

# Disclosure by institutions 30 September 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, Regulation (EU) 2021/637 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, 30 November 2021

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# I. OTP Group

## I.1. Regulatory capital and capital requirements

Chart 1: OTP Key metrics template

	million HUF	2021.09.30	2021.06.30	2021.03.31	2020.12.31	2020.09.30
<b>Available own funds (amounts)</b>						
Common Equity Tier 1 (CET1) capital		2 588 258	2 490 376	2 413 576	2 341 874	2 226 107
Tier 1 capital		2 588 258	2 490 376	2 413 576	2 341 874	2 226 107
Total capital		2 845 704	2 835 188	2 765 828	2 695 668	2 578 450
<b>Risk-weighted exposure amounts</b>						
Total risk exposure amount		16 467 767	15 528 188	15 327 556	15 166 966	15 141 076
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
Common Equity Tier 1 ratio (%)		15,72%	16,04%	15,75%	15,44%	14,70%
Tier 1 ratio (%)		15,72%	16,04%	15,75%	15,44%	14,70%
Total capital ratio (%)		17,28%	18,26%	18,04%	17,77%	17,03%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>						
Additional own funds requirements to address risks other than the risk of excessive leverage (%)		1,38%	1,38%	1,38%	1,38%	1,38%
of which: to be made up of CET1 capital (percentage points)		0,78%	0,78%	0,78%	0,78%	0,78%
of which: to be made up of Tier 1 capital (percentage points)		1,04%	1,04%	1,04%	1,04%	1,04%
Total SREP own funds requirements (%)		9,38%	9,38%	9,38%	9,38%	9,38%
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>						
Capital conservation buffer (%)		2,50%	2,50%	2,50%	2,50%	2,50%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		0,00%	0,00%	0,00%	0,00%	0,00%
Institution specific countercyclical capital buffer (%)		0,09%	0,09%	0,09%	0,09%	0,11%
Systemic risk buffer (%)		0,00%	0,00%	0,00%	0,00%	0,00%
Global Systemically Important Institution buffer (%)		0,00%	0,00%	0,00%	0,00%	0,00%
Other Systemically Important Institution buffer (%)		0,00%	0,00%	0,00%	0,00%	0,00%
Combined buffer requirement (%)		2,59%	2,59%	2,59%	2,59%	2,61%
Overall capital requirements (%)		11,97%	11,97%	11,97%	11,97%	11,99%
CET1 available after meeting the total SREP own funds requirements (%)		7,87%	7,87%	7,87%	7,86%	7,88%
<b>Leverage ratio</b>						
Total exposure measure		28 567 759	26 908 854	26 809 131	25 558 195	25 176 713
Leverage ratio (%)		9,06%	9,25%	9,00%	9,16%	8,84%
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
Additional own funds requirements to address the risk of excessive leverage (%)		0,00%	0,00%	0,00%	0,00%	0,00%
of which: to be made up of CET1 capital (percentage points)		0,00%	0,00%	0,00%	0,00%	0,00%
Total SREP leverage ratio requirements (%)		3,00%	3,00%	0,00%	0,00%	0,00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
Leverage ratio buffer requirement (%)		0,00%	0,00%	0,00%	0,00%	0,00%
Overall leverage ratio requirement (%)		3,00%	3,00%	0,00%	0,00%	0,00%
<b>Liquidity Coverage Ratio</b>						
Total high-quality liquid assets (HQLA) (Weighted value -average)		5 309 050	5 062 273	5 448 867	5 560 090	5 036 994
Cash outflows - Total weighted value		4 743 457	4 077 416	3 917 002	3 721 569	3 770 585
Cash inflows - Total weighted value		2 122 352	1 689 952	1 483 773	1 123 297	882 022
Total net cash outflows (adjusted value)		2 621 105	2 387 464	2 433 229	2 598 273	2 888 564
Liquidity coverage ratio (%)		202,55%	212,04%	223,94%	213,99%	174,38%
<b>Net Stable Funding Ratio</b>						
Total available stable funding		18 975 583	18 238 115			
Total required stable funding		14 568 805	13 504 346			
NSFR ratio (%)		130,25%	135,05%			

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

The capital requirement calculation of the Group for 30.09.2021 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 30.09.2021 the capital adequacy ratio of OTP Group - with the profit of the first two quarter - was 17.28%. The Group regulatory capital requirement as of 30th September 2021 was HUF 1,317,421 million and the amount of regulatory capital was HUF 2,845,704 million.

