusted statistical ratio) in order to manage potential risks arising from the statistical method or the application thereof: the adjusted statistical ratio applied in 2021 is 60%, i.e. OTP Mortgage Bank considers 60% of the properties in the CC category to be in the top 15% of the domestic residential property stock. The adjusted statistical ratio in 2023 and in 2025 is 40%, i.e. OTP Mortgage Bank considers 40% of the properties in CC category to be in the top 15% of the domestic residential property stock. The coefficient does not affect the number of green properties, those that have green characteristics are categorized to be green.

Properties with an energy rating of DD or worse, along with the new rating scale category of D, as well as properties with a rating category that was in use prior to 2016, are not considered to be green real estates.

Buildings with significantly improving energy efficiency

The Company considers real estates to have significantly improved energy efficiency if they are refurbished or modernised using the loan provided by the Company in order to improve their energy performance. Loans for modernisation purposes, as detailed in the Green Bond Framework, can be considered green loans if the energy rating of the property the loan relates to, prior to and after the investment, verifies this. The Company had no loan products for which this information is available, and as such, no property with significantly improving energy efficiency has been identified until the end of 2025.

Definition of green real estate and green loans

Of the retail housing mortgage loans and the refinanced loans in its portfolio, OTP Mortgage Bank considers loans to be green where the associated property has been identified as green.

Where several properties are linked to one loan or where several loans are linked to one property, no obvious matching is possible, thus separate matching rules need to be applied. The matching rules and legal provisions applied in banking practice establish the categorisation of loans by collateral types into groups so that:

- where a single property collateral is linked to multiple loans, the value of the property is allocated to loans in the records, and
- The principal amount of loans is assigned to the collateral in proportion to the value of the multiple properties attached to a loan.

A loan secured by multiple property collaterals, where the collaterals include both green and non-green properties, is considered as both a green and a non-green loan in proportion to the value of the properties. The principal amount allocated to green property collaterals is considered to be a green loan, and the portion allocated to non-green property collaterals is considered as a non-green loan, whose sum is equal to the total principal amount of the loan.

13 Lechner Knowledge Centre
14 Ritter Renátó: Van eszköz a magyarországi ingatlanok energetikai állapotának javítására

Allocation

The body responsible at OTP Mortgage Bank for the valuation and selection of green loans and for the periodical review of the Green Bond Framework is the management meeting acting as the Green Bond Committee. Preparations for the Committee's decisions are supported by the ESG department established in 2024, the domains in charge of collateral registration, securities issuance and property appraisal, as well as the legal and compliance domains. With the coordination of the domain in charge of collateral registration, the Green Bond Committee prepares a quarterly report for the Board of Directors, presenting the number of green bonds issued and the volume of eligible green loans.

At the end of 2025, the Company's retail mortgage loan portfolio comprised 252 thousand transactions, representing a total of HUF 2 340 billion in receivables from customers. The loan portfolio was secured by 236 thousand properties. The stock included HUF 7.3 billion loans (0.7 thousand transactions, 1.0 thousand related properties) for which the environmental burden metrics (energy use and GHG emissions) are not applicable (e.g. loans for land development) and were not included in the analysis. In addition to residential mortgage loans, green refinancing loans to commercial banking partners were included in the calculations, amounting to HUF 15 billion (0.6 thousand transactions, 0.6 thousand related properties). This portfolio, totalling HUF 2 340 billion (252 thousand transactions, 236 thousand related properties), is presented in the analysis. At the end of 2025, the number of transactions meeting the criteria set out in OTP Mortgage Bank's Green Bond Framework was 39 thousand, representing a total of HUF 580 billion in receivables from customers. These transactions are considered to be green loans.

OTP Mortgage Bank used all the funds from the green bonds it has issued to finance green loans. No promissory notes (where the credit institution uses the proceeds from the green bonds to disburse green loans after the issue) were issued.

The portfolio of green loans exceeded the portfolio of green bonds in circulation throughout 2025. Under the Green Bond Framework, whenever the portfolio of green loans is lower than the portfolio of green bonds in circulation, such as in the case of a green bond issue with a promissory note, uncommitted green funds are required to be invested in government securities or green securities. No such investment was made in 2025, and there was no need for the temporary use of proceeds from green funds.

