

Disclosure by institutions

31 December 2025



OTP Bank Plc. separate and consolidated,

OTP Mortgage Bank Ltd.,

OTP Building Society Ltd.,

Merkantil Bank Ltd.

In line with Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, and Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, and EBA/GL/2020/07 of exposures subject to measures applied in response to the COVID-19 crisis

(English translation of the original report)

Budapest, 17 April 2026

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I. OTP GROUP

In accordance with Regulation (EU) No 575/2013 of the European Parliament and the Council on prudential requirements for credit institutions and investment firms and amending regulation (EU) No 648/2012, OTP Bank Plc. ("OTP Bank") - as a supervised institution - is obliged to fulfil prudential regulations at group level.

The principles and methods shown in this chapter of the document can be interpreted at both company and OTP Group ("Group") level except when otherwise indicated. Participant institutions are: OTP Bank Plc., OTP Mortgage Bank Ltd., OTP Building Society Ltd., Merkantil Bank Ltd.

I.1. Risk management objectives and policies

I.1.1. OTP Group's risk management strategy and risk appetite framework

The Risk Strategy (2023-2025) provides a group-level framework, which should address and align with the i) business strategy and ii) support transparent and prudent operation of risk management, iii) the challenges of the volatility and widespread increasing risk, and iv) the governance requirements and enhancements in both credit and non-credit risks, and v) regulatory compliance. It also defines the strategic priorities and programs to ensure effective management of the existing and emerging risk.

The Risk Strategy, in general, summarises

- risk management principles in respect of assuming, measuring, managing, monitoring and mitigating risks, and
- how the principles, objectives, and related initiatives are cascaded down to the subsidiaries.

The Risk Appetite Framework, which is an integral part of the Risk Strategy, defines the following:

- Risk appetite: The aggregate level and types of risk the bank is willing to assume or tolerate, decided in advance and within its risk capacity, to achieve its strategic objectives and business plan.
- Risk Appetite Statement (RAS): The written articulation of the aggregate level and types of risk that the bank will accept, or avoid, in order to achieve its business objectives. It includes – among others – quantitative measures to profitability, capital, credit, market, operational, liquidity and ESG risk. It also includes qualitative statements to address compliance including AML/CFT and ICT risks.

The Risk Appetite Framework integrates the Bank's and the Banking Group's risk appetite determination process in line with the EBA's requirements¹, harmonising with the Bank's lending

¹ EBA/GL/2021/05 on Internal Governance

policy, capital and liquidity planning, and the internal capital adequacy assessment process (ICAAP) and internal liquidity adequacy assessment process (ILAAP).

The Risk Appetite Statement of 2025, set up on the basis of the Risk Appetite Framework, covers all material risk types of the Banking Group, the risks' target values (limits) and the Risk Appetite Statements. The main features of the limits set up in the Statement are as follows:

- cover the retail and non-retail portfolios of the entire group (including OTP Core and its subsidiaries),
- include limits for forward-looking (vintage) and limits for high-risk segments in terms of credit risk,
- include quantitative limits for trading- and banking book activities,
- profitability indicators are ROE, and vintage lending limits related to the NPV calculation,
- there are liquidity, capital, leverage ratio and MREL indicators derived from the Recovery Plan,
- operational risk tolerance is measured by loss limits,
- there is indicator was developed for following the NPL portfolio that takes into account the NPL reduction plan and the plan-fact comparison of the portfolio,
- manage sectoral risk in relation to the credit risk of the sectors, as well,
- concentration and portfolio limits were developed for sovereign exposures,
- include quantitative limits for ICT risks.

The Board of Directors and Risk Exposure and Risk Management Committee regularly review the setting of the Group's Risk Appetite Statement and the achievement of the medium-term Risk Strategy.

The Risk Strategy and Risk Appetite Framework are supported by a comprehensive risk assessment and identification process which was performed for the first time at group level in 2025.

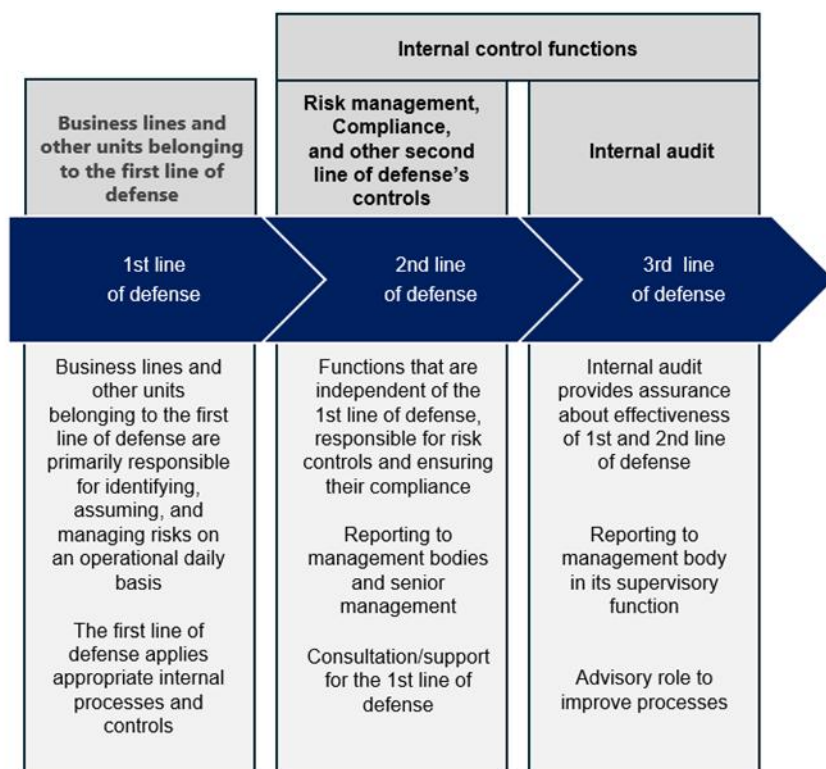
The risk management framework and methods used for a given type of relevant risk are described in the next sections.

I.1.1.1. General internal control framework

The Bank applies the so-called ‘three lines of defence’ model to manage risks and to implement internal controls. Three lines of defence:

- Functions that are responsible for and primarily manage the risks (first line)
- Functions exercising control over the risks (second line)
- Functions providing independent assurance (third line)

Chart 1: Three lines of defence



The second and third lines of defence jointly constitute the internal control functions. Details of the three lines of defense are as follows:

- The **first line of defense** (generally the business lines) is primarily responsible for the risks associated with the operation of the organization, so its compliance is primarily ensured by employees and operative managers, either through in-process personal involvement or through the use of automated controls to ensure compliance at the system level.

The proper operation of the first line of defence is ensured by internal governance, which comprises – among others – appropriate organisational structure, regulated roles and responsibilities, rules of ethics, a reporting system, standing committees, management and supervisory bodies etc.

- The **second line of defence** monitors, guides, in some cases governs and helps the controls implemented in the first line of defence, thus fulfilling the control duties assigned to it by law and internal regulatory documents.

The core components of the second line of defence:

- risk management
- compliance
- information security and bank security

The objective of the **risk management** (performed by the Risk Management Division) is to identify, measure, regulate and manage the banking risks, provide the necessary reports and take part in the development of the risk strategy and in the decision-taking of risk management.

The purpose of operating the **compliance** function (performed by the Compliance Directorate) is to identify and manage compliance risks. Compliance risks are the legal risk that may arise as a result of non-compliance with legal provisions or other (non legal) requirements applicable to the financial organization, internal regulations and the risks of supervisory or other authority measures, significant financial losses and reputational damage.

The **information security and bank security function** (performed by the Security Directorate) is a function that ensures the safe operation and protection of IT systems. In line with the guidelines of the national, group member states, international and European financial supervisory authorities, the function – by its strategic guidance and, in some cases by governance – ensures the compliant, legal, secure and prudent operation of the Banking Group and the protection of its ICT systems.

- As the **third line of defense**, Internal Audit Directorate provides independent and objective assurance. In order to achieve organizational goals internal audit monitors, evaluates, and improves the effectiveness of risk management, control, and governance processes, i.e. the effectiveness of the first and second lines of defense.

In order to strengthen the cooperation of the internal control functions, the Internal Controls Forum (ICF) was established in 2021, which is a consultative body for knowledge sharing and information exchange of the control functions belonging to the second and third lines of defense. The purpose of the ICF is to facilitate the operational efficiency of the internal control functions through synergies, and thus the continuous prudent operation and long-term development of the Banking Group.

I.1.1.2. Credit risks

Traditionally, OTP Bank has been characterized by conservative risk assumption. Its fundamental objective is to implement its strategic and business plan through maintaining the balance between risk and return. In order to be able to do so, it has established an independent risk management organizational unit and a uniform and consistent risk management system. OTP Bank operates a risk management process, which guarantees that the Bank complies, at all times, with the CRR, the applicable local regulations and supervisory authority requirements in all of the countries where OTP Bank operates, and at group level as well.

The independent risk management organizational unit performs the following:

In order to identify potential risks, it analyses OTP Bank's credit risk related activities, identifies the major risk factors to which these activities and the positions generated by them are exposed, and indicates the correlations between these positions.

In order to measure risks, it continuously collects data on the main risk factors, on the resulting losses, on the variables that can be used to predict; builds models and validates them.

Monitors the results of the risk measures continuously and prepares regular and up-to-date reports on them in a transparent manner for the various operative and executive levels.

To mitigate risks, the Bank applies a variety of risk mitigation techniques (client/ exposures rating, EWS, limits, collaterals, conservative impairment policy, etc.) as well as in-process controls and management control.

In its regulations on risk mitigation and the use of credit risk collateral, OTP Bank determines:

- the risk management process and methods, including decision-making powers and tasks linked to risk assumption as well as the requirements for the control of risk assumption;
- the types of eligible collateral in connection with contracts entailing banking exposures and the conditions for their acceptance;
- the criteria for the appraisal of the financial position and future capability of paying of current and future clients, internal regulations related to client rating, and the manner in which the findings of the rating procedure are used.

The goal of the OTP Group is to build a diversified portfolio, of which the performance does not depend excessively on the situation of a particular sector, geographical area or group of clients.

In addition to the Risk Appetite Statement set up for significant risks, credit risk appetite is determined annually for the parent bank and all banking and leasing subsidiaries through the development and adoption of the Lending Policy (Operative Lending Limits and Principles). Regarding the retail segment the Lending Policy contains in detail the main indicators of the lending

products, the value of the expected risk indicators for the portfolio and new disbursements, and the changes in the risk management processes associated with the business development plans. In case of the corporate segment, the Lending Policy defines sectoral preferences and the main expectations for each segment and product. The Lending Policy's expectations and the limits are monitored on a regular basis and reported to different management levels.

By **defining operational-level credit risk appetite**, the Group

- ensures the incorporation of strategic directions and expectations into the day-to-day risk management activity;
- considers profitability aspects by analysing the income-generation potential of each customer segments and product groups in the context of specific risk factors;
- assesses the risk indicators that can best ensure the fulfilment of growth objectives in the context of a prudent, conservative risk assumption practice.

Determining and adhering to the **tolerance levels and the desirable values of the indicators** listed above may ensure the construction of a desired risk profile. The annual Lending Policy – as the manifestation of the operational-level credit risk appetite – summarises the behaviour required for the evolving of this desirable loan portfolio, defining:

- the limits and target values reflecting risk appetite;
- the level, proportion and concentration of the exposures comprising the portfolio and the expectations about the quality of the portfolio;
- preferences and business orientation, potential tightening or exclusions regarding customer base, sectors, collaterals, products and product types and maturity structure.

In order to **monitor the credit risk appetite** defined at the operational level, the Group operates a control system that covers

- internal regulatory tools;
- the risk parameters of products;
- the reporting system, and
- additional, second level controls (e.g. ex post audits of the compliance of specific transactions within the local competence level).

The group members' financing requirements are based on short term projections generated in the course of strategic and financial planning. The funding requirements are detailed in the annual business plans, while their realisation determined by the actual business demand. The general credit risk taking, and risk management principles must be applied in the case of intra-group financing transactions as well.

I.1.1.3. Market risks

OTP Bank's trading book market risk management strategy is to benefit from exchange rate/market price and yield curve movements in compliance with legal requirements by taking a risk exposure the potential loss from which does not jeopardize profitability and operation safety of the Group. The aim of market risk management is to restrict potential loss arising from unfavorable exchange rate/market price and yield curve movements.

- OTP Bank's Global Markets is responsible for market risk management and for keeping risks within the frames approved by the Board.
- Continuous monitoring of market risk exposure, its reporting to the management, and the development of risk measurement methods is the responsibility of an independent organizational unit in a separate division from Global Markets.
- Group-wide market risk exposures are reviewed monthly by the Asset- Liability Committee (ALCO), based on the monthly report of the Market Risk Management Department.
- Group-member's ALCO also reviews quarterly the given group-member's risk exposures.
- The local market risk regulations are submitted to the Market Risk Management Department of OTP Bank by the Group member's market risk departments. The subsidiary departments are responsible for ensuring that local regulations are in line with the group-level regulation.
- The Board approves the market risk measurement methodologies and the limit system which defines the acceptable risks.

For risk measurement and internal reporting, OTP Bank applies a risk management system that is based on, but independent from the front office system, in order to make the IT implementation of the developing risk measurement techniques efficient. All the concerned organizational areas have access to the risk management system with different access levels according to their authorization.

The main principles of market risk management regulation:

- OTP Bank is allowed to run market risks within the limits set by the Board of Directors. OTP Bank can open asset and liability management (ALM) positions to hedge strategic risks appearing in the profit plan within the limit approved by the Asset Liability Committee (ALCO), but above that limit the decision of the Board of Directors is required. For the sake of risk management, positions originating from other organizational units (for example home loan payments) are forwarded without delay to the Treasury in compliance with the internal reporting process.

- OTP Bank breaks up the positions exposed to market risk into underlying risk factors (interest rates, foreign exchange rates, stock prices, volatility) and manages them in accordance with the positions calculated in the manner stated above.
- OTP Bank continuously monitors the exposure originating from portfolios exposed to market risk, the value-at-risk of the portfolio and the changes in the values of the portfolio and it sets a limit system for them. To avoid losses incompatible with the risk-taking policy of the Bank, OTP Bank attaches an internal action plan for limit breaches.
- Decision-makers of OTP Bank are informed about the Bank's risk exposure and the affected portfolios' profit-and-loss effects on a regular basis.
- The profit-and-loss effect of ALM deals which intend to hedge the profit-plan-driven market risk exposure and the profit-and-loss effect of the core portfolio in the plan are regularly reported to the management of OTP Bank, in order to make the control of hedging transparent.
- OTP Bank allocates capital to the portfolios exposed to market risk in order to cover the possible losses.

OTP Bank uses the standard model to quantify the capital requirement of market risks.

In case of identification of trading book exposures, OTP Group takes into account the 4. Article of CRR (86. paragraph). FOLDER-s containing trading book transactions are designated in the IT system. A given FOLDER is homogeneous, either consists of exclusively trading book or banking book transactions. Limit monitoring and capital requirement calculations in case of the trading book FOLDERS are comprehensive.

I.1.1.4. Counterparty and CVA risks

The Group applies a uniform methodology for the determination of counterparty limits, considering the risk assessment of the given counterparty, the risk absorption capacity of the risk-taking subsidiaries, and the level of expected business requirements.

The limits are allocated to Group Members and to specific sublimits based on a uniform methodology, and a group-level methodology is used for the limit utilization as well.

For internal measurement of counterparty risk, the limit utilization of derivative deals is determined by risk factors defined by VaR based calculation methods, differentiated by the type, maturity, currency or currency pair of the deal and the available collateral agreements as well.

The Group applies standardized approach for counterparty credit risk (SA-CCR) approach in the measurement of counterparty risk for regulatory reporting purposes.

To mitigate the counterparty credit risk, OTP Group strives to enter into netting agreements with its partners and to apply exchange of collaterals to cover risks related to positive fair value. In the case of non-centrally cleared over-the-counter derivative transactions, the Group mitigates its counterparty risk exposure through ISDA master agreements and the related CSA agreements, which are considered as industry standard. In these agreements, OTP Bank strives to impose symmetric conditions and the collateral is pledged and accepted by the counterparties in cash, typically denominated in EUR. In the case of transactions cleared by central counterparties (CCPs), collateral is provided in accordance with the conditions specified in the relevant business rules.

The Group seeks to minimize wrong-way risks arising from counterparty risk exposures. The Group Members do not conclude credit derivative type of deals, which are mostly characterized by direct wrong-way risks. If the risk of the counterparty and the risk of the collateral are closely related in a deal secured by collateral (e.g., where an ownership relationship is in place), then the collateral cannot be considered as exposure mitigation tool.

Following the entry into force of Commission Regulation (EU) 2016/2251 on risk mitigation techniques for non-centrally cleared derivatives, credit support agreements (CSA) between financial counterparties shall not include rating-dependent thresholds or independent amount.

In case of tasks related to ISDA/CSA, GMRA and EMA agreements and other ISDA related contracts, involved in the central clearing system that supports OTC transactions, in case of the application of EMIR variable deposit (CSA VM) the amount of it are calculated at least daily as follows:

- The amount of the variation margin in the netting stock for each transaction, credited by the contracting party, is the sum of the value calculated by the Article 11 (2) of Regulation 648/2012/EU, its net value, and all the variation margins which granted previously.

- The Bank calculates the daily value of the collateral, and on that basis transfer any unused collateral to the collateral providing contracting party.
- If the Bank and the contracting party agree on a minimum transfer amount, the calculation method of the amount of collateral is the variable deposit due since the last collateral collection, taking into account the additional collateral.
- If the amount of collateral due exceeds the minimum transfer amount agreed jointly by the contracting parties, the collateral collecting party shall collect the total amount of the collateral due, without deducting the minimum transfer amount. The minimum transfer amount may not exceed EUR 500,000 or the corresponding amount in other currencies.
- The Bank accepts only funds as defined in Article 4 (1) (a) as variable deposit in ISDA/CSA agreements as defined in Section 2 of the 2016/2251 Delegated Regulation. The acceptable currency of the fund can only be denominated in EUR, HUF and USD and the funds that accepted as collateral are considered at 100% in the CSA agreements.

According to Commission Delegated Regulation (EU) 2016/2251 OTP Bank Plc. is in scope of UMR (uncleared margin rules) in terms of initial margin, since the aggregate average notional amount ("AANA") of non-centrally cleared over-the-counter (OTC) derivatives exceeds the AANA threshold (8bln EUR) predefined by the regulation.

In order to meet the general requirements laid down in Article 14 with regard to applicable initial margin model OTP Bank Plc. adopted the methodology of ISDA Standard Initial Margin Model (SIMM) for calculating the initial margin exposure.

- By way of derogation from Article 2(2), counterparties which are part of different groups may provide in their risk management procedures that initial margin collected is reduced by an amount up to EUR 50 million, which practically means they don't exchange initial margin below that threshold. As a result of that OTP has neither collected nor posted initial margin under Regulation (EU) 2016/2251 until now. At the same time the Bank calculate and monitor the initial margin exposure based on SIMM methodology on daily basis and initiate the set-up of the contractual background and settlement process near below the relevant threshold.

I.1.1.5. Operational risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk. In many respects, operational risks are very diverse and elusive and different from the conventional

banking risks, as well. As for the effective operational risk management requires the participation and commitment of the entire organization, the support from the management body is crucial in order to mobilize and involve the employees who are concerned and responsible for operational risk. As a result of this strong management support the Group has well-designed and trained internal expert network. The Group places great importance on the trainings of this internal expert network and entrants.

The objective of operational risk management is to mitigate operational risks through the establishment and execution of effective action plans and the development of a robust internal control framework. In addition, it aims to ensure the continuous monitoring of identified risks, the mapping of emerging potential risks, and to support Group wide preparedness for challenges arising from an evolving risk environment and crisis situations.

The principal pillars of the operational risk management framework comprise loss data collection, the annual Risk and Control Self Assessment (RCSA) process, scenario analysis, and the system of Key Risk Indicators (KRIs).

Operational risk loss events are recorded in an integrated IT system across the Group, thereby ensuring that the development and distribution of losses can be analysed and tracked over extended time horizons.

During the annual Risk and Control Self Assessment, Group entities evaluate their respective operational risk profiles, any changes therein, and the adequacy of their control environments. The framework is further enhanced by the assessment of primary (key) and secondary controls designed to mitigate risks, alongside the reinforced focus placed on risk reducing action plans.

Scenario analyses complement loss data and self assessment outcomes by incorporating extreme, low likelihood but high impact risk events whose materialisation could have severe implications for the Group's operations.

A set of Key Risk Indicators has been defined within the Group, the monitoring of whose levels and trends provides insight into the evolution of operational risks. Their signalling function enables timely intervention in business processes where necessary (e.g., employee turnover, system downtime, volume of customer complaints).

The suite of tools developed for the measurement and management of operational risks - comprising a harmonised Group wide methodology, monitoring processes, and measurement standards - facilitates the identification and elimination of deficient practices and process elements that may give rise to losses.

The Group manages conduct risk, model risk and ICT risk (e.g. cyber-attacks, data security problems, unauthorized access, etc.) within the framework of operational risk management.

Conduct risk events that arise from willful or negligent misconduct, including inappropriate supply of financial services or the provision of inadequate or misleading information on the financial risk of products sold by the institution. Potential and incurred losses from conduct risks are continuously monitored and the relative rare but high impact market practices are evaluated in a forward-looking manner during the scenario analyses process.

Model risk means the potential loss an institution may incur, as a consequence of decisions that could be principally based on the output of internal models, due to errors in the development, implementation or use of such models. The Group strives to identify all of the models and model-families applied related to both business and support processes. Risk based assessment of models and the evaluation of how the given models comply with the control criteria are essential part of the Group model risk governance framework.

The Group has business continuity plans and procedures, as well as crisis communication plans; in order to sustain operation in case an event exercising a severe impact on its operation and reputation occurs.

In response to the increasing importance of ICT risks, the Bank has established, within the Risk Management Division, a dedicated unit responsible for ICT risks as part of the second line of defence. As a result of the dynamically changing operating environment, the need for responsible conduct, and the banking sector's growing dependence on technology, sustainability / ESG² risks and reputational risks have also come to the forefront of operational risk management alongside ICT risks.

ESG factors have been integrated into the key elements of the operational risk management framework, including loss data collection and thereby ESG operational risk tolerance monitoring, risk and control self-assessment, and scenario analysis.

Reputational risks, by their very nature, are inseparable from operational risks. Owing to the Bank's business policy, risk management practices, and overall organizational operations, this risk type is continuously and comprehensively assessed and managed as an inherent part of business processes.

Operational risk management activities must ensure that the Bank's management is regularly informed about the Banking Group's current operational risk exposure and losses arising from operational risks. This is achieved through the Group level Operational Risk Management Committee, the Risk Assumption and Risk Management Committee, and the Board of Directors, as the key decision making bodies.

² ESG: Environmental, Social and Governance

During operational risk management the most important fundamental principles followed by the Group are summarized below:

- In order for operational risks to be managed, a standardized, easily understood, at time robust framework system must be put in place at group level, covering the definition of operational risks and the methods of identification, measurement, monitoring, management and mitigation thereof;
- The operational risk management system must cover all risks inherent in the activities of the Group, operational risk toolset must be improved and developed according to the changes and both internal and external expectations;
- Strong support of people concerned with operational risk management activities;
- The Bank's management body and the Operational Risk Committee need to be informed on a regular basis of the prevailing operational risk exposure of the Bank Group and any potential and incurred losses, including tendencies, arising from operational risks;
- The Group must strive for high level risk-awareness and must articulate its operational risk appetite;
- Bank must have guidelines, processes and procedures mitigating operational risks;
- Independent operational risk management activities, which must be fully integrated into the Group's risk management activities and its general management information system.

In calculating the regulatory capital requirement, the bank applies the new Standardised Measurement Approach (SMA) described in Regulation (EU) 2024/1623 of the European Parliament and the Council.

The SMA method has been designed to ensure a level playing field for institutions internationally and to ensure that the operational risk framework remains effective at the EU level. As a tool, the methodology is based on the organizations' income statements, which allows for comparability between different companies.

I.1.2. Credit risk mitigation

Internal regulations and guidances on the valuation and management of collaterals contain the principle and requirement that OTP Bank considers as basic principles in the case of acceptance and valuation of collaterals and related monitoring activities. The referred internal procedures cover the requirements for the availability, valuation and enforceability of collaterals and the rules governing the regular ex-post evaluation of this items.

The applied collateral management framework includes all kind of lending, risk management, and legal activities that OTP Bank performs prior and during the term of the risk assumption to obtain information on the availability, value and enforceability of collaterals.

During the term of risk assumptions, OTP Bank regularly monitors and documents the fulfilment of the conditions set forth in the contract, including changes in clients' financial and economic position as well as changes in the availability, fair value and enforceability of involved collaterals.

In its lending activity OTP Bank uses the following collaterals the most frequently:

- pledge: security deposit, mortgage on immovable and movable property, pledge on receivables,
- guarantee and suretyship.

During the valuation of collaterals accepted by the OTP Bank the basis of the evaluation is the market value or the mortgage lending value which are defined in the appraiser report connecting to real estate collaterals. In certain cases, depending on the type of collateral, the basis of the evaluation may also be purchased price or other acceptance value as it is defined in internal rules about collateral management.

OTP Bank takes the value of collaterals into account in a reduced value - with a reduction of 0-80% depending on the type of collaterals – during the risk-taking decision. The purpose of this practice is that collaterals to be recorded at such values that reflect the possible pay-off that may be realized during a collateral enforcement procedure.

Tracking of the value of the collateral takes place at different frequencies depending on the type of collateral. During the monitoring activity, OTP Bank uses various methods, such as full or monitoring type revaluation, statistical revaluation meanwhile the Bank also checks the availability and the legal status of collaterals.

OTP Bank – the group of partners is determined by regulatory approval - takes into account the risk reduction potential of the concluded netting agreements, when calculating counterparty credit risk exposures for derivative transactions. OTP has got a regulatory approval for ISDA Master Agreements under English law in case of counterparties which have headquarters in Hungary, Great Britain, Belgium, Bulgaria, Denmark, Finland, France, Georgian, the Netherlands, Croatia,

Republic of Ireland, Japan, Canada, China, Poland, Latvia, State of New York, Germany, Norway, Italy, Russia, Austria, Romania, Spain, Switzerland, Sweden, Serbian, Singapore, Slovenia, Turkey and Ukraine and the Bank has received supervisory approval to apply contractual netting to branches based in the UK, Australia, Belgium, Czech Republic, Denmark, United Arab Emirates (Dubai), Finland, France, Netherlands, Hong Kong, Indonesia, Ireland, Japan, Cayman Islands, Canada, Hungary, Luxembourg, Malaysia, Malta, New York State, Germany, Norway, Italy, Portugal, Spain, Switzerland, Sweden and Singapore. This enables with 90 active counterparties to apply CRR allowed netting rules as a widely admitted application for risk reduction. Netting can reduce exposure from counterparty credit (in case of affected countries) by 60%. As a precondition, OTP Bank regularly monitor, whether these netting clauses are enforceable or not according to independent legal opinions.

The issuers of the guarantee must have the appropriate amount of counterparty limit for the whole maturity of the deal. The issuers of the eligible guarantees are dominant participants in domestic and international markets. In the case of the latter, the institutions with investment-grade rating are preferred.

The Group does not conclude credit derivative deals and does not have any securitization positions.

With the intention to avoid excessive dependency, OTP Bank manages the concentration risks of the portfolio by setting limits for sectors, countries, clients and counterparties at both bank and bank group levels.

To restrain the transfer of risk originating from a potential owner-business interest relationship between clients or relationships of business nature or collateral-related relationships, clients that qualify as a client group must be defined by OTP Bank and client level concentration limits are interpreted at a client-group level.

With the aim of supporting the recording and maintenance of client groups at bank group level, group-level regulations have been developed together with the establishment of an IT system.

I.1.3. Applied stress test methodologies in the OTP Group

In the frame of credit risk management several stress tests are being operated by the Bank with the aim of better understanding what kind of risks can endanger the capital or liquidity position of the Bank. Most of them are independently related to the given risk measurement. Different risk parameters, sensitivity tests related to financial indicators and in order to understand the risk exposures deepen scenario analysis can be found among the applied techniques.

The OTP Group regularly participates in EBA stress test. During these stress tests the expected capital position are presented along predefined “baseline” and “adverse” macro scenarios taking into consideration the significant risks of the Group in a 3-year time horizon with a forward-looking aspect. Additional capital requirement can arise if the Bank performs in a bad way. The Bank has taken part in 2025 in the European stress test, with excellent results.

Moreover, stress tests are conducted regularly within the Group during the annual planning process, the ICAAP and in the Recovery Plan as well. The aim of them is to calculate the impact of those complex scenarios on the balance sheet, profit and loss statement and capital position in an unified model what assume multiple risks (for instance credit-, operational-, interest rate risk, sovereign, etc.).

