

KPMG Second-Party Opinion

OTP Bank Plc.

Group-level Green Loan Framework

KPMG Advisory Ltd.

24 May 2023



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1.1 Introduction

OTP Group – which comprises OTP Bank Plc. (“Client” or “OTP”) and its subsidiaries (as defined in Section 1.2 of this report) – is proposing to issue green financing instruments and has appointed KPMG Advisory Ltd. (hereinafter referred to as “KPMG”) to provide Second-Party Opinion (“SPO”) on their group-level Green Loan Framework version 2.0, dated May 2023 (“Framework” or “Green Loan Framework”).

This SPO report concludes our expert opinion on alignment of OTP Group’s Green Loan Framework with the following green financial standards and principles:



LMA Green Loan Principles as issued in February 2023 (“LMA GLP”)¹



Taxonomy Regulation and Delegated Acts (“EU Taxonomy”, as of June 2021)²



Climate Bonds Taxonomy and relevant sector criteria (“CBI”, as of September 2022).³

The conclusions of this SPO document should be read along with the Disclaimer section of this SPO.

1.2 Scope and approach of the Second Party Opinion

OTP Group has prepared a Framework to document how its green lending process will be conducted in alignment with the LMA GLP. For the purpose of the Framework, OTP Group comprises the following entities:

- OTP Bank Plc. (Hungary)
- Subsidiaries:
 - Merkantil Bank Plc. (Hungary)
 - OTP Bank România S.A. and OTP Leasing Romania IFN SA (Romania)
 - DSK Bank EAD and OTP Leasing EOOD /ex-SG/, DSK Bank AD (Bulgaria)
 - SKB banka d.d. Ljubljana, SKB Leasing and SKB Leasing Select (Slovenia)
 - Nova Kreditna Banka Maribor, d.d. (Slovenia)
 - OTP banka d.d. and OTP Leasing d.d. (Croatia)
 - OTP banka Srbija and OTP Leasing Serbia d.o.o. (Serbia)
 - Banka OTP Albania SHA (Albania)
 - Crnogorska Komercijalna Banka AD Podgorica (Montenegro)

¹ Green Loan Principles - LSTA

² Regulation (EU) 2020/852

³ Climate Bonds Taxonomy | Climate Bonds Initiative

The scope of our work relating to this SPO is to provide an assessment to the extent to which the LMA GLP criteria has been implemented into the group-level Framework, as listed below:

01 Use of Proceeds

02 Process for Project Evaluation and Selection



03 Management of Proceeds

04 Reporting

During our work we also assessed whether the criteria included⁴ in the Framework have been determined and related assessment steps have been implemented according to the relevant CBI⁵ and/or EU Taxonomy ⁶sections. KPMG did not examine the appropriateness of the EU and CBI Taxonomy criteria but their proper adaption and application.

We planned and performed our work in line with the International Capital Market Association's ("ICMA") Guidelines for Green, Social and Sustainability Bonds External Reviews⁷ effective as of 24 May 2023 and the Guidance for Green, Social and Sustainability-Linked Loans External Reviews issued by the Loan Market Association to obtain all the evidence, information and explanations that we considered necessary to form an appropriate basis for our conclusion in relation to the above scope. The procedures we performed were based on our professional judgement and included, as appropriate, inquiries and inspection of documents.

To reach our conclusion we:

-  conducted interviews with management of the Client to obtain an understanding of the implementation of the LMA GLP components into the Framework, systems and controls in place for Use of proceeds, Management of proceeds and Reporting; and
-  reviewed the Client's and its subsidiaries' Green Alignment Assessment Tools ("GAAT") that aims to map the EU Taxonomy and CBI by their criteria in order to support the identification of green use of proceeds and Process for Project Evaluation and Selection of the Framework.

⁴ The Framework does not explicitly include the criteria but details them in a separate document (Appendix B).

⁵ Sector Criteria of Climate Bond Taxonomy.




⁶ Climate Delegated Act on Climate change mitigation and Climate change adaptation.

