



Strategy and Finance Division  
Investor Relations and DCM

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## **Extraordinary announcement**

### **Determination of OTP Group's MREL requirement**

OTP Bank Plc. hereby notifies members of capital markets that, in line with management expectations, the National Bank of Hungary (MNB) acting as resolution authority informed the Bank about the consolidated minimum requirement for own funds and eligible liabilities (MREL requirement) of OTP Group. The consolidated MREL requirement has to be reached by 1<sup>st</sup> January 2024, following a 4-year transitional period. The MREL requirement is determined at 15.29% of the Group's total liabilities and own funds (TLOF). This minimum corresponds to 22.71% of the Group's total risk exposure amount (TREA or RWA). The MREL requirement is expected to be reviewed at least once a year in the future.

In line with the BRRD2 regulation MNB determined a mandatory intermediate target for the consolidated MREL requirement that OTP Group has to comply with by 1<sup>st</sup> January 2022. The intermediate target level for the MREL requirement is determined at 11.55% of the Group's total liabilities and own funds (TLOF). This minimum corresponds to 17.16% of the Group's total risk exposure amount (TREA or RWA). The intermediate target level ensures a linear build-up of own funds and eligible liabilities towards the requirement applicable at 1 January 2024.

As an institution subject to the Act XXXVII of 2014 on the further development of the system of institutions strengthening the security of the individual players of the financial intermediary system (Resolution Act), OTP Bank has to meet the MREL requirement pursuant to Section 62 Subsection (1) of the Resolution Act. The MNB established the requirement in accordance with the Joint Decision of the Resolution College, which is operated jointly with the Resolution Authorities of the subsidiaries.

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