#### Chart 2: Overview of total risk exposure amounts

(in HUF million)	Total risk exposure amounts (TREA)			Minimum capital requirements
	30.09.2021	30.06.2021	31.03.2021	30.09.2021
<b>Credit risk (excluding CCR)</b>	<b>14 405 332</b>	<b>13 561 026</b>	<b>13 582 206</b>	<b>1 152 427</b>
Of which the standardised approach	14 405 332	13 561 026	13 582 206	1 152 427
<b>CCR</b>	<b>306 982</b>	<b>209 389</b>	<b>145 707</b>	<b>24 559</b>
Of which mark to market	291 779	194 226	131 461	23 342
Of which CVA	15 203	15 163	14 246	1 216
<b>Market risk</b>	<b>397 945</b>	<b>402 289</b>	<b>167 371</b>	<b>31 836</b>
Of which the standardised approach	397 945	402 289	167 371	31 836
<b>Operational risk</b>	<b>1 357 507</b>	<b>1 355 484</b>	<b>1 432 272</b>	<b>108 601</b>
Of which basic indicator approach	528 686	528 686	607 474	42 295
Of which standardised approach	0	0	0	0
Of which advances measurement approach	828 821	826 798	824 797	66 306
<b>Total</b>	<b>16 467 767</b>	<b>15 528 188</b>	<b>15 327 556</b>	<b>1 317 421</b>

## I.1.2. Information about disclosure requirements related to the regulatory capital in line with commission implementing regulation (EU) no. 1423/2013

### Chart 3: Calculation of regulatory capital

Common Equity Tier 1 capital: instruments and reserves (in HUF million)		(A) 30 September 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	2 636 616		
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-48 358		
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>2 588 258</b>		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0		
<b>44</b>	<b>Additional Tier 1 (AT1) capital</b>	<b>0</b>		
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>2 588 258</b>		
51	Tier 2 (T2) capital before regulatory adjustment	257 446		
57	Total regulatory adjustments to Tier 2 (T2) capital	0		
<b>58</b>	<b>Tier 2 (T2) capital</b>	<b>257 446</b>		
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	<b>2 845 704</b>		
<b>61</b>	<b>Common Equity Tier 1 (as a percentage of total risk exposure amount)</b>	<b>15,72%</b>	92 (2) (a), 465	
<b>62</b>	<b>Tier 1 (as a percentage of total risk exposure amount)</b>	<b>15,72%</b>	92 (2) (b), 465	
<b>63</b>	<b>Total capital (as a percentage of total risk exposure amount)</b>	<b>17,28%</b>	92 (2) (c)	

**Chart 4: 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**

(million HUF)	IFRS 9 effect				
	30.09.2021	30.06.2021	31.03.2021	31.12.2020	
<b>Regulatory capital</b>					
1	Common Equity Tier 1 (CET1) capital	2 588 258	2 490 376	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	2 399 398	2 329 087	2 251 795	2 140 127
3	Tier 1 capital	2 588 258	2 490 376	2 413 576	2 341 837
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2 399 398	2 329 087	2 251 795	2 140 127
5	Total capital	2 845 704	2 835 188	2 765 828	2 695 631
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2 656 845	2 673 899	2 604 047	2 493 921
<b>Total risk weighted assets</b>					
7	Total risk weighted assets	0	0		
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16 467 767	15 528 188	15 327 556	15 166 969
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16 278 907	15 366 899	15 165 775	14 965 259
<b>Capital ratios</b>					
9	Common Equity Tier 1 (as a percentage of total risk exposure amount)	0	0		
9	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15,72%	16,04%	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	14,74%	15,16%	14,85%	14,30%
11	Tier 1 (as a percentage of total risk exposure amount)	15,72%	16,04%	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	14,74%	15,16%	14,85%	14,30%
13	Total capital (as a percentage of total risk exposure amount)	17,28%	18,26%	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	16,32%	17,40%	17,17%	16,66%
<b>Leverage ratio</b>					
15	Total exposure	0	0		
15	Total exposure	28 567 759	26 908 854	26 809 131	25 558 195
16	Leverage ratio	9,06%	9,25%	9,00%	9,16%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8,40%	8,66%	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.