I.2. Information regarding corporate governance system

I.2.1. The number of directorships of OTP Bank's chief executives

Chart 2: The number of directorships of OTP Bank's chief executives

Members of the Board of Directors	Number of directorship (according to CRR Art. 435. paragraph (2))		Members of the Supervisory Board	Number of directorship (according to CRR Art. 435. paragraph (2))	
	outside OTP Group	in OTP Group*		outside OTP Group	in OTP Group*
Dr. Sándor CSÁNYI	1	-	Tibor TOLNAY	-	-
Tamás ERDEI	-	1	Dr. József Gábor HORVÁTH	-	-
Gabriella BALOGH	2	-	Klára BELLA	-	-
Mihály BAUMSTARK	1	-	Dr. Tamás GUDRA	-	-
Péter CSÁNYI	1	1	András MICHNAI	-	-
Dr. István GRESA	-	-	Catherine Paule GRANGER-PONCHON	7	-
Antal KOVÁCS	-	2			
György NAGY	4	-			
Dr. Márton VÁGI	-	-			
Dr. József VÖRÖS	-	-			
László WOLF	-	-			

* with the exception of directorships held at OTP Bank.

For the safe operations of the financial institutions of OTP Bank and OTP Group it is critical that the institutions are governed by professionally qualified and financially reliable executives with good business reputation.

Directive 2013/36/EU, defining the capital requirement system of credit institutions (hereinafter: CRD), as well as national legal regulations phrase several requirements in respect of executive officers.

Hungary's Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises ("Hpt.") requires the establishment of a nomination committee in order to ensure the suitability of management bodies, while complying with the principles of proportionality.

The Nomination Committee is a permanent committee established by the Board of Directors, consisting of the members of the Supervisory Board, which forms the principles of Board member candidate selection for OTP Bank and sets candidates accordingly, and proposes principles and framework for the requirements of compliance assessment of the bank and the banking group executives and key position holders.

In respect of the members of the management bodies, executive officers and key function holders of the financial institutions subject to consolidated supervision together with OTP Bank, the coordination and professional support of the compliance assessment process shall be the competence and responsibility of the Human and Organizational Development Directorate of OTP Bank. The group operation is performed with the responsible involvement of the relevant financial institution and the professional units participating in the assessment process.

On the basis of the résumés it can be stated that both the Board and the Supervisory Board members own exceptional professional knowledge, experience and track record in their field of

expertise, furthermore, have in-depth proficiency and several years of experience in the management of financial institutions.

I.2.2. Board members' education data

Chart 3: Board members' education data

Board of Directors		Supervisory Board	
Dr. Sándor CSÁNYI		Tibor TOLNAY	
College of Finance and Accounting, Hungary	BSc in Finance (1974)	University of Technology, Hungary	MSc in Civil Engineering (1978)
University of Economics, Hungary	MSc in Economics (1980)	University of Economics, Hungary	economic engineer (1983) economist(1993)
Gabriella BALOGH		Dr. Gábor HORVÁTH	
University of Veszprém, Hungary	Chemical Engineer (1993)	Eötvös Lóránd University, Hungary	Degree in Law (1980)
University of Economics, Hungary	MSc in Marketing Economics (1997)	Klára BELLA	
Mihály BAUMSTARK		College of Finance and Accounting, Hungary	BSc in Finance (1992)
University of Agricultural Sciences, Hungary	MSc in Agricultural Sciences (1973)	University of Economics, Hungary	MSc in Economics (1996)
University of Economics, Hungary	MSc in Economics (1981)	Dr. Tamás GUDRA	
Péter CSÁNYI		College of Commerce and Catering, Hungary	Bsc in Business Administration (1993)
City University London	Bachelor in Economics (2006)	Janus Pannonius University, Hungary	lawyer (2010)
IE Business School Madrid	Master in Financial Management	András MICHNAI	
Kellogg School of Management US	Master of Business Administration	College of Finance and Accounting, Hungary	BSc in Finance (1981)
Tamás ERDEI		Catherine Paule GRANGER-PONCHON	
College of Finance and Accounting, Hungary	BSc in Finance (1978)	École Polytechnique	graduate engineer (1998)
Dr. István GRESA		École nationale de la statistique et de l'administration économique	statistician-economist (2000)
College of Finance and Accounting, Hungary	BSc in Finance (1974)		
University of Economics, Hungary	MSc in Economics (1980)		
Antal KOVÁCS			
College of Finance and Accounting, Hungary	MSc in Economics (1985)		
György NAGY			
University of International Relations, Moscow	MSc in Foreign Economics (1989)		
Dr. Márton VÁGI			
University of Economics, Hungary	Msc in Economics (1987)		
Dr. József VÖRÖS			
University of Economics, Hungary	MSc in Economics (1974)		
László WOLF			
University of Economics, Hungary	MSc in Economics (1983)		

Regarding the diversity policy, the Company disclosed its strategy in 2021 to promote gender diversity, noting that following the expected implementation of the European Parliament and Council Directive 2022/2381 in Hungary, this strategy will be reviewed if necessary.

According to the current practice, when designating members of the management bodies (Board of Directors, Supervisory Board), OTP Bank Plc. considers the existence of professional preparation, the high-level human and leadership competence, the versatile educational background, the widespread business experience and business reputation of the utmost importance, at the same time, it is also highly committed to taking efficient measures in order to

ensure diversity with regard to corporate operation, including the gradual improvement in women's participation rate. For that end, it was also expressed as a goal to have at least one woman member both in the Board of Directors and the Supervisory Board of OTP Bank Plc.

I.2.3. Risk management committees

The Risk Exposure and Risk Management Committee is a standing committee established by the Board of Directors with the purpose to support its decision making activity. The Committee is responsible – among others – for giving preliminary opinion on the group level Risk Strategy and monitoring its implementation. In 2025 the Committee held – beside written votes – six meetings.

Credit and Limit Committee (CLC) is a standing committee, which meets at least on weekly basis (102 times in 2025). Its main function is to approve the proposals of the main lending regulations and the annual Lending Policy to the Board of Directors of OTP Bank. The CLC – in its decision-making power – decides on approval of individual risk assumptions and provides as required proposal to the Board of Directors.

The Collective Reserve Committee is a standing committee set up by the Board of Directors. The scope of the Committee's competence includes the adoption of decisions at group level about issues concerning the collective valuation methodology used for provisioning under IFRS 9. In 2025 the Committee held – beside written votes – five meetings.

The Work-out Committee (WOC) is a standing committee, which is responsible for decision-making on OTP Bank's (corporate and retail) exposures under special management; as well as exercising of the right of consent in relation to the special handling of exposures exceeding the agreed limit with respect to foreign subsidiaries, OTP Faktoring Zrt. and its subsidiaries, and Merkantil Bank Zrt. In addition to this WOC is entitled to act as an NPL committee which incorporates the right of the pre-approval of the NPL strategy and the connecting implementation plan, and their yearly revision; furthermore, proposing incentives for the implementation of the NPL strategy. The Committee held – beside written votes – 52 meetings in 2025.

Asset-Liability Committee (ALCO) is a standing committee established by the Board of Directors, which makes decisions on separately non-regulated affairs relating to OTP Bank's highest-level asset-liability management. The Committee's competence includes – among others – issues related to bank-level market risk management, liquidity and liquid asset portfolio management, and capital management. In 2025 the Committee had 20 meetings, and conducted 32 voting processes.

The Group Operational Risk Management Committee (OPRISK Committee) is a standing committee meeting quarterly. It monitors the changes in the operational risk exposure, the operational risk management activity and the business continuity planning. It also makes sure that both the risk management practices and reporting channels required by the management and

prescribed by the law work adequately. In addition to this, the analysis and evaluation of large individual losses place great importance in order to manage operational risk proactively. As part of operational risk management, it discusses and approves DORA pillars related to DORA and all regulatory documents, risks, individual cases, and actions in connection with elements of ICT risk framework.

Set up by the Board of Directors, the Anti-Money Laundering Committee is a standing committee which, in the event of specific money laundering risks, adopts decisions about the possibility to maintain the concerned business relationship, or to approve its establishment. In 2025, the Committee held a total of 4 meetings and 6 written voting sessions, with a total of 73 resolution points. The ESG Committee is a standing committee set up by the Board of Directors. Its task is to formulate the ESG strategy, plans and policies and support the Bank's governing bodies in performing their ESG duties. In 2025 the Committee held three meetings and conducted two voting processes.

The top management bodies get regular information about risks from the Risk Exposure and Risk Management Committee as well as through proposals, regular reports made by competent divisions.

I.3. Scope of consolidation in group level reports

I.3.1. Associates which are accounted for using the equity method (proportionally consolidated) for the year ended 31 December 2025

In the OTP Group there is not any associate which is accounted for using the equity method (proportionally consolidated) for the year ended 31 December 2025.

I.3.2. Not consolidated entities for the year ended 31 December 2025

Chart 4: Not consolidated entities for the year ended 31 December 2025

Not consolidated in accordance with IFRS ¹	
1	4F Health Partner Ltd.
2	ALGORITHMIQ INVEST Ltd.
3	Agro-Szalók Ltd.
4	ÁNT-KER Ltd.
5	Agro-Szőlős Ltd.
6	Auctioneer s.r.o.
7	BIG-PIG Lellegesi Állattenyésztő Ltd.
8	BAKONYI MGSZ. Ltd.
9	BAKONYKERT Ltd.
10	COLLINSON (ASPAC) PTE. LTD.
11	Collinson SA S
12	Dé-Pé Plusz Ltd.
13	Dinghy Sport Club Hungary Ltd.
14	FA PEF-PTO Ltd.
15	Finserve LLC
16	Finshape Czechia s.r.o.
17	Finshape France
18	Finshape Hungary Ltd.
19	Fintech MSK Ltd.
20	Fácánoskert Agro Ltd.
21	GM Agrár Ltd.
22	GRELEGER Baromfikellető és Értékesítő Ltd.
23	HAGE-INVEST Ltd.
24	Hortulanus Ltd.
25	i-gen.hu Ltd
26	IMKON Sugurta JSC.
27	Ingatlanvagyon Projekt 14. Ltd.
28	IPHYGÉNIA Ltd.
29	Ipoteka Leasing LLC
30	J2B Ltd.
31	Limited Liability Company 'BSC MSK'
32	NÁDÉP Ltd.
33	NÁD-GÉP Ltd.
34	NAGISZ-Növény Ltd.
35	NAGISZ-TEJ Ltd.
36	NORB Digital Ltd.
37	Nutrition Partner Ltd.
38	OTPImmobilien Verwaltung GmbH.
39	OTPNedvizhimost OOO
40	OTPVendéglátás és Hotelszolgáltatás Szervező Ltd.
41	OTP Újlakás Hitelközvetítő Ltd.
42	OTX-Partner Ltd.
43	Orbánhegyi Szőlőbirtok limited partnership
44	PANNON-VAD 2003. Ltd.
45	Romándi Agro Ltd.
46	SCAS Tourism SRL
47	SEH-PARTNER Ltd.
48	SIÓVÖLGYE Ltd.
49	Siópart Agro Ltd.
50	Sióparti Gazda limited partnership
51	Sióvölgye Agro Ltd.
52	Sky Towers Partner Ltd.
53	Szajkmenti Gazda limited partnership
54	Szekszárdi Liszt Pincészet Ltd.
55	TSP Partner Hungary Ltd.
56	Terményfeltáró Ltd.
57	VÁR Ltd.
58	ZA Gamma-Agro Ltd.
59	ZM-NAGISZ Ltd.
60	ÚJBEREK Ltd.
61	Újberek Agro Ltd.
62	OOO "OTPAVTOSANOAT FINANCE"
Not consolidated in accordance with CRR ²	

¹ Subsidiaries in which the Bank holds a significant interest have not been consolidated because the effect of consolidating such companies is not material to the Consolidated Financial Statements as a whole.

² Entities excluded from the scope of prudential consolidation based on the Article 19 section 1 of the CRR.

I.3.3. Current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities among the parent undertaking and its subsidiaries

From 2022 the following sanctions/countersanctions and restrictions were imposed which may affect the operation of Ukrainian and Russian subsidiaries:

1. US/EU sanctions: At the time of Disclosure there is no restrictive measures imposed by EU that would prohibit the funding of Joint Stock Company OTP Bank (Russia) by OTP Bank Plc. Furthermore at the time of Disclosure there is no economic sanction imposed by US applicable to the parties that would completely restrict the fulfilment of financing agreements concluded by OTP Bank Plc. and Joint Stock Company OTP Bank (Russia) with each other, prior to the come into force of certain sanctions. The amount of payments resulting from contracts concluded between OTP Bank Plc. and Joint Stock Company OTP Bank (Russia) is not subject to asset freeze measures or there are no sectoral sanctions imposed by EU or US which would generally prohibit the repayment of the capital amount and/or interest provided to Joint Stock Company OTP Bank (Russia).
2. Countersanctions of Russian authorities which may affect Russian subsidiaries:
 - a. Prohibition of (special presidential license required to) transactions with shares of Russian banks owned by persons from unfriendly states has been extended until 31 December 2027, which has direct effect to OTP Bank's ownership rights. Businesses could only possibly be sold at significant discount of fair value and with special transactional tax, and that the other terms of the sale are also expected to be disadvantageous for the seller.
 - b. The payment of dividends is restricted and is subject to capital adequacy ratios and to individual approval by the Russian supervisory authorities..
 - c. As from 5 March 2022 residents can fulfil their obligations on loans and financial instruments (in the amount of more than RUB 10 million per month) to non-residents from unfriendly states and persons controlled by them only in RUB to special accounts type "C" opened in Russian credit institutions, unless otherwise is permitted by CBR.
 - d. As from 15 October 2022 payments related to a) the reduction of the authorized capital of resident legal entities, b) the liquidation of resident legal entities, c) bankruptcy procedures of resident legal entities, have to be carried out in accordance with the

Russian President's Decree No. 95 (using a type "C" account) if these payments are being executed by Russian residents to persons of unfriendly states.

- e. As from 25 April 2023 temporary company management can be introduced for Russian companies whose owners are from unfriendly states and adverse measures are taken that affect Russian assets in these unfriendly states, or that violate Russia's national, economic or defense-security interests.
 - f. As from 12 December 2023 Russia has unilaterally suspended its double taxation treaties with 38 countries, including Hungary.
3. Restrictions in Ukraine: Due to restrictions of National Bank of Ukraine the LLC OTP Leasing (Ukraine) subsidiary is just partially allowed to convert its cash-flow denominated in UAH to EUR or USD therefore fulfilment of its principal payment obligations towards OTP Bank Plc. is currently not possible in these currencies, while the interest payment obligations can be fulfilled in these currencies at a maximum amount of EUR 1 million or its equivalent of USD The dividend payment can be transferred in foreign exchange (EUR/USD) with the same conditions as the interest payments.

I.3.4. Regulatory capital deficit at subsidiaries not included in the consolidation

The Group does not have subsidiaries not included in the consolidation that do not fulfil the regulatory CAR minimum.

I.3.5. Practice of regulations' application

In none of the Group's subsidiaries have the competent authorities waived prudential requirements on an individual basis.

I.3.6. Consolidated entities

Chart 5: Consolidated entities for the year-ended 31 December 2025

Number	Entity	Scope of accounting consolidation	Scope of regulatory consolidation	Number	Entity	Scope of accounting consolidation	Scope of regulatory consolidation
1	OTP Bank Plc.	Yes	Yes	59	OTP Hungaro-Projekt Ltd.	Yes	No
2	AFP Private Equity Invest Plc.	Yes	No	60	OTP Immobilien Verwertung GmbH	No	Yes
3	AGROMAG-PLUSZ Ltd.	Yes	No	61	OTP Real Estate Investment Fund Management Ltd.	Yes	Yes
4	AGRO-MILCH Mezőgazdasági és Szolgáltató Ltd	Yes	No	62	OTP Real Estate Ltd.	Yes	Yes
5	Air-Invest Ltd.	Yes	Yes	63	OTP Ingatlankezelő Ltd.	Yes	Yes
6	Aranykalász 1955. Ltd	Yes	No	64	OTP Real Estate Leasing Ltd.	Yes	Yes
7	ARANYMEZŐ 2001. Ltd	Yes	No	65	OTP Ingatlanpont Ltd.	Yes	No
8	BAKONYI AGRÁR Mezőgazdasági, Vagyongazdálkodási és Szolgáltató Ltd	Yes	No	66	OTP Insurance Broker EOOD	Yes	Yes
9	Balansz Real Estate Institute Fund	Yes	No	67	OTP Invest društvo s ograničenom odgovornošću za	Yes	Yes
10	BANK CENTER No. 1. Ltd.	Yes	Yes	68	OTP INVEST DRUŠTVO ZA UPRAVLJANJE UCITS	Yes	Yes
11	BANK CENTER No. Kettő Beruházási és Fejlesztési	Yes	Yes	69	OTP Mortgage Bank Ltd.	Yes	Yes
12	Banka OTP Albania SHA	Yes	Yes	70	OTP Close Building Society	Yes	Yes
13	BOSFLÖR Ltd.	Yes	No	71	OTP Leasing d.d.	Yes	Yes
14	CIL Babér Ltd.	Yes	Yes	72	OTP Leasing EOOD	Yes	Yes
15	Club Hotel Fűrés Szálloda Ltd.	Yes	No	73	OTP Leasing Srbija d.o.o. Beograd	Yes	Yes
16	CRESKO d.o.o.	Yes	Yes	74	OTP Luxembourg S.à r.l.	Yes	Yes
17	Montenegrin Commercial Bank Shareholding Cor	Yes	Yes	75	OTP Mérnöki Ltd.	Yes	Yes
18	DSK Asset Management EAD	Yes	Yes	76	OTP MRP	Yes	No
19	DSK Bank AD	Yes	Yes	77	OTP Nekretnine d.o.o.	Yes	Yes
20	DSK DOM EAD	Yes	Yes	78	OTP Nekretnine doo Novi Sad	Yes	Yes
21	DSK ventures EAD	Yes	Yes	79	OTP Osiguranje AKCIONARSKO DRUŠTVO ZA	Yes	No
22	Foglaljorost Online Ltd	Yes	No	80	OTP Home Solutions Limited Liability Company	Yes	No
23	HAGE Ltd.	Yes	No	81	OTP Funds Servicing and Consulting Company Limi	Yes	Yes
24	Hello Pay IT and Service cPlc.	Yes	No	82	OTP Financial point Ltd.	Yes	Yes
25	JN Parkoló Ltd.	Yes	No	83	OTP Services Ltd.	Yes	Yes
26	JSC "OTP Bank" (Russia)	Yes	Yes	84	OTP Travel Limited	Yes	No
27	JSCMB "IPOTEKA BANK"	Yes	Yes	85	POK DSK-Rodina AD	Yes	Yes
28	LLC OTP Financial Technologies	Yes	Yes	86	Portfolion Agrár Magántőkealap II.	Yes	No
29	LLC AllianceReserve	Yes	Yes	87	Portfolion Digital Ltd.	Yes	No
30	LLC AMC OTP Capital	Yes	Yes	88	Portfolion Digitális Magántőkealap I.	Yes	No
31	LLC MFO "OTP Finance"	Yes	Yes	89	Portfolion Digitális Magántőkealap II.	Yes	No
32	LLC OTP Leasing	Yes	Yes	90	Portfolion Venture Capital Fund Management Ltd.	Yes	Yes
33	Mendota Invest, Nepremicninska družba, d.o.o.	Yes	Yes	91	Portfolion MRP	Yes	No
34	Merkantil Bank Ltd.	Yes	Yes	92	Portfolion Partner Magántőke Alap	Yes	No
35	Merkantil Bérlet Ltd.	Yes	Yes	93	Portfolion Regionális Fund II.	Yes	No
36	MONICOMP Ltd.	Yes	Yes	94	Portfolion Zöld Fund	Yes	No
37	Nádudvari Élelmiszer Feldolgozó és Kereskedelmi	Yes	No	95	Project 01 Consulting, s. r. o.	Yes	Yes
38	NAGISZ Plc.	Yes	No	96	R.E. Four d.o.o., Novi Sad	Yes	Yes
39	"Nemesszalóki Mezőgazdasági" Állattenyésztési,	Yes	No	97	Regional Urban Development Fund AD	Yes	Yes
40	NIM O 2002 Ltd.	Yes	Yes	98	ShiwaForce.com Inc.	Yes	No
41	NORB Digital Ltd.	Yes	No	99	SimplePay Plc.	Yes	Yes
42	OD Ltd.	Yes	No	100	SKB Leasing d.o.o.	Yes	Yes
43	OTP Fund Management Ltd.	Yes	Yes	101	SKB Leasing Select d.o.o.	Yes	Yes
44	Joint-Stock Company OTP Bank	Yes	Yes	102	SPLC Ltd.	Yes	Yes
45	OTP Bank S.A.	Yes	Yes	103	SPLC-P Ltd.	Yes	No
46	OTP banka d.d.	Yes	Yes	104	Szajk Agricultural Closed Company Limited by shan	Yes	No
47	OTP banka dioničko društvo	Yes	Yes	105	Agricultural Private Held Joint-Stock Company Sze	Yes	No
48	OTP banka Srbija, joint-stock company, Novi Sad	Yes	Yes	106	Velin Ventures Ltd.	Yes	Yes
49	OTP Debt Collection d.o.o. Podgorica	Yes	Yes	107	"YASHIL FERMA" Joint Venture Limited Liability Co	Yes	No
50	OTP Ecosystem Limited Liability Company; OTP	Yes	No	108	ZA Gamma HoldCo Ltd.	Yes	No
51	OTP Life Annuity Real Estate Investment Plc.	Yes	Yes	109	ZA Invest Gamma Ltd.	Yes	No
52	OTP factoring d.o.o.	Yes	Yes	110	ZA Lambda Holdco Ltd.	Yes	No
53	OTP Factoring Serbia d.o.o.	Yes	Yes	111	ZA-Invest Béta Ltd.	Yes	No
54	OTP Factoring Ltd.	Yes	Yes	112	ZA-Invest Delta Ltd.	Yes	No
55	OTP Financing Malta Ltd.	Yes	Yes	113	ZA-Invest Kappa Ltd.	Yes	No
56	OTP Financing Solutions	Yes	Yes	114	ZA-Invest Lambda Ltd.	Yes	No
57	OTP Holding Ltd.	Yes	Yes	115	ZA-Invest Poultry Ltd.	Yes	No
58	OTP Holding Malta Ltd.	Yes	Yes				

I.4. Internal capital requirement calculation

The constant development of capital requirement calculation is a significant activity for the Group, in line with the changing external economic and regulatory environment. The Group applied only adequately stable, sufficiently conservative and well-performing models for the different processes according to prudent approach. During the internal capital adequacy assessment process (ICAAP) the potential risks of the Group are thoroughly reviewed.

Depending on the availability of data, the Bank applies different types of approaches, there are portfolios managed with IRB, portfolios with a macro model approach, and portfolios based on expert parameter estimation. For credit portfolios not involved in the internal model, the Group applies standardized approach.

The Group applies a historical VAR model to calculate the internal capital requirement of FX, market and interest rate risk.

In the case of operational risk the AMA and BIA methods are applied, after approval by the National Bank of Hungary.

Moreover, the Group intends to identify all the risks not covered in Pillar 1. If it is justified by risk measurement methods, internal models are applied.

During the internal capital adequacy assessment process (ICAAP) the ESG risks of the Group are thoroughly reviewed. The abbreviation ESG stands for environmental (E), social (S) and governance (G) factors, ESG risks refer to risks related to or derived from these factors, which may arise from the Bank's investment, lending and other activities. The OTP Group approaches ESG risks and ESG factors from a holistic perspective, integrating them into the risk management framework of the main risk types, i.e. ESG risk is not treated as an independent risk type within the framework of the internal capital adequacy assessment process. According to the Bank's assessment, risks arising from ESG factors and risks under credit risk can be considered significant. The OTP Group does not allocate additional capital requirements for ESG risks under ICAAP, ESG factors and related risks are managed with processes and controls.

As part of the internal capital adequacy assessment process, the Bank annually conducts a stress test related to climate change, which assesses the Group's short- and long-term exposure to physical and temporary risks related to climate change. This assessment covers credit risks related to the corporate portfolio, market risks related to the trading book and operational risks related to the short-term transitory risks. In the stress test, the scenarios are created with different forecast horizons. A short-term (next 3 years) forecast that focuses mostly on transitory risk and a strategic, long-term forecast (up to 2050) that covers both transitory and physical risks. The stress test results are presented to the Board of Directors as part of the annual ICAAP assessment.

Chart 6: How risk is managed within the ICAAP

Risk type	How risk is managed within the ICAAP
Credit risk	
Risk of default	Capital
Counterparty risk	Capital/Limit
Issuer risk	Capital
Concentration risk	Capital/Limit/Process
Country risk	Limit/Process
Settlement risk	Limit/Process
Residual risk	Process
Operational risk	Capital
Market risk	Capital/Limit/Process
Interest rate risk for banking book	Capital/Limit/Process
Liquidity risk	Limit/Process
Reputation risk	Process
Strategic risk	Process
Real estate risk	Capital

I.5. Credit risk adjustments

I.5.1. Methodology of valuation and provisions

- The consolidated financial reports of the Group are based on IFRS regulation. Measurement and provision allocation of assets, investments and off-balance sheet liabilities are realized according to frameworks of relevant IFRS/IAS standards.
- The group level assessment standards are determined by Appendix 1 “[IFRS9 Provisioning Policy for Implementation](#)” of “Provisioning policy for loans in accordance with International Financial Reporting Standards (IFRS)”. The calculation of credit losses may be carried out collectively or individually.
- The recognized provision level reflects to the foreseeable risks and potential losses. The amount of the recognized impairment is the difference between the book value of the outstanding debt and the expected amount of the recovered debt. OTP Group recognizes risk provision for off-balance sheet (pending, future) liabilities on the basis of their assessment. If the measurement process reveals that the amount of the risk provision exceeds the amount required on the basis of the assessment, the excess amount of the risk provision is released.
- At initial recognition the financial assets must be tested based on the business model and the contracted cash flow characteristics, based on which it can be determined according to which measurement method, specified in the IFRS9 standard, the given asset is to be managed and valued. The assets can be allocated to the following three categories:
 - Assets measured at amortized cost
 - Assets valued at fair value through other comprehensive income (FVOCI) – IFRS13,
 - Assets valued at fair value through profit and loss (FVPL) – IFRS13.
- According to the requirements of the IFRS9 standard, upon the initial recognition and on the reporting dates (last calendar day of the reporting month) the assets measured at amortized cost and the assets valued at fair value through other comprehensive income must be allocated to three stages by their credit risk or POCI category:
 - Stage 1 category contains the performing deals.
 - Those deals, which are performing, but compared to the initial recognition it shows significant increase in credit risk, must be categorized to Stage 2.
 - Stage 3 contains the non-performing (credit-impaired) deals.
 - Purchased or originated credit impaired assets are financial assets that are impaired already upon the initial recognition. These assets must be classified as POCI.

- In case of the Stage 1 deals 12-month credit losses must be calculated by the expectations of the default probability, for Stage 2 and Stage 3 deals lifetime expected losses must be calculated as impairment.
- Depending on the item, assessment based on the following aspects:
 - client and counterparty rating – financial situation, stability and income generation capability of the client or counterparty affected by the financial and investment service, and any changes in these factors;
 - the repayment schedule (overdue days) – patterns of delay on principal and interest payment related to the amortization of the outstanding debt, regular fulfillment of the payment obligation;
 - status of restructuring risk contract;
 - sovereign risk and changes in the sovereign risk associated with the client (both political risk and transfer risk);
 - value, marketability and availability of the securities pledged as collateral and any changes in them;
 - marketability of the item (market demand and supply, achievable market prices, share in the issuer's equity in proportion to the size of the investment),
 - future payment obligation, which qualifies as a loss originating from the item,
 - significant increase in credit risk compared to the initial recognition.
- Probable future losses on the item are determined on a case-by-case basis, in consideration of the above aspects as applicable. If this amount is lower than the amount recognized on the item earlier, it has to be supplemented by the amount of the difference by recognizing a further amount of impairment, or if it is higher, it has to be reduced by the release of the existing amount of impairment.
- The OTP Bank Group distinguishes two types of days past due (hereinafter: DPD) measurement methods: (1) DPD regardless of the overdue amount, (2) default DPD.
- In case of DPD regardless of the overdue amount the start date of measuring the delay is the due date when the client fails to fulfil his payment obligation specified in the contract. In case the client performed a repayment in case of its overdue amount partially, the amount paid should be deducted from its oldest overdue credit obligation. The calculation of days past due stops if the delayed amount in which the measurement of the delay has started has been repaid in full. The calculation of days past due should be restarted if the client fails to fulfil its payment obligation.