⁷ [External-Review-Guidelines_June-2022-280622.pdf](https://icmagroup.org/External-Review-Guidelines_June-2022-280622.pdf) (icmagroup.org)

Disclaimers

This SPO covers the review of documents and high-level processes to assess the Green Loan Framework alignment of OTP Group. It does not cover audit or assurance procedures and standards.

We have not been engaged to:

-  Determine which, if any, recommendations should be implemented;
-  Verify the Client's financial statements & economic performance;
-  Verify the Client's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Corporate.

The SPO's validity does not extend to any future or updated versions of the relevant standards (as listed in Section 1.1 of this SPO), the ICMA guidelines on external reviews or to any amendments or subsequent reissuance of the Framework.

1.3 Summary of findings

OTP Group has prepared a Green Loan Framework to document how its green lending process will be developed in alignment with the Green Loan Principles (GLP) of the Loan Market Association (LMA).

KPMG has assessed the Green Loan Framework and a detailed list of findings carried out against LMA Green Loan Principles are provided in Section 1.5 of this Second Party Opinion.

The list of documents reviewed and ICMA Independent External Review Form are provided in Appendix A and Appendix B, respectively.

Based on our evaluation process, we have determined that OTP Group's Green Loan Framework requirements and definition align with the four core components of the LMA Green Loans Principles and the criteria captured in the GAATs appropriately cover the EU taxonomy and CBI criteria.

1.4 Brief overview about OTP Group, its sustainability strategy and objectives

OTP Group is an independent universal banking group, being among the 30 biggest banks in Europe both in market capitalization and in profitability, present in 11 countries in the CEE region, providing banking services to more than 16 million customers. As an universal bank, OTP is providing a full range of banking services and, through its subsidiaries and affiliates, a comprehensive range of other financial services, including fund management, leasing and factoring.

Key sustainability objectives and priorities defined by OTP Group

The objective of OTP Group is to provide financial services that are responsible, fair and reflect customer needs, as well as to work with its stakeholders based on openness and trust, all the while reducing its negative environmental impacts. OTP Group is working towards integrating sustainability into its operations, to create new business opportunities, to manage Environment, Social and Governance (ESG) related risks and to encourage increased sustainability of all economic activities in general.

The sustainability strategy of OTP was approved by the Management Committee on the 30th of August 2021, as well as by the Board of Directors on the 17th of November 2021. The Board of Directors approved the implementation and continuation of OTP Group's ESG strategy on the 18th of October 2022. The strategy is built around the business approach of sustainable financing, based on which OTP Group is aiming to be a regional leader in financing the transition to a low-carbon economy and in building a sustainable future by offering balanced financing solutions that enable positive societal impact and the mitigation of social issues. The Green Loan Framework supports these strategic goals⁸. OTP and subsidiary defined commitments till 2025, in their ESG strategies. Quantitative green KPI's are set from 2023 to reach the 2025 commitments.

While all subsidiary banks implement group-wide ESG objectives, there are also specific commitments and plans at local level based on local needs and local regulatory requirements.

⁸ The key features of OTP Group's sustainability strategy can be found here:
<https://www.otpbank.hu/portal/hu/IR/ESG#CSR>

1.5 Assessment of the alignment with LMA Green Loan Principles

1.5.1 Consistency of the Framework with OTP Group's sustainability strategy

The overall purpose of providing green loans is to finance and refinance projects which enable the transition to a low carbon and climate resilient economy, and/or provide positive societal impact and to mitigate social problems,.

Alignment with corporate ESG strategy

The Framework covers the rationale for green loans, reference to OTP Group's sustainability strategy and also a general description on its governance and responsibilities related to sustainability. Based on our assessment, the Framework is consistent with the group-level ESG strategy, sustainability policies and overarching objectives.

1.5.2 Use of proceeds

In the Framework, the eligible green activities and related use of proceeds are determined by EU and CBI Taxonomy and related technical screening criteria. Currently the EU Taxonomy and CBI focuses on two environmental objectives: Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA), thus different criteria system has been developed for the two objectives. In case of the EU Taxonomy, the assessment process follows the evaluation system as the technical screening criteria of CCA and CCM activities, including a substantial contribution and a do no significantly harm (DNSH) assessment. In addition, a minimum safeguards evaluation is also carried out. Meanwhile the CBI assessment consists of the review of the climate change mitigation criteria in each sector and in some cases the evaluation of climate adaptation or resilience criteria.

