

Disclosure by institutions 31 March 2021



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, 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, 28 May 2021

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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 31.03.2021 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 31.03.2021 the capital adequacy ratio of OTP Group - with the profit of the first quarter - was 18.04%. The Group regulatory capital requirement as of 31st March 2021 was HUF 1,226,204 million and the amount of regulatory capital was HUF 2,765,828 million.

OTP Group's capital requirement

Capital requirement of OTP Group	
(million HUF)	2021.03.31
Total capital requirement	1 226 204
Capital requirement of capital and counterparty risk	1 098 233
Capital requirement of market risk	13 390
Capital requirement of operational risk	114 582

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 2021	(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	2 535 791		
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-122 214		
29	Common Equity Tier 1 (CET1) capital	2 413 576		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0		
44	Additional Tier 1 (AT1) capital	0		
45	Tier 1 capital (T1 = CET1 + AT1)	2 413 576		
51	Tier 2 (T2) capital before regulatory adjustment	352 252		
57	Total regulatory adjustments to Tier 2 (T2) capital	0		
58	Tier 2 (T2) capital	352 252		
59	Total capital (TC = T1 + T2)	2 765 828		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15,75%	92 (2) (a), 465	
62	Tier 1 (as a percentage of total risk exposure amount)	15,75%	92 (2) (b), 465	
63	Total capital (as a percentage of total risk exposure amount)	18,04%	92 (2) (c)	

The impact of the transitional arrangements for mitigating the impact of the application of IFRS9 on own funds in accordance with Article 473a of regulation (EU) No 575/2013 is represented in the following table:

		IFRS 9 effect	
(million HUF)		31.03.2021	31.12.2020
Regulatory capital			
1	Common Equity Tier 1 (CET1) capital	2 413 576	2 341 837
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2 251 795	2 140 127
3	Tier 1 capital	2 413 576	2 341 837
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2 251 795	2 140 127
5	Total capital	2 765 828	2 695 631
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2 604 047	2 493 921
Total risk weighted assets			
7	Total risk weighted assets	15 327 556	15 166 969
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15 165 775	14 965 259
Capital ratios			
9	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15,75%	15,44%
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	14,85%	14,30%
11	Tier 1 (as a percentage of total risk exposure amount)	15,75%	15,44%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14,85%	14,30%
13	Total capital (as a percentage of total risk exposure amount)	18,04%	17,77%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17,17%	16,66%
Leverage ratio			
15	Total exposure	26 809 131	25 558 195
16	Leverage ratio	9,00%	9,16%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,40%	8,37%

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.

Leverage ratio	
(million HUF)	2021.03.31
Total exposure	26 809 131
Tier 1 capital	2 413 576
Leverage ratio	9,00%