

Public



Disclosure according to Pillar 3

Risk Report

K&H Banking Group and
K&H Bank Zrt.

For the Second Quarter of 2024 Financial Year

Tartalomjegyzék

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Disclosure requirements

K&H Banking Group and K&H Bank Zrt. committed itself to conform to the requirements of Pillar 3 defined in Chapter 8 of 575/2013/EU Regulation of the European Parliament, of the Council (CRR) and in Article 122 of the Hpt.¹ and the 7/2022. (IV.22.) recommendation of the Hungarian National Bank. K&H prepares this “Risk Report” for such purposes, containing the information required by law.

K&H did not take the opportunity to mitigate the impact on own funds during the adoption of IFRS 9 International Financial Reporting Standard by (EU) 2017/2395 Regulation of the European Parliament and of the Council and Recommendation 6/2022 (IV.22.) of the Hungarian National Bank and the own funds, capital adequacy and leverage ratios of the bank already reflect the amount of unrealised gains or losses on government securities measured at fair value through other comprehensive income and also the full impact of IFRS 9 or similar bookings based on an expected credit loss model as required.

The K&H corresponds with the Commission Implementing Regulation (EU) 2021/763 (laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities).

As the K&H Bank Zrt is a systematically important institution on the Hungarian market, the bank also publishes half yearly reports in a simplified form.

Overview of key risk indicators as of 30th of June 2024:

¹ Act CCXXXVII of 2013 on “credit institutions and financial enterprises” (Hpt.)

1. EU KM1 - Key metrics

1. Table Template EU KM1 - Key metrics template (K&H Group)

		30.06.2024	31.12.2023	30.06.2023
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	539 886	506 251	404 361
2	Tier 1 capital	539 886	506 251	404 361
3	Total capital	562 516	536 398	446 204
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	3 149 203	3 103 689	2 722 388
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	17,14%	16,31%	14,85%
6	Tier 1 ratio (%)	17,14%	16,31%	14,85%
7	Total capital ratio (%)	17,86%	17,28%	16,39%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2,82%	3,21%	3,21%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1,59%	1,81%	1,81%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2,12%	2,41%	2,41%
EU 7d	Total SREP own funds requirements (%)	10,82%	11,21%	11,21%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,00%	0,00%	0,00%
9	Institution specific countercyclical capital buffer (%)	0,01%	0,00%	0,00%
EU 9a	Systemic risk buffer (%)	0,00%	0,00%	0,00%
10	Global Systemically Important Institution buffer (%)	0,00%	0,00%	0,00%
EU 10a	Other Systemically Important Institution buffer	1,00%	0,50%	0,50%
11	Combined buffer requirement (%)	3,51%	3,00%	3,00%
EU 11a	Overall capital requirements (%)	14,33%	14,21%	14,21%
12	CET1 available after meeting the total SREP own funds requirements (%)	7,55%	7,00%	5,55%
Leverage ratio				
13	Leverage ratio total exposure measure	4 787 292	4 631 207	4 384 411
14	Leverage ratio %	11,28%	10,93%	9,22%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0,00%	0,00%	0,00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0,00%	0,00%	0,00%
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,00%	3,00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	0,00%	0,00%	0,00%
EU 14e	Overall leverage ratio requirements (%)	3,00%	3,00%	3,00%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	2 063 631	1 951 538	1 587 325
EU 16a	Cash outflows - Total weighted value	1 035 366	1 021 292	1 124 637
EU 16b	Cash inflows - Total weighted value	82 201	88 060	90 049
16	Total net cash outflows (adjusted value)	953 165	933 231	1 034 587
17	Liquidity coverage ratio (%)	217%	209%	153%
Net Stable Funding Ratio				
18	Total available stable funding	4 104 442	3 980 407	3 622 968
19	Total required stable funding	2 735 180	2 713 020	2 512 320
20	NSFR ratio (%)	150%	147%	144%