<b>Leverage ratio</b>	
(million HUF)	<b>30.09.2021</b>
Total exposure	28 567 759
Tier 1 capital	2 588 258
<b>Leverage ratio</b>	<b>9,06%</b>

### I.3. Liquidity risk

Chart 5: Liquidity coverage ratio

in million HUF		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYYY)	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2021	30.06.2021	31.03.2021	31.12.2020
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA)					2 783 197	2 778 565	2 674 528	2 563 462
<b>CASH - OUTFLOWS</b>									
2	Retail deposits and deposits from small business customers, of which:	4 996 694	4 820 592	4 653 322	4 405 944	296 179	284 098	273 759	260 990
3	Stable deposits	4 101 102	3 970 783	3 834 462	3 658 000	205 055	198 539	191 723	182 900
4	Less stable deposits	741 492	695 661	664 132	631 961	91 124	85 559	82 036	78 090
5	Unsecured wholesale funding	3 402 827	3 107 239	2 896 520	2 728 215	1 879 267	1 697 734	1 580 207	1 497 544
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	4	3	4	4	1	1	1	1
7	Non-operational deposits (all counterparties)	3 400 938	3 105 310	2 894 162	2 725 678	1 877 380	1 695 808	1 577 851	1 495 010
8	Unsecured debt	1 886	1 926	2 355	2 533	1 886	1 926	2 355	2 533
9	Secured wholesale funding					0	0	0	0
10	Additional requirements	1 437 160	1 410 059	1 372 157	1 368 326	291 259	294 486	294 465	309 227
11	Outflows related to derivative exposures and other collateral requirements	15 012	20 655	29 126	38 528	15 012	20 655	29 126	38 528
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	1 422 149	1 389 405	1 343 030	1 329 798	276 247	273 831	265 338	270 699
14	Other contractual funding obligations	86 129	73 901	51 260	43 737	55 806	50 896	35 340	28 836
15	Other contingent funding obligations	1 803 810	1 722 349	1 625 100	1 528 767	30 069	28 865	28 181	29 488
16	<b>TOTAL CASH OUTFLOWS</b>					2 552 580	2 356 079	2 211 952	2 126 085
<b>CASH - INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	46 100	39 861	33 068	31 513	553	596	552	179
18	Inflows from fully performing exposures	1 258 080	975 484	794 331	592 232	1 210 023	932 453	754 230	553 265
19	Other cash inflows	3 406	4 268	7 457	11 217	3 406	4 268	7 457	11 217
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	<b>TOTAL CASH INFLOWS</b>	1 307 585	1 019 613	834 855	634 962	1 213 982	937 317	762 239	564 661
EU-20a	Fully exempt inflows	0	0	0	0	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0	0	0	0	0
EU-20c	Inflows subject to 75% cap	1 307 585	1 019 613	834 855	634 962	1 213 982	937 317	762 239	564 661
<b>TOTAL ADJUSTED VALUE</b>									
21	<b>LIQUIDITY BUFFER</b>					2 783 197	2 778 565	2 674 528	2 563 462
22	<b>TOTAL NET CASH OUTFLOWS</b>					1 338 598	1 418 762	1 449 713	1 561 424
23	<b>LIQUIDITY COVERAGE RATIO</b>					212%	201%	190%	165%