OTP Group includes the possible climate change adaptation solutions (use of proceeds) in the GAATs, mapped to activity categories and macrosectors covered by the Framework, together with the corresponding climate risk and also indicating Substantial Contribution to the EU Taxonomy Environmental Objective and the Relevant CBI component.

Alignment with LMA Green Loan Principles, EU Taxonomy and CBI:

Based on our assessment, the Use of Proceeds financed by OTP Group is appropriately described in the Green Loan Framework and are aligned with LMA Green Loan Principles. Eligible projects provide clear environmental benefits which are assessed in a qualitative analysis.

| GLP topic | KPMG assessment |
|---|---|
| Green projects (core) | OTP Group's selected green projects are appropriately described in the Framework, ie. in the GAATs. The use of proceeds and how the eligible projects contribute to LMA GLP and also EU Taxonomy and CBI criteria are reflected in the GAAT. |
| Clear environmental benefits (core) | The subsidiaries' GAATs consider the local context and business activities and ensure that the intended activity or project to be financed provides a short- or long-term environmental improvement. It is clearly identified what is considered green and eligible. |
| Refinancing (recommended) | The estimated share of financing vs. re-financing, and clarification of which investments or project portfolios may be refinanced, together with the expected look-back period for the refinanced green projects, is not covered in the Framework. OTP Group may refinance green projects, only if the given project still has an impact at date of the refinancing, therefore, in this case look-back period is not applicable. Additionally, OTP Group does not provide a new loan (excluding refinancing) for a project finalized in the past. |

1.5.3 Process for project evaluation and selection

The eligible green activities in each country and are supplemented with country-specific GAATs which includes country-specific supporting documents. This allows countries to tailor their green lending activities to local circumstances while at the same time also align with group-level approaches and principles.

The alignment of the use of proceeds is determined by the outcome of the green alignment assessment process using the GAATs and in case of EU Taxonomy screening the clients from the aspect of minimum safeguards. The green alignment flag can only be granted upon confirmation that the underlying green use of proceeds is in full compliance with the relevant green criteria.

As the first case of the project selection, the environmental goal of the project is determined. Based on the environmental goal, the alignment assessment is carried out according to the EU

or CBI Taxonomy. When selecting the aligned projects, in the alignment assessment phase, in case of **EU Taxonomy** eligible economic activities, it is assessed whether the selected activity complies with *climate change mitigation* substantial contribution criteria. After this, Do No Significant Harm (“DNSH”) criteria and their supporting documentation is being examined, and subject to the analysis, the relevant generic and specific criteria shall be met. In case of *climate change adaptation*, it is assessed whether the selected activity includes a solution for climate change adaptation following the Adaptation Risk Map. If yes, then the compliance with climate change adaptation substantial contribution and DNSH criteria is being reviewed.

In case of **CBI Taxonomy** alignment assessment, it is being reviewed whether there is a CBI mitigation screening criteria available for the activity. After this, the Climate Change Adaptation&Resilience component of the CBI is being assessed. CBI Taxonomy is applied only for certifiable activities, where included activities need to comply with all specified conditional requirements.

The criteria are assessed according to the information disclosed by the borrower.

Additionally, in case of EU Taxonomy assessment, economic activities should only qualify as environmentally sustainable if they are aligned also with the OECD Guidelines for Multinational Enterprises, and UN Guiding Principles on Business and Human Rights - including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO)-, and also the eight fundamental conventions of the ILO and the International Bill of Human Rights. This assessment is the **Minimum Safeguards (MS) assessment** where the borrower is obliged to provide related information or alternatively a legally binding declaration of compliance with the minimum social safeguard requirements.

The Framework also sets out rules on exclusion. The exclusions approach of OTP Group consists of two levels: the first level is determined by EU and CBI Taxonomy and the second level contains general criteria for not supported activities and clients determined by the ESG strategies of OTP Group entities. In general, the transactions which do not have dedicated use of proceeds or inappropriate use of proceeds (e.g. they belong to sectors that are not covered by the green alignment assessment process) are out of the scope of the Framework.