2. Table Template EU KM1 - Key metrics template (values in HUF million, K&H Bank)

		30.06.2024	31.12.2023	30.06.2023
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	534 843	500 758	396 075
2	Tier 1 capital	534 843	500 758	396 075
3	Total capital	557 473	530 906	437 889
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	3 185 443	3 136 678	2 756 684
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	16,79%	15,96%	14,37%
6	Tier 1 ratio (%)	16,79%	15,96%	14,37%
7	Total capital ratio (%)	17,50%	16,93%	15,88%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0,00%	0,00%	0,00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0,00%	0,00%	0,00%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0,00%	0,00%	0,00%
EU 7d	Total SREP own funds requirements (%)	8,00%	8,00%	8,00%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,00%	0,00%	0,00%
9	Institution specific countercyclical capital buffer (%)	0,01%	0,00%	0,00%
EU 9a	Systemic risk buffer (%)	0,00%	0,00%	0,00%
10	Global Systemically Important Institution buffer (%)	0,00%	0,00%	0,00%
EU 10a	Other Systemically Important Institution buffer	0,00%	0,00%	0,00%
11	Combined buffer requirement (%)	2,51%	2,50%	2,50%
EU 11a	Overall capital requirements (%)	10,51%	10,50%	10,50%
12	CET1 available after meeting the total SREP own funds requirements (%)	9,78%	8,96%	7,37%
Leverage ratio				
13	Leverage ratio total exposure measure	4 860 340	4 667 843	4 457 350
14	Leverage ratio %	11,00%	10,73%	8,89%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0,00%	0,00%	0,00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0,00%	0,00%	0,00%
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,00%	3,00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	0,00%	0,00%	0,00%
EU 14e	Overall leverage ratio requirements (%)	3,00%	3,00%	3,00%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	2 063 322	1 950 961	1 585 606
EU 16a	Cash outflows - Total weighted value	1 053 522	1 064 120	1 147 944
EU 16b	Cash inflows - Total weighted value	82 198	88 057	79 158
16	Total net cash outflows (adjusted value)	971 324	976 063	1 068 786
17	Liquidity coverage ratio (%)	212,42%	199,88%	148,36%
Net Stable Funding Ratio				
18	Total available stable funding	4 057 145	4 158 796	3 557 547
19	Total required stable funding	2 779 420	3 106 987	2 538 467
20	NSFR ratio (%)	145,97%	133,85%	140,15%

2. EU ILAC - Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

3. Table: Template EU ILAC - Internal loss absorbing capacity

		Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
Applicable requirement and level of application				
EU-1	Is the entity subject to a non-EU G-SII requirement for own funds and eligible liabilities? (Y/N)			N
EU-2	If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			
EU-2a	Is the entity subject to an internal MREL? (Y/N)			I
EU-2b	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			K
Own funds and eligible liabilities				
EU-3	Common Equity Tier 1 capital (CET1)	539 886		
EU-4	Eligible Additional Tier 1 capital	0		
EU-5	Eligible Tier 2 capital	22 630		
EU-6	Eligible own funds	562 516		
EU-7	Eligible liabilities	430 190		
EU-8	of which permitted guarantees	0		
EU-9a	(Adjustments)	0		
EU-9b	Own funds and eligible liabilities items after adjustments	992 706		
Total risk exposure amount and total exposure measure				
EU-10	Total risk exposure amount (TREA)	3 149 203		
EU-11	Total exposure measure (TEM)	4 787 292		
Ratio of own funds and eligible liabilities				
EU-12	Own funds and eligible liabilities as a percentage of the TREA	31,52%		
EU-13	of which permitted guarantees			
EU-14	Own funds and eligible liabilities as a percentage of the TEM	20,74%		
EU-15	of which permitted guarantees			
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements	7,56%		
EU-17	Institution-specific combined buffer requirement			
Requirements				
EU-18	Requirement expressed as a percentage of the TREA	21,97%		
EU-19	of which part of the requirement that may be met with a guarantee			
EU-20	Requirement expressed as percentage of the TEM	5,88%		
EU-21	of which part of the requirement that may be met with a guarantee			
Memorandum items				
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013			