- In case of default DPD the start date of the calculation of the delay is the date on which the customer's past due credit obligation is considered significant, namely the overdue credit obligation arising from the credit contract has exceeded the materiality threshold. The default based past due calculation is ceased if the customer's past due credit obligation falls under the materiality threshold. The default based past due calculation restarts in case the past due credit obligation exceeds the materiality threshold applicable in the relevant segment.
- The default status is determined based on default DPD. Default DPD should be used in case of the default identification process only. The Bank uses DPD regardless of the overdue amount in its other processes.
- According to the CRR a default shall be considered to have occurred with regard to a particular obligor when either or both of the following events have taken place:
 - the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security
 - the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.
- If the debts are past due more than 90 days and it derives from non-lending type contracts do not qualify as default event. That is, the debts from non-lending type contracts do not qualify as default event.
- Those debt that are past due more than 90 days based on DPD regardless of the overdue amount, but the default DPD is less than 90 days, the default status is not determined automatically as the default DPD is used in the default identification process.
- A credit risk exposure shall be considered as restructured:
 - considering the current or future financial difficulties of the client the institution
 - provides a concession/allowance in respect of the contract originating the exposure (and this would not be done if the client would not have financial difficulties)
- Based on Article 178(3)(d) of the CRR distressed restructuring of a transaction results in the transaction acquiring non-performing forbore status and default status. The conditions for establishing non-performing forbore status are as follows:
 - The exposure is defaulted or impaired upon the restructuring; or
 - Upon the restructuring measure there is a significant NPV loss compared to the original cash flows, which means:
 - Retail segment (except retail enterprise): such restructuring measure is applied which contains any principal and/or interest and/or fee release or reduction in favor of the client; or

- Non-retail segment and retail enterprise: if after the restructuring a material NPV loss (1%) can be expected from the exposure (compared to the original cash flow). It is determined in an individual decision whether a material NPV loss exists; or
- A non-performing forbore status exposure once again acquires non-performing status, after having acquired performing forbore status previously, if during the probation period it falls past due over 30 days or it is repeatedly restructured; or
- A performing forbore status exposure becomes defaulted or impaired.
- The calculation of credit losses may be carried out on an individual or collective basis.
- **Portfolio (collective) assessment**
 - The collective assessment based on the following parameters: probability of defaults, cure rate, loss given default. The condition of applying collective assessment is that the assets should be allocable to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfill contractual obligations. The most important variables of the assessment procedure are payment delay, deal/client rating, the restructuring information and the default status.
 - Upon estimating the future cash flows related to the group(s) of financial assets, the historic credit loss data of the assets representing similar credit risk, the macroeconomic factors and information on the future of financial instruments must be taken into account.
 - The Group member shall measure expected credit losses of a financial asset in a way that reflects:
 - an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
- **Individual assessment**
 - Receivables that are of significant amount on a stand-alone basis with objective evidence of impairment or that the risk management functional area subjected to individual assessment based on monitoring information must be measured individually:
 - The cash flows expected from the financial instruments must be defined, which has to be based on at least two scenarios.
 - Valuation and revaluation of collaterals is crucial, discounting the cash-flows from the sale of collaterals is an important part of individual assessment.
 - The defined cash flows must be discounted to the present value.

- The impairment of the financial instrument is taking into account the riskiness of cash flows and individual collateralization.
- The individual cash-flow estimation also has to be forward looking, which has to contain the information about the macroeconomic environment and the future of the financial instruments.
- If there is a significant change in the credit risk of a financial asset, the impairment calculation must be reviewed taking into account the new information and risks.
- Changes in impairment of loan portfolio are presented in in the following notes of the financial statement:
 - changes of impairment regarding “Placements with other banks” in Note 5.
 - changes of impairment regarding “Securities at amortised cost” in Note 10.
 - changes of impairment regarding “Loans” in Note 8.

I.6. Exposures in equities not included in the trading book

I.6.1. Trading purposes, valuation methods

Aspects of classification for trading purposes:

According to the Regulation of OTP Bank Plc. on Keeping of the Trading Book and Determining the Capital Requirements the trading book contains:

the positions of the financial assets belonging to held-for-trading portfolio, related to investment or financial services, which are exposed primarily to market risks and

the risk assumption related to them.

The classification into the trading book has the following criteria:

The financial assets have to be classified into the trading book in accordance with the accounting policy.

Those positions of the financial assets have to be classified into the trading book which are purchased by OTP Bank Plc. for realizing a short term gain due to the price difference between the purchase and selling price or due to changes of the interest rates.

The repo transactions held for trading have to be classified into the trading book.

The shares purchased by OTP Bank Plc. with no investment purpose have to be classified into the trading book.

According to the Investment Regulation of the Bank the long-term investments are financial instruments (Interests in Entities) purchased or founded for the purposes of providing the strategic (furthermore gaining ability to influence, direct, control another company) purpose of the Bank, providing the banking activities (as financial enterprise) and the banking operations (as incremental subsidiary), and shares in other financial intermediaries and in financial auxiliaries institutions.

Long-term investments can be classified as it follows:

The OTP Group which is the complex entirety of the OTP Bank and the enterprises closely affiliated (qualified as dominant influence or participation) with OTP Bank.

Other capital investments which operate under the direct ownership of the Bank, but not belong to the OTP Group.

In the financial statements of the Bank long-term investments are presented among Investments in subsidiaries and associates. Investments in subsidiaries comprise those investments where the Bank, through direct and indirect ownership interest, controls the investee.

Accounting and valuation methods:

Investments in subsidiaries, associates are recorded at the cost of acquisition, less impairment for permanent diminution in value, when appropriate. After initial measurement investments in subsidiaries and associates are measured at cost, in the case of foreign currency denominated investments for the measurement the Bank uses the exchange rate at the date of transaction.

Impairment is determined based on the future economic benefits of the investment and macroeconomic factors. The Bank calculates the fair value based on discounted cash-flow model. The 3 year period explicit cash-flow model serves as a basis for the impairment test by which the Bank defines the impairment need on investment in subsidiaries based on the strategic factors and financial data of its cash-generating units.

I.6.2. Exposures in equities not included in the trading book on 31st December 2025

Chart 7: Exposures in equities not included in the trading book according to IFRS on 31st December 2025

Number	Entity	Balance sheet value	Listed (Exchange d-traded)	Number	Entity	Balance sheet value	Listed (Exchange d-traded)
(in HUF million)				(in HUF million)			
1	ABE Clearing SAS	0	No	89	MIN Holding Nis v.a.	0	No
2	ALGORITHM INVEST Ltd.	4 467	No	90	MTT Tejt Ltd.	0	No
3	AY BANKA LONDON u.k.v.i.s.d.j.	0	No	91	Metastac AD Gornji Milanovac	2	No
4	Acis Lume GPS s.r.l.	11 584	No	92	Mindgram s.p. z o.o.	174	No
5	Agrobanke a.d. in bankruptcy	0	No	93	Montair A.D.	0	No
6	Agro Szatok Ltd.	360	No	94	Montenegroberza ad	42	Yes
7	Agro Szade Ltd.	3	No	95	Mortgage refinancing Company of Uzbekistan	1 271	No
8	Auctioneer s. r. o.	19	No	96	MOZSI ÖNTÖZŐFÜRT Ltd.	2	No
9	BAKONYIMGSZ. Ltd.	7	No	97	NAGISZ-NOVÉNY Ltd.	931	No
10	BAKONYKERT Ltd.	76	No	98	NAGISZ-TEJ Ltd.	1 730	No
11	BANKART PROCESIRANJE PLACNIH INSTRUMENTOV D.O.O., LJUBLJANA	7 219	No	99	NGY Proprietors Investment SRL	10 862	No
12	BC Banca Societa SA	0	No	100	NORBR B.V.	407	No
13	BC Moldindconbank SA	0	No	101	New Frontier Technology Invest SARL	7 856	No
14	BC Moldova Agroindbank SA	0	No	102	NovaKd Inc.	1 811	No
15	BC Victoriabank SA	0	No	103	NAD GEPI Ltd.	4	No
16	BIG-PIG Leffelegesi Állattenyésztő Ltd.	1 069	No	104	NADÉP Ltd.	126	No
17	BULGARLEASING JSC	0	No	105	OJSC Saint Petersburg Exchange	4	No
18	Banza Cloud Ltd. "u.l."	0	No	106	Nutrition Partner Ltd.	7 727	No
19	Biraol de Credit SRL	20	No	107	OTP Immobilien Verwaltung GmbH	3 228	No
20	Bodoznasi Maribor d.o.o.	0	No	108	OTP Nedvizhnost OOO	57	No
21	BORICA AD	3 163	No	109	OTP Vendéglátás és Hoteleszolgáltatás Szervező Ltd.	3	No
22	Budapest Stock Exchange Plc.	122	No	110	OTP Utakészítési és Helyi Készítési Ltd.	9	No
23	Bulgarian Stock exchange AD	43	No	111	OTK-Partner Ltd.	1 871	No
24	Bursa de Valori a Moldovei SA	0	No	112	Ontext AD	742	No
25	BURSA INTERNAȚIONALĂ A MOLDOVEI	19	No	113	Orbánhegyi Szőlőbirtok limited partnership	0	No
26	Central Depository AD	72	No	114	PACTUM AI INC	1 573	No
27	Centraalna depozitarny agency a.d.	55	No	115	PANNON VAD 2003. Ltd.	10	No
28	CodeCool Ltd.	743	No	116	PEGO, TOVARNA OBUJVE, D.D. - V STECAJU	0	No
29	COLLISON (ASPA) PTE. LTD.	0	No	117	PHOENIX RAY INVEST Closed Co. Plc.	6 151	No
30	Collison SAS	0	No	118	Packhelp Spółka Akcyjna	0	No
31	Commissia Inc.	2 067	No	119	Pannon Ltd Ltd.	10	No
32	Company for Cash Services AD	392	No	120	Peplia Group Closed Co. Ltd.	5 321	No
33	Cursor Insight LTD	35	No	121	Pivka Peruninarstvo d.d.	2	No
34	D-EG Thermoset Építésgépészeti Áruház Ltd. "u.l."	0	No	122	Pokojniska družba A d.d.	423	No
35	DUNAVSKO PROJEK CENTAR Beograd	0	No	123	Privredna banka a.d. - in bankruptcy	0	No
36	Deligo Vision Technologies Ltd.	456	No	124	Pénzügykustós Closed Co. Plc.	0	No
37	Dinghy Sport Club Hungary Ltd.	12	No	125	REGA GENALMA MONS NSAD	0	No
38	Dé-Pé Rusz Ltd.	1 569	No	126	Razvojna banka Vojvodine a.d. - in bankruptcy	0	No
39	Dél-borsodi Gazdák Ltd.	4	No	127	Recreations AD Beograd	13	No
40	destbird AG	1 399	No	128	Renewabi Ltd	46	No
41	EUROAXIS BANK MOSKVA in bankruptcy	0	No	129	Romándi Agro Ltd.	3	No
42	Edrone spółka z ograniczoną odpowiedzialnością	932	No	130	SAVA D.D.	462	No
43	ELEKTRO MARIBOR D.D.	83	No	131	S.W.J.F.T. SCRL	274	No
44	Elektroprivreda Crne Gore ad Nikšić	111	No	132	SC AS Tourism SRL	2 666	No
45	Elis Alkotmány Utcai Ingatlanhasznosító Ltd.	0	No	133	SEH PARTNER Ltd.	4 569	No
46	"EGERTEC" Ltd.	8	No	134	SLOBODNA CARINSKA ZONA NOVISAD	23	No
47	FABETKER Ltd.	3	No	135	SKUPNA PRVA, ZAVAROVALNIŠKI HOLDING, D.D.	51	No
48	FAPEF-PTO Ltd.	120	No	136	SOMBORSATAN DOO SOMBOR	1	No
49	FINTECH CEE Software Invest Ltd.	2 176	No	137	SOMBESZ Cooperative	0	No
50	Finservice LLC	0	No	138	SPC MLENIM VRSAC	16	No
51	Finshape Hungary Ltd.	4 191	No	139	SUS 28. Ltd.	30	No
52	Finshape Czechia s.r.o.	4 065	No	140	Seon Holdings Ltd.	21 464	No
53	Finshape France	0	No	141	Sklad za reševanje bank	25 613	No
54	Fintech MSK Ltd.	3 609	No	142	Sky Towers Partner Ltd.	12 234	No
55	First Ukrainian Credit Bureau LLC	0	No	143	Srednja depozitarna agencija d.d.	8	No
56	Flow X.AI., Inc	2 135	No	144	Shopper Park Plus Plc.	11 064	Yes
57	Friedland Campina Hungaria Co. Plc.	1	No	145	Shopping Malls SVK s.r.o.	602	No
58	Fűművelő Agro Ltd.	2	No	146	Sidpart Agro Ltd.	2	No
59	GM Agrár Ltd.	3	No	147	Sidpart Gazda limited partnership	0	No
60	GRELEGER Baromifellelő és Értékesítő Ltd.	736	No	148	SIOVOLGYEY Ltd.	689	No
61	Garanika Credit Guarantee Closed Co. Ltd., by Shares	260	No	149	Slovágye Agro Ltd.	1	No
62	Giganci Programowania sp. z o.o.	1 836	No	150	Simplebiztosító.hu Closed Co. Ltd.	263	No
63	GymBeam s.r.o.	7 661	No	151	Szajkómenti Gazda limited partnership	0	No
64	HAGE INVEST Ltd.	450	No	152	Szalmacel Ltd.	0	No
65	HORTULANUS Ltd.	2	No	153	Székszárdi Lézár Pincészet Ltd.	309	No
66	HROK d.o.o.	103	No	154	TRŽŠTE NOVCA AD BEOGRAD	0	No
67	HRVATSKI NOGOMETNI KLUB HAJDUK SPLIT Š.D.D.	0	No	155	TSP Partner Hungary Ltd.	1 094	No
68	HUNGAROMAT Ltd.	0	No	156	Terményrelátó Ltd.	99	No
69	Hajlúági Gabonakeri Closed Co. Plc.	1	No	157	Tiney Limited	956	No
70	Hajlúági Agrárintegrációs Ltd.	0	No	158	Tree.ly FlexCo	501	No
71	Ingatlanvagyon Projekt 14. Ltd.	4	No	159	Überek Agro Ltd.	139	No
72	Intreprimera mixta Tirox Petrol SA	0	No	160	ÜBÉREK Ltd.	1	No
73	VIP-7 CONSULTAD	0	No	161	U Holdings S.A.R.L	9 853	No
74	Investment Company "OG Broker-Dealer" JSC	0	No	162	VCC Live Group Ltd.	1 500	No
75	Istárska autorcesta d.d.	6	No	163	VISA Incorporated	36 301	No
76	I-gem.hu Ltd.	43	No	164	Vesta United Regional Registrar OJSC	0	No
77	IMKON Suguria JSC	2 313	No	165	VAR Ltd.	92	No
78	IRHYGENIA Ltd.	121	No	166	ZA Gamma-Agro Ltd.	3	No
79	Ipoteka Leasing LLC	1 794	No	167	ZITOSREMA INDIA	3	No
80	J2B Ltd.	963	No	168	ZM NAGISZ Ltd.	665	No
81	JSC PPTS	0	No	169	Zagrebačka burza d.d.EUR	302	No
82	JSC Settlement Center	0	No	170	ANT-KER Ltd.	882	No
83	KÖZVIL Ész Magyar Kávitalézási Closed Co. Plc.	0	No	171	"13.Jul.-Plantaze" a.d. Podgorica	1 269	Yes
84	Kodesage Ltd.	578	No	172	4F Health Partner Ltd.	9 039	No
85	KNOWUNTY GMBH	1 605	No	173	Észak Magyarországi Juhtermékesítő Ltd.	0	No
86	Limited Liability Company "BSC MSK"	2 323	No	174	OOO "OTP AVTOSANDAT FINANCE"	67	No
87	MEBEFA Offi Vagyonezes Ltd.	1	No	175	4TEJO Group spółka z ograniczoną odpowiedzialnością	6 751	No
88	METANOLSKO SIROETNI KOMBINAT KIKINDA	0	No				

The consolidated loss realised from sales and liquidations relating to exposures in equities not included in the trading book was HUF 273 million related to 31.12.2025.

I.7. Remuneration policy

I.7.1. Decision-making process applied in determining the remuneration policy

The Supervisory Board of OTP Bank Plc. – within the framework approved by the Bank's General Meeting – makes a decision about accepting the Bank Group's Remuneration Policy, approves its amendment and takes responsibility for its review. OTP Bank Plc.'s Supervisory Board consults with all the units of OTP Bank that are significant in terms of corporate governance with regard to drafting the Banking Group's Remuneration Policy.

OTP Bank Plc.'s Supervisory Board has the right to modify the Remuneration Policy with the exception of matters that by law are subject to the competence of the General Meeting, with the proviso that it shall notify all the subsidiaries of the OTP Banking Group on the amendment immediately and/or that it shall notify the shareholders at OTP Bank Plc.'s next General Meeting.

The Board of Directors of OTP Bank Plc. is responsible for the implementation of the Banking Group's Remuneration Policy.

The provisions of the Banking Group's Remuneration Policy, as well as the regulations related to it and their implementation, must be checked by OTP Bank Plc.'s Internal Audit department at least once a year, no later than by 31 March, and a report on the matter must be prepared for OTP Bank Plc.'s Board of Directors, Supervisory Board and Remuneration Committee.

OTP Bank Plc.'s Remuneration Committee oversees the remuneration of the managers who are responsible for risk management and legal compliance – including the employees, who are responsible for internal control - and prepares remuneration decisions by taking into account the long-term interests of shareholders, investors and other stakeholders of the credit institution.

OTP Bank Plc.'s Remuneration Committee makes recommendations to the Supervisory Board of OTP Bank Plc. regarding the remuneration of the Board of Directors of OTP Bank Plc. and provides support and advice with respect to drafting the Bank Group's comprehensive remuneration policy and checking the planning and operation of the remuneration system.

OTP Bank Plc.'s Remuneration Committee consists of 3-7 members (chairman and at least two other members) appointed by the Board of Directors from among its own members, taking into consideration that the members cannot be employed by the bank. The Remuneration Committee held sessions and voted in writing fifteen times in 2025 and carried out its activities without an external consultant.

OTP Bank Plc.'s Risk Assumption and Risk Management Committee's tasks include the examination of the remuneration policy from a perspective where the incentive elements of the designed remuneration system takes into consideration the risks, the capital and liquidity situation of the credit institution, as well as the probability and sequence of incomes. The Risk Assumption

and Risk Management Committee also participates in the identification procedure necessary for the determination of the personal scope of the Banking Group's Remuneration Policy.

OTP Bank Plc's Risk Assumption and Risk Management Committee consists of at least 3 members (chairman and at least two other members) appointed by the Board of Directors from among its own members, taking into consideration that the members cannot be employed by the bank.

The detailed description of the tasks and responsibilities related to the operation of the Bank Group's Remuneration Policy is contained in the effective rules of procedure of the individual bodies.

In 2025, there were no substantive changes in the regulation pertaining to the Banking Group's Remuneration Policy, the adjustments made primarily focused on strengthening regulatory compliance related to the remuneration of internal control functions. It can be concluded that the operation of the remuneration system was adequate in 2025 as well.

I.7.2. Scope of the remuneration policy

The rules of the Banking Group's Remuneration Policy shall be applied in OTP Bank Plc and in all Banking Group Subsidiaries under the consolidated supervision of the Hungarian National Bank where identified employees are employed. The identification of the identified employees was based on the provisions of Commission Regulation 2021/923 (RTS), with that the Supervisory Board of OTP Bank Plc also takes into consideration additional risk aspects in the identification process. For the sake of proportionality, OTP Bank Plc classifies all the Banking Group Subsidiaries into low, medium or high risk categories based on a combination of balance sheet total, net earnings for the year and the complexity of the business. The Supervisory Board of OTP Bank Plc identifies the managers of the high-risk Banking Group Subsidiaries under the consolidated level personal scope of the Banking Group's Remuneration Policy even if it is not required by RTS regulations. Sub-consolidated and local level identification of employees takes place when the employee concerned does not have decision-making power and competence over the entire Banking Group, and his or her professional activities may affect only a particular Banking Group Subsidiary or a sub-consolidated group controlled by that subsidiary. Identified employees employed by OTP Bank Plc – with respect to group responsibility – are identified at consolidated level.

The provisions of the Banking Group's Remuneration Policy shall be applied to the group of persons identified on the basis of the above criteria, having a significant impact on the risk profile through their professional activities. The provisions of the Banking Group's Remuneration Policy (deferral, share-based payment, ex ante and ex post risk adjustment) and the involvement of the Risk Assumption and Risk Management Committee in the development of the incentive elements of the remuneration system facilitate the efficient and effective risk management of OTP Bank Plc.

For proportionate application, those identified employees may be exempted from the application of the deferred and share-based payment rules whose annual performance-based remuneration does not exceed HUF 17 500 000 and 33.33% of the total remuneration. It is not possible to apply this rule to OTP Bank Plc.'s Chairman of the Board of Directors, CEO, Deputy CEOs, executive directors leading independent directorates, directors and heads of regions, Level 1 and 2 managers of the institutions qualifying as material business units operating in the group, Level 1 managers of institutions that do not qualify as material business units in the group. Employees of banking group subsidiaries that are not significant institutions may also be exempted from the application of deferral and share-based payment rules. A banking group subsidiary is considered to be a significant institution if the average balance sheet total of the institution at the end of the previous four years reaches or exceeds HUF 1,500 billion or it qualifies as a large credit institution according to the CRR.

Banking Group Subsidiaries which are classified as institutions may adopt local remuneration policies based on the Banking Group's Remuneration Policy. As a general rule, the local remuneration policies of the Banking Group Subsidiaries shall not deviate from the rules and principles set forth in the Banking Group's Remuneration Policy, except to the extent required by local laws or regulatory requirements. Approval of the Supervisory Board of OTP Bank Plc. is the precondition of the application of the local remuneration policies deviating from the Banking Group's Remuneration Policy as a general rule, thereby ensuring consistency between the Banking Group's Remuneration Policy and local remuneration policies.

I.7.3. Relationship between performance and performance-based remuneration

The most important principle of the Bank Group's Remuneration Policy is that the amount of performance-based remuneration – with the ex-ante and ex-post assessment of the associated risks – is tied to the extent by which the objectives of the Bank Group/Bank/subsidiary and the individual are realised. The amount of the performance-based remuneration is determined on the basis of a joint assessment of the objectives.

In respect of the personal scope under the effect of the Banking Group's Remuneration Policy, performance evaluation, as a general rule, is based on individual agreements. Performance expectations are determined in a predefined indicator structure at Banking Group/Bank/subsidiary, organisational, managerial and job level and/or in terms of target tasks, taking into account the differences stemming from the nature of the activities of the Bank's individual units.

In the case of managers employed by OTP Bank Plc., the key performance evaluation indicators include:

- the banking group-level (domestic and foreign companies that operated as group members under consolidated supervision in the whole evaluated business year) RORAC+, which indicates the return on equity in relation to the cost of equity, as well as
- criteria that measure institutional and individual performance (financial indicators and indicators measuring the quality of work performance).

In the case of the managers of the Banking Group Subsidiaries, performance evaluation is conducted in a differentiated manner based on the nature of the companies' activities.

The key indicator (RORAC+) is based on the prevailing annual financial plan. The proposal about the evaluated business year target value of the key indicator should be submitted to the Supervisory Board of OTP Bank Plc. The target value may be modified in response to a change in the statutory regulations and/or a change in market circumstances that occurs after the target value is determined and that has a significant objective impact on the Bank's profit and/or attainment of the target value.

I.7.4. Ratio of fixed to performance-based remuneration

The members of the Board of Directors and the Supervisory Board in their function get fix honorarium and do not receive performance-based remuneration.

The remuneration of the various positions of additional persons belonging to the scope of the Banking Group's Remuneration Policy comprises of a fixed and a performance-based remuneration element. The main elements of fixed remuneration are basic salary and honorarium in the form of monetary allowance or ordinary shares issued by OTP Bank.

The proportion of the fixed and performance-based remuneration is defined in a way so that it properly reflects the function, size and complexity of the managed organisation. The ratio of performance-based remuneration shall not exceed 100 % of the fixed remuneration in the case of any of the individuals concerned.

The minimum and maximum ratios of performance-based remuneration for the Banking Group Subsidiaries, depending on the organizational level – and in the case of institutions, the organizational function as well – are defined in the Remuneration Guidelines of OTP Bank Plc, deviations from these bands may only be made in cases duly justified by labour market reasons. The bands for employees with control functions – in order to make their remuneration less dependent on the performance of the business units they control – are lower than those for employees in business and support functions. The lower bands promote that the remuneration of the employees performing control functions is predominantly or exclusively composed of basic salary. In the case of OTP Bank Plc, the applicable proportion of the performance-based remuneration is individually considered by the Supervisory Board based on the function, size and complexity of the managed organization.

1.7.5. Criteria of variable remuneration

At Banking Group level, the maximum amount available for performance-based remuneration in a given year is determined by OTP Bank Plc.'s Supervisory Board. OTP Bank Plc. uses the combined method when determining the amount of the performance-based remuneration (variable remuneration), with the proviso that the maximum amount available for performance-based remuneration is determined in line with the Banking Group's capital position and its expected financial performance. As mentioned above, the Supervisory Board may decide to establish an extraordinary bonus pool in case of an extraordinary business performance in the previous business year. In the case of an exceptional individual performance, the executive or the employee may also receive a payment within the general bonus pool in excess of the performance-based remuneration ratio established for the general bonus pool, but not in excess of the performance-based remuneration ratio determined for the case of the joint establishment of the general and extraordinary bonus pools, provided that such payment is covered by the general bonus pool.

Banking Group level and individual performances are evaluated once a year. At Banking Group level the maximum amount of performance-based remuneration in a given year in relation to the general bonus pool and potentially the extraordinary bonus pool and the amount broken down by individuals are determined within 45 days after the date of the General Meeting of OTP Bank Plc. that closes the evaluated year.

As a general rule, the performance-based variable remuneration is provided in the form of a cash bonus and as share based allowance, in a 50-50% ratio. As a general rule, in the personal scope identified on consolidated level the share based allowance, in accordance with the decision of the individual, is settled as remuneration converted into shares or as preferentially priced share allowance. In the case of subsidiaries outside Hungary, for the consolidated level identified personal scope the share based allowance is provided in the form of such a cash-based payment, as if - in accordance with the decision of the individual - the settlement of the remuneration converted into shares or the preferentially priced share allowance would take place (so called virtual share allocation). In respect of sub-consolidated and local level identified personal scope in Hungary, the share based allowance is provided in the form of remuneration converted into shares. In respect of sub-consolidated and local level identified personal scope in foreign subsidiaries, the share based allowance is provided as such a cash-based payment, as if the settlement of the remuneration converted into shares would take place (so called virtual share allocation). The number of shares available for share allocation as remuneration converted into shares broken down to individuals is to be determined on the basis of the amount of the share-based performance remuneration divided by the share price as at the date of the Supervisory Board decision. The number of shares available for preferentially priced share allowance broken down to individuals is to be determined on the basis of the amount of the share-based performance remuneration divided

by the value of the preferentially priced share allowance as at the date of the Supervisory Board decision.

The share price and the value of the preferentially priced share allowance as at the date of the Supervisory Board decision is established by OTP Bank's Supervisory Board as the average of the daily average prices of the ordinary shares issued by OTP Bank Plc. recorded on the Budapest Stock Exchange on the three trading days preceding the day of the Supervisory Board decision. The due part of the performance based remuneration, not depending on the exercise of the share allocation, must be settled in 10 days counted from the Supervisory Board decision, but not later than until 30th June of the year when the payment is due.

The share allocation at a reduced price may include a maximum allowance of HUF 6,000 per share on the date of Supervisory Board decision and the income content realisable per share shall equal the smaller of the amount specified by the Supervisory Board of OTP Bank Plc. as at the date of the exercising the share allocation or HUF 12,000. The conditions of the share based remuneration are determined by the Supervisory Board of OTP Bank Plc. within the frames defined by the Annual General Meeting. In respect of the personal scope in Hungary, as a general rule, the share-based portion of variable remuneration is provided by OTP Bank Plc. to those concerned, while in the personal scope outside Hungary virtual share allocation is applied.

The identified employees of OTP Bank Plc., OTP Mortgage Bank Ltd., OTP Building Society Ltd., Merkantil Bank Ltd., OTP Asset Management SAI S.A., OTP Factoring Ltd., OTP Real Estate Investment Fund Management Ltd., OTP Real Estate Ltd., OTP Pénzügyi Pont Ltd., Merkantil Bill and Property Investments Bank Ltd. and OTP Real Estate Leasing Ltd. by their own will, are entitled to participate in OTP Bank ESOP Organization, in which case they can acquire a member's share up to the value of their performance-based remuneration under the general bonus pool within the ESOP Organization. For the identified persons participating in OTP Bank ESOP Organization the settlement of the performance based remuneration, in case of the fulfilment of the conditions, is provided by the ESOP Organization, up to the value of the member's share.

Pursuant to the general rule that is in line with the provisions of the Credit Institutions Act, in the identified personal scope 40% of the variable remuneration (or 60% above the organizational and income levels defined in the regulation) is deferred for 4 years – in the case of the Chairman of the Board of Directors, the CEO and deputy-CEOs of OTP Bank Plc. for 5 year –, within which period the extent of the deferred payment shall be identical every year. Pursuant to the regulations, the stricter deferral of 60% applies to the Chairman of the Board of Directors, the CEO of OTP Bank Plc., the deputy CEOs, as well as the employees employed at the executive level according to the job system of OTP Bank Plc.