Alignment with LMA Green Loan Principles:

Based on our assessment, the Process for Project Evaluation and Selection of green projects determined by OTP Group's Framework is aligned with the LMA Green Loan Principles.

| GLP topic | KPMG assessment |
|---|--|
| Evaluation and selection of green projects (core) | OTP Group described in Framework the governance process by which the green projects are evaluated and selected, together with the details on who will be part of the process to select eligible projects for allocation. The Framework determined how the borrower should disclose the information in case of a green loan transaction. |
| Evaluation and selection of green projects (recommendation) | Subsidiaries' GAATs appropriately capture the alignment assessment of the projects with the Use of Proceeds Categories and with EU Taxonomy and CBI, including both qualitative, quantitative and exclusion criteria. |
| Associated risks (core) | OTP Group has implemented the components of MS criteria to identify and manage perceived/known social and environmental risks associated with the relevant projects (ESG risk assessment). The MSS criteria includes checks on Taxation, Fair competition, Anti bribery and Anticorruption. These points are not explicitly addressed within the MSS document, however, these criteria are covered within the KYC and Due Diligence processes of OTP Group. The MSS questionnaire indicates that it is to be considered together with these KYC processes. |
| Official or market based taxonomies, green standards or certification referenced (recommended) | Alignment of the Framework and eligible green projects with official or market-wide taxonomies is identified in the Framework: EU Taxonomy and CBI Climate Bonds Taxonomy and related sector criteria. |
| Sustainable Development Goals (SDGs) alignment (recommended) | OTP Group includes a general description in the Framework that it is making a recognizable contribution to society and SDGs. The specific methodology for alignment with the SDGs and incorporation of this is covered in the Group's sustainability report ⁹ . |

⁹ OTP Group - Sustainability reports

1.5.4 Management of proceeds

Within the management of proceeds, OTP Group's own monitoring process has been extended with the specific green elements. OTP Group monitors and tracks the sustainability information provided by the borrowers over the lifetime of the loan. During the monitoring process, the necessary information related to the green content of the transaction is collected from the borrower who should provide information on the environmental performance of the transaction and keep it up-to-date. The borrower is also obliged to provide a legally binding commitment that the originally planned metrics, and the conditions recorded in covenants related to environmental performance are kept unchanged, as well as the minimum safeguards (if relevant).

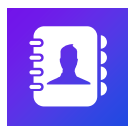
Alignment with LMA Green Loan Principles:

Based on our assessment, the process for Management of proceeds in OTP Group's Green Loan Framework is aligned with the LMA Green Loan Principles.

| GLP topic | KPMG assessment |
|---|--|
| Management of proceeds (core) | <p>The Framework appropriately describes the processes operated by OTP Group for the monitoring of the management of the use of proceeds which covers requirements on tracking and reporting of the proceeds. The Framework require the borrower to credit the proceeds to a sub-account, moved to a sub-portfolio or otherwise tracked in an appropriate manner (e.g., tagged in the internal accounting systems). In line with LMA GLP, the Framework also covers that if the green loan takes the form of one or more tranches of a loan facility, then it cannot be labelled as green if it includes a green and non-green tranche(s).</p> |
| Management of proceeds (recommended) | <p>The Framework determines the process that should be followed in case of any identified deviation from the original green aspect of the loan (repeated alignment assessment, also covering the minimum safeguard compliance).</p> |
| Unallocated proceeds (core) | <p>Description of the intended types of temporary placement for the balance of unallocated net proceeds is not included in the Framework because in case of green loans, the use of the proceeds from the loan and the disbursement itself is controlled in the lending process.</p> |

1.5.5 Reporting

The Framework defines three types of reporting activity and three primary actors, respectively:



The borrower's of a green loan is obliged to report a list of green projects, the amounts allocated and the realized impact at least annually until the loan is fully drawn down (or until the loan maturity in the case of a revolving credit facility) and on a timely basis in case of any material changes. This type of reporting is related to OTP Group's monitoring procedure and its aim is to assist its activities related to the management of the green use of proceeds. Also, within the annual review or recognition of material developments, the borrower is obliged to provide a legally binding commitment that the originally planned metrics, and the covenants related to environmental performance are kept unchanged or have been performed proportionally.



