

Annex 7

OTP BANKING GROUP POLICY ON THE FINANCING OF THE DEFENCE INDUSTRY

Introduction

OTP Banking Group including Ipoteka Bank (hereinafter: the Bank) is committed to social responsibility and respects and supports the protection of human rights enshrined in international conventions and international efforts against proliferation. Accordingly, OTP Banking Group seeks, inter alia, not to participate in financing and trade transactions of products that could be used in military conflicts or other human rights violations.

Recognizing the challenges posed by the production and use of defence-related products (hereinafter: "arms"), both individual states and the international community regulate, inter alia, the production and trade of conventional arms and weapons of mass destruction (including controversial weapons) in a number of laws and conventions.

Group Policy

Taking into account the above principles, the OTP Banking Group including the Bank is committed to taking special care in its financing activities not to engage in the production, trade and provision of related services of arms (or dual-use goods and technologies for military purposes) to individuals, companies or countries subject to international sanctions, or in areas of civil war or international conflict. OTP Banking Group has a detailed procedure in place to ensure that transactions do not violate sanctions issued by the United Nations Security Council, the European Union, the competent authority of the United Kingdom, the United States of America or by any other applicable local regulator.

OTP Banking Group does not provide financing in connection with controversial weapons including nuclear, biological, chemical weapons, blinding laser weapons, anti-personnel mines, cluster munitions/bomb, non-detectable fragments and other weapons that are either prohibited by international legal provisions or deemed controversial because the disproportionate harm and/or suffering they cause.

Clients from the defence industry must fully comply not only with the binding national and international laws and conventions on arms production, trade and related services, as well as internationally recognised sanctions and restrictive measures, but consider in its procedures the UN Guiding Principles on Business and Human Rights.

In case of transactions related to defence industry OTP Banking Group applies strict controls in compliance with relevant embargo regulations and binding national legal provisions, with additional verification requirements for defence-related financing.