Entitlement to the deferred instalments is determined based on a subsequent assessment of the risks. The assessment of risks takes place, on one hand, on the basis of quantitative criteria pertaining to prudent operations and, on the other hand, on qualitative evaluation criteria. On the basis of the values of the criteria of prudent operation, OTP Bank Plc.'s Supervisory Board resolves on the possibility to pay deferred instalments. Based on the assessment of the risks related to the activities of those concerned, the deferred portion of the performance-based remuneration may be reduced or cancelled. As a general rule, an additional condition for entitlement to the deferred instalments is the existence of the employment relationship.

If the person in a managerial position or if the employee has been involved in any practice that caused a significant loss, and/or is not up to the requirements pertaining to suitability or conformity, the Supervisory Board of OTP Bank Plc. is entitled to make the required decision on claiming back the performance-based remuneration booked for/paid to the individual concerned in regard to the period affected by the circumstance resulting in the claiming back of the remuneration. In addition to as specified in paragraph performance-based remuneration paid to the individual earlier on is refunded if the individual is found to have committed a criminal act or in the case of such serious omission, abuse or defect that had significantly deteriorated the creditworthiness and/or profitability of the institution. Decisions on claw back shall be taken by the Supervisory Board of OTP Bank Plc.

I.7.6. Quantitative information on the remuneration policy

Quantitative information on the remuneration policy required by the regulation is provided in the attached Excel tables REM1-REM5.

I.8. Liquidity risk

The Bank managing the liquidity risk exposure by (i) accumulating appropriate amount of high quality liquidity reserves, (ii) developing advanced risk management methodology that models the relevant risk exposure in a proper and prudent way, (iii) applying transparent processes and workflows that are straightforward from authority and responsibility point of view therefore they minimize operational risks and (iv) exercising frequent high quality management reporting that provides the adequate scale and scope of insight for economically reasoned decision making.

Within the risk management function, according to the industrial best practice, the strategic risk management and the risk measurement as well as risk control are separated functions. In the recent period, developments within the organizational framework have consistently signaled a deliberate shift toward the enhancement and reinforcement of the control environment. Responsibilities for the risk measurement and risk methodology development lie with the Market Risk Department in Enterprise Risk Directorate. The long term strategic risk management functions are the responsibility of Asset-liability Management Directorate (ALM) in Strategic and Financial Division, while the daily liquidity management process is executed by Treasury in the Commercial Banking Division.

The Enterprise Risk Directorate and the ALM Directorate prepares liquidity risk related standard reports for ALCO on a monthly basis. The report contains the quantitative and qualitative ex post assessment of risk measurement and management process and contains proposals in connection with the future challenges that require ALCO approved actions to deal with.

The internal regulation on liquidity risk management is approved by ALCO after the standard annual revision process of the risk management methodology.

Quarterly report is presented to the Executive Steering Committee where the evolution of liquidity risk profile analyzed in a way that makes the management certain of that risk appetite and risk tolerance are in harmony. ALM Policy is approved by the Board of Directors on a yearly basis.

Annual report is presented to the Board of Directors which contains key topics that affected the risk profile of the bank and the findings of internal end regulatory audits. By approving the annual report the Board of Directors validates the appropriateness of the risk management framework.

The principle of liquidity risk management is that a considerable part of risks is covered by a joint liquidity pool, which offers instant and flexible access for the parent bank and its subsidiaries, while subsidiaries shall build their own liquidity reserve for the risks that are difficult to measure and manage from the center. It is a common feature of the Group's centralized and decentralized methodological framework to compare the quantity of available high-quality reliable liquidity to the risk exposure considered to be relevant.

Liquidity reserve consists of assets that can be quickly converted into cash because of their maturity, or their eligibility for covered financing (repo), therefore they can be used to meet financial obligations, expected or unforeseeable, when they are due. The main components of the liquid asset portfolio include the central bank placements, government securities and mortgage bonds, a smaller share of corporate bonds eligible for central bank repo and money market placements. Using the conservative approach of liquidity management, the expected cashflows of maturing client loan portfolio are not considered as safe liquidity.

The Group's liquidity reserves appear at two levels of hierarchy: in the liquidity pool, and at the subsidiary banks. The minimum liquid asset volume required at either level depends on the size of the risk exposure to be covered.

According to the liquidity strategy the liquidity reserves have to cover the relevant exposure on multiple time horizons (1 month, 3 months). The reserves have to provide coverage under normal business conditions for debt maturities within one year and for the estimated liquidity need of potential liquidity reducing shocks on the applied time horizons.

Under the applied risk management framework the following risk factors have been identified and assessed: (i) business shock (deposit withdrawal and credit line utilization) (ii) market rate shock (interest rates and FX rates) and (iii) renewal risk (capital market debt maturities).

The declaration about the appropriateness of the liquidity risk management can be found in the Annex 2. The Asset –Liability Committee, approved the declaration.

Based on the (47) paragraph of the 15/2018.- THH – 6212. internal regulation, the information described in the 2. table of the 2. Annex of 9/2017 (VIII.8) proposal of National Bank of Hungary are not disclosed in this document, because they do not have significant effect due to the following:

- Significantly high LCR ratio
- Significant outflow is not expected
- Significant change in LCR is not expected
- OTP Group does not use fund from the market

OTP only uses the items in the LCR table to calculate the liquidity ratio. The impact of the change in the net long-term subsidiary funding position was neutral. The decreasing yield environment contributed to an increase in the HQLA portfolio, while movements in the EUR/HUF exchange rate exerted a reducing effect on the size of the HQLA stock, which was further worsened by the capital market transactions carried out during the year. As a result, the stock of High-Quality Liquid assets

(HQLA) decreased. Furthermore, the increase in business activity led to higher net outflows. The LCR buffer above the 100% regulatory level reached EUR 18.0 billion in the fourth quarter of 2025.

The robust characteristic of the funding profile dominated by customer deposits has persisted in the recent period as well, and the funding risk remains low due to the low concentration on the liability side. The liquidity risk associated with derivative exposures remains low compared to the size of OTP. Thanks to the significant volume of total foreign exchange reserves and the well-functioning foreign exchange swap market, OTP can enforce the aspects of efficient liquid asset portfolio management.

I.8.1. Quantitative information on liquidity risk

Quantitative information on liquidity risk required by the regulation is provided in the attached excel tables LIQ1 – LIQ2.

I.9. Disclosure of quantitative information

Quantitative information not included in this document is provided in excel in the Annex.

I.10. ESG module

I.10.1. Integrating ESG aspects in the operation of OTP Group

Roles and responsibilities of the governing bodies

ESG Committee is the core organizational body of OTP Group („OTP Group”, „Banking group”, „Group”, which incorporates subsidiaries included in the financial consolidation of OTP Bank Plc) that is responsible to oversee and manage sustainability-related matters, impacts, risks and opportunities. The ESG Committee is a standing committee, established by the Board of Directors in 2021. Since then, the Committee actively contributes to supporting sustainability-related initiatives and reporting assignments. The ESG Committee’s and ESG Sub-Committee’s roles and responsibilities are defined and incorporated into the corporate Organizational and Operational Regulation.

The management and supervisory bodies, supported by the top management, oversee the core procedures and hold the decision-making authority regarding material impacts, risks and opportunities, the ESG strategy (including the validation and approval of the determined sustainability goals and targets) and the integration of ESG initiatives into the Group’s Risk strategy.

OTP Group has defined key roles and responsibilities of the administrative, management and supervisory bodies related to the management and monitoring of material impacts, risks and opportunities across multiple organizational levels:

Supervisory Board

- Main control and supervisory body, which is regularly informed through written reports about strategically significant transactions and decisions, as well as all material matters submitted to the General Meeting.

Board of Directors

- Main executive and monitoring body, that receives a comprehensive quarterly report on the topics discussed at the quarterly ESG Committee meetings.
- Oversee the progress of ESG strategy and implementation of the MNB Green Recommendation.
- Has final validation role of double materiality assessment (DMA) results related to the annual sustainability report, ESG strategy, Risk strategy, sustainability-related policies, and the annual sustainability report.

ESG Committee

- Design ESG strategy, plans, and policies of OTP Group,
- Review and validation of the Group's DMA procedure and its results (involving the monitoring of impacts, risks, and opportunities),
- Assessing and monitoring climate-related, environmental, social and governance risks,
- Setting and evaluating sustainability-related goals and targets,
- Monitoring of sustainability reporting procedure,
- Review all ESG-related proposals before they are submitted to the governing body,
- Supporting management and governing bodies by informing and advising on ESG related matters,
- The Chairman of the ESG Committee is appointed by the Chairman from the members of the Board of Directors, and its members are the CEO, Deputy CEOs and elected directors of OTP Bank.
- Members of the ESG Committee are nominated based on their knowledge on sustainability impacts, risks and opportunities, while also external experts could be involved to support the Committee's work.

ESG Sub-Committee

- Serves as a permanent working body that supports the ESG Committee through coordination, consultation, and implementation activities. It plays a key role in providing technical expertise and operational support in sustainability-related matters.
- The Sub-Committee is led by the Managing Director of the Green Program Directorate, who also heads ESG business transformation within the Group.

Green Program Directorate

- Contributes to defining the OTP Group's sustainability, environmental and social ambitions in line with the ESG strategy, setting the related departmental objectives, supporting their implementation, and monitoring their progress
- Communicates with stakeholders, facilitates cross-divisional work
- Ensures regular reporting, focusing on budget, scope, schedule and dependencies
- Manages agenda for Operating & Steering Committees
- Supports delivery of projects with project management expertise
- Provides environmental expert competencies

ESG representatives of operational departments and subsidiaries

- Act as consultant/ expert contributor in various projects, supports delivery of projects with special domain expertise
- Active involvement in the double materiality assessment and sustainability reporting procedure,
- Supporting the identification and evaluation of material impacts, risks, and opportunities,
- Participating in the identification and management of ESG risks, the development and implementation of sustainability strategy and related policies,
- Supporting sustainability reporting procedure by providing information and monitoring the most relevant sustainability matters.

Risk Management Division

- Embedding ESG regulatory requirement into the risk-taking processes and mitigation techniques.
- Defining ESG methodologies, risk metrics, risk appetite and performance indicators, and ensuring necessary data collection for effective implementation.
- Integrating ESG risks across multiple risk categories.
- Preparing regular ESG Risk status reports for the Risk Exposure and Risk Management Committee and ESG Committee.

- Operating ESG Risk Forum to strengthen ESG alignment across risk domains.
- Cooperating with Green Program Directorate to ensure cross-functional consistency
- Integrating ESG risks into the ICAAP process

Integration of sustainability-related factors in performance evaluation

In performance evaluation, the measurement of specific sustainability-related objectives is done through the ESG and CSR indicator – as an individual indicator – which is considered a reference value. The ESG and CSR indicator, under the designation “Environmental and Social Responsibility (ESG-CSR)” carries a uniform weight of 5% in the performance evaluation of the Bank’s first- and second-level executives, Regional Directors, executives of foreign subsidiaries, and first-level executives of domestic subsidiaries directly supervised by OTP Bank Plc. (“OTP Bank”) that do not fall under the scope of the remuneration policy.

The indicator evaluates multiple aspects, including:

- achieving the goals set out in the ESG strategy
- applying significant ESG aspects during operations
- implementing them into own business processes and internal regulatory documents
- strengthening ESG awareness within the organization
- providing quality data for the sustainability/integrated report by the set deadline
- and properly operating CSR-related processes (especially adequately supporting CSR initiatives related to the professional’s field).

Climate-related considerations are considered as part of the ESG-CSR indicator for those covered by the Remuneration Policy. GHG emission reduction targets are not included in the performance evaluation.

Additional sustainability-related individual indicators are the following: The Banking Group measures compliance with the limits set in the Bank’s risk appetite statement (RAS) within the individual indicators for the Deputy CEOs responsible for business and risk management and the CEOs of the subsidiary banks. The weight of the individual indicator is at least 5% and at most 10%.

Based on Recommendation No. 11/2022 (VIII.2.) of the Hungarian National Bank (MNB), it is expected that by 2025 credit-quality criteria shall also be taken into account when determining the level of the variable component of the remuneration of employees involved in credit risk-taking. To fulfil this requirement, the Group applies the following:

- The indicator “Compliance with RAS limits” must be mandatorily applied with a minimum weight of 5% as an individual-level indicator for first-level executives of the Commercial Banking, Retail, and Risk Management Divisions.
- In the case of the first-level executive of Ipoteka Bank, where the application of the RAS limits indicator is currently not feasible due to data issues, the indicator has been formulated to strengthen the risk culture.
- For first-level executives of foreign subsidiaries, the indicator “Adherence to risk appetite statements and limits” must be mandatorily included in individual objectives, with a minimum weight of 10%.

Identification of ESG factors and risks

The Group conducts an annual double materiality assessment (DMA) for the preparation of its sustainability report in accordance with the Corporate Sustainability Reporting Directive (CSRD), in order to identify the Group’s significant positive and negative impacts on the environment and society, as well as the financial risks and opportunities arising from environmental and social factors. The most recent DMA process was carried out at Group level in the second quarter of 2025, in line with the European Sustainability Reporting Standards (ESRS), and included the following steps:

(1) Step 1 – Business understanding

OTP Group operates in multiple sectors to varying extents through its consolidated subsidiaries. Accordingly, the initial step of the double materiality assessment (DMA) was to identify consolidated entities’ main activities and evaluate their relevance from financial and impact perspective within the Group operation. To define core activities and map the type and nature of business relationships in own operation, upstream and downstream value chain, a detailed value chain analysis was conducted based on the most relevant economic activities and significant portfolio sectors of OTP Group. To identify the most influential downstream impacts and risks, portfolio analysis on environmental impacts was conducted in connection with OTP Group’s main revenue generating financial activity, corporate lending, to comprehensively identify potentially material sustainability topics and related impacts, risks and opportunities (IROs).

(2) Step 2 – Identification of potentially relevant sustainability matters

The second step focused on identifying a comprehensive list of sustainability topics, where material issues, IROs could arise in relation to own operation and value chain activities. The topics included on the list were determined based on the sustainability matters set out in paragraph AR16 of ESRS 1, as well as the benchmark analysis carried out by the Group. In addition, the topics suggested by the sector-specific standards of SASB were also considered.

(3) Step 3 – Categorization of ESG topics

As a result of the categorization, prioritization and validation of the ESG topics by OTP Group's internal ESG experts, a short-list was created to summarize the most relevant sustainability matters from the Group's perspective and to serve as the basis for identifying and assessing IROs.

(4) Step 4 – Identification and evaluation of IROs

Based on the categorisation of the ESG topics, the identification of the IROs was completed. The identified IROs were evaluated for impact materiality and financial materiality according to predefined assessment criteria, in line with the ESRS guidelines. The assessment was carried out using qualitative characteristics and quantitative scoring, with the involvement of the OTP Group's internal ESG experts.

(5) Step 5 – Summary and validation of results

OTP Group's internal stakeholders performed the evaluation. Afterwards, field workshops were held by external consultants, where the Group's internal experts and representatives from operational departments could discuss, modify and validate the scoring results, to ensure completeness and evaluation of the defined IROs for each relevant ESG topics.

The Green Program Directorate has coordinated and overviewed the entire DMA process, and the final approval is carried out by the Board of Directors.

As a result of OTP Group's most recent double materiality assessment, the following material topics were identified. These will be presented in detail in the following chapters, which address environmental, social, and governance risks:

ESRS sub-sub topic	IRO name	IRO category	Value chain relevance
ESRS E1 – Climate change adaptation			
-	Climate-related identified physical risks	Financial risk	Own operation, Downstream
ESRS E1 – Climate change mitigation			
-	GHG emissions in the portfolio	Negative impact	Own operation, Downstream
-	GHG emissions in own operations	Negative impact	Own operation
-	Financing climate change mitigation activities	Financial opportunity	Own operation, Downstream
-	Climate-related transition risks	Financial risk	Own operation, Downstream
ESRS E1 – Energy			
-	Financing energy-intensive sectors	Negative impact	Own operation, Downstream

-	Financing renewable energy or energy efficient solutions	Financial opportunity	Own operation, Downstream
-	Financing energy-intensive sectors	Financial risk	Own operation, Downstream
ESRS E4 – Direct impact drivers of biodiversity loss			
Climate change	Climate-related identified physical risks	Negative impact	Own operation, Downstream
ESRS S1 – Working conditions			
Secure employment	Secure employment	Positive impact	Own operation
Secure employment	Employee benefits	Financial opportunity	Own operation
Adequate wages	Adequate wages	Positive impact	Own operation
Adequate wages	Non-adequate wages	Financial risk	Own operation
Social dialogue	Inadequate employee involvement	Financial risk	Own operation
ESRS S1 – Equal treatment and opportunities for all			
Gender equality and equal pay for work of equal value	Gender equality and equal pay for work of equal value	Financial opportunity	Own operation
Training and skills development	Training and skills development	Financial opportunity	Own operation
Training and skills development	Insufficient training and skills development	Financial risk	Own operation
Measures against violence and harassment in the workplace	Measures against violence and harassment in the workplace	Positive impact	Own operation
Diversity	Diversity	Financial opportunity	Own operation
ESRS S4 – Information-related impacts for consumers and/or end-users			
Privacy; Data security	Data privacy and cybersecurity breaches	Financial risk	Own operation, Downstream
ESRS S4 – Information-related impacts for consumers and/or end-users; Social inclusion of consumers and/or end-users			
Access to (quality) information; Responsible marketing practices	Awareness raising in financial education and marketing	Positive impact	Own operation, Downstream
Access to (quality) information; Responsible marketing practices	Inadequate information provision to customers	Financial risk	Own operation, Downstream
ESRS G1 Business Conduct 7– Corporate Culture			
-	Weak ethical culture or business misconduct	Financial risk	Own operation

Money laundering and counterterrorism	Money laundering and counterterrorism	Financial risk	Own operation, Downstream
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I.10.2. Qualitative information on environmental risk

In this disclosure OTP Group defines environmental risks in accordance with Article 4 of the CRR, whereby environmental risk means the risk of any negative financial impact on an institution stemming from the current or prospective impact of environmental factors on that institution's counterparties or invested assets, including factors related to the transition towards the objectives set out in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council; environmental risk includes both physical risk and transition risk. Physical risk, as part of the environmental risk, means the risk of any negative financial impact on an institution stemming from the current or prospective impact of the physical effects of environmental factors on that institution's counterparties or invested assets. Transition risk, as part of the environmental risk, means the risk of any negative financial impact on an institution stemming from the current or prospective impact of the transition to an environmentally sustainable economy on that institution's counterparties or invested assets.

I.10.2.1. Business strategy and processes

(a)

The Group defines its long-term sustainability, transparency, and ethical operation through its stable management, responsible and transparent governance, being a responsible employer in the labour market, and an active participant in society. The Group aims to provide responsible and fair financial services tailored to customer needs, fostering open cooperation with stakeholders based on trust, while also aims to reduce negative environmental impacts of its operation. In order to foster these corporate ambitions, the Group has defined its ESG strategy in 2021 for a five-year period (2021-25). This ESG strategy was revised and restructured in 2025 for the following three years (Sustainability Strategy 2026-28).

OTP Group's 2021-2025 ESG Strategy

Stability and sustainability are two of the cornerstones of OTP Group's corporate strategy. The Management Committee unanimously approved the Group's ESG strategy for 2021-2025 in 2021. It is reviewed annually to align with changes in the market and regulatory environment.

The strategy has three pillars:

- responsible service provider
- responsible employer
- responsible social actor.

Vision: Responsible financial decisions and socially and environmentally adequate, ethical financial solutions are available for all economic participants and citizens in all of the countries covered by OTP Group's operations.

Mission: For OTP Group, sustainability means taking responsibility for our economic, social, and environmental impacts. The Group firmly believes that with its leading role in the Central and Eastern European region and its presence in Central Asia, its pioneering developments, conscious and ethical business operations, and exemplary partnerships, it creates value and contributes to a sustainable future.

OTP Group's foreign subsidiary banks have developed their individual ESG strategies in 2022, and in 2024 by integrating country specific attributes to define own sustainability goals, while contributing to the group level ESG objectives. The subsidiaries' ESG strategies address ESG risk management, development of green lending processes and organizational frameworks, emphasize the support of social issues, and the mitigation of adverse environmental impacts of own operation. Sustainability targets and related KPIs were also identified to monitor the effectiveness of the settled ESG goals. The Board of Directors of OTP Bank is informed about the achievement of ESG goals and performs annual review on subsidiaries' sustainability plans.

An important pillar of OTP Group's ESG Strategy is green lending. Green lending refers to financial exposures classified under the Banking Group's internal green definition. This definition includes on-balance sheet loans, advances, leases, and bond exposures that have undergone an internal green assessment process and meet the technical screening criteria established in the Banking Group's sustainability frameworks.

OTP Group's approach on ESG risk management

OTP Group takes a holistic perspective when considering ESG factors and ESG risks, integrating them into the risk-management frameworks of the main risk types; consequently, it does not treat ESG risk as an independent risk category. The Banking group has incorporated ESG risks into its risk management guidelines and procedures, enabling the identification and management of these risks to minimize – among others – emerging credit, reputational, regulatory, and legal risks. ESG risk management within the Banking group is integrated into various levels of the risk ecosystem: OTP Group Risk Strategy, OTP Group Risk Appetite Statement, the risk management frameworks and policies related to the various risk types.

As part of its 2023–2025 Risk Strategy, the Group assessed the physical and transition risk factors arising from climate change that may affect its portfolio – across short-term (within 1 year), medium-term (1–5 years), and long-term (beyond 5 years) horizons – for the most significant economic sectors (Climate and Environmental Materiality Assessment). Building on the results of this assessment, the Banking group is enhancing the ESG-relevant elements within its risk

appetite. The assessment also supports the development of the Group-level climate and environmental risk heatmap, and the implementation of all environmental factors identified as relevant. For the 2026-2028 period, the Banking group is preparing its Risk Strategy, which includes ESG-related objectives both at OTP Bank and across its subsidiary banks. The aim is to support the deeper and continuous integration of climate-related ESG risk factors and to strengthen ESG risk awareness. The strategy is designed to ensure active contribution from both the parent Bank and its banking subsidiaries with taking into account local specificities and changes in regulatory requirements.

(b)

In assessing and managing environmental risks across short-, medium-, and long-term horizons, OTP Group maintains specific targets related to green lending and financed GHG emissions, while applies limits within its lending activities.

Green lending

OTP Group maintains its commitment to playing a leading regional role in financing a fair and gradual transition to a low-carbon economy and contributing to a sustainable future through responsible financial solutions.

To support this objective, one of the Group's 2021-2025 ESG Strategy's target was to build a green loan portfolio totalling HUF 1,500 billion by 2025. This target has been exceeded with HUF 1697 billion in green loans at the end of 2025.

One of the six priorities defined in OTP Group's 2026-2028 ESG Strategy is related to further enhancing green lending. The target is to reach HUF 2,123 billion by 2028, which would mean an 11% compound annual growth rate compared to 2025 in green lending.

Financed GHG emissions

In 2024, the Banking group established targets to reduce financed greenhouse gas (GHG) emissions by 2030 in line with regulatory expectations. These targets were derived from the International Energy Agency's (IEA) Net Zero Emissions by 2050 (NZE 2050) scenario, which is consistent with limiting global temperature rise to 1.5 °C, and national decarbonisation plans, as required by regulation. The targets reflect the Banking group's portfolio composition, considering country-specific exposures and portfolio segments by borrower activity type. These targets apply to the GHG emissions related to the financing directly provided by the members of the Banking

group, but not to the GHG emissions related to the assets managed by OTP Group's asset and fund management members.

Banking group-level targets were constructed from country-, asset class-, and sector-specific objectives.

The interpretation of the targets OTP Group has set is the following: if the economic environment of the Banking group progresses alongside the IEA's Net Zero 2050 scenarios, then the Banking group's financed emissions should reach the pre-defined targets, unless the Group turns to the financing of borrowers which are more carbon-intensive relative to the average of the economy than the current ones. Thus, these targets should be interpreted much more like a "baseline scenario" on which the Banking group's financed emissions progress if the worldwide transition to a carbon-neutral economy is successful. It is important to emphasize that OTP Group alone cannot ensure that these targets will be met if the economic environment follows a completely different trajectory. OTP Group alone cannot enforce the carbon-neutral transition either in the world economy, or in the countries, in which the Group is active. OTP Group can however put in place a number of measures to alter its course away from the path of the general economic environment to some extent to achieve a carbon-neutral transition.

The Banking group's relative reduction target for financed Scope 1–2 emissions intensity of its portfolio (excluding sovereign exposures) is -29.8% by 2030 compared to the 2023 baseline. This corresponds to reducing the value of Scope 1 and 2 emission intensity of 219 gCO₂e/EUR (0.57 gCO₂e/HUF) for the financial year of 2023 to 154 gCO₂e/EUR (0.40 gCO₂e/HUF) by 2030, assuming unchanged exchange rates. This trajectory is consistent with the IEA NZE 2050 scenario for the global economy.

To ensure the traceability of its financed-emissions target, the Banking Group publishes its Scope 3 emissions and emission intensity each year as part of its sustainability report.

Risk limits

The Group also applies limits related to ESG risks in the management of credit, market, and operational risks, which are presented in detail in subsection **Hiba! A hivatkozási forrás nem található.** Risk management.

(c)

In addition to green lending, the Group promotes sustainable financing through its investment advisory services and its SFDR Article 8 investment funds. These investment opportunities do not focus exclusively on financing activities aligned with, or eligible under, the EU Taxonomy, although such activities are also included. The Group's EU Taxonomy disclosures are available in the Integrated Annual Report.

Investment advisory services

Clients who request the consideration of their sustainability preferences as part of the investment advisory services, may provide the necessary additional information by answering further questions in the client suitability assessment. Based on this information the Group can deliver investment advice that also takes sustainability preferences into account.

In the model-portfolio-based investment advisory services, sustainability model portfolios must meet the most stringent sustainability preferences in the suitability test across the entire portfolio, namely:

- A minimum of 10% of investments must qualify as environmentally sustainable in line with the EU Taxonomy.
- A minimum of 10% of investments must qualify as sustainable investments.
- None of the portfolio components may cause significant harm to sustainability, as determined by the Banking Group's methodology.

OTP Fund Management

Three of OTP Group's proprietary investment funds possess environmental and/or social characteristics and are classified as Article 8 products under the SFDR.

OTP Climate Change Fund – in alignment with its investment strategy and ESG objectives - applies two ESG-focused MSCI reference indices to support the environmental and social objectives defined in its investment policy. The methodologies of the selected benchmarks – consistently with the principles of the Fund's investment policy – overweight companies with high ESG ratings and underweight companies with low ESG scores. During the investment process, the Fund conducts a preliminary screening of the reference index components to identify securities that are relevant and potentially suitable from an investment perspective. According to the Fund's ESG rating requirements, at least 75% of its assets must hold a 'good' ESG rating. For issuers and listed instruments in developed markets this corresponds to a rating range of AAA to BBB; for emerging markets the 'good' range is AAA to BB.

Furthermore, at least 80% of the Fund's portfolio must consist of investments that contribute to the promotion of environmental or social characteristics, or that meet the definition of a sustainable investment.

In case of **Omega Fund of Funds**, the aim is that at least 70% of the investment funds are classified under Article 8 or Article 9 of the EU SFDR Regulation. From sustainability perspective, it should also be highlighted that the fund seeks to achieve a weighting of at least 51% in so-called sustainable investments of the portfolio. Moreover, another important characteristic of the fund is

that at least 50% of the final portfolio must contain shares of companies which have good, sustainable ESG ratings.

The **Ecotrend Investment Fund** seeks to achieve positive environmental impacts primarily through its bond portfolio. The Fund partially invests in green government bonds that aim to finance or refinance expenditures supporting the transition to a low-carbon, climate-resilient and environmentally sustainable economy. Due to its thematic focus, the Fund's investments also promote the expansion of green energy (renewable power generation, wind-turbine equipment, improvements in energy efficiency) and sustainable transport (rail transport, electric vehicles, hydrogen propulsion, biofuels). To ensure the integration of sustainability objectives, the Fund undertakes that, within its initial portfolio comprising assets classified from a sustainability perspective—based on ratings provided by an external data provider—at least 80% of the portfolio shall consist of assets issued by companies that are considered sustainable according to the MSCI rating system. For issuers or instruments in developed markets – including investment funds in a fund-of-funds structure – the accepted rating range is AAA to BBB, while for emerging markets the acceptable range is AAA to BB.

(d)

The ESG credit risk assessment and management methodologies and guidelines applied by the Group in corporate lending – including the assessment and management of environmental credit risks – are set out in the Group Credit Risk Policy and the Corporate Lending Policy / Operational Lending Limits and Principles (OLLP). These documents are presented in detail in section I.10.2.3 Risk management. Sustainable financing within the Group is defined by the Green Lending Framework and the Sustainable Finance Framework, both of which help to reduce the Group's environmental risks through the sustainable financing objectives they establish.