All green loans and green bonds are denominated in HUF; thus no foreign currency conversion was performed during the allocation.

In the future, we expect the volume of green loans in OTP Mortgage Bank's portfolio to continue to increase. The volume identified as green loans at the end of 2025 represents 25% of the total portfolio, with a significant volume of loans disbursed before 2016, typically without the energy certification required for categorisation. Incorporating the document request into the lending process helps identify the given items.

On the demand side, we expect that when customers buy a property, the energy performance of the building will be given more consideration in their decision making. Contributing to environmental protection and sustainable development will become an increasingly important consideration for both borrowers and investors.

Characteristics of the green portfolio

The examined portfolio was secured by 236 thousand properties.

Table 4: Energy distribution of properties

Rating in letters specified in the energy performance certificate	Number of properties (thousand properties)
Green, as of 1 November 2023 total	**7.1**
Of which A+++	0.2
A++	0.3
A+	2.1
A	1.1
B and C	3.4
Green, before 1 November 2023 total	**25.8**
Of which AA++	0.4
AA+	1.0
AA	0.9
BB	9.3
CC	14.1
Known, not green	91.0
Not known	111.9
Total:	**235.8**

Table 5 presents the principal capital amount of loans by property collateral with energy-ratings.

Table 5: Breakdown of customer loans by energy-efficient property collateral

Energy distribution of real estate collateral	Total portfolio (HUF billion)	Non-green principal amount (HUF billion)	Green principal amount (HUF billion)
Green, as of 1 November 2023 total	**716.9**	**493.7**	**223.2**
Of which A+++	5.5	0.0	5.5
A++	11.0	0.1	10.9
A+	69.0	0.2	68.8
A	35.3	0.2	35.1
B and C	114.5	11.5	103.0
D or worse	481.6	481.6	0.0
Green, before 1 November 2023 total	**940.1**	**583.7**	**356.4**
Of which AA++	10.6	0.7	9.9
AA+	25.4	0.2	25.2
AA	24.9	0.2	24.7
BB	194.8	3.1	191.7
CC	172.2	67.3	104.9
DD or worse	512.3	512.3	0.0
Not known	683.0	683.0	0.0
Total:	**2 340.0**	**1 760.4**	**579.6**

Loans with green property collateral, but not specifically disbursed for the purpose of building, purchasing or improving the energy efficiency of the property (e.g. general-purpose mortgage loans) are not considered green loans, meaning even the group of the highest AA++ energy-rated property collateral includes non-green principal.

The breakdown of the portfolio by year of disbursement is shown in Table 6, with the portfolio of green loans increasing year on year.

Table 6: Breakdown of portfolio by year of disbursement

Year of disbursement of the first instalment	Total portfolio (HUF billion)	Non-green principal amount (HUF billion)	Gree principal amount (HUF billion)
2017 and preceding years	243.8	231.6	12.3
2018	77.0	67.3	9.8
2019	137.5	115.2	22.4
2020	168.5	140.1	28.4
2021	258.2	196.1	62.2
2022	265.1	134.4	130.6
2023	182.5	115.2	67.3
2024	385.3	282.8	102.5
2025	621.9	447.7	144.1
Total:	**2 340.0**	**1 760.4**	**579.6**

The majority of known loan-purpose transactions are for the purchase of used flats or for home purchase or renovation. For 89% of the loan portfolio, there is definite information that the customer took out the loan to buy or build a new property.

Most of OTP Mortgage Bank's loans are granted for a term of 20 years or longer. The green portfolio is subject to continuous review. Loans that have been fully repaid or no longer meet the green financing criteria are removed from the green portfolio as part of the annual portfolio review. Lending is ongoing, meaning that loans that are being phased out of the portfolio are constantly replaced by new loans. The end of the life-cycle of the dynamically changing portfolio cannot be determined.

Within the portfolio under review, the share of consumer mortgage loans – own disbursement or refinanced – is 100%, and the loans for the development of land – agricultural – included in the Company's balance sheet are not taken into account. The share of green loans within consumer mortgages is 25%.

