

# Disclosure by institutions 31 March 2019



## **OTP Bank Plc. consolidated**

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

*(English translation of the original report)*

Budapest, 31 May 2019

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# I. OTP Group

## I.1. Regulatory capital and capital requirements

### I.1.1. Capital adequacy of the OTP Group

The capital requirement calculation of the Group for 31.03.2019 is based on CRR data. The prudential filters and deductions have been applied in line with the CRR during the calculation of regulatory capital.

The Group applied standardized capital calculation method regarding credit and market risk, advanced measurement approach (AMA) and basic indicator approach (BIA) regarding the operational risk. On 31.03.2019 the capital adequacy ratio of OTP Group - with the profit of the first quarter in 2019 and the deduction of dividend payment - was 16.51%. The Group regulatory capital requirement as of 31th March 2019 was HUF 870,075 million and the amount of regulatory capital was HUF 1,795,976 million.

#### OTP Group's capital requirement

<b>Capital requirement of OTP Group</b>	
<b>(million HUF)</b>	<b>31.03.2019</b>
<b>Total capital requirement</b>	<b>870 075</b>
Capital requirement of capital and counterparty risk	753 827
Capital requirement of market risk	18 394
Capital requirement of operational risk	97 853

## I.1.2. Information about disclosure requirements related to the regulatory capital in line with Commission Implementing Regulation (EU) No. 1423/2013

The following table is represent the breakdown of regulatory capital.

Common Equity Tier 1 capital: instruments and reserves (in HUF million)	(A) 31 March 2019	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	1 820 544		
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	-190 947		
<b>29 Common Equity Tier 1 (CET1) capital</b>	<b>1 629 597</b>		
36 Additional Tier 1 (AT1) capital before regulatory adjustments	0		
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	0		
<b>44 Additional Tier 1 (AT1) capital</b>	<b>0</b>		
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>1 629 597</b>		
51 Tier 2 (T2) capital before regulatory adjustment	166 380		
57 Total regulatory adjustments to Tier 2 (T2) capital	0		
<b>58 Tier 2 (T2) capital</b>	<b>166 380</b>		
<b>59 Total capital (TC = T1 + T2)</b>	<b>1 795 976</b>		
61 Common Equity Tier 1 (as a percentage of total risk exposure amount)	14,98%	92 (2) (a), 465	
62 Tier 1 (as a percentage of total risk exposure amount)	14,98%	92 (2) (b), 465	
63 Total capital (as a percentage of total risk exposure amount)	16,51%	92 (2) (c)	

The effect of the transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds in accordance with 2017/2395 EU regulation is represented in the following table:

(million HUF)		IFRS 9 effect				
		31.03.2019	31.12.2018	30.09.2018	30.06.2018	31.03.2018
<b>Regulatory capital</b>						
1	Common Equity Tier 1 (CET1) capital	1 629 597	1 581 033	1 316 448	1 326 906	1 300 081
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1 558 247	1 506 346	1 268 567	1 279 025	1 252 200
3	Tier 1 capital	1 629 597	1 581 033	1 316 448	1 326 906	1 300 081
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1 558 247	1 506 346	1 268 567	1 279 025	1 252 200
5	Total capital	1 795 976	1 747 755	1 488 878	1 500 651	1 465 542
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1 724 627	1 673 068	1 440 998	1 452 771	1 417 661
<b>Total risk weighted assets</b>						
7	Total risk weighted assets	10 875 936	9 598 268	9 206 388	9 110 340	8 701 131
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	10 813 254	9 508 247	9 155 287	9 064 724	8 656 882
<b>Capital ratios</b>						
9	Common Equity Tier 1 (as a percentage of total risk exposure amount)	14,98%	16,47%	14,30%	14,56%	14,94%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14,41%	15,84%	13,86%	14,11%	14,46%
11	Tier 1 (as a percentage of total risk exposure amount)	14,98%	16,47%	14,30%	14,56%	14,94%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14,41%	15,84%	13,86%	14,11%	14,46%
13	Total capital (as a percentage of total risk exposure amount)	16,51%	18,21%	16,17%	16,47%	16,84%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15,95%	17,60%	15,74%	16,03%	16,38%
<b>Leverage ratio</b>						
15	Total exposure	17 409 896	15 696 935	15 363 883	15 155 141	14 321 201
16	Leverage ratio	9,36%	10,07%	8,57%	8,76%	9,08%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,95%	9,60%	8,26%	8,44%	8,74%

## I.2. Leverage ratio

In accordance with the permission of the supervisory authority referring to 575/2013/EU Article 499 (3), the calculation of leverage ratio is based on end-of-quarter data.

<b>Leverage ratio</b>	
<b>(million HUF)</b>	<b>31.03.2019</b>
Total exposure	17 409 896
Tier 1 capital	1 629 597
<b>Leverage ratio</b>	<b>9,36%</b>