Green financing frameworks

The Banking group's sustainable financing frameworks are defined by the Green Lending Framework, the Sustainable Finance Framework, the MNB's Green Housing Preferential Capital Requirement Programme, the OTP Mortgage Bank Green Mortgage Bond Framework, the MNB's Green corporate and municipal preferential capital requirements programme, and the EU Taxonomy. Exposures that meet the criteria set out in these frameworks are classified by the Banking Group as green exposures, recorded as green loans in its internal databases, and used as the basis for determining quantitative performance indicators.

Corporate exposures are classified as green based on the lending purpose and the assessment of individual transactions. These assessments are in alignment with the EU Taxonomy and – where relevant – the MNB Green Preferential Capital Requirement Programme. Exposures aligned with the Taxonomy are evaluated according to the EU Taxonomy Technical Screening Criteria (TSC).

Within the Group's green portfolio, retail exposures are similarly assessed based on the lending purpose and compliance with one or more green criteria defined in frameworks consistent with the EU Taxonomy. The Group currently does not assess compliance with the Do No Significant Harm (DNSH) criteria or with the Minimum Social Safeguards (MSS) for retail exposures.

Green Loan Framework

The Green Loan Framework's scope applies to non-retail customers, including multinational corporations, SMEs, municipalities, and residential housing associations. The framework covers sectors defined in both the EU Taxonomy and the Climate Bonds Initiative (CBI) Taxonomy and additionally allows for financing related to water management.

Loan eligibility is assessed using the Green Alignment Assessment Tool (GAAT), which incorporates country-specific conditions and documentation requirements. Where applicable, alignment assessment with the EU Taxonomy includes assessment of the minimum safeguards.

The Green Loan Framework, endorsed by external second-party opinion (SPO) providers, was updated and approved by the Hungarian National Bank in July 2023. This approval ensures that loans meeting the framework's criteria are eligible under Category B of the MNB's Green Corporate and Municipal Preferential Capital Requirement Programme, which defines the scope of eligible transactions. The framework remained in force until the end of 2025, after which an updated framework will be developed.

Sustainable Finance Framework

The Banking group's sustainable funding activities are governed by the Sustainable Finance Framework, which covers both environmental and social sustainability domains. This framework was updated in 2024 with validation from external experts (SPO) and is publicly available on [OTP Group's website](#).

Under this framework, OTP Bank and its subsidiaries may issue green and social financial instruments – including bonds – in accordance with the following standards:

- ICMA Green Bond Principles (2022)
- ICMA Social Bond Principles (2023)
- LMA Green Loan Principles (2023)
- LMA Social Loan Principles (2023)

The framework explicitly excludes financing of fossil fuel production, nuclear energy, weapons and defence-related activities, mining, gambling, and tobacco-related activities.

Eligible green categories include green buildings, renewable energy and clean transportation, while eligible social categories include job creation and unemployment mitigation programs,

particularly those addressing economic crises or social disruptions and SME financing with demonstrable positive social impact.

OTP Group is committed to prepare an annual report within one year of issuing any sustainable financial instrument and publishing it until full allocation of proceeds. The [Allocation](#) and [Impact](#) Reports of 2024 are available on the Group's website. Reports for 2025 will be published in 2026.

I.10.2.2. Governance

(e), (f), (g), (h), (i)

The Group's sustainability-related governance structure and remuneration policy are presented in subsection I.10.1 Integrating ESG aspects in the operation of OTP Group.

According to the Bank's internal assessment, OTP Bank meets the expectations set out in point 5.27 of the MNB Green Recommendation 10/2022 (VIII.2.). Under this recommendation, the MNB expects the management body in its supervisory function to have sufficient knowledge and understanding of climate-related and environmental risks to ensure that the level of risk assumed is consistent with the credit institution's risk appetite and strategy, internal rules, and policies, and that the credit institution complies with applicable legal requirements and other obligations.

I.10.2.3. Risk management

(r)

OTP Group has integrated the comprehensive assessment and management of ESG risks into its risk-management procedures. Physical and transition environmental risks affect the Group's financial risks through several transmission channels, including the following.

Physical environmental risks

- Credit risk: Physical risks may affect the operations of the Bank's clients through damage to their assets or supply chains and through declining revenues. These impacts may influence the probability of default and loss given default, which can result in deteriorating portfolio quality and a higher need for provision.
- Liquidity and funding risk: Physical damage may trigger a sudden rise in credit demand or deposit withdrawals in affected regions, potentially leading to a faster depletion of liquidity buffers.
- Market risk: Physical damage may increase asset-price volatility and devalue regionally concentrated exposures, resulting in higher market losses and an increase in Value at Risk (VaR).

- Operational risk: Physical risks may heighten business-continuity risks if bank branches or data centres suffer physical damage, which can lead to service outages and significant recovery costs.

Transition risks

- Credit risk: Regulatory, technological and consumer-preference shifts driven by climate change may increase clients' operational and compliance-related costs and reduce their profitability, potentially leading to higher probability of default in certain sectors.
- Liquidity and funding risk: Changing expectations of investors and depositors may reduce investor interest and result in the loss of institutional funding sources.
- Market risk: Sudden repricing of carbon-intensive assets and price volatility due to changes in ESG-ratings may increase market risk.
- Reputational risk: Inadequate transition efforts and the risk of greenwashing may generate negative public perception for the Bank.

(j)

By integrating ESG risks into its risk-management principles and procedures, the Banking group has enabled their identification and management in order to mitigate – among other impacts – emerging credit, reputational, regulatory, and legal risks. The management of ESG risks is embedded across multiple levels of the Group's risk ecosystem: the Group's Risk Strategy, OTP Group's Risk Appetite Statement, the risk-management frameworks of the various risk types, and the Corporate Lending Policy / Operational Lending Limits and Principles (OLLP).

The Banking group applies a gradual approach to ESG-related risk limits, and both the Risk Appetite Statement and the Corporate Lending Policy / OLLP already include such restrictions.

Group Credit Risk Policy

As the Banking group continues to expand its international exposure, the complexity of lending processes and the range of credit products have increased. This policy establishes the general credit-risk management requirements at the Banking group level to ensure an efficient and structured risk management process. The primary objective of credit risk management is to enable safe business growth by maintaining the quality of the loan portfolio while staying within the Banking group's risk appetite.

The Banking group takes a holistic approach to environmental and climate risks as part of ESG risks, and ESG risks are integrated into the risk management framework for the main risk types. An ESG credit-risk management framework has been incorporated into the Group Credit Risk Policy, which sets out methodology for assessing ESG risks for the non-retail segment and leasing transactions.

The objective of the non-retail ESG credit risk assessment process is to ensure that the Banking group provides responsible financial services and assigns ESG risk categories to clients and transactions. The Banking group applies an ESG exclusion list, it has developed an ESG risk heatmap and classifies individual clients and transactions into ESG risk categories. This classification is influenced by ESG-focused client due diligence, which is conducted based on predefined criteria. The information obtained through this process is integrated into the Banking group's risk-based decision-making procedures. The policy is related to significant risks identified in the loan portfolio concerning climate change mitigation, climate change adaptation, and energy transition.

Corporate Lending Policy / Operative Lending Limits and Principles (OLLP)

The Corporate Lending Policy / Operative Lending Limits and Principles (OLLP) defines the general principles of corporate lending, including segment- and product-specific guidelines, related financing conditions and operative lending limits. This policy provides a structured approach to financial risk assessment while ensuring consistent ESG risk integration across the Banking group's corporate lending activities.

The corporate lending policy aims to set general corporate lending guidelines and risk appetite and to define a set of tools to enforce this, including ESG risk-related content. As part of this, lending guidelines for environmental and climate risks and guidelines for the assessment of financial risks based on these risks have been included in the policy. The lending policy also includes limits related to ESG risks, which are presented in detail under I.1.2.3. Risk Management. In this way, the policy is linked to the significant risks identified in the loan portfolio in the areas of climate change mitigation, climate change adaptation and energy.

To enhance ESG awareness, the Bank launched ESG-related training programmes in 2023, including the OTP Risk Academy and a specialised ESG course for senior executives. In 2024, an employee ESG training module was also introduced, which all staff members are required to complete annually.

(k)

The Banking group continues to make progress in implementing sustainability-related recommendations. Central to this effort, development of the ESG risk culture is based on the Hungarian National Bank's (MNB recommendation 10/2022 (VIII.2.) Green Recommendations, which lays out the supervisory expectations regarding climate change and environmental risks. The Hungarian authorities are expected to fully implement the EBA ESG Risk management guidelines during 2026, and they also plan to incorporate the EBA's Environmental scenario analysis guidelines. Furthermore, the Recommendation No 9/2024 (IX.24.) of the Hungarian National Bank on the use of a minimum set of questions to assess environmental, social and

governance information in the underwriting, measurement, management and control of credit risk is observed in the corporate lending practices.

Since its inception, the implementation of MNB recommendations has followed a phased approach. In line with this phased approach, the Board of Directors, the Management Committee, the ESG Committee, as well as the Risk Management Committee continue to oversee the ESG risk management practices and receive quarterly updates on progress and developments.

The Banking group is fully committed to transparency and compliance with European regulations and supervisory requirements. The Banking group monitors the updates to the supervisory expectations of the European Banking Authority (EBA) and the European Central Bank (ECB). The ECB has direct supervisory authority (JST) over DSK Bank in Bulgaria and OTP Bank Slovenia. DSK Bank, OTP Bank Slovenia and OTP Bank Croatia have integrated ESG risk factors into their risk management systems in line with national legislation and supervisory expectations.

(l), (n), o)

Risk management in the financed portfolio

C&E Materiality Assessment

OTP Bank has implemented a comprehensive C&E (climate-related and environmental) materiality assessment framework to evaluate the materiality of environmental and transition risk drivers across its banking subsidiaries. The methodology was designed to ensure consistency and comparability across all banking subsidiaries by identifying climate-related physical and transition risks over short-, medium- and long-term time horizons. This approach enables the Banking group to maintain uniform expectations and standards while considering country-specific risks.

Scope and Objectives

The C&E materiality assessment framework focuses on two primary categories:

- physical risks – such as acute events (e.g., heatwaves, floods) and chronic phenomena (e.g., temperature changes, water stress)
- transition risks, which arise from regulatory, policy, technological, and market shifts related to climate and sustainability, including transition events that may affect assets, business activities and the value chain.

In line with the binding banking regulation, this assessment considered three-time horizons:

- Short-term: up to 1 year
- Medium-term: 1-5 years
- Long-term: beyond 5 years

Methodological Steps

The methodology comprises the following structured steps:

1. Country-Specific Risk Relevance Filtering

- From a taxonomy of 69 C&E risks, each subsidiary identified the risks relevant to its national context, while excluding those deemed irrelevant from further examination.

2. Risk Scoring by Probability and Severity

- For each relevant risk, expert judgment was applied to assign scores for probability (rarely / occasionally / frequently / always) and severity (low / medium / medium-high / high). These scores were determined separately for each time horizon.

3. Aggregation of Risk Scores

- Probability and severity scores were aggregated to create a composite risk score for each time horizon. This aggregation reflects country-specific risk profiles.

4. Industry Exposure Mapping

- Each risk was mapped to the affected industries, and for nature-related risks, reverse mapping was also performed to identify industries that contribute to environmental degradation. This step makes the assessment entity-specific, in addition to the country-specific elements.

5. Portfolio Exposure Quantification

- The proportion of the credit portfolio exposed to each risk is calculated by segment (retail, corporate, specialized lending) and by industry. Exposure levels were classified into four risk categories (Low, Medium, Medium-High, High), facilitating the identification of highly exposed activities.

6. Materiality Calculation

- Materiality is calculated as the sum of the aggregated probability and severity scores and the exposure share of the affected portfolio. This calculation was performed for each time horizon and each risk.

7. Collateral Risk Assessment

- Collateral types were evaluated for their vulnerability to C&E risks. The proportion of at-risk collateral was quantified based on market value.

8. Institution-Specific Adjustments

- Subsidiaries could incorporate additional institution-specific data (e.g. age distribution of debtors in the Private Individual (PI) segment) to refine the assessment.

Group-Level Harmonization

To ensure comparability across banking subsidiaries, OTP Bank mandated the use of a standardized methodology; each entity conducted its own assessment, but results were mapped into a unified framework. This enabled the evaluation of consolidated Banking group-level risk profiles, identifying the most exposed industries and risk types.

Stress test and climate resilience analysis

(m), (n), (q)

In 2023, the Banking group conducted its first climate stress test and has since continued to assess its climate-related risks using various scenario-analysis methodologies. The objective of these regular analyses is to identify the potential economic, portfolio-level, and capital impacts arising from climate change and to ensure alignment with supervisory expectations.

Within the ICAAP process, the Bank evaluates ESG risks in an integrated manner, treating them as part of traditional financial risks. A key priority for the Banking group is to further develop its risk models and related processes so that they appropriately capture climate and environmental risks. As the Supervisory Review and Evaluation Process (SREP) also covers ESG risks, the Banking group remains committed to further enhancing its tools and stress-testing capabilities in order to meet regulatory expectations.

In 2025, the Bank assessed its climate risks under both a medium-term and a long-term scenario analysis, with the results approved as part of the annual ICAAP (Internal Capital Adequacy Assessment Process). The analyses focused primarily on the credit risks of corporate portfolios but also extended to the trading book and operational risks.

The 2025 climate stress test examined OTP Group's climate-risk exposure from two perspectives:

- The short to medium-term assessment was based on the EBA's 2023 "Fit for 55" stress-test scenarios, supplemented with NGFS scenarios, resulting in an eight-year forward-looking projection. Alongside the baseline scenario, two more severe scenarios were assessed, incorporating transition risks and macroeconomic factors and assuming the planned implementation of the "Fit for 55" package.
- The long-term assessment projected expected credit losses until 2050 under three NGFS scenarios (orderly transition, disorderly transition, and a "hot house world" pathway), using a static-balance-sheet assumption and incorporating both transition and physical risks.

In the medium-term analyses, the Banking group focused primarily on transition risks. The strategic assessment indicated that both the Group and its core Central and Eastern European markets are more exposed to transition risks than Western European countries.

The model estimated sector-level default rates based on the evolution of gross value added (GVA) and drew upon the results of the “Fit for 55” climate stress test conducted in 2024 by the European Supervisory Authorities (EBA, EIOPA, ESMA – collectively the ESAs) and the European Central Bank.

In the long-term analyses, the Banking group examined both transition and physical climate risks, providing a comprehensive view of future risk exposures. The various transition scenarios – whether assuming an orderly or disorderly transition – indicated that expected credit losses would remain relatively moderate in the near term, as adaptation processes unfold gradually and at manageable risk levels.

By contrast, the “hot house world” scenario, which assumes more severe physical impacts of climate change, projected a less favourable outlook. This analysis indicated an increase of approximately 15 basis points in credit losses by 2050, primarily due to adverse weather and natural processes affecting economies, sectors, and client performance.

Based on the combined assessment of the findings, the Banking group concluded that the identified risk impacts do not reach a level that would justify modifications to its current strategy or business model. The existing risk management framework and the adaptive capacity of the Banking group are deemed sufficient to address the identified impacts.

Accordingly, as part of the ICAAP and ILAAP reviews, the Banking group did not identify ESG risks of a magnitude that would warrant the determination of additional capital requirements.

Corporate Credit Risk Management

To manage the credit risk aspect of ESG risks, OTP Group’s banking and leasing subsidiaries have applied their ESG risk management framework in corporate lending since 2021. The main elements of the framework are the following:

- ESG exclusion list: defines activities in which OTP does not participate directly due to their controversial nature and impact.
- Sectoral ESG risk heatmap: includes the ESG risk categorization of each economic activity in NACE classification, considering the environmental and social impact of the respective industry.
- ESG risk assessment: includes the determination of ESG risk categories at client and transaction levels, including client due diligence in predefined cases.
- For leasing transactions – where the financed asset is motorized – the ESG risk category is determined based on the estimated environmental impact of the asset’s engine (considering European vehicle-emission standards).

- ESG aspects are considered in individual corporate lending decisions. The methods are continuously developed in line with the expansion of available data and methodologies.

Domestic ESG due diligence requirements and related MNB expectations.

In corporate lending – as for the Hungarian operations – the Hungarian National Bank prescribes the application of a specific set of examination criteria and a minimum ESG questionnaire for client due diligence related to environmental and climate risk assessment, starting from 2025 with a phased implementation.

In relation to the ESG due diligence, the Hungarian National Bank published its thematic recommendation initially in recommendation 9/2024 (IX.24), followed by an updated set of application conditions defined in recommendation 7/2025 (VI.23) in June 2025.

In line with the expectations set out in the recommendation:

- as of January 1, 2025, the Bank implemented the examination criteria applicable in the course of ESG risk assessment for loan applications exceeding EUR 1 million submitted by foreign companies without a registered office or branch in Hungary.
- From 1 July 2025, the Bank introduced the MNB ESG questionnaire for relevant domestic clients whose loan applications exceed HUF 500 million.

OTP Bank Plc has joined the initiative of the Hungarian Banking Association aiming to establish a common digital platform, that would serve for universally handling corporate clients' ESG due diligence questionnaires (in line with MNB's respective recommendation).

ESG considerations in the corporate lending policy

In the Corporate Lending Policy / Operative Lending Limits and Principles (OLLP) – with the exception of the Uzbek and Russian subsidiary banks – lending guidelines have been formulated from an environmental and climate risk perspective, as well as financial risk assessment guidelines based on environmental risks have been formulated.

As part of the policy, financing guidelines and assessment frameworks related to renewable energy production, which is a key element of green lending, are also included.

Lending restrictions related to thermal coal

In 2025, OTP Bank significantly restricted its lending activities related to thermal coal (i.e., coal used for power generation). This commitment was made publicly available on the [Bank's website](#). From 1 July 2025 OTP Bank Plc applies restrictions on new loan financing for capital expenditures related to new capacity for thermal coal, i.e. mining and processing of thermal coal as well as coal-based electricity generation. The Bank provides financing – whether in the form of investment loans or project-finance loans, including refinancing – for investments aimed at establishing new capacity

only with a final maturity date no later than 31 December 2030, while their availability period cannot exceed 31 December 2026. OTP Bank is committed to supporting the transition to a sustainable, low-carbon economy in line with the Paris Climate Agreement, therefore investments in renewable energy and investments aiming at the reduction of the negative environmental impacts of existing thermal coal assets (green / transition financing, technological improvement etc.) are supported for financing. In addition, OTP maintains an internal, non-public lending policy concerning the financing of coal mining and coal-based energy production activities.

Application of ESG credit risk limits

Regarding credit risk, the Group also applies limits related to the corporate ESG risk management in the Hungarian operation as well as in banking and leasing subsidiaries:

- Limit is applied to the ESG exclusion list.
- In 2023, within the Hungarian operations and at certain subsidiary banks, a quantitative limit was introduced to restrict the proportion of new transactions of clients with high ESG risk within new risk exposures.

The range of applied limits is expanding gradually:

- In, 2025 a specific composite limit for certain manufacturing sectors with high GHG emission has been defined.
- From 2026 a new limit will be introduced in the Hungarian operation related to electricity generation.

The limits are defined in the Risk Appetite Statement or in the Corporate Lending Policy / OLLP and currently are not publicly disclosed. Compliance with the limits is regularly monitored on a quarterly basis. The overall corporate ESG credit risk management methodology is continuously developed, with plans to introduce additional risk limits and apply ESG-specific lending guidelines.

Regular reporting of ESG exposures

Since 2023, monthly internal reports on banking and leasing subsidiary-level ESG credit-risk exposure are prepared for the corporate loan portfolio for the Credit and Limit Committee, and quarterly for the Board of Directors.

Collateral management

Given OTP Mortgage Bank's substantial exposure to real estate, an ESG assessment methodology has been applied within the Hungarian operations since February 2023, ensuring that ESG-relevant evaluation is appropriately integrated into the collateralized commercial real estate portfolio. Accordingly, ESG data fields have been integrated into the Bank's corporate loan registry system. These fields are partially populated through an automated process, drawing on data from the system of OTP Mortgage Bank.

The ESG collateral valuation methodology of OTP Bank is shared with subsidiary banks and leasing companies. For vehicle-related collateral, subsidiaries implement ESG methodologies according to predefined timelines. Merkantil Bank has developed its own ESG methodology for leasing assets, outlined in the appendix of the current Group Credit Risk Policy. The methodologies described below reflect OTP Bank's current practices and they are shared with banking subsidiaries to achieve consistent data provision across the Group.

Immovable property

During the valuation of real estate collateral, OTP Mortgage Bank systematically records the location, technical specifications, and energy characteristics of both commercial and residential properties in its internal systems. As part of continuous developments, ESG-specific data fields have been implemented into the collateral registry system for the corporate segment. During the real estate collateral valuation process certain kind of physical risk elements are evaluated, such as drought, flood and heatwave.

Determining "*Sustainability Rating*" has become an integrated part of the full valuation process of commercial real estate collaterals. According ESG related indicators ("*Sustainability Rating*", "*Physical risk*", "*Transitional risk*", "*Energy Performance Certificate*"), immovable collaterals are classified into the following 4 categories as ESG1/ ESG2/ ESG3/ or ESG4 and the result of the grade is displayed in the corporate collateral registry system.

In the retail segment, residential properties pledged as collateral are classified into the following predefined risk categories based on their energy certificate rating or estimated energy efficiency.

Movable property

OTP Bank has implemented an IT-supported framework for identifying ESG risks associated with movable collateral, specifically vehicles. This framework enables the automated classification of vehicle-type collateral into four ESG categories (ESG1–ESG4), based on asset characteristics and portfolio exposure. The classification results are integrated into the corporate collateral registry system. To facilitate ESG data collection, an "ESG Card" has been introduced within the registry system. This feature stores environmentally relevant information and distinguishes between two asset types: vehicle-type movable collateral and other movable collateral (currently limited to solar power plant technology).

Vehicle-type ESG classification is performed automatically, primarily based on EURO emission standards and other relevant asset attributes.

Credit rating

In alignment with regulatory expectations, OTP Bank has initiated the development of risk modelling procedures addressing climate change and environmental risks, with the objective of

integrating these into existing lending processes. As part of this effort, the Bank has established a foundational database based on geospatial data. This database enables the analysis of relationships between the financial characteristics of financed companies and climate risk indicators.

To support this modelling, the Bank identified acute and chronic physical risks with significant relevance to Hungary. Following a review of the data content and accessibility of various online sources, the core data for the ESG physical risk database were acquired and processed. The mapping of additional material ESG risk factors - both acute and chronic - is ongoing and will be expanded at the Banking group level.

The Bank considers the application of ESG factors most appropriate within the Probability of Default (PD) modelling framework. Environmental risks are the most relevant in impact and financial materiality in the lending portfolio, particularly in relation to:

- Collateral exposure to physical hazards, such as property damage from extreme weather events, and water scarcity or drought affecting agricultural assets.
- Transition-related investment risks, including potential capital expenditures required to meet decarbonisation or regulatory targets.

This approach reflects OTP Bank's commitment to embedding climate and environmental considerations into its core risk assessment and lending methodologies.

OTP Bank also applies ESG factors in modelling Loss Given Default (LGD), which is presented in detail as part of the IFRS 9 financial disclosure (there is an LGD overlay in the IFRS 9 impairment).

Credit Rating System

Assessing physical climate risks presents significant technical challenges, particularly the need for granular geographical data to evaluate the severity of weather-related hazards across different locations. In response to regulatory expectations, OTP Bank developed climate and environmental risk modelling procedures, with the aim of integrating these into its credit approval process. The methodology has been implemented at OTP Bank and is being progressively extended to other entities within the Banking group. The ESG module developed for risk assessment has been integrated into the customer rating system. Furthermore, based on the physical risk module and the energy efficiency of residential collateral, ESG considerations have been introduced into the mortgage loan assessment process. To determine physical risk exposure, the Bank employs a simplified climate risk heatmapping methodology. This approach enables efficient portfolio-level risk mapping by sector, sub-sector, and geographical area.

The physical risk assessment is based on the following functional relationship: Risk = f (Vulnerability [V], Hazard [H], Insurance [I]).

- Vulnerability is sector-specific and determined using NACE codes. To each sector a vulnerability score for each identified physical risk is assigned, with five possible levels: very low, low, medium, high, and very high.
- Hazard is location-specific and reflects the relative importance of each climate risk at a given site. Scores range from very high (1) to low (4).
- The customer's location is determined using the address of the collateral, company site, or headquarters.

The following physical risk indicators are currently used:

- Heat Stress Index
- Drought Index
- Flood Index
- Storm Index
- Frost Index

Environmental and Social Management System (ESMS)

Complementing the general and Group-wide risk management policies and procedures, the Environmental and Social Management System (ESMS) has been established in accordance with the [Environmental and Social Risk Management Framework](#). The ESMS provides a regulatory structure that covers environmental and social risk management practices and ensures compliance with the requirements of the International Financial Institutions (IFIs). The ESMS framework has a limited scope: its personal scope covers the relevant subsidiaries and the participating staff and operational employees of OTP Bank Plc, while its material scope applies to banking assets financed by the relevant subsidiaries and classified under the Eligible Green/Social Sub-loan Portfolio designated in the Group's Sustainable Finance Framework (SFF).

Within the scope of the framework, OTP Group conducts Environmental and Social Risk Management Procedures in line with harmonised principles, under the supervision of OTP Bank and with the involvement of the Environmental & Social (E&S) Managers and E&S Coordinators of the relevant subsidiaries. The E&S Coordinators of the relevant subsidiaries report to OTP Bank's E&S Manager on activities related to their areas of responsibility. The subsidiaries' E&S Coordinators prepare an annual environmental and social performance report based on the annual performance reports submitted by clients and forward it to OTP Bank's E&S Manager.

The ESMS includes the following process components, which supplement the existing risk management procedures of the relevant subsidiary banks:

- Application of the extended exclusion list

- Preliminary environmental and social risk categorization
- E&S Environmental and Social Performance Standards Due Diligence (ESDD)
- Monitoring

Integration of ESG factors in Country and Counterparty risks

Country and Counterparty Management Teams systematically embed sustainability considerations into their risk management framework which is relevant for the OTP Bank and banking subsidiaries.

On the counterparty side, ESG ratings are integrated into the internal rating calculation process. The primary source is the S&P Capital IQ ESG score, derived from the industry-specific Corporate Sustainability Assessment, which aggregates Environmental, Social, and Governance dimensions on a weighted basis into a 0–100 scale. Scores above 70 are considered a positive qualitative adjustment within the internal rating methodology, complemented by MSCI and Refinitiv assessments where available.

Regarding country risks, ESG considerations are embedded within the sovereign risk framework to ensure a holistic view of sustainability and governance. The model integrates indicators capturing ESG quality. Key governance-related factors include institutional strength, democratic stability, rule of law, and global peace indices, which directly influence rating outcomes. Key governance-related factors: quality of regulatory environment, democracy index, control of corruption, and global peace indices; these directly influence rating outcomes. This approach ensures that sustainability risks and governance standards are systematically reflected in sovereign credit assessments, supporting transparency and long-term risk management.

Both dimensions are subject to integrated quarterly monitoring and annual limit review. The monitoring process includes systematic updates of internal rating sheets, ESG-related event tracking, and comprehensive risk reporting. The objective of ESG integration is to ensure that risk decisions reflect not only financial resilience but also measurable, auditable, and transparent sustainability performance.

Managing market risks

OTP Bank incorporates sustainability risks into market risk management in accordance with the MNB's Green Recommendations. ESG considerations are embedded in both trading and discretionary portfolio management through the application of ESG rating-based position limits. For discretionary portfolios, the Bank also applies an ESG exclusion list to restrict exposure to specific sectors or issuers. Starting from Q1 2023, principal adverse impacts (PAI) have been considered in discretionary portfolio management using standardized PAI statements provided by MSCI. These reports cover all identified indicators, with the exception of fossil fuels and energy efficiency, due to current data limitations. Portfolio coverage under the PAI framework shows a

positive trend, although no explicit limits or formal policy have yet been established for PAI observation. To monitor ESG-related risks, weekly stress tests are conducted on corporate bond portfolios held in both the trading and banking books covering the Banking group. These tests assess the sensitivity of the portfolios to ESG risk factors, contributing to the Bank's broader market risk oversight and sustainability risk management framework.

Liquidity risks

Recognizing the growing relevance of sustainability factors, OTP Bank's Integrated Risk Management function has initiated the development of a methodology to assess liquidity risks arising from ESG-related exposures. This integration effort aims to enhance the Bank's ability to identify and manage potential liquidity impacts linked to environmental, social, and governance risks, in line with evolving regulatory expectations and best practices.

ICT risks

Within the information and communication technology (ICT) risk domain, particularly in relation to Business Continuity Management, business units completing the business impact analysis can indicate ESG relevance, primarily the Environmental (E) factor. Accordingly, ESG considerations are incorporated into the preparation of business continuity plans at OTP Bank. Furthermore, the DORA regulation's risk assessment process for ICT third parties has been enhanced to include ESG considerations as well.

ESG risk management at OTP Fund Management

OTP Fund Management integrates sustainability risks into investment decision-making in alignment with the SFDR (EU 2019/2088). ESG risks are assessed within a comprehensive framework covering environmental (GHG emissions, carbon footprint, energy use, waste management, water usage), social (labour standards, human rights, social accountability) and governance (corporate governance structures, ethical conduct, tax compliance) pillars.

