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File number: 62414-1/2022

Contact:

Subject:

the application of supervisory measures and fines against OTP Bank Plc. in the framework of continuous supervision

**Resolution number: H-PM-I-B-2/2022.**

Based on the framework of continuous supervision performed by the **National Bank of Hungary** (registered office: 1013 Budapest, Krisztina krt. 55., establishment: 1122 Budapest, Krisztina krt. 6.) ("MNB") over **OTP Bank Plc.** (registered office: 1051 Budapest, Nádor utca 16; company registration number : 01-10-041585.) ("the Bank"), the MNB passes the following

### Resolution

**I. The MNB warns the Bank** to fully comply with the applicable legal requirements at all times during its activities related to the prevention and deterrence of money laundering and terrorist financing, in particular the obligation to operate a filtering system to screen for risky customers and unusual transactions, to make prompt and complete notifications, to obtain certificate of origin of the funds and to take the necessary restrictive measures.

**II. The MNB obliges the Bank** - in order to comply fully with the legal requirements - that in the course of its activities on a continuous basis, **but not later than until 31st July 2022**, it is obliged to:

1. review its monitoring practices, and to create filtering conditions in its filtering system and a control environment that ensures that risky customers and unusual transactions are filtered out at all times, in particular the filtering of cumulative cash withdrawals over the weekly and monthly survey time intervals that are risky for money laundering and terrorist financing point of view;
2. review its reporting practices and to establish a system of internal rules that ensure that reports are fully and promptly reported and transmitted to the financial information units at all times;
3. review the obtaining practice for the certificate of origin of the funds, to establish an internal set of rules and control environment that ensures the obtaining of information on the origin of funds with a risk-sensitive approach in accordance with the legal provisions against money laundering and terrorist financing in force at any time.

**III. The MNB obliges the Bank** to carry out an internal audit control **until 31st August 2022** with regard to the following:

1. whether the monitoring practice and the filtering conditions established in its filtering system and the control environment ensure the screening of risky customers and unusual transactions, in particular the filtering of cumulative cash withdrawals over the weekly and monthly survey time intervals that are risky for money laundering and terrorist financing point of view;
2. whether the reporting practice and the established system of internal rules ensure the full and prompt submission and transmission of reports to the financial information unit;
3. whether the practice of obtaining a certificate of origin of funds and the established system of internal rules and control environment ensure the obtaining of information on the origin of funds with a risk-sensitive approach in accordance with the legal provisions in force against money laundering and terrorist financing.

**IV. The MNB obliges the Bank to send (in the form of extraordinary data supply) to the MNB until 15th September 2022** the internal audit reports and the documents they are based on - having been negotiated by the board of directors and approved by the supervisory board - that certify that the obligations contained in the operative part of this resolution under point II. have been fully carried out based on the operative part of this resolution number III. and executed as set out under said decision points.

**V. The MNB obliges the Bank:**

1. to pay fine in the amount of 1.800.000,- HUF (one million eight hundred thousand Hungarian Forint) due to violation of law as indicated in point 1.1. of the reasoning of this resolution,
  2. to pay fine in the amount of 400.000,- HUF (four hundred thousand Hungarian Forint) due to violation of law as indicated in point 1.2. of the reasoning of this resolution,
- in total to pay supervisory fine in the amount of **2.200.000,- HUF (two million two hundred thousand Hungarian Forint).**

The Bank shall publish the operative part of this resolution on its website without delay.

No procedural charges have incurred in connection with the adoption of this resolution.

The imposed fine has to be paid to the account number 19017004-01678000- 30900002 of the MNB within 30 days after this resolution becoming enforceable by indicating „supervisory fine” as a comment and the number of the resolution. In the absence of the voluntary payment of the fine, the rules of administrative enforcement are applied. In the event the deadline for the payment of the fine is missed, default interest will be charged, the extent of which will be calculated at the rate of 365th of the double of the central bank rate in effect on the date of imposition after every calendar day following the date of imposition. The default interest has to be paid to the cited account of the MNB by indicating the number of the resolution and the comment “default interest”. The due fine finally imposed by the MNB, and the default interest charged because of the due fine or late payment of the fine will be collected in way of tax by the state tax authority.

No appeal can be made against the resolution, at the same time, however, whose rights or legitimate interests are directly affected by the administrative activity, may initiate administrative proceeding against the resolution within 30 days of the publication of the resolution at the Budapest-Capital Regional Court citing violation of law.

The application shall be submitted to the MNB addressed to the Budapest-Capital Regional Court. (The assistance service of form’s submission: <https://www.mnb.hu/felugyelet/engedelyezes-es-intezmenyfelugyeles/hatarozatok-es-vegzesek-keresese>.) Legal representation is mandatory.

The submission of the application has no suspensory effect on the entry into force of the resolution, at the same time however, whose rights and legitimate interests are infringed by the administrative activity or whose rights and legitimate interests are violated by the maintenance of the situation caused by the administrative activity, can request immediate legal protection in order to remedy an imminent disadvantage, interim settlement of the disputed legal relationship, as well as to maintain the status quo.

The court will, in principle, decide the trial out of court. The hearing will be taken, if the plaintiff requests that in the application. There is no place for excuse, if the request is not made.

**Dated: Budapest, 16<sup>th</sup> June, 2022.**

**ELECTRONICALLY SIGNED DOCUMENT**