Environmental impact

Applied methodology

In the previous impact reports, the estimation of energy consumption and greenhouse gas emissions related to retail mortgage loans provided by OTP Mortgage Bank was carried out using the methodology of the Partnership for Carbon Accounting Financials[15]. The joint statement of the Central Bank of Hungary and the Hungarian Banking Association sets out the methodological principles for the calculation of environmental impacts too. The purpose of the Joint Position is "to identify and define good practices in relation to impact reporting, with the aim of standardising formal and methodological approaches and aligning the calculation methodologies required for the disclosure of environmental impacts."[16].

In view of the quantitative differences arising from methodological variances, and in order to ensure transparency and traceability, it has become necessary to present both the PCAF methodology and the methodology defined by the Central Bank of Hungary, together with the related avoided emissions data. Accordingly, environmental impact calculations based on both methodologies are disclosed.

PCAF methodology

The methodology has estimation guidelines for seven asset classes, one of which (Mortgages) is specifically designed to quantify energy consumption and greenhouse gas emissions associated with retail mortgage loans.

The basic formula for determining financed emissions is the attribution factor multiplied by building emissions. In the previous reports the attribution factor was determined by the ratio of the outstanding amount owed by the customer at the end of the year to the property value determined at the time of loan contract conclusion, with a theoretical maximum of 100%.

Emissions from the use of buildings (greenhouse gases and energy consumed) are determined using the same methodology, in all cases based on data published by the PCAF published data regarding calculations on Hungarian properties. In the PCAF database available on the PCAF website[17], each energy rating class has specific calculated emission data per area unit by building type (house, apartment), thus the emission value is the product of the heated area and this specific emission data.

In cases where not all the main parameters defined by the PCAF (energy rating, building type, heated area) are available, dealing with the lack of data must be solved. For properties where the energy rating was not available, the national average was used, based on statistics on energy certificates issued between 2016 and 2023, published by the Lechner Knowledge Center. For properties where the building type was not available, the coefficients for the apartment or house were used as a weighted average of the distribution of known property types in the OTP Mortgage Bank portfolio. For properties where the area of the property was not available, the average size of the property type in the OTP Mortgage Bank portfolio was used.

Data available for calculations

The PCAF recommends that the quality and availability of data used in the calculations should be assessed. The rating is based on a five-point scale, with Score 1 being the best rating, where comprehensive energy consumption and accurate GHG emission data are available, while at the other end of the scale, for Score 5 only the location, type and the number of properties are known and, as such, it is necessary to rely on estimates to a greater extent for the evaluation.

Calculations under the PCAF methodology require the following data: the energy rating of the property, the heated area of the property and the type of property. For properties related to the loans in OTP Mortgage Bank's retail mortgage loan portfolio, evaluation based on the rating category has been determined on the basis of data available. Properties are included in all rating categories except for Score 1 and Score 2, however, most properties are rated with Score 3 (52%) and Score 4 (36%).

MNB methodology

Under the methodology defined by the Central Bank of Hungary (MNB), the attribution factor (Loan to Value, LTV) is calculated as the ratio of the outstanding volume of the green mortgage loan at the reporting date to the value of the financed property, with a theoretical maximum of 100%. For the presentation of environmental impacts, the average energy performance characteristics and greenhouse gas (GHG) emissions data of the Hungarian residential building stock are applied as the reference baseline. To this end, the use of the primary energy demand benchmark published by the MNB, as well as the emission factors required for GHG emissions calculations, is recommended. These data are updated by the MNB on an annual basis and made available to financial institutions[18]. Based on the MNB benchmarks, the average energy demand by property type is as follows: 335.5 kWh/m^2/year for detached houses, 199.8 kWh/m^2/year for apartments, and 285.3 kWh/m^2/year for regional and property type average values. "The emission factor presenting GHG emissions per unit of energy demand of residential buildings is determined as a weighted average of the carbon dioxide emission conversion factors of energy carriers listed in Annex 7 of Decree No. 9/2023 (V.25.) of the Ministry of Construction and Transport on the determination of energy performance characteristics of buildings, applying the non renewable primary energy conversion factor and weighted by data on households' final energy consumption published by the Hungarian Energy and Public Utility Regulatory Authority." Based on data published in February 2025, the resulting emission factor was determined to be 273 g/kWh.

15 PCAF
16 Central Bank of Hungary – Hungarian Banking Association: Joint Position
17 PCAF European building emission factor database
18 Central Bank of Hungary: Green finance data publication – Residential real estate energetics data (2025.10.30.)