OTP Group is publishing aggregated data of individual transactions annually and it will be disclosed complying with the EU and national legislation in force. Besides, reporting obligations according to Article 8 of the EU Taxonomy will be satisfied from 2022.



OTP will also fulfil its reporting obligations to the National Bank of Hungary with respect to the Green Preferential Capital Requirement Programme regulation.

Alignment with LMA Green Loan Principles:

Based on our assessment, the Reporting process in OTP Group's Green Loan Framework is aligned with the LMA Green Loan Principles.

| GLP topic | KPMG assessment |
|--|---|
| Frequency, duration and level of reporting - borrower (core) | The Framework appropriately covers the frequency, duration and level of reporting in case of borrowers. |
| Frequency, duration and level of reporting - lender (recommended) | Based on the Framework, OTP Group intends to publish aggregated data of individual transactions on an annual basis complying with the EU and national legislation in force and reporting requirements of the Hungarian National Bank. |
| Reporting indicators and Indicator Methodology (recommended) | The Framework does not cover and OTP Group does not require the use of qualitative performance indicators, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination for borrower reporting. The Framework only requires the borrowers to report only the list of green projects. KPIs are important to create transparent, measurable and comparable reporting, therefore, the use of them are recommended. |
| Estimated lifetime results (recommended) | With respect to impact reporting, the Framework is not covering requirements on reporting of the estimated lifetime results and/or project economic life (in years). |

1.6 Appendix A

As part of the Second Party Opinion, it was OTP Group's sole responsibility to provide accurate information and the following key documentation:

OTP_Green_Loan_Framework_ (received 7 March 2023)

MSS questionnaire (received 7 March 2023)

ESG strategy and policies of OTP Hungary and other subsidiaries, including Montenegro, Bulgaria, Romania, Albania, Slovenia, Croatia, Serbia (received 7 March 2023)

Green Alignment Assessment Tool (GAAT) of OTP Hungary and other subsidiaries, including Montenegro, Bulgaria, Romania, Albania, Slovenia, Croatia, Serbia (received 21 April)

1.7 Appendix B - ICMA Independent External Review Form

Section 1. - Basic Information

| | |
|--|---------------------------------------|
| Issuer name: | OTB Bank Plc |
| Green Loan Framework name: | OTP Group Green Loan Framework |
| Independent External Review provider's name: | KPMG Advisory Ltd. |
| Completion date of this form: | 10.05.2023 |
| Publication date of review publication: | 24.05.2023 |

Section 2. - Review overview

SCOPE OF REVIEW

The review assessed the following elements and confirmed their alignment with the Green Loan Principles:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW

| |
|---|
| Please refer to Section 1.5 for evaluation summary. |
|---|

Section 3. - Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section:

The eligible categories for use of proceeds are appropriately included in the Framework. These categories are aligned with those recognised by LMA Green Loan Principles. KPMG considers that investments in the eligible categories will lead to positive environmental impact.

Eligible green projects¹⁰ in the Use of proceeds as per the Green Loan Framework:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Agriculture | <input checked="" type="checkbox"/> Forestry |
| <input checked="" type="checkbox"/> Energy (renewable energy and energy efficiency) | <input checked="" type="checkbox"/> Transportation |
| <input checked="" type="checkbox"/> Construction and real estate | <input checked="" type="checkbox"/> Manufacturing |
| <input checked="" type="checkbox"/> Waste management | |

¹⁰ The categories refer to the macro sectors determined as relevant for green projects by the OTP Group.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section:

The projects are selected through a structured and transparent process by OTP and its subsidiaries with clear roles and responsibilities. Project evaluation and selection process includes the initial screening and recommendation of eligible green projects based on their alignment with the Framework's eligibility criteria. These criteria would be reviewed on a regular basis to ensure they remain consistent with green investments in accordance with the Green Loan Principles.

