

SKB Bank Policy

On the financing of the defense industry

Introduction

SKB bank as a part of OTP Banking Group is committed to social responsibility and respects and supports the protection of human rights enshrined in international conventions and international efforts against proliferation. Accordingly, SKB Bank 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 arms, both individual states and the international community regulate the production and trade of conventional arms and weapons of mass destruction (including controversial weapons) in a number of laws and conventions.

SKB Bank Policy

Considering the above principles SKB Bank as a part of OTP Banking Group pays special attention to customers and transactions related to arms production and trade and applies strict conditions and procedures including but not limited to the following.

SKB Bank is committed not to facilitate the trade in arms (or dual-use items intended for military utilization) with individuals, companies or countries that are subject to international sanctions. SKB Bank has a detailed procedure in place to ensure that transactions do not violate sanctions issued by the United Nations (UN), the EU, the USA or by any other applicable local regulator.

SKB Bank does not provide financing in connection with controversial weapons including nuclear, biological, chemical weapons, blinding laser weapons, anti-personnel mines, cluster munitions, 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 defense industry must fully comply not only with the binding national and international laws and conventions on arms production and trade, as well as internationally recognized sanctions and restrictive measures, but consider in its procedures the UN Guiding Principles on Business and Human Rights.

In case of transactions related to defense industry SKB Bank applies strict controls in compliance with relevant embargo regulations and binding national legal provisions with additional detailed KYC and verification requirements for financing contract in connection with the defense industry.