Total financed and avoided energy consumption and greenhouse gas emissions – PCAF methodology

Given the differences between the applied methodologies, a separate disclosure of the quantitative environmental impact figures is considered appropriate. The calculations of energy consumption and GHG emissions related to OTP Mortgage Bank's mortgage loan portfolio and energy consumption and GHG emissions avoided through green loans are based on 2025 year-end data and over a one-year time horizon. The following section presents the results of environmental impact calculations based on the PCAF methodology, which has also been applied in prior impact reports.

The estimated annual energy consumption of properties financed by the total portfolio, totalling 7 413 thousand square meters, is 1 869 GWh. Overall, energy consumption resulted in 306 thousand tonnes of CO_2 equivalent greenhouse gas (GHG) emissions.

The estimated annual energy consumption of properties financed by the green loan portfolio, totalling 1 157 thousand square meteres, is 90 GWh. Overall, energy consumption resulted in 16 thousand tonnes of CO_2 equivalent greenhouse gas (GHG) emissions.

The estimated annual energy consumption of the properties financed by the non-green portfolio, totalling 6 255 thousand square metres, is 1 779 GWh. Overall, energy consumption brought about 290 thousand tonnes of CO_2 equivalent greenhouse gas (GHG) emissions.

Table 7: Financed energy consumption and GHG emissions – calculations based on PCAF methodology

	Unit of measurement	Total portfolio	Non-green real estate	Green real estate*
Principal receivable from customers	HUF billion	2 340	1 760	580
Real estate associated with mortgage loans	thousand units	236	203	33
Financed area	thousand m^2	7 413	6 255	1 157
Weighted average energy consumption	kWh/m^2	252	284	77
Total financed energy consumption	**GWh**	**1 869**	**1 779**	**90**
	TJ	**6 728**	**6 405**	**323**
Financed annual GHG emissions	**t CO_2 eq**	**306 364**	**290 347**	**16 018**

* Green properties with a loan purpose that meets the eligibility criteria set out in the subsection "Green Properties and Green Loans."

The energy consumption avoided by providing green loans can be determined as the average energy consumption and GHG emissions per square metre of green or non-green financed property.

Table 8: Energy consumption and GHG emissions avoided – calculations based on PCAF methodology

		Energy consumption		GHG emissions
	thousand m^2	GWh	TJ	t CO_2 eq
Green real estate	1 157	90	323	16 018
Non-green real estate	6 255	1 779	6 405	290 347
Non-green real estate, 1 157 thousand m^2 equivalent	1 157	329	1 185	53 724
Energy consumption / GHG emissions avoided		**240**	**862**	**37 706**

- The estimated annual energy consumption of a non-green property equivalent to 1157 thousand square metres of financed green property is 329 GWh based on averages, compared to only 90 GWh for green properties, thereby saving 240 GWh of energy consumption per year through green lending.
- For a non-green property equivalent to 1157 thousand square metres of financed green property, we estimate that, based on averages, the maintenance of the property led to 54 thousand tonnes of CO_2 equivalent GHG emissions, compared to only 16 thousand tonnes of CO_2 equivalent GHG emissions for green property, which means 38 thousand tonnes less of CO_2 equivalent GHG emissions.

The portfolio of green bonds issued by OTP Mortgage Bank as at 31 December 2025 was HUF 150 billion. This accounted for 26% of the HUF 580 billion principal portfolio of green loans at the end of the year. Accordingly, by issuing green bonds, our calculation shows that we have avoided 62 GWh of energy consumption and nearly 10 thousand tonnes of carbon dioxide equivalent greenhouse gas (GHG) emissions.

Total Financed and Avoided Energy Consumption and Greenhouse Gas Emissions – MNB Methodology

The calculations related to energy consumption and greenhouse gas (GHG) emissions attributable to the OTP Mortgage Bank portfolio, as well as the energy consumption and GHG emissions avoided through green lending activities, are based on year-end 2025 data and have been prepared for a one-year reporting period. The following section presents the results of the environmental impact calculations conducted in accordance with the methodology set out in the Joint Position.

The estimated annual energy consumption of the properties financed by the portfolio, with a total floor area of 8,429 thousand square metres, amounts to 2 094 GWh. This level of energy consumption resulted in total greenhouse gas emissions of approximately 343 thousand tonnes of CO_2 equivalent.