Investments are excluded based on activities with significant adverse sustainability impacts, including tobacco, alcohol, gambling, coal mining, controversial weapons, and sovereign bonds from authoritarian regimes. Exclusions are informed by Bloomberg, MSCI ESG Manager, and MSCI BarraOne data.

ESG ratings are sourced from MSCI ESG Research, ranging from CCC (worst) to AAA (best), and reviewed quarterly.

OTP applies selected Principal Adverse Impact (PAI) indicators to measure sustainability impacts, including Scope 1, 2 and 3 emissions, non-renewable energy use, unrecycled waste, absence of workplace safety policies, and lack of carbon reduction initiatives. Portfolio-level coverage typically reaches 65%, with weighted averages used for aggregation.

SFDR Article 8 funds must have at least 75% ESG-compliant assets (A–AAA rating), which are further divided by OTP Fund Management into two groups:

1. Strong ESG-Focus Funds:

- Weighted ESG rating between A and AAA.
- At least 75% of assets rated AAA–BBB (developed markets) or AAA–BB (emerging markets).
- No assets rated CCC.
- Not more than 10% of assets without ESG rating (unrated ISINs).
- In fund-of-funds structures, at least 75% exposure to SFDR Article 8 or 9 funds, otherwise to underlying funds rated AAA–BBB (developed) or AAA–BB (emerging) if SFDR classification is unavailable.

2. Standard ESG Funds:

- Weighted ESG rating between BBB and AAA.
- At least 51% of assets rated AAA–BBB (developed markets) or AAA–BB (emerging markets).
- No assets rated CCC.
- Not more than 10% of assets without ESG rating.
- In fund-of-funds structures, at least 51% exposure to SFDR Article 8 or 9 funds, otherwise to underlying funds rated AAA–BBB or AAA–BB if SFDR classification is unavailable.

ESG Monitoring and Control Mechanisms

OTP Fund Management operates a multi-tiered and documented monitoring system to ensure continuous oversight of sustainability risks. The responsibility for tracking ESG risks primarily lies with the portfolio managers, while the risk management department oversees the operation of the monitoring framework, evaluates data, and prepares executive reports. Compliance and marketing functions support the process by ensuring that all ESG-related communications meet regulatory standards and avoid greenwashing. ESG ratings are sourced from external providers, primarily MSCI ESG Research. Each of the environmental, social, and governance dimensions is assessed separately and then aggregated into a single ESG score. These scores are weighted by current market value to reflect portfolio exposure accurately. Ratings are reviewed quarterly, and any significant downgrade - defined as a drop of two rating categories - triggers a formal notification to the portfolio manager, the CEO, and the Head of Investments. Such changes are documented in the quarterly risk management report. If a portfolio's ESG risk level exceeds the target threshold, the portfolio manager is required to implement corrective measures within 90 calendar days. These

may include improving the ESG rating of holdings, increasing the proportion of SFDR Article 8 or 9 funds, or rebalancing the portfolio. Monthly reports are produced to track sustainability risks, while quarterly summaries include updates on ESG ratings, developments in PAI indicators, and the handling of any limit breaches. External ESG data providers are subject to methodological review at least once every three years.

Governance and Decision-Making Structure

The Fund Management's ESG policy is subject to annual review by the Board of Directors. The most recent revision occurred on 10 June 2025. Responsibility for the policy lies with the Risk Manager and the approval authority is held by the Chief Executive Officer. This governance structure ensures accountability and alignment with regulatory expectations.

(p)

Improving data quality

ESG data quality remains a key concern. In credit-risk management, substantial data requirements arise from customer due diligence, the assessment of physical risks associated with exposures, and the needs of bottom-up stress testing. However, the collection of such information is often not feasible through either primary or secondary sources. Clients – particularly in the SME segment – are only able to complete comprehensive questionnaires to a limited extent, as they do not have ESG data relating to their own activities in the absence of a legal obligation to do so

Country-specific differences must also be considered, reflecting the still uneven state of ESG awareness across emerging Central and Eastern European markets. In case of the member states of the European Union, the evolution of disclosure requirements is expected to improve the availability of clients' ESG data, initially for large enterprises and gradually to the expansion of the group of related entities.

Risk management related to own operations

(m), (n), (q)

Managing operational risks

Severe weather events pose operational risks to the Banking group, particularly in terms of business continuity. Additionally, reputational risk may arise from inadequate adaptation to evolving regulatory and supervisory expectations related to ESG factors. The Banking group began integrating ESG considerations into its operational risk framework in 2021. This approach has remained consistent through 2025. ESG-related risks are assessed annually as part of the Banking group-level process-based Risk and Control Self-Assessment (RCSA). During this exercise, respondents evaluate risks and whether the risks are ESG relevant or not. As part of its scenario

analysis practice, the Bank also assesses climate change risk and other ESG factors. As part of its scenario-analysis practice, the Bank assesses climate-related risks and other ESG factors as well. The Banking group applies an ESG operational risk tolerance threshold, which is monitored quarterly. ESG operational risk tolerance defines the maximum level of ESG-related operational risk exposure that the Bank considers acceptable. In tracking ESG-related loss data, the Banking group pays particular attention to the quality and reliability of ESG data inputs. This monitoring supports the Group's broader ESG risk management strategy and ensures alignment with regulatory expectations.

Managing greenwashing risks

To prevent, identify, monitor, and where necessary, address risks related to greenwashing, the Bank set out its key responsibilities and designated accountabilities in a chief executive officer instruction issued in 2025.

Beyond the above objectives, the instruction also aims to ensure compliance with regulatory requirements, including the relevant international, EU, and national legislation, as well as the MNB Green Recommendation, and to ensure that the Bank precisely defines the concept of greenwashing for the effective management of associated risks.

I.10.3. Qualitative information on social risk

In this disclosure, OTP Group defines social risks in accordance with Article 4 of the CRR, whereby social risk means the risk of any negative financial impact on an institution stemming from the current or prospective impact of social factors on its counterparties or invested assets. In addition, the Group differentiates between risks affecting its own employees and those affecting its clients during the process of identifying, assessing and managing social risks, thereby ensuring that the interests of all stakeholders are appropriately represented throughout these processes. This approach enables the Group to develop targeted and effective measures that address the specific risk exposures of both stakeholder groups. The related measures are presented in subsection I.10.3.3 Risk management.

I.10.3.1. Business strategy and processes

(a) (c)

Integration of social risks into the business strategy

The management of social risks is an important element of the OTP Group's sustainability and risk management practices. Its implementation is supported by various tools, such as the assessment of the social dimension within the ESG due diligence process – applied to a defined large corporate client segment – introduced at Group-level, the ESG exclusion list and the sectoral ESG risk heatmap. The management of social risks is also reflected on the side of the Group's own employees, with key aspects such as talent management, equal opportunities and fair treatment, and employee engagement which are incorporated into the ESG strategy.

OTP Group manages social risks in accordance with the provisions of the [Environmental and Social Risk Management Framework](#), ensuring E&S-aligned due diligence and risk assessment during the preparation and documentation of financing decisions. The Group's Environmental and Social Risk Management Framework is presented in detail in chapter I.10.2.3 Risk management.

(6) (b)

Targets applied in the assessment and management of material social topics

The Group assesses material ESG risks, including social risks, for both its own operations and its value chain within the framework of a double materiality assessment. The double materiality assessment was carried out in accordance with ESRS requirements, and its detailed description is provided in subsection I.10.1 Integrating ESG aspects in the operation of OTP Group.

The material topics identified during the DMA for the Group's own workforce include secure employment, adequate wages, social dialogue, gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the

workplace and diversity. These material topics are linked to the employee engagement survey and the index derived from its results, which serves as Group's primary indicator for the comprehensive measurement, evaluation and monitoring of the effectiveness of strategic initiatives, development activities and planned programmes targeting its own employees.

OTP Group's employee engagement index is a comprehensive indicator, as it reflects on factors which could have influence on employee's satisfaction, well-being and long-term commitment. The core metric of OTP Group's engagement model is derived from a structured questionnaire based on internationally used methodology, that provides comparable results over time. This output measure evaluates more drivers of employees' workplace experience – like working conditions, reward and recognition, communication and cooperation, well-being, development opportunities, equal treatment and workplace community.

Accordingly, in addition to continuously increasing employee engagement, OTP Group has set the objective of achieving an 80% participation rate in the survey, as well as reaching the 75th percentile benchmark of the financial sector and the global 75th percentile value for the engagement index at group-level.

During the DMA, OTP Group identified privacy and data security, access to (quality) information and responsible marketing practices as material topics in relation to consumers and end-users. On the social side, the Group's objective in relation to its clients is to enhance the effectiveness of incident management and to mitigate potential adverse impacts on operations, as well as on the assets of clients and banks. In addition, OTP Group continuously monitors and transparently discloses key performance indicators related to customer complaints, human rights incidents and data security incidents in its annual sustainability report.

Targets set by the ESG Strategy and its role in performance assessment

OTP Group's strategic approach to social risks is built on operating as a responsible service provider, enhancing employee well-being and engagement, and promoting community and environmental responsibility. The Group's ESG Strategy defines measurable objectives related to society, supporting the management of client- and employee-related risks as well as the reduction of social risks arising from the Group's own operations. The Group's 2021-2025 ESG Strategy is structured around the following strategic objectives related to society:

1. Responsible employer

- Enhancing employee well-being and development, diversity and employee engagement.
- Maintain or improve employee engagement levels to exceed the financial industry benchmark and reach the Global 75th benchmark across the Group. In 2025, the financial sector benchmark was 74%, while the Global 75 was set at 78%.

- The Bank's engagement level is 78%, which represents a 1-percentage-point improvement compared to the previous year, reaches the Global 75th percentile benchmark and exceeds the financial services benchmark.

2. Responsible social actor

- Contribution to social goals and the UN Sustainable Development Goals (SDGs) through responsible products and services, as well as donations.

OTP Group has adopted its Sustainability Strategy for the 2026–2028 period. The new strategy builds on previous objectives and introduces enhanced commitments in decarbonization, social responsibility, and governance practices. The strategy sets out objectives in relation to the following social topics:

- Ensuring equal opportunities and fair treatment among the Group's own employees
- Employee satisfaction and engagement
- Supporting talent development and continuous learning
- Protection of customer data
- Clear and comprehensible customer communication
- Awareness raising in financial education

I.10.3.2. Governance

(d) (i) (ii) (iii) (iv)

Responsibilities of employees and management bodies in managing social risks

The [Code of Ethics of OTP Bank Plc. and the OTP Group](#) was established to set out clear and unambiguous principles and expectations regarding ethical business conduct in order to safeguard the values of the Group. The personal scope of the Code of Ethics extends to the Group's senior executives and people employed by or having a legal relationship for the performance of work with members of the Group. Managers are required to take ethical principles into account when making decisions and to set a personal example, as well as to supervise compliance with laws, ethical standards and internal regulations, which also covers the operation related to social risks.

The purpose of the [Partner Code of Ethics](#) is to set out clear and unambiguous guidelines and expectations for the relevant stakeholders of OTP Group (e.g. suppliers, business partners and other contractual partners) regarding ethical business conduct, in order to safeguard the Group's values. Suppliers of the Group must familiarise themselves with the provisions of the Partner Code of Ethics and acknowledge that it is binding upon them and their subcontractors in the performance of their contractual relationship with the Bank.

The Code of Ethics of OTP Bank Plc. and the OTP Group, as well as the Partner Code of Ethics, were amended in 2025 with the aim of ensuring compliance with Regulation (EU) 2024/1689 of the European Parliament and of the Council (the Artificial Intelligence Act). In order to effectively address the challenges posed by technological developments induced by artificial intelligence (AI) and to maintain them within ethical boundaries, the Code of Ethics and the Partner Code of Ethics have been supplemented with a new chapter that sets out the principles for the ethical use of AI. Under the amendment, the fundamental principles and expectations of the Code of Ethics must also be applied during the development and use of AI systems. OTP Group strives to ensure that throughout the entire lifecycle of the AI systems it uses, the principles of transparency, explainability, accountability, fairness, equity and non-discrimination, data protection and human oversight are upheld.

Community and social activities

As stated in the Code of Ethics, the company's management is committed to sustainable development, social responsibility and the protection of community values. Compliance with these expectations is also required by the Partner Code of Ethics. OTP's management supports the Group's operations to contribute to the development of local communities, to long-term social and environmental sustainability.

Employee relations and labour standards

The Code of Ethics stipulates that managers of the Group are responsible for ensuring a safe, healthy and non-discriminatory working environment, as well as for supervising the prevention of workplace misconduct and violations. In addition, they are responsible for the effective oversight of the prevention of workplace violations.

Partners must ensure the respect of employee rights. The Partner Code of Ethics requires the prohibition of child labour and forced labour, the creation of a safe and healthy working environment, and the provision of fair working conditions. The Bank's supplier pre-qualification questionnaire includes various questions related to employee relations and labour standards for the evaluation of partners.

Consumer protection and product responsibility

The Group and its management devote particular attention to the protection of consumer interests and rights, as well as to the high quality of services provided to consumers. To this end, employees who have direct or indirect contact with consumers receive appropriate consumer protection training. To support informed financial decision-making, OTP Bank and its subsidiary banks consistently apply consumer protection principles and comply with the relevant legislation.

The Partner Code of Ethics also sets out consumer protection expectations for the Group's partners, which include compliance with the principle of fair competition, the prohibition of unfair price fixing, and the protection of consumer interests and rights. The supplier pre-qualification questionnaire of OTP Bank contains questions aimed at assessing partners' consumer protection practices.

Human rights

In line with the requirements determined in the Code of Ethics, the governing body of OTP Group is committed to respect and integrate human rights into corporate operations. The Code of Ethics stipulates, among other principles, respect for human dignity, the prohibition of discrimination, the rejection of forced labour, child labour and human trafficking, the right to join trade unions, and the provision of fair working conditions.

The Group expects its partners to respect the fundamental human rights enshrined in international conventions and to clearly reject child labour, the employment of minors and all forms of forced labour.

The expectations set out in the Code of Ethics and the Partner Code of Ethics have been defined with due consideration to the guidance of the following international frameworks:

- OECD Guidelines for Multinational Enterprises
- UN Global Compact
- Universal Declaration of Human Rights (UN)
- ILO Core Conventions
- ISO 26000 Guidance on Social Responsibility
- Compliance with EU and National Legislation

(e), (f), (g)

The role of Committees in social risk management

The Group's governance structure and remuneration policy in relation to sustainability is presented in chapter I.10.1 Integrating ESG aspects in the operation of OTP Group in detail.

I.10.3.3. Risk management

(h) (i) (j) (k) (l) (m)

Management of risks related to the Group's own employees

OTP Group operates a whistleblowing mechanism that provides channels for their employees to raise concerns in case they have observed unlawful practice, contrary of ethical rules and values, or any practice that may lead to abuse, including the possibility of submitting reports anonymously.

The main reporting channels are: email or phone reports to the Compliance Directorate of OTP Bank or to the compliance department of OTP Group members, or online submission via the ethics and whistleblowing platform. Issues raised through these channels are investigated in accordance with the Group's internal compliance procedures and timeframes defined by applicable national legislation.

The Group's financial subsidiaries conduct annual analysis on workforce composition and fluctuation rates in order to reserve stable working environment. The development of remuneration strategies is based on monitoring market trends, wage increase forecasts, competitor practices, inflation trends and national wage levels. The practices are reviewed annually, thereby ensuring the maintenance of competitive salary levels and fair remuneration.

Within the framework of the career path concept, the Group conducts regular consultations at its key stages – such as entry, exit and promotion – with its employees during which feedback is requested on working conditions and opportunities for dialogue are provided to the individuals concerned and, where appropriate, to trade unions.

Extensive training and development programmes support the professional advancement of employees, including leadership training, professional and skills-development courses, conferences, as well as individual and group online training modules. Subsidiaries may participate in Group-level learning initiatives or organise their own training programmes based on local needs. As part of the PULZE Digital Program, OTP Bank launched a comprehensive digital mindset training, which the international expansion has begun in 2025. In addition, OTP Bank provides continuous access to the Risk Academy Foundation ESG module for its community of international risk management. The Risk Foundation module has been extended to stakeholders closely linked to risk functions, including corporate banking and internal audit departments.

The Group aims to promote gender equality and inclusive leadership. The CIRCLE international women's network supports the professional development and mentoring of female talent through the involvement of experienced leaders. The Digital GirlPower Program strengthens the digital participation of women, while the Unconscious Bias Program aims to raise awareness and reduce prejudice in everyday decision-making.

These initiatives aim to address the social factors and risks present within the organisation's own workforce, increase employee satisfaction and engagement, maintain competitiveness, ensure fair remuneration, and support professional and personal development within a diverse working environment.

Management of risks related to the Group's corporate clients

OTP Group has an effective and robust risk management system for identifying and managing credit risks and environmental and social risk factors.

Social risks – particularly violations of labour law, occupational health and safety regulations, and other relevant legal requirements – may translate into credit, reputational, and additional financial and operational risks. Non-compliance with legal requirements may lead to reputational damage for both the client and the Bank. Credit risk may arise directly from the consequences of non-compliance (such as regulatory fines or significantly increased wage or compliance costs), or indirectly through the deterioration or cessation of the financed enterprise's operational viability (for example, due to licence withdrawal). The materialisation of social risks may furthermore result in liquidity, market, funding and operational risks, as the financial burdens, loss of income and operational disruptions arising from violations can directly affect the client's financial stability and the quality of the Bank's exposures.

In corporate lending, within the framework detailed in the relevant section of chapter **Hiba! A hivatkozási forrás nem található**. Risk management regarding qualitative information on environmental risks, social risks are treated as an integral part of ESG risks in this disclosure. The methodology has been implemented at group-level, with its main components: the ESG exclusion list, the ESG risk heatmap and the ESG due diligence applied to large corporate clients exceeding predefined exposure thresholds. Social risks appear explicitly in the ESG exclusion list, the sectoral ESG risk heatmap and the ESG due diligence questionnaire. In addition, in corporate lending, clients are required to operate in compliance with the applicable legislation, including current requirements relating to labour law, occupational health and safety.

Regarding operations in Hungary, in line with the MNB's ESG Recommendation, the ESG questionnaire introduced in 2025 for the relevant domestic clients, and the topics to be examined for foreign clients as listed in the Recommendation, also cover social risks. The Bank applies the customer due diligence expectations of the MNB within the corporate lending process in accordance with the methodology described in the relevant section of chapter **Hiba! A hivatkozási forrás nem található**. Risk management, within the qualitative information on environmental risks presented in this disclosure.

With regard to social and governance risks, the EBA's recommendation on the management of ESG risks acknowledges the limitations of the available data and the less developed nature of methodologies and regulatory frameworks. Accordingly, further development of methodologies within the Bank is carried out considering the guidance set out in this recommendation.

Complementing the general and Group-wide risk management policies and procedures, the Environmental and Social Management System (ESMS) has been established in accordance with

the Environmental and Social Risk Management Framework. The ESMS - within the framework of which the Group also carries out practices covering social risks in addition to environmental dimensions- is described in detail in Chapter I.10.2.3 Risk Management.

In addition to the above, the Bank's supplier pre-qualification questionnaire includes questions to assess the sustainable procurement policies of corporate partners.

Management of risks related to the Group's retail clients

The Group provides multiple channels for submitting complaints, which are handled in accordance with unified and fair procedures that comply with EU and local regulatory frameworks. The Group seeks to maintain open dialogue with complainants to ensure prompt and effective case resolution. In the case of justified complaints, the Group aims to restore the original state or provide proportionate compensation to the client.

The management of cybersecurity and data protection risks is also of key importance. Central objective is the establishment and operation of a unified Group-level fraud-prevention framework. The main responsibilities of the Security Directorate include analysing information related to security incidents, assessing their potential Group-wide impacts and sharing relevant findings across the Group. It supports the Group-level implementation of IT security, bank security, personnel security and fraud prevention requirements. The primary goal is to create a unified and robust Group-wide fraud-management framework; to this end, the unit standardises and enhances fraud prevention and mitigation capabilities and activities. An essential component of fraud prevention is customer education, delivered through nationwide awareness-raising campaigns and cybersecurity programs. Cybersecurity and data protection activities include, among others, the following:

- training sessions, newsletters and videos for the branch network to expand consumer protection knowledge
- incorporation of appropriate consumer-protection considerations over the approval of new products
- regular review of the terms and conditions
- informing clients about cybersecurity and phishing risks
- targeted educational campaigns for younger and older clients
- multichannel communication (online, mobile banking, postal communication, press releases, website, social media, targeted events) to support more effective detection of fraud attempts
- client workshops and information sessions on the use of digital tools
- dedicated website presenting fraud types and prevention options

- application of real-time fraud detection tools
- interbank cooperation to strengthen cyber resilience

In order to achieve the highest level of data security for its customers, the Group provides mandatory annual data-protection training for all employees. Consumer protection training is compulsory for employees who work with clients or participate in product development, sales or advertising. Designated data protection officers oversee the proper processing of personal data, compliance with data minimization principles and high-risk handling activities within their area of responsibility, and they are required to participate in regular professional trainings.

The Data and Consumer Protection Department continuously analyses data-protection and consumer protection risks and, in the event of identifying a deficiency, conducts a detailed investigation together with the relevant areas and develops proposals for corrective actions.

To enhance financial awareness, the Group has introduced targeted, segmented educational campaigns that provide detailed professional information on the background of financial decision-making, as well as on the identification of fraud and data-protection risks. OTP Group has launched segmented and continuously expanding educational campaigns for different target groups to present fraud types relevant to them and the associated protective measures implemented by banks. In cases of suspected fraud or abuse, clients receive support to report incidents as quickly as possible to the Fraud Management Department, directly by phone or email.

The Security Directorate reports annually on its activities to the Management Committee, the Board of Directors and the Supervisory Board, presenting the implemented risk-mitigation measures and the results achieved, which also provide feedback on the effectiveness of the measures. The Compliance Directorate prepares quarterly reports for the Executive Steering Committee, the Risk Exposure and Risk Management Committee, the Board of Directors and Supervisory Board on the compliance activities and status of the banking subsidiaries. These include compliance with data- and consumer-protection regulations, adherence to legal requirements and supervisory expectations, and alignment with relevant decisions of consumer-protection authorities.

I.10.4. Qualitative information on governance risk

In this disclosure, the OTP Group defines governance risks in accordance with Article 4 of the CRR, whereby governance risk means the risk of any negative financial impact on an institution stemming from the current or prospective impact of governance factors on that institution's counterparties or invested assets.

I.10.4.1. Governance

(a) (b) (c) (i) (ii) (iii) (iv) (v) (vi)

During the DMA, OTP Group identified corporate culture and money laundering and counterterrorism as material topics in relation to governance. These topics affect both the risks arising from the Group's own operations and those related to partners within its value chain.

Assessment of partners' governance performance and its integration into decision-making

The purpose of the [Partner Code of Ethics](#) is to set out clear and unambiguous guidelines and expectations for stakeholders in a partnership relationship with OTP Group regarding ethical business conduct, in order to safeguard the Group's values. OTP Group seeks to ensure that all its suppliers, business partners, agents and other contractual partners accept and undertake to comply with the provisions contained in the Partner Code of Ethics. Acceptance and application of the Partner Code of Ethics entail an obligation for partners to comply with legal and regulatory requirements, industry standards and the norms of ethical and transparent conduct, which constitute an important component of OTP Group's governance expectations. Compliance with the guidance provided by the Partner Code of Ethics applies to all levels of the partner institution and includes several expectations regarding the partner's governance performance and the activities of its governing bodies:

- Partners must fully comply with all applicable laws, regulatory requirements and official standards.
- Partners are required to prepare their financial statements accurately, transparently and in accordance with accounting standards.
- Partners must comply with legal requirements relating to fair competition and consumer protection.
- Partners must uncover any conflicts of interest at any level and report them immediately to OTP Group.
- Partners are expected to operate free from corruption and bribery; it is prohibited to provide any benefit for the purpose of obtaining business influence.
- Partners must not use or unlawfully disclose insider information in their possession.

- Partners must protect confidential data and ensure the lawful protection of personal data.
- Partners must act against money laundering and the financing of terrorism and comply with all relevant sanctions' requirements.
- Partners must ensure a safe, healthy and occupational-safety-compliant working environment for their employees.
- Partners must protect the universal human rights set out in international conventions, firmly reject child labour, the employment of minors and all forms of forced labour, and treat all employees fairly and with respect. The personal rights, dignity and privacy of employees must also be respected.
- Partners must safeguard the assets and business interests of OTP Group and refrain from any conduct that could harm the Group's reputation.
- In line with ESG requirements, partners are expected, to the extent reasonably possible, to assess and comply with the environmental impacts they cause, social justice considerations and associated governance expectations.
- When applying artificial intelligence, partners must ensure transparency, fairness, accountability and non-discrimination throughout the entire lifecycle of AI systems.

OTP Group considers all entities connected to the Group as partners – not only corporate and retail clients involved in the downstream value chain, but also suppliers, business partners, agents and other contractual partners. If an employee or manager of a partner institution becomes aware of, or has reasonable grounds to believe, that the defined expectations are not being met, they may submit an anonymous report to the Compliance Directorate of OTP Bank Plc.

I.10.4.2. Risk management

(d) (i) (ii) (iii) (iv) (v) (vi)

OTP Group's risk management practice

At OTP Bank, the Risk Management Division, the Strategic and Financial Division, the Security Directorate and the Compliance Directorate exercise functional control over the principles, methodology and infrastructure of the Group-wide risk management strategy. The objective is to establish a Group-level, clearly defined, transparent and standardised credit, country, partner, market, liquidity, operational and compliance risk management system that meets supervisory expectations and the requirements of the local operating environment. The Banking group places particular emphasis on the management of ESG risks and the integration of climate-related considerations into business practices. The Bank's Risk Strategy, as well as the risk requirements set out in Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, are approved by the Bank's Board of Directors.

During the corporate lending process, the governance performance of clients is assessed through the ESG due diligence questionnaire, which forms part of the Group-wide ESG risk assessment framework. The questionnaire is applied to large corporate clients whose exposures exceed predefined thresholds and includes questions relating to governance factors, in addition to environmental and social considerations.

In line with the MNB's ESG Recommendation in the Hungarian operation the ESG questionnaire introduced in 2025 for the relevant domestic clients, and the topics to be examined for foreign clients as listed in the Recommendation, also cover governance risks. The Bank applies the customer due diligence expectations of the MNB within the corporate lending process in accordance with the methodology described in the relevant section of chapter I.10.2.3 Risk management, within the qualitative information on environmental risks presented in this disclosure. Beyond these, the Bank currently does not assess systematically client-specific information regarding ethical considerations, strategy and risk management, inclusivity, transparency and conflicts of interest within the ESG credit risk management framework, which is applied during the corporate lending process.

II. OTP BANK

Information required to be disclosed regarding OTP Bank is not presented in this chapter separately, only in the OTP Group chapter, if it is the same as OTP Group level publications.

II.1. Credit risk adjustments

II.1.1. Methodology of valuation and provisions

The financial reports of the OTP Bank are based on IFRS regulation. Measurement and provision allocation of assets, investments and off-balance sheet liabilities are realized according to frameworks of relevant IFRS/IAS standards.

In its regulations entitled “International Financing Reporting Standards (IFRS) valuation requirements” OTP Bank provides detailed regulations pertaining to the measurement and provision recognition of outstanding debts, investments and off-balance sheet liabilities.

The recognized provision level reflects to the foreseeable risks and potential losses. The amount of the recognized impairment is the difference between the book value of the outstanding debt and the expected amount of the recovered debt. OTP Bank recognizes risk provision for off-balance sheet (pending, future) liabilities on the basis of their assessment. If the measurement process reveals that the amount of the risk provision exceeds the amount required on the basis of the assessment, the excess amount of the risk provision is released.

At initial recognition the financial assets must be tested based on the business model and the contracted cash flow characteristics, based on which it can be determined according to which measurement method, specified in the IFRS9 standard, the given asset is to be managed and valued. The assets can be allocated to the following three categories:

- Assets measured at amortized cost
- Assets valued at fair value through other comprehensive income (FVOCI) – IFRS13,
- Assets valued at fair value through profit and loss (FVPL) – IFRS13.

According to the requirements of the IFRS9 standard, upon the initial recognition and on the reporting dates (last calendar day of the reporting month) the assets measured at amortized cost and the assets valued at fair value through other comprehensive income must be allocated to three stages by their credit risk or POCI category:

- Stage 1 category contains the performing deals.
- Those deals, which are performing, but compared to the initial recognition it shows significant increase in credit risk, must be categorized to Stage 2.

- Stage 3 contains the non-performing (credit-impaired) deals.
- Purchased or originated credit impaired assets are financial assets that are impaired already upon the initial recognition. These assets must be classified as POCI.

In case of the Stage 1 deals 12-month credit losses must be calculated by the expectations of the default probability, for Stage 2 and Stage 3 deals lifetime expected losses must be calculated as impairment.