KPMG considers the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input type="checkbox"/> Defined and transparent criteria for projects eligible for Green Loan proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section:

OTP Group requires the borrowers to maintain one or more separate bank account(s) for the proceeds received from the issue of eligible green loans and that the borrowers allocate an amount equal to the net proceeds from green loans for the financing of Eligible Green Projects. OTP Group will establish internal tracking through its regular monitoring processes to review the allocation and management of the proceeds. Unallocated proceeds is not applicable in case of green loans as the use of the proceeds from the loan and the disbursement itself is controlled in the lending process and the amount of the loans shall be used for the dedicated green objectives.

This is in line with market practice.

Tracking of proceeds:

- ☒ Green Loan proceeds segregated or tracked by the issuer in an appropriate manner
- ☐ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (*please specify*):

Additional disclosure:

- | | |
|---|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section:

OTP Group is committed to provide stakeholders with transparent reporting on the allocation of proceeds towards Eligible Green Loans / unallocated proceeds as well as to report on the results and positive environmental impact of these instruments.

The allocation and impact reporting is aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information reported:

- ☒ Allocated amounts
- ☒ Other *(please specify)*: realized impact; a legally binding commitment that the originally planned metrics, and the covenants related to environmental performance are kept unchanged or have been performed proportionally

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : also in case of material changes | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input checked="" type="checkbox"/> Other <i>(please specify)</i> : OTP Group will publish aggregated data of individual transactions. Details of the report is not yet defined. |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Information reported (expected or ex-post):

- | | |
|--|---|
| <input type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): OTP Group has not defined any specific indicators related to reporting. |

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): it will be disclosed complying with the EU and national legislation in force |
| <input type="checkbox"/> Reporting reviewed (<i>if yes, please specify which parts of the reporting are subject to external review</i>): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE LMA Green Loan Principles

01 Second Party Opinion

An institution with environmental/social/sustainability expertise that is independent from the borrower may provide a Second Party Opinion, sometimes referred to as a “consultant review. The institution should be independent from the borrower’s adviser for its green, social and sustainability-linked loan framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second Party Opinion.

02 Verification

A borrower can (or “is required to” in the case of a sustainability-linked loan post-signing) obtain independent verification against a designated set of use of proceeds criteria and impact metrics typically pertaining to environmental/social projects for green or social loans, or key performance indicator (KPI) performance and sustainability performance targets (SPTs) for sustainability-linked loans.

03 Certification

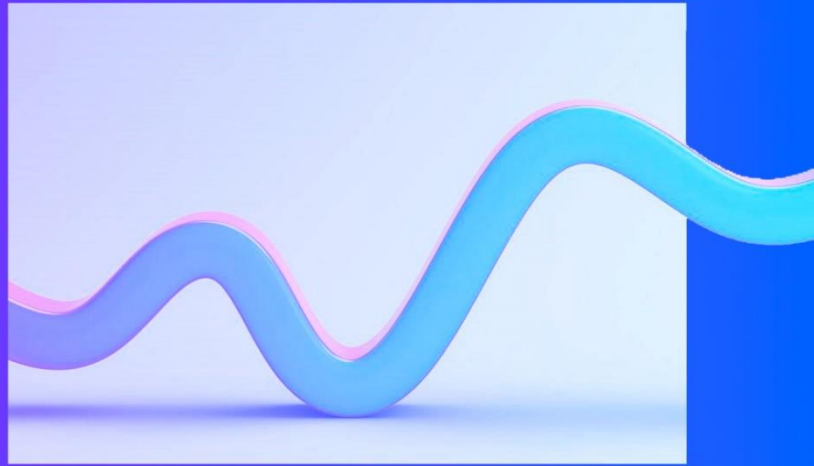
A borrower can have (i) its green, social and sustainability-linked loan or associated green, social, and sustainability-linked loan framework or (ii) use of proceeds or KPIs and SPTs certified against a recognised external green/social/sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria and is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

04 Green Loan Scoring/Rating

A borrower can have (i) its green, social and sustainability-linked loan and/or its associated green, social and sustainability-linked loan framework or (ii) a key feature such as use of proceeds, selection of KPIs and/or calibration of the level of ambitiousness of SPTs, evaluated or assessed by third parties, such as specialised research providers, consultancy firms, assurance providers or rating agencies, according to their established scoring/rating methodology. This scoring/rating can form part of a Second Party Opinion as described above.



Contact Us



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