

Erste Bank Hungary Zrt. has received a MREL requirement for the Hungarian Resolution Group

The National Bank of Hungary (NBH), in its capacity as a national resolution authority, on 12 June 2020 notified Erste Bank Hungary Zrt. about its MREL requirement (Minimum Requirement for own funds and Eligible Liabilities) set in a joint decision with the Group resolution authority and calibrated on balance sheet data as of 31 December 2017 and the Bank Recovery and Resolution Directive 1 (BRRD1).

Erste Bank Hungary Zrt. as the resolution entity of the Hungarian resolution group, must comply with a MREL requirement equivalent to 20.63% of total liabilities and own funds (TLOF) of the Hungarian resolution group by 31.12.2023. The MREL requirement would be equal to 26.55% in terms of risk-weighted assets (RWAs).

In addition, the following non-binding intermediate MREL requirements have been set:

16.14% of TLOF by 30.06.2021*
 17.63% of TLOF by 31.12.2021
 19.13% of TLOF by 31.12.2022
 20.63% of TLOF by 31.12.2023

(* Original deadline of 31.12.2020 was postponed until 30.06.2021.)

No minimum subordination requirement has been determined in this decision.

The total own funds and eligible liabilities of the Hungarian resolution group as of 31 December 2017 (as applied by NBH for the MREL calibration) amounted to EUR 6 946 million, RWAs to EUR 5 398 million.

The table below summarises the current MREL and subordination requirements:

Requirements for Hungarian Resolution Group based on December 2017 data	in % of TLOF by 31.12.2023	in % of RWAs by 31.12.2023
Total MREL	20.63%	26.55%
Subordinated MREL	N/A	N/A

Erste Bank Hungary Zrt.'s long term capital and funding plan has been adjusted in order to ensure compliance with the aforementioned requirements.

For more information, please contact:

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