Depending on the item, assessment based on the following aspects:

- client and counterparty rating – financial situation, stability and income generation capability of the client or counterparty affected by the financial and investment service, and any changes in these factors;
- the repayment schedule (overdue days) – patterns of delay on principal and interest payment related to the amortization of the outstanding debt, regular fulfillment of the payment obligation;
- status of restructuring risk contract;
- sovereign risk and changes in the sovereign risk associated with the client (both political risk and transfer risk);
- value, marketability and availability of the securities pledged as collateral and any changes in them;
- marketability of the item (market demand and supply, achievable market prices, share in the issuer's equity in proportion to the size of the investment),
- future payment obligation, which qualifies as a loss originating from the item,
- significant increase in credit risk compared to the initial recognition.

Probable future losses on the item are determined on a case-by-case basis, in consideration of the above aspects as applicable. If this amount is lower than the amount recognized on the item earlier, it has to be supplemented by the amount of the difference by recognizing a further amount of impairment, or if it is higher, it has to be reduced by the release of the existing amount of impairment.

The OTP Bank Group distinguishes two types of days past due (hereinafter: DPD) measurement methods: (1) DPD regardless of the overdue amount, (2) default DPD.

In case of DPD regardless of the overdue amount the start date of measuring the delay is the due date when the client fails to fulfil his payment obligation specified in the contract. In case the client performed a repayment in case of its overdue amount partially, the amount paid should be deducted from its oldest overdue credit obligation. The calculation of days past due stops if the

delayed amount in which the measurement of the delay has started has been repaid in full. The calculation of days past due should be restarted if the client fails to fulfil its payment obligation.

In case of default DPD the start date of the calculation of the delay is the date on which the customer's past due credit obligation is considered significant, namely the overdue credit obligation arising from the credit contract has exceeded the materiality threshold. The default based past due calculation is ceased if the customer's past due credit obligation falls under the materiality threshold. The default based past due calculation restarts in case the past due credit obligation exceeds the materiality threshold applicable in the relevant segment.

The default status is determined based on default DPD. Default DPD should be used in case of the default identification process only. The Bank uses DPD regardless of the overdue amount in its other processes.

According to the CRR a default shall be considered to have occurred with regard to a particular obligor when either or both of the following events have taken place:

- the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security
- the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

If the debts are past due more than 90 days and it derives from non-lending type contracts do not qualify as default event. That is, the debts from non-lending type contracts do not qualify as default event.

Those debt that are past due more than 90 days based on DPD regardless of the overdue amount, but the default DPD is less than 90 days, the default status is not determined automatically as the default DPD is used in the default identification process.

A credit risk exposure shall be considered as restructured:

- considering the current or future financial difficulties of the client the institution
- provides a concession/allowance in respect of the contract originating the exposure (and this would not be done if the client would not have financial difficulties)

Based on Article 178(3)(d) of the CRR distressed restructuring of a transaction results in the transaction acquiring non-performing forborne status and default status. The conditions for establishing non-performing forborne status are as follows:

- The exposure is defaulted or impaired upon the restructuring; or

- Upon the restructuring measure there is a significant NPV loss compared to the original cash flows, which means:
 - Retail segment (except retail enterprise): such restructuring measure is applied which contains any principal and/or interest and/or fee release or reduction in favor of the client; or
 - Non-retail segment and retail enterprise: if after the restructuring a material NPV loss (1%) can be expected from the exposure (compared to the original cash flow). It is determined in an individual decision whether a material NPV loss exists; or
- A non-performing forbore status exposure once again acquires non-performing status, after having acquired performing forbore status previously, if during the probation period it falls past due over 30 days or it is repeatedly restructured; or
- A performing forbore status exposure becomes defaulted or impaired.

The calculation of credit losses may be carried out on an individual or collective basis.

Portfolio (collective) assessment

The collective assessment based on the following parameters: probability of defaults, cure rate, loss given default. The condition of applying collective assessment is that the assets should be allocable to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfill contractual obligations. The most important variables of the assessment procedure are payment delay, deal/client rating, the restructuring information and the default status.

Upon estimating the future cash flows related to the group(s) of financial assets, the historic credit loss data of the assets representing similar credit risk, the macroeconomic factors and information on the future of financial instruments must be taken into account.

The OTP Bank shall measure expected credit losses of a financial asset in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Individual assessment

Receivables that are of significant amount on a stand-alone basis with objective evidence of impairment or that the risk management functional area subjected to individual assessment based on monitoring information must be measured individually:

- The cash flows expected from the financial instruments must be defined, which has to be based on at least two scenarios.
- Valuation and revaluation of collaterals is crucial, discounting the cash-flows from the sale of collaterals is an important part of individual assessment.
- The defined cash flows must be discounted to the present value.
- The impairment of the financial instrument is taking into account the riskiness of cash flows and individual collateralization.
- The individual cash-flow estimation also has to be forward looking, which has to contain the information about the macroeconomic environment and the future of the financial instruments.
- If there is a significant change in the credit risk of a financial asset, the impairment calculation must be reviewed taking into account the new information and risks.

Changes in impairment of loan portfolio are presented in the following notes of the financial statement:

- changes of impairment regarding “Placements with other banks” in Note 6.
- changes of impairment regarding “Securities at amortised cost” in Note 12.
- changes of impairment regarding “Loans” in Note 10.

II.2. Equity exposures not included in the trading book on 31 December 2025

Chart 8: Equity exposures not included in the trading book according to IFRS on 31 December 2025

Num-ber	Entity	Balance sheet value (in HUF million)	Listed (Exchanged- traded)	Num-ber	Entity	Balance sheet value (in HUF million)	Listed (Exchanged- traded)
1	ABE Clearing SAS	0	No	27	OTP Holding Malta Ltd.	32 359	No
2	Air-Invest Ltd.	38 283	No	28	OTP Hungaro-Project Ltd.	176	No
3	Balansz Real Estate Institute Fund	86 795	No	29	OTP Real Estate Investment Fund Management Plc.	1 352	No
4	BANK CENTER No. 1. Ltd.	43 955	No	30	OTP Real Estate Plc.	6 671	No
5	Banka OTP Albania SHA	31 856	No	31	OTP Mortgage Bank Plc.	115 737	No
6	Budapest Stock Exchange Ltd.	122	No	32	OTP Card Factory Ltd.	450	No
7	CIL Babér Ltd.	6 854	No	33	OTP Close Building Society	1 950	No
8	Crnogorska Komercijalna Banka a.d.	72 784	No	34	OTP Luxembourg S.à r.l.	534 873	No
9	DSK Bank EAD	280 722	No	35	OTP Mobile Service Ltd.	8 191	No
10	Garantija Creditguarantee Closed Co. Ltd	270	No	36	OTP Osiguranje A.D.O. Beograd	701	No
11	Hage hajdúsági Agráripari Ltd.	135	No	37	OTP Home Solutions Ltd.	4 810	No
12	JSC “OTP Bank” (Russia)	71 562	No	38	OTP Funds Servicing and Consulting Company Limited	3 269	No
13	JSCMB “IPOTEKA BANK”	110 972	No	39	OTP banka Srbija akcionarsko društvo Novi Sad	262 759	No
14	KÖZVIL Első Magyar Közvilágítási Closed Co. Plc.	0	No	40	OTP banka dioničko društvo EUR	217 898	No
15	LLC AllianceReserve	34 273	No	41	OTP-DayOne Magvető Fund	280	No
16	LLC OTP Leasing	2 686	No	42	PortfoLion Digitális Fund I.	7 000	No
17	MONICOMP Ltd.	1 929	No	43	PortfoLion Digitális Fund II.	6 516	No
18	Merkantil Bill and Property Investments Bank Ltd.	23 663	No	44	PortfoLion Venture Capital Fund Management Ltd.	2 300	No
19	OD Ltd.	420	No	45	PortfoLion Partner Fund	18 465	No
20	OTP Alapkezelő Plc.	1 653	No	46	PortfoLion Regionális Fund II.	7 785	No
21	OTP Bank JSC (Ukraine)	30 628	No	47	PortfoLion Zöld Fund	33 571	No
22	OTP Bank S.A.	24 159	No	48	Financial Research Corporation.	0	No
23	OTP Ecosystem Ltd.	10 689	No	49	R.E. Four d.o.o., Novi Sad	594	No
24	OTP Factoring Plc.	25 411	No	50	S.W.I.F.T. SCRL	0	No
25	OTP Financing Malta Ltd.	31	No	51	VISA Incorporated	18 085	No
26	OTP Holding Ltd.	2 000	No				

OTP Bank’s individual gains arising from sales and liquidations relating to exposures in equities not included in the trading book for the year ended 31 December 2024 were 16 million HUF.

II.3. Shareholders with significant investment in OTP Bank

The OTP Bank had no shareholders with significant investment on 31st December 2025.

II.4. Liquidity risk

The Bank managing the liquidity risk exposure by (i) accumulating appropriate amount of high quality liquidity reserves, (ii) developing advanced risk management methodology that models the relevant risk exposure in a proper and prudent way, (iii) applying transparent processes and workflows that are straightforward from authority and responsibility point of view therefore they minimize operational risks and (iv) exercising frequent high quality management reporting that provides the adequate scale and scope of insight for economically reasoned decision making.

Within the risk management function, according to the industrial best practice, the strategic risk management and the risk measurement as well as risk control are separated functions. In the recent period, developments within the organizational framework have consistently signaled a deliberate shift toward the enhancement and reinforcement of the control environment. Responsibilities for the risk measurement and risk methodology development lie with the Market Risk Department in Enterprise Risk Directorate. The long term strategic risk management functions are the responsibility of Asset-liability Management Directorate (ALM) in Strategic and Financial Division, while the daily liquidity management process is executed by Treasury in the Commercial Banking Division.

The Enterprise Risk Directorate and the ALM Directorate prepares liquidity risk related standard reports for ALCO on a monthly basis. The report contains the quantitative and qualitative ex post assessment of risk measurement and management process and contains proposals in connection with the future challenges that require ALCO approved actions to deal with.

The internal regulation on liquidity risk management is approved by ALCO after the standard annual revision process of the risk management methodology.

Quarterly report is presented to the Executive Steering Committee where the evolution of liquidity risk profile analyzed in a way that makes the management certain of that risk appetite and risk tolerance are in harmony. ALM Policy is approved by the Board of Directors on a yearly basis.

Annual report is presented to the Board of Directors which contains key topics that affected the risk profile of the bank and the findings of internal and regulatory audits. By approving the annual report the Board of Directors validates the appropriateness of the risk management framework.

The principle of liquidity risk management is that a considerable part of risks is covered by a joint liquidity pool, which offers instant and flexible access for the parent bank and its subsidiaries, while subsidiaries shall build their own liquidity reserve for the risks that are difficult to measure and manage from the center. It is a common feature of the Group's centralized and decentralized methodological framework to compare the quantity of available high-quality reliable liquidity to the risk exposure considered to be relevant.

Liquidity reserve consists of assets that can be quickly converted into cash because of their maturity, or their eligibility for covered financing (repo), therefore they can be used to meet financial obligations, expected or unforeseeable, when they are due. The main components of the liquid asset portfolio include the central bank placements, government securities and mortgage bonds, a smaller share of corporate bonds eligible for central bank repo and money market placements. Using the conservative approach of liquidity management, the expected cashflows of maturing client loan portfolio are not considered as safe liquidity.

The Group's liquidity reserves appear at two levels of hierarchy: in the liquidity pool, and at the subsidiary banks. The minimum liquid asset volume required at either level depends on the size of the risk exposure to be covered.

According to the liquidity strategy the liquidity reserves have to cover the relevant exposure on multiple time horizons (1 month, 3 months). The reserves have to provide coverage under normal business conditions for debt maturities within one year and for the estimated liquidity need of potential liquidity reducing shocks on the applied time horizons.

Under the applied risk management framework the following risk factors have been identified and assessed: (i) business shock (deposit withdrawal and credit line utilization) (ii) market rate shock (interest rates and FX rates) and (iii) renewal risk (capital market debt maturities).

The declaration about the appropriateness of the liquidity risk management can be found in the 2. table of the 2. Annex. The Asset –Liability Committee, approved the declaration.

Based on the (47) paragraph of the 15/2018.- THH – 6212. internal regulation, the information described in the 2. table of the 2. Annex of 9/2017 (VIII.8) proposal of National Bank of Hungary are not disclosed in this document, because they do not have significant effect due to the following:

- Significantly high LCR ratio
- Significant outflow is not expected
- Significant change in LCR is not expected
- OTP Group does not use fund from the market

OTP only uses the items in the LCR table to calculate the liquidity ratio. The impact of the change in the net long-term subsidiary funding position was neutral. The decreasing yield environment contributed to an increase in the HQLA portfolio, while movements in the EUR/HUF exchange rate exerted a reducing effect on the size of the HQLA stock, which was further worsened by the capital market transactions carried out during the year. As a result, the stock of High-Quality Liquid assets

(HQLA) decreased. Furthermore, the increase in business activity led to higher net outflows. The LCR buffer above the 100% regulatory level reached EUR 5.5 billion in the fourth quarter of 2025.

The robustness characteristic of the funding profile dominated by customer deposits has persisted in the recent period as well, and the funding risk remains low due to the low concentration on the liability side.

The liquidity risk associated with derivative exposures remains low compared to the size of OTP. Thanks to the significant volume of total foreign exchange reserves and the well-functioning foreign exchange swap market, OTP can enforce the aspects of efficient liquid asset portfolio management.

II.4.1. Quantitative information on liquidity risk

Quantitative information on liquidity risk required by the regulation is provided in the attached excel tables LIQ1 – LIQ2.

II.5. Disclosure of quantitative information

Quantitative information not included in this document is provided in excel in the Annex.

III. OTP MORTGAGE BANK

Information required to be disclosed regarding OTP Mortgage Bank Ltd. ("OTP Mortgage Bank") is not presented in this chapter separately only in the OTP Group Chapter, if it is the same as OTP Group level publications.

III.1. Corporate governance

Chart 9: The number of directorships of OTP Mortgage Bank's chief executives

Members of the Board of Directors	Number of directorship (according to CRR Art. 435. paragraph (2))		Members of the Supervisory Board	Number of directorship (according to CRR Art. 435. paragraph (2))	
	outside OTP Group	in OTP Group*		outside OTP Group	in OTP Group*
Antal György KOVÁCS	-	2	József NÉMETH	-	1
András BECSEI	-	2	Ágota SELYMESI	-	1
Attila KOVÁCS	-	1	Gergely PÓKOS	-	20
Zoltán ROSKÓ	-	-	Róbert dr. CSATÓ	-	2
Csaba NAGY	-	3	*with the exception of directorships held at OTP Mortgage Bank		
Ákos Ferenc FISCHL	-	2			
Anna Mitkova FLOROVA	-	4			
Balázs EGYÜD	-	1			

*with the exception of directorships held at OTP Mortgage Bank

The number of directorships includes the membership of Executive Board and the Supervisory Board as well.

Chart 10: Board members' education data

Board of Directors		Supervisory Board	
Antal György KOVÁCS		József NÉMETH	
University of Economics, Budapest	MSc in Economics (1985)	College of Finance and Accounting	BSc in Economics (1985)
András BECSEI		Ágota SELYMESI	
University of Economics, Budapest	MSc in Economics (2001)	College of Finance and Accounting	BSc in Finance (1973)
Attila KOVÁCS		Ministry of Finance, Budapest	Tax advisor (1989)
University of Economics, Budapest	MSc in Economics (2001)		Chartered accountant (1995)
Zoltán ROSKÓ		Penta Unió Education Centre	Certified Tax expert (International Taxation) (2004)
University of Economics, Budapest	Economics, Law (1995)	Gergely PÓKOS	
Csaba NAGY		University of Economics, Budapest	MSc in Economics (2004)
College of Finance and Accounting	BSc in Economics (1993)	University of London	Master of business administration (2008)
Ákos Ferenc FISCHL		Róbert dr. CSATÓ	
Szent István University	MSc in Agricultural Engineering (2002)	Corvinus University of Budapest	MA in International Relations (2020)
University of Technology and Economics, Budapest	MSc in Real Estate (2006)	Eötvös Loránd University	Lawyer specialised in data security and data protection (2018)
University of Technology and Economics, Budapest	MSc in Construction Industry Judicial Expertise (2009)	Eötvös Loránd University	Jurist (2016)
Anna FLOROVA MITKOVA		Corvinus University of Budapest	International Relations Expert (2011)
G.V. Plehanov University of Economics, Moscow	MSc in Economics (1989)		
University of Economics, Postgraduate Department, Budapest	MSc in Economics with bank management specialization (1996)		

Information on the recruitment policy for the selection of members of the management bodies and the expertise, skills and experience of the members

It is crucial for the security of the OTP Mortgage Bank's operations that it should be managed only by professional and commercially reliable professionals who has a good business reputation. Directive 2013/36/EU on the capital adequacy regime for credit institutions ("CRD IV") as well as domestic legislation also contain several requirements for senior executives. OTP Mortgage Bank has internal regulation regarding the selection of members of the management bodies and the conduct of suitability assessment. Based on the professional CVs, it can be stated that the members of both the Executive Board and the Supervisory Board have excellent professional knowledge, experience and references in their respective fields, as well as thorough proficiency in the management of credit institutions dating back several years.

Information on the diversity policy to be applied to the members of the management bodies

The OTP Mortgage Bank's regulatory document on the selection of members of management bodies and the conduct of compliance inspections provides for diversity criteria to be applied to members of management bodies. The OTP Mortgage Bank considers it important to aspire for ensuring the diversity of senior management in order to have the widest possible range of expertise

and abilities in order to promote independent positions and prudent decision-making (e.g. based on age, gender, expertise, education, geographical location). The OTP Mortgage Bank shall ensure equal treatment in the composition of the management bodies and seeks to ensure that both gender are represented among the candidates.

Information indicating whether the institution has a separate risk committee and frequency of meetings

The OTP Mortgage Bank does not have a separate risk management committee, decisions related to risk management are made by the Management Committee and the Board of Directors, related tasks are coordinated by Finance, Accounting and Risk Management Department and performed under the relevant service contract by the OTP Bank Plc. Finance, Accounting and Risk Management Departments responsible for the Risk management information system based on detailed reporting of the relevant organizational units of OTP Bank Plc and subsidiaries. Most important parts are monthly and quarterly reports to the Management Committee and Board of Directors, which are discussed and approved by these bodies with the same frequency.

III.2. Credit risk adjustments

III.2.1. Methodology of valuation and provisions

The financial reports of the OTP Mortgage Bank are based on IFRS regulation. Measurement and provision allocation of assets, investments and off-balance sheet liabilities are realized according to frameworks of relevant IFRS/IAS standards.

In its regulations entitled “International Financing Reporting Standards (IFRS) valuation requirements” OTP Mortgage Bank provides detailed regulations pertaining to the measurement and provision recognition of outstanding debts, investments and off-balance sheet liabilities.

The recognized provision level reflects to the foreseeable risks and potential losses. The amount of the recognized impairment is the difference between the book value of the outstanding debt and the expected amount of the recovered debt. OTP Mortgage Bank recognizes risk provision for off-balance sheet (pending, future) liabilities on the basis of their assessment. If the measurement process reveals that the amount of the risk provision exceeds the amount required on the basis of the assessment, the excess amount of the risk provision is released.

At initial recognition the financial assets must be tested based on the business model and the contracted cash flow characteristics, based on which it can be determined according to which measurement method, specified in the IFRS9 standard, the given asset is to be managed and valued. The assets can be allocated to the following three categories:

- Assets measured at amortized cost
- Assets valued at fair value through other comprehensive income (FVOCI) – IFRS13,
- Assets valued at fair value through profit and loss (FVPL) – IFRS13.

According to the requirements of the IFRS9 standard, upon the initial recognition and on the reporting dates (last calendar day of the reporting month) the assets measured at amortized cost and the assets valued at fair value through other comprehensive income must be allocated to three stages by their credit risk or POCI category:

- Stage 1 category contains the performing deals.
- Those deals, which are performing, but compared to the initial recognition it shows significant increase in credit risk, must be categorized to Stage 2.
- Stage 3 contains the non-performing (credit-impaired) deals.

Purchased or originated credit impaired assets are financial assets that are impaired already upon the initial recognition. These assets must be classified as POCI.

In case of the Stage 1 deals 12-month credit losses must be calculated by the expectations of the default probability, for Stage 2 and Stage 3 deals lifetime expected losses must be calculated as impairment.

Depending on the item, assessment based on the following aspects:

- client and counterparty rating – financial situation, stability and income generation capability of the client or counterparty affected by the financial and investment service, and any changes in these factors;
- the repayment schedule (overdue days) – patterns of delay on principal and interest payment related to the amortization of the outstanding debt, regular fulfillment of the payment obligation;
- status of restructuring risk contract;
- sovereign risk and changes in the sovereign risk associated with the client (both political risk and transfer risk);
- value, marketability and availability of the securities pledged as collateral and any changes in them;
- marketability of the item (market demand and supply, achievable market prices, share in the issuer's equity in proportion to the size of the investment),
- future payment obligation, which qualifies as a loss originating from the item,
- significant increase in credit risk compared to the initial recognition.

Probable future losses on the item are determined on a case-by-case basis, in consideration of the above aspects as applicable. If this amount is lower than the amount recognized on the item earlier, it has to be supplemented by the amount of the difference by recognizing a further amount of impairment, or if it is higher, it has to be reduced by the release of the existing amount of impairment.

The OTP Bank Group distinguishes two types of days past due (hereinafter: DPD) measurement methods: (1) DPD regardless of the overdue amount, (2) default DPD.

In case of DPD regardless of the overdue amount the start date of measuring the delay is the due date when the client fails to fulfil his payment obligation specified in the contract. In case the client performed a repayment in case of its overdue amount partially, the amount paid should be deducted from its oldest overdue credit obligation. The calculation of days past due stops if the delayed amount in which the measurement of the delay has started has been repaid in full. The calculation of days past due should be restarted if the client fails to fulfil its payment obligation.

In case of default DPD the start date of the calculation of the delay is the date on which the customer's past due credit obligation is considered significant, namely the overdue credit obligation arising from the credit contract has exceeded the materiality threshold. The default based past due calculation is ceased if the customer's past due credit obligation falls under the materiality threshold. The default based past due calculation restarts in case the past due credit obligation exceeds the materiality threshold applicable in the relevant segment.

The default status is determined based on default DPD. Default DPD should be used in case of the default identification process only. The Bank uses DPD regardless of the overdue amount in its other processes.

According to the CRR a default shall be considered to have occurred with regard to a particular obligor when either or both of the following events have taken place:

- the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security
- the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

If the debts are past due more than 90 days and it derives from non-lending type contracts do not qualify as default event. That is, the debts from non-lending type contracts do not qualify as default event.

Those debt that are past due more than 90 days based on DPD regardless of the overdue amount, but the default DPD is less than 90 days, the default status is not determined automatically as the default DPD is used in the default identification process.

A credit risk exposure shall be considered as restructured:

- considering the current or future financial difficulties of the client the institution
- provides a concession/allowance in respect of the contract originating the exposure (and this would not be done if the client would not have financial difficulties)

Based on Article 178(3)(d) of the CRR distressed restructuring of a transaction results in the transaction acquiring non-performing forbore status and default status. The conditions for establishing non-performing forbore status are as follows:

- The exposure is defaulted or impaired upon the restructuring; or
- Upon the restructuring measure there is a significant NPV loss compared to the original cash flows, which means:

- Retail segment (except retail enterprise): such restructuring measure is applied which contains any principal and/or interest and/or fee release or reduction in favor of the client; or
- Non-retail segment and retail enterprise: if after the restructuring a material NPV loss (1%) can be expected from the exposure (compared to the original cash flow). It is determined in an individual decision whether a material NPV loss exists; or
- A non-performing forbore status exposure once again acquires non-performing status, after having acquired performing forbore status previously, if during the probation period it falls past due over 30 days or it is repeatedly restructured; or
- A performing forbore status exposure becomes defaulted or impaired.

The calculation of credit losses may be carried out on an individual or collective basis.

Portfolio (collective) assessment

The collective assessment based on the following parameters: probability of defaults, cure rate, loss given default. The condition of applying collective assessment is that the assets should be allocable to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfill contractual obligations. The most important variables of the assessment procedure are payment delay, deal/client rating, the restructuring information and the default status.

Upon estimating the future cash flows related to the group(s) of financial assets, the historic credit loss data of the assets representing similar credit risk, the macroeconomic factors and information on the future of financial instruments must be taken into account.

The OTP Mortgage Bank shall measure expected credit losses of a financial asset in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Individual assessment

Receivables that are of significant amount on a stand-alone basis with objective evidence of impairment or that the risk management functional area subjected to individual assessment based on monitoring information must be measured individually:

- The cash flows expected from the financial instruments must be defined, which has to be based on at least two scenarios.

- Valuation and revaluation of collaterals is crucial, discounting the cash-flows from the sale of collaterals is an important part of individual assessment.
- The defined cash flows must be discounted to the present value.
- The impairment of the financial instrument is taking into account the riskiness of cash flows and individual collateralization.
- The individual cash-flow estimation also has to be forward looking, which has to contain the information about the macroeconomic environment and the future of the financial instruments.
- If there is a significant change in the credit risk of a financial asset, the impairment calculation must be reviewed taking into account the new information and risks.

Changes in impairment of loan portfolio are presented in in the following notes of the financial statement:

- changes of impairment regarding “Placements with other banks” in Note 5.
- changes of impairment regarding “Loans” in Note 7.

III.3. Exposures in equities not included in the trading book on 31st December 2025

Chart 11: Exposures in equities not included in the trading book according to IFRS on 31st December 2025

There is no exposures, which are in equities not included in the trading book.

III.4. Liquidity risk

The activity of mortgage banks founded and operating in Hungary is regulated by Act XXX of 1997 on Mortgage Banks and on Mortgage Bonds. OTP Mortgage Bank Ltd. is a specialized credit institution, its most important business activity is retail lending secured by mortgages on real estates located in Hungary. OTP Mortgage Bank is not authorized to collect deposits and it is permitted to engage in derivative transactions for reasons of liquidity and risk management operations only. OTP Mortgage Bank Ltd. defines the following goals in connection with liquidity risk management.

The primary goal is to guarantee the fulfilment of financial obligations at all times: the company has to be able to fulfill its obligations of payments due, in the proper currency, and it has to perform the necessary transactions to maintain the solvency position. The fulfilment of financial obligations compliant with regulatory requirements regarding liquidity is also essential. Besides securing solvency and complying with legal obligations the secondary purpose is to achieve these goals via the best option while taking profitability into account. The target of the risk management policy of OTP Mortgage Bank is risk-aware operation: it is significant to identify, evaluate and continuously monitor liquidity and other forms of financial risk and to share the information with the management of the company.

The Board of Directors of OTP Mortgage Bank Ltd. approved the report of the Treasury, Issuance and Refinancing Department on financial risks and risk management with resolution no. 24/2026 (16 March 2026).

Declaration on liquidity risk

The Board of Directors of OTP Mortgage Bank makes the below declaration, in accordance with Article 435 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR) and European Commission Implementing Regulation (EU) No 2021/637.

By its profile and business strategy OTP Mortgage Bank is a specialized credit institution engaged in retail mortgage lending and is regulated by Act XXX of 1997 on Mortgage Banks and on Mortgage Bonds. The Board of Directors believes that the liquidity risk management arrangements of the company are sufficient with regard to the profile and business strategy of the company.

Definition of liquidity risk management policy and regulation of practices regarding evaluation and management of liquidity risk are laid down in OTP Mortgage Bank Ltd's Regulation on liquidity and interest rate risk. It is approved by the Board of Directors of the company and is reviewed at least annually. Being the subsidiary of OTP Bank Plc. OTP Mortgage Bank is a member of OTP Group.

OTP Bank has a group-level regulation on interest- and liquidity risk management. According to this regulation liquidity exposure is monitored and managed on a consolidated basis as well.

The department responsible for liquidity risk management within the company is the Treasury, Issuance and Refinancing Department. The department prepares a quarterly report on the liquidity exposure of the company, the related money and capital market transactions and limit measures for the Management Committee and the Board of Directors. The internal auditor monitors the liquidity risk management operation of the company within its annual program in accordance with the guideline no. 12/2015. (VIII. 24.) of the National Bank of Hungary on the evaluation, management and control of liquidity risk.

In 2025 OTP Mortgage Bank complied with requirements defined by the regulatory framework and met limits with regard to liquidity risk defined by internal regulations, the Board of Directors believes that the liquidity risk exposure of the company complies with the profile of a specialized credit institution and the liquidity risk management policy of the company.

III.4.1. Quantitative information on liquidity risk

Quantitative information on liquidity risk required by the regulation is provided in the attached excel tables LIQ1 – LIQ2.

III.5. Disclosure of quantitative information

Quantitative information not included in this document is provided in excel in the Annex.

IV. OTP BUILDING SOCIETY

Information required to be disclosed regarding OTP Building Society Ltd. ("OTP Building Society") is not presented in this chapter separately only in the OTP Group Chapter, if it is the same as OTP Group level publications.

