

# INFORMATION NOTE

## ON THE IMPACTS OF THE PANDEMIC EMERGENCY ON THE MONEY AND CAPITAL MARKETS

May 4, 2020

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These documents in English language to the person concerned shall be for information purposes only. OTP Bank Plc. shall fulfil its obligations imposed by the legal regulations or requirement of supervisory authority by the documents in Hungarian language.  
In the event of any discrepancy between the English language and Hungarian language versions, the Hungarian language version shall prevail.

This is to inform our Customers that the ongoing pandemic has triggered an extraordinary situation on the money and capital markets, in which the liquidity of these markets has fallen sharply. It is therefore likely that, for reasons beyond its control, OTP Bank Plc. will execute at significantly less favourable prices than under normal market conditions the Currency Stop Orders accepted (see Section B.IV.2.5.4 of the Sales Business Regulations of OTP Bank Plc's Global Markets Directorate). We ask our Customers to kindly note that there could be extreme differences between Stop Prices and Execution Prices, resulting in a higher loss for the Customer. OTP Bank Plc. does not assume any liability for losses resulting from the above. Please submit a Currency Stop Order only when you have carefully considered our warning of the current high-risk situation as noted above and decide nevertheless to give the order.

We also wish to inform our Customers that such extreme volatility and lower liquidity has increased the difference between buy and sell rates in all asset classes so that certain positions can be closed only with significantly higher, potentially extreme losses compared to what is suggested by the official mid-prices on the market. OTP Bank Plc. does not assume any liability for extra losses incurred as a result.

## **Important information**

This Information Note contains general information only, and as such, it does not take into consideration the specific needs, financial situation and risk bearing capacity of the Business Partners; therefore, should you have any questions, please contact our staff before making an investment decision.

We must once again draw your attention to the Business Partners' obligation to provide sufficient collateral for transactions. OTP Bank Plc. requests collateral from the Business Partner to cover the risks involved in the transaction; any unfavourable changes in market processes or exchