

Extraordinary announcement

OTP Bank's consolidated MREL requirement

OTP Bank Plc. hereby notifies members of capital markets that the National Bank of Hungary (MNB) acting as the group-level resolution authority of OTP Group informed the Bank as resolution entity about the consolidated minimum requirement for own funds and eligible liabilities (MREL requirement) at the level of OTP Bank's Resolution Group. From 1 January 2024 the consolidated MREL requirement is determined at 18.94% of the total risk exposure amount (TREA or RWA) and 5.78% of the total exposure measure (TEM) of the Resolution Group. The planned consolidated MREL requirement of OTP Bank applicable until 31 December 2023 is 16.69% of the TREA and 5.74% of the TEM of the Resolution Group. OTP Bank's Resolution Group consists of entities included in the prudential scope of consolidation of OTP Bank without NKBM Group and Ipoteka Bank. The MREL requirement is calibrated on financial information as of 31 December 2021.

Subordination requirements will also be applicable to OTP Bank. The minimum level of subordination for OTP Bank will be 13.5% of TREA, 5% of TEM and 8% of TLOF (total liabilities and own funds) of OTP Bank's Resolution Group. Subordination requirements shall be met from 16 December 2024 by using own funds and subordinated eligible instruments.

Pursuant to CRD V OTP Bank has to meet the combined buffer requirement in addition to its MREL TREA requirement as institutions shall not use CET1 capital that is maintained to meet the combined buffer requirement to meet the risk-based component of the MREL requirement. This principle is applicable to the MREL TREA subordination requirement as well.

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 on the basis of the Joint Decision of the Resolution College, which is operated jointly with the Resolution Authorities of the subsidiaries.

OTP Bank Plc.