IV.1. Corporate Governance

Chart 12: The number of directorships of OTP Building Society's chief executives*

Members of the Board of Directors	Number of directorships (according to CRR Art. 435. paragraph (2))		Member of Supervisory Board	Number of directorships (according to CRR Art. 435. paragraph (2))	
	outside OTP Group	in OTP Group*		outside OTP Group	in OTP Group*
Antal György KOVÁCS	-	2	Beáta SUKOVICH	-	-
András BECSEI	-	2	Dr. Júlia ERŐS	-	-
Csaba NAGY	-	3	József WINDHEIM	-	3
Anna FLOROVA	-	4	Dr. Róbert CSATÓ	-	1
MITKOVA	-	4	*with the exception of directorships held at OTP Building Society		
Balázs EGYÜD	-	1			
Attila KOVÁCS	-	2			

*with the exception of directorships held at OTP Building Society

*The number of directorships includes the membership of Board of Directors and the Supervisory Board as well

Chart 13: Board members' education data

Board of Directors		Supervisory Board	
Antal György KOVÁCS		Beáta SUKOVICH	
University of Economics, Budapest	MSc in Economics (1985)	University of Miskolc	MSc in Economics (2002)
András BECSEI		Economics, Law (2006)	
University of Economics, Budapest	MSc in Economics (2001)	Dr. Júlia ERŐS	
Csaba NAGY		Eötvös Loránd University, Budapest	MSc in Law (2001)
College of Finance and Accounting, Hungary	BSc in Economics (1993)	József WINDHEIM	
Anna FLOROVA MITKOVA		Janus Pannonius University	MSc in Economics (1983)
G.V. Plehanov University of Economics, Moscow	MSc in Economics (1989)	Economics, Law (1996)	
University of Economics, Postgraduate Department, Budapest	MSc in Economics with bank management specialization (1996)	Dr. Róbert Csató	
Balázs EGYÜD		Corvinus University of Budapest	International Relations Expert (2011)
Corvinus University of Budapest	MSc: Faculty of Corporate Finance (2013)	Eötvös Loránd University, Budapest	MSc in Law (2016)
	BA: Faculty of Accounting (2011)	Eötvös Loránd University, Budapest	Lawyer specialised in data security and data protection (2018)
Attila KOVÁCS		Corvinus University of Budapest	International Relations Expert (2020)
University of Economics, Budapest	MSc in Economics (2001)		

OTP Building Society is 100% owned by OTP Bank Plc. As an owner OTP Bank Plc. selects the members of the Management Board according to the aspects of the Banking Group Diversity Policy.

OTP Building Society does not operate a separate Risk Management Committee, the decision-making tasks related to risk management are performed by the Management Meeting.

The informations about risks are presented in monthly and quarterly reports to the Management.

IV.2. Credit risk adjustments

IV.2.1. Methods of valuations and provisions

The financial reports of the OTP Building Society are based on IFRS regulation. Measurement and provision allocation of assets, investments and off-balance sheet liabilities are realized according to frameworks of relevant IFRS/IAS standards.

In its regulations entitled “International Financing Reporting Standards (IFRS) valuation requirements” OTP Building Society provides detailed regulations pertaining to the measurement and provision recognition of outstanding debts, investments and off-balance sheet liabilities.

The recognized provision level reflects to the foreseeable risks and potential losses. The amount of the recognized impairment is the difference between the book value of the outstanding debt and the expected amount of the recovered debt. OTP Building Society recognizes risk provision for off-balance sheet (pending, future) liabilities on the basis of their assessment. If the measurement process reveals that the amount of the risk provision exceeds the amount required on the basis of the assessment, the excess amount of the risk provision is released.

At initial recognition the financial assets must be tested based on the business model and the contracted cash flow characteristics, based on which it can be determined according to which measurement method, specified in the IFRS9 standard, the given asset is to be managed and valued. The assets can be allocated to the following three categories:

- Assets measured at amortized cost
- Assets valued at fair value through other comprehensive income (FVOCI) – IFRS13,
- Assets valued at fair value through profit and loss (FVPL) – IFRS13.

According to the requirements of the IFRS9 standard, upon the initial recognition and on the reporting dates (last calendar day of the reporting month) the assets measured at amortized cost and the assets valued at fair value through other comprehensive income must be allocated to three stages by their credit risk or POCI category:

- Stage 1 category contains the performing deals.
- Those deals, which are performing, but compared to the initial recognition it shows significant increase in credit risk, must be categorized to Stage 2.
- Stage 3 contains the non-performing (credit-impaired) deals.
- Purchased or originated credit impaired assets are financial assets that are impaired already upon the initial recognition. These assets must be classified as POCI.

In case of the Stage 1 deals 12-month credit losses must be calculated by the expectations of the default probability, for Stage 2 and Stage 3 deals lifetime expected losses must be calculated as impairment.

Depending on the item, assessment based on the following aspects:

- client and counterparty rating – financial situation, stability and income generation capability of the client or counterparty affected by the financial and investment service, and any changes in these factors;
- the repayment schedule (overdue days) – patterns of delay on principal and interest payment related to the amortization of the outstanding debt, regular fulfillment of the payment obligation;
- status of restructuring risk contract;
- sovereign risk and changes in the sovereign risk associated with the client (both political risk and transfer risk);
- value, marketability and availability of the securities pledged as collateral and any changes in them;
- marketability of the item (market demand and supply, achievable market prices, share in the issuer's equity in proportion to the size of the investment),
- future payment obligation, which qualifies as a loss originating from the item,
- significant increase in credit risk compared to the initial recognition.

Probable future losses on the item are determined on a case-by-case basis, in consideration of the above aspects as applicable. If this amount is lower than the amount recognized on the item earlier, it has to be supplemented by the amount of the difference by recognizing a further amount of impairment, or if it is higher, it has to be reduced by the release of the existing amount of impairment.

The OTP Bank Group distinguishes two types of days past due (hereinafter: DPD) measurement methods: (1) DPD regardless of the overdue amount, (2) default DPD.

In case of DPD regardless of the overdue amount the start date of measuring the delay is the due date when the client fails to fulfil his payment obligation specified in the contract. In case the client performed a repayment in case of its overdue amount partially, the amount paid should be deducted from its oldest overdue credit obligation. The calculation of days past due stops if the delayed amount in which the measurement of the delay has started has been repaid in full. The calculation of days past due should be restarted if the client fails to fulfil its payment obligation.

In case of default DPD the start date of the calculation of the delay is the date on which the customer's past due credit obligation is considered significant, namely the overdue credit obligation arising from the credit contract has exceeded the materiality threshold. The default based past due calculation is ceased if the customer's past due credit obligation falls under the materiality threshold. The default based past due calculation restarts in case the past due credit obligation exceeds the materiality threshold applicable in the relevant segment.

The default status is determined based on default DPD. Default DPD should be used in case of the default identification process only. The Bank uses DPD regardless of the overdue amount in its other processes.

According to the CRR a default shall be considered to have occurred with regard to a particular obligor when either or both of the following events have taken place:

- the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security
- the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

If the debts are past due more than 90 days and it derives from non-lending type contracts do not qualify as default event. That is, the debts from non-lending type contracts do not qualify as default event.

Those debt that are past due more than 90 days based on DPD regardless of the overdue amount, but the default DPD is less than 90 days, the default status is not determined automatically as the default DPD is used in the default identification process.

A credit risk exposure shall be considered as restructured:

- considering the current or future financial difficulties of the client the institution
- provides a concession/allowance in respect of the contract originating the exposure (and this would not be done if the client would not have financial difficulties)

Based on Article 178(3)(d) of the CRR distressed restructuring of a transaction results in the transaction acquiring non-performing forbore status and default status. The conditions for establishing non-performing forbore status are as follows:

- The exposure is defaulted or impaired upon the restructuring; or
- Upon the restructuring measure there is a significant NPV loss compared to the original cash flows, which means:

- Retail segment (except retail enterprise): such restructuring measure is applied which contains any principal and/or interest and/or fee release or reduction in favor of the client; or
- Non-retail segment and retail enterprise: if after the restructuring a material NPV loss (1%) can be expected from the exposure (compared to the original cash flow). It is determined in an individual decision whether a material NPV loss exists; or
- A non-performing forbore status exposure once again acquires non-performing status, after having acquired performing forbore status previously, if during the probation period it falls past due over 30 days or it is repeatedly restructured; or
- A performing forbore status exposure becomes defaulted or impaired.

The calculation of credit losses may be carried out on an individual or collective basis.

Portfolio (collective) assessment

The collective assessment based on the following parameters: probability of defaults, cure rate, loss given default. The condition of applying collective assessment is that the assets should be allocable to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfill contractual obligations. The most important variables of the assessment procedure are payment delay, deal/client rating, the restructuring information and the default status.

Upon estimating the future cash flows related to the group(s) of financial assets, the historic credit loss data of the assets representing similar credit risk, the macroeconomic factors and information on the future of financial instruments must be taken into account.

The OTP Building Society shall measure expected credit losses of a financial asset in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Individual assessment

Receivables that are of significant amount on a stand-alone basis with objective evidence of impairment or that the risk management functional area subjected to individual assessment based on monitoring information must be measured individually:

- The cash flows expected from the financial instruments must be defined, which has to be based on at least two scenarios.

- Valuation and revaluation of collaterals is crucial, discounting the cash-flows from the sale of collaterals is an important part of individual assessment.
- The defined cash flows must be discounted to the present value.
- The impairment of the financial instrument is taking into account the riskiness of cash flows and individual collateralization.
- The individual cash-flow estimation also has to be forward looking, which has to contain the information about the macroeconomic environment and the future of the financial instruments.
- If there is a significant change in the credit risk of a financial asset, the impairment calculation must be reviewed taking into account the new information and risks.

Changes in impairment of loan portfolio are presented in in the following notes of the financial statement:

- changes of impairment regarding “Securities at amortised cost” in Note 9.
- changes of impairment regarding “Loans” in Note 7.

IV.3. Exposures in equities not included in the trading book on 31st December 2025

There is no exposures, which are in equities not included in the trading book.

IV.4. Liquidity risk

The activity of home savings and loan associations founded and operating in Hungary is regulated by Act CXIII of 1996 on Home Savings and Loan Associations. OTP Building Society Ltd. is a specialized credit institution, its principle business activity is to collect deposits and disburse loans pursuant to an agreement in the territory of Hungary. OTP Building Society defines the following goals in connection with liquidity risk management.

The primary goal is to guarantee the fulfilment of financial obligations at all times: the company has to be able to fulfil its obligations of payments due, in the proper currency, and it has to perform the necessary transactions to maintain the solvency position. The fulfilment of financial obligations compliant with regulatory requirements regarding liquidity is also essential. Besides securing solvency and complying with legal obligations the secondary purpose is to achieve these goals via the best option while taking profitability into account. The target of the risk management policy of OTP Building Society is risk-aware operation: it is significant to identify, evaluate and continuously monitor liquidity and other forms of financial risk and to share the information with the management of the company.

The Board of Directors of OTP Building Society Ltd. approved the report of the Finance, Accounting and Risk Management Department on financial risks and risk management with resolution no. 13/2026.(III.16.).

Declaration on liquidity risk

The Board of Directors of OTP Building Society makes the below declaration, in accordance with Article 435 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR) and European Commission Implementing Regulation (EU) No 2021/637.

By its profile and business strategy OTP Building Society is a specialized credit institution engaged in collection of deposits and loan disbursement and is regulated by Act CXIII of 1996 on Home Savings and Loan Associations. The Board of Directors believes that the liquidity risk management arrangements of the company are sufficient with regard to the profile and business strategy of the company.

Definition of liquidity risk management policy and regulation of practices regarding evaluation and management of liquidity risk are laid down in OTP Building Society Ltd's Regulation on liquidity and interest rate risk. It is approved by the Board of Directors of the company and is reviewed at least annually. Being the subsidiary of OTP Bank Plc. OTP Building Society is a member of OTP Group. OTP Bank has a group-level regulation on interest- and liquidity risk management.

According to this regulation liquidity exposure is monitored and managed on a consolidated basis as well.

The department responsible for liquidity risk management within the company is the Finance, Accounting and Risk Management Department. The department prepares a quarterly report on the liquidity exposure of the company, the related money and capital market transactions and limit measures for the Management Committee and the Board of Directors. The internal auditor monitors the liquidity risk management operation of the company within its annual program in accordance with the guideline no. 12/2015. (VIII. 24.) of the National Bank of Hungary on the evaluation, management and control of liquidity risk.

In 2025 OTP Building Society complied with requirements defined by the regulatory framework and met limits with regard to liquidity risk defined by internal regulations, the Board of Directors believes that the liquidity risk exposure of the company complies with the profile of a specialized credit institution and the liquidity risk management policy of the company.

IV.4.1. Quantitative information on liquidity risk

Quantitative information on liquidity risk required by the regulation is provided in the attached excel tables LIQ1 – LIQ2.

IV.5. Disclosure of quantitative information

Quantitative information not included in this document is provided in excel in the Annex.

V. MERKANTIL BANK

Information required to be disclosed regarding Merkantil Bank Ltd. ("Merkantil Bank") is not presented in this chapter separately only in the OTP Group Chapter, if it is the same as OTP Group level publications.

V.1. Corporate Governance

Chart 14: The number of directorships of Merkantil Bank's chief executives*

Members of the Board of Directors	Number of directorships (according to CRR Art. 435. paragraph (2))		Members of the Supervisory Board	Number of directorships (according to CRR Art. 435. paragraph (2))	
	outside OTP Group	in OTP Group*		outside OTP Group	in OTP Group*
Gyula Fatér	-	2	Ágota SELYMESI	-	0
Péter KÖNTÖS	-	-	Zsuzsanna SZABÓ	-	-
Tibor CSONKA	1	1	Árpád SRANKÓ	-	2
Ibolya dr. RAJMONNÉ VERES	-	2	Zoltán TÓTHMÁTYÁS	1	1
dr. Bálint CSERE	2	1			

*with the exception of directorships held at Merkantil Bank

*with the exception of directorships held at Merkantil Bank

*The number of directorships includes the membership of Board of Directors and the Supervisory Board as well

Chart 15: Board members' education data

Board of Directors		Supervisory Board	
Gyula Fatér		Ágota SELYMESI	
University of Economics, Budapest Economist(1990)		College of Finance and Accounting, Budapest	BSc in Finance (1973)
Péter KÖNTÖS		Ministry of Finance, Budapest	Tax adviser (1989)
University of Economics, Budapest Economist (1979)		Penta Unió Education Centre	Chartered accountant (1995), International tax adviser (2004)
Post-graduate School of Economics	Complex Company Planning Analyst (1985)	Zsuzsanna SZABÓ	
Tibor CSONKA		University of Economics, Budapest	Economist (1978)
Szent István University, Gödöllő	MSc in Agricultural Economics (2002)	Árpád SRANKÓ	
dr. Ibolya RAJMONNÉ VERES		Corvinus University of Budapest	Economist (2004)
College of Szolnok	Economist (2001)	Zoltán Tóthmátyás	
University of Economics, Budapest	Economist in Project Management (2004)	University of Pécs	Economist (2007)
dr. Bálint CSERE			
ELTE University, Faculty of Law, Budapest	MA in Law (2000)		

V.2. Credit risk adjustments

V.2.1. Methods of valuations and provisions

The financial reports of Merkantil Bank are based on IFRS regulation. Measurement and provision allocation of assets, investments and off-balance sheet liabilities are realized according to frameworks of relevant IFRS/IAS standards.

In its regulations entitled “International Financing Reporting Standards (IFRS) valuation requirements” Merkantil Bank provides detailed regulations pertaining to the measurement and provision recognition of outstanding debts, investments and off-balance sheet liabilities.

The recognized provision level reflects to the foreseeable risks and potential losses. The amount of the recognized impairment is the difference between the book value of the outstanding debt and the expected amount of the recovered debt. Merkantil Bank recognizes risk provision for off-balance sheet (pending, future) liabilities on the basis of their assessment. If the measurement process reveals that the amount of the risk provision exceeds the amount required on the basis of the assessment, the excess amount of the risk provision is released.

At initial recognition the financial assets must be tested based on the business model and the contracted cash flow characteristics, based on which it can be determined according to which measurement method, specified in the IFRS9 standard, the given asset is to be managed and valued. The assets can be allocated to the following three categories:

- Assets measured at amortized cost
- Assets valued at fair value through other comprehensive income (FVOCI) – IFRS13,
- Assets valued at fair value through profit and loss (FVPL) – IFRS13.

According to the requirements of the IFRS9 standard, upon the initial recognition and on the reporting dates (last calendar day of the reporting month) the assets measured at amortized cost and the assets valued at fair value through other comprehensive income must be allocated to three stages by their credit risk or POCI category:

- Stage 1 category contains the performing deals.
- Those deals, which are performing, but compared to the initial recognition it shows significant increase in credit risk, must be categorized to Stage 2.
- Stage 3 contains the non-performing (credit-impaired) deals.
- Purchased or originated credit impaired assets are financial assets that are impaired already upon the initial recognition. These assets must be classified as POCI.

In case of the Stage 1 deals 12-month credit losses must be calculated by the expectations of the default probability, for Stage 2 and Stage 3 deals lifetime expected losses must be calculated as impairment.

Depending on the item, assessment based on the following aspects:

- client and counterparty rating – financial situation, stability and income generation capability of the client or counterparty affected by the financial and investment service, and any changes in these factors;
- the repayment schedule (overdue days) – patterns of delay on principal and interest payment related to the amortization of the outstanding debt, regular fulfillment of the payment obligation;
- status of restructuring risk contract;
- sovereign risk and changes in the sovereign risk associated with the client (both political risk and transfer risk);
- value, marketability and availability of the securities pledged as collateral and any changes in them;
- marketability of the item (market demand and supply, achievable market prices, share in the issuer's equity in proportion to the size of the investment),
- future payment obligation, which qualifies as a loss originating from the item,
- significant increase in credit risk compared to the initial recognition.

Probable future losses on the item are determined on a case-by-case basis, in consideration of the above aspects as applicable. If this amount is lower than the amount recognized on the item earlier, it has to be supplemented by the amount of the difference by recognizing a further amount of impairment, or if it is higher, it has to be reduced by the release of the existing amount of impairment.

The OTP Bank Group distinguishes two types of days past due (hereinafter: DPD) measurement methods: (1) DPD regardless of the overdue amount, (2) default DPD.

In case of DPD regardless of the overdue amount the start date of measuring the delay is the due date when the client fails to fulfil his payment obligation specified in the contract. In case the client performed a repayment in case of its overdue amount partially, the amount paid should be deducted from its oldest overdue credit obligation. The calculation of days past due stops if the delayed amount in which the measurement of the delay has started has been repaid in full. The calculation of days past due should be restarted if the client fails to fulfil its payment obligation.

In case of default DPD the start date of the calculation of the delay is the date on which the customer's past due credit obligation is considered significant, namely the overdue credit obligation

arising from the credit contract has exceeded the materiality threshold. The default based past due calculation is ceased if the customer's past due credit obligation falls under the materiality threshold. The default based past due calculation restarts in case the past due credit obligation exceeds the materiality threshold applicable in the relevant segment.

The default status is determined based on default DPD. Default DPD should be used in case of the default identification process only. The Bank uses DPD regardless of the overdue amount in its other processes.

According to the CRR a default shall be considered to have occurred with regard to a particular obligor when either or both of the following events have taken place:

- the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security
- the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

If the debts are past due more than 90 days and it derives from non-lending type contracts do not qualify as default event. That is, the debts from non-lending type contracts do not qualify as default event.

Those debt that are past due more than 90 days based on DPD regardless of the overdue amount, but the default DPD is less than 90 days, the default status is not determined automatically as the default DPD is used in the default identification process.

A credit risk exposure shall be considered as restructured:

- considering the current or future financial difficulties of the client the institution
- provides a concession/allowance in respect of the contract originating the exposure (and this would not be done if the client would not have financial difficulties)

Based on Article 178(3)(d) of the CRR distressed restructuring of a transaction results in the transaction acquiring non-performing forbore status and default status. The conditions for establishing non-performing forbore status are as follows:

- The exposure is defaulted or impaired upon the restructuring; or
- Upon the restructuring measure there is a significant NPV loss compared to the original cash flows, which means:
 - Retail segment (except retail enterprise): such restructuring measure is applied which contains any principal and/or interest and/or fee release or reduction in favor of the client; or

- Non-retail segment and retail enterprise: if after the restructuring a material NPV loss (1%) can be expected from the exposure (compared to the original cash flow). It is determined in an individual decision whether a material NPV loss exists; or
- A non-performing forbore status exposure once again acquires non-performing status, after having acquired performing forbore status previously, if during the probation period it falls past due over 30 days or it is repeatedly restructured; or
- A performing forbore status exposure becomes defaulted or impaired.

The calculation of credit losses may be carried out on an individual or collective basis.

Portfolio (collective) assessment

The collective assessment based on the following parameters: probability of defaults, cure rate, loss given default. The condition of applying collective assessment is that the assets should be allocable to groups representing similar credit risk based on major credit risk characteristics and their capability to fulfill contractual obligations. The most important variables of the assessment procedure are payment delay, deal/client rating, the restructuring information and the default status.

Upon estimating the future cash flows related to the group(s) of financial assets, the historic credit loss data of the assets representing similar credit risk, the macroeconomic factors and information on the future of financial instruments must be taken into account.

Merkantil Bank shall measure expected credit losses of a financial asset in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Individual assessment

Receivables that are of significant amount on a stand-alone basis with objective evidence of impairment or that the risk management functional area subjected to individual assessment based on monitoring information must be measured individually:

- The cash flows expected from the financial instruments must be defined, which has to be based on at least two scenarios.
- Valuation and revaluation of collaterals is crucial, discounting the cash-flows from the sale of collaterals is an important part of individual assessment.
- The defined cash flows must be discounted to the present value.
- The impairment of the financial instrument is taking into account the riskiness of cash flows and individual collateralization.

- The individual cash-flow estimation also has to be forward looking, which has to contain the information about the macroeconomic environment and the future of the financial instruments.
- If there is a significant change in the credit risk of a financial asset, the impairment calculation must be reviewed taking into account the new information and risks.

V.3. Exposures in equities not included in the trading book on 31st December 2025

Chart 16: Exposures in equities not included in the trading book according to IFRS on 31st December 2025

Number	Entity	Balance sheet value (in HUF million)	Listed (Exchanged-traded)
1.	Garantiqa Credit Guarantee Closed Co. Ltd.	10	No
2.	Merkantil Lease Service LLC	625	No
3.	OTP Real Estate Leasing Ltd.	50	No
4.	OTP Leasing d.d.	116	No
5.	OTP Travel Ltd.	2 614	No
6.	SPLC Property Management Ltd.	182	No
7.	OTP Lizing d.o.o.	505	No
8.	OTP Services d. o. o. Beograd	262	No
9.	LLC OTP Leasing	1 791	No

Merkantil Bank's gains arising from sales and liquidations relating to exposures in equities not included in the trading book for the year ended 31 December 2025 were 0,3 million HUF.

V.4. Liquidity risk

Merkantil Bank Ltd. was established in 1988 as a specialized credit institution, dealing with bill of exchange and factoring. In 1992 the bank started the vehicle financing business. During the privatization in 1996 OTP Bank acquired 100% ownership of the company. For the time being it's most important financial activity is vehicle and equipment leasing. Majority of the liabilities are from the mother company, collection of deposits is limited. It is permitted to engage in derivative transactions only for reasons of liquidity and risk management operations and for hedging purposes.

OTP Group members perform their liquidity management within the liquidity pool concept. According to this, OTP Group set up a common liquidity policy - keeping attention on profitability aspects - of which, group members are able to fulfill their respective payment obligations and complete the necessary transactions. OTP Bank handles the group's liquidity reserves centralized and enables flexible access for the group members.

The Merkantil Bank Ltd. defines the following purposes connected with the liquidity risk management.

The primary purpose is to guarantee the performance of outstanding financial obligations: the company has to be able to comply the obligations of payment at the expiration date, with correct currency, and it has to perform the necessary transactions to maintain the solvency position at all times. Besides this the fulfilment of liquidity obligations specified in law is significant also. Besides securing solvency and complying with legal obligations the secondary purpose is to achieve these goals via the best way from the possible solutions from a profitability point of view. The purpose of risk management politics of Merkantil Bank is the risk-aware operation: it is significant to identify, value and continuous monitor the liquidity and other kind of financial risks of commercial activities and to share the information of monitoring with the management of the company. The Merkantil Bank is the subsidiary of the OTP Bank Plc. and the member of the OTP Group. The OTP Bank Plc. has a group-valid regulation about interest- and liquidity risk management. Based on this regulation the OTP Group is monitoring and managing the liquidity risk in Group level.

Merkantil Bank Ltd's "Regulation on liquidity" – approved by the Managing Committee - contains the relevant regulations in connection with the liquidity management policy. The department responsible for liquidity risk management within the company is the Treasury. The responsible department reporting directly to the management regarding the company's liquidity risk exposure, the related money and capital market transactions.

The Merkantil Bank Ltd's internal auditor controlling the operation of the company's liquidity risk management proceedings in accordance with the guideline no. 12/2015. (VIII. 24.) of the Central Bank of Hungary.

As the Merkantil Bank Ltd complied with requirements of the supervisory entity's liquidity measures and the internal regulations, thus the Managing Committee declared that the adequacy of liquidity risk management arrangements of the company as it is in accordance with the company's profile and its' liquidity management policy.

The above mentioned concept determines Merkantil Bank's liquidity management, liquidity risk management, and it also reflects in liquidity position figures.

Majority of refinancing volume is interbank liability from OTP Bank. Other than OTP Bank, MNB (Hungarian National Bank) and Eximbank fundings are mentionable.

LCR buffer above regulatory level is 18 bn HUF in 2025Q4, which mainly originates from interbank deposits at OTP. Thanks to the liquidity pool concept, financing risk considered to be low.

V.4.1. Quantitative information on liquidity risk

Quantitative information on liquidity risk required by the regulation is provided in the attached excel tables LIQ1 – LIQ2.

V.5. Disclosure of quantitative information

Quantitative information not included in this document is provided in excel in the Annex.

VI. APPENDIX

VI.1. Declaration about the appropriatenes of risk management

Declarations

- 1) OTP Bank declares – regarding article 435. (1) e) of CRR – that the applied risk management system is adequate with regard to the OTP Group’s profile and strategy.
- 2) OTP Bank’s Board of Directors approved the 2023-2025 Risk Strategy on December 7, 2022, which is reviewed annually. The fulfilment of the objectives set out in the Risk Strategy is reviewed annually by the Board of Directors and the Supervisory Board.
- 3) OTP Bank declares – relating to article 435. (1) f) of CRR – that OTP Group’s general risk profile is consistent with the Group’s risk appetite determined by OTP Bank Group’s Risk Strategy and Risk Appetite Statement.
- 4) OTP Bank regulates the Risk Appetite Framework at group level, the latest version of the regulations entered into force on January 31, 2025.
- 5) In accordance with the regulations on risk appetite, quantitative risk limits are set for domestic and foreign group member banks, which are in line with the Risk Strategy and the Group Recovery Plan. The risk appetite includes quantitative limits for credit, operational, market, liquidity, IRRBB, country and ESG risks; and risks tolerance statements on compliance, AML and cyber risks. The risk appetite and risk tolerance statements set out the minimum standards to be followed at banking group level.

VI.2. Declaration of the appropriateness of the liquidity risk management framework

The Declaration of the appropriateness of the liquidity risk management framework has been approved by Asset Liability Committee.

Declaration

The liquidity risk management framework applied by OTP Bank Ltd. explores the risk exposure derived from the risk profile of the institution in a fully comprehensive way. The internal regulation on liquidity risk management contains in detail the organizational units involved in the risk managements process and the tasks, responsibilities and authorities of these units. Considering the findings regulatory audits the liquidity risk management methodology and risk management strategy are revised and approved by the Asset Liability Committee (ALCO) on annual basis.

The responsible organizational unit prepares liquidity risk related standard reports for ALCO on a monthly basis. The report contains an ex post assessment on the changes of the risk profile and the evolution of liquidity reserves available to absorb potential liquidity shocks and the level of standard liquidity risk indicators.

The following table contains the key liquidity risk indicators and their limits as of the end of 2025:

Risk indicator	31.12.2025 fact	Limit
Foreign Exchange Coverage Ratio (regulatory)	-7.3%	minimum -30% maximum 15%
Foreign Exchange Funding Adequacy Ratio (regulatory)	179,8%	minimum 100%
Mortgage Financing Adequacy Ratio (regulatory)	35.9%	minimum 25%
Liquidity Coverage Ratio (regulatory) - OTP standalone	184%	minimum 100%
Liquidity Coverage Ratio (regulatory) - Group	251%	minimum 100%
Net Stable Funding Ratio (regulatory) - OTP standalone	125%	minimum 100%
Net Stable Funding Ratio (regulatory) - Group	151%	minimum 100%
Interbank Funding Ratio (regulatory)	9.7%	maximum 30%
Primary liquidity reserves (internal)	3 582 Mrd Ft	1 537 Mrd Ft
Operative liquidity reserves (internal)	3 886 Mrd Ft	1 938 Mrd Ft

The free liquidity reserves of the Bank exceed permanently and significantly both the standard regulatory requirements and the potential liquidity needs calculated by the internal model which considers the specific risk profile of the institution, thus the harmony between risk appetite and risk profile is ensured.