The estimated annual energy consumption of green properties financed through the green portfolio, with a total floor area of 1 533 thousand square metres, amounting to 116 GWh. This level of energy consumption resulted in total greenhouse gas emissions of approximately 21 thousand tonnes of CO_2 equivalent.

Table 9: Effect of green bonds – calculations based on PCAF methodology

		Avoided energy consumption		Avoided GHG emissions
	HUF billion	GWh	TJ	t CO_2 eq
Green loans	580	240	862	37 706
Impact of HUF 1 billion financing	1	0,4	1.49	65.1
Green bonds*	**150**	**62**	**223**	**9 760**

* The calculated impact of the HUF 1 billion financing on the total green mortgage bonds issued is slightly different due to decimal rounding.

Table 10: Financed energy consumption and GHG emissions – calculations based on MNB – MBSZ Joint Position methodology

	Unit of measurement	Total portfolio	Non-green real estate	Green real estate*
Principal receivable from customers	HUF billion	2 340	1 760	580
Real estate associated with mortgage loans	thousand units	236	203	33
Financed area	thousand m²	8 429	6 896	1 533
Weighted average energy consumption	kWh/m²	248	287	76
Total financed energy consumption	**GWh**	**2 094**	**1 977**	**116**
	TJ	**7 537**	**7 119**	**418**
Financed annual GHG emissions	**t CO_2 eq**	**343 474**	**322 314**	**21 160**

* Green properties with a loan purpose that meets the eligibility criteria set out in the subsection "Green Properties and Green Loans."

The energy consumption avoided through the provision of green loans is determined based on the specific energy demand per square metre of green properties, as well as the average energy consumption values of typical property types in Hungary published by the MNB and the corresponding greenhouse gas (GHG) emission factors.

Table 11: Energy consumption and GHG emissions avoided – calculations based on MNB – MBSZ Joint Position methodology

		Energy consumption		GHG emissions
	thousand m^2	GWh	TJ	t CO_2 eq
Green real estate	1 533	116	418	21 160
Non-green real estate	6 896	1 977	7 119	322 314
Non-green real estate, 1 533 thousand m^2 equivalent	1 533	440	1 583	71 666
Energy consumption avoided by the Green Portfolio				
Detached house		66		
Apartment building		49		
ND		1.16		
Average		116		
GHG emissions avoided avoided by the Green Portfolio				
Detached house				18 126
Apartment building				13 270
ND				317
Average				31 713

- Based on average values, the estimated annual specific energy consumption of the 1 533 thousand square metres of green properties amounts to 76 kWh, compared to the average annual energy consumption of the Hungarian building stock of 285 kWh[19]. As a result, the energy consumption avoided by the green portfolio totals 116 GWh.

- Based on average values, the operation of the financed green properties with a total floor area of 1 533 thousand square metres is estimated to result in greenhouse gas emissions of approximately 21 thousand tonnes of CO_2 equivalent. In contrast, applying the average annual GHG emission factor of the Hungarian building stock of 273 g/kWh[20] would result in significantly higher emissions, implying that the green portfolio contributes to the avoidance of approximately 32 thousand tonnes of CO_2 equivalent greenhouse gas emissions.

The portfolio of green bonds issued by OTP Mortgage Bank as of 31 December 2025 was HUF 150 billion. This accounted for 26% of the HUF 580 billion principal portfolio of green loans at the end of the year. Accordingly, by issuing green bonds, our calculation shows that we have avoided 30 GWh of energy consumption and nearly 8 thousand tonnes of carbon dioxide equivalent greenhouse gas (GHG) emissions.

Table 12: Effect of green bonds – calculations based on MNB – MBSZ Joint Position methodology

		Avoided energy consumption		Avoided GHG emissions
	HUF billion	GWh	TJ	t CO_2 eq
Green loans	580	116	418	31 713
Impact of HUF 1 billion financing	1	0.2	0.7	54.7
Green bonds*	**150**	**30**	**108**	**8 208**

* The calculated impact of the HUF 1 billion financing on the total green mortgage bonds issued is slightly different due to decimal rounding.

19 Central Bank of Hungary: Green finance data publication – Residential real estate energetics data (2025.10.30.)
20 Central Bank of Hungary: Green finance data publication – Residential real estate energetics data (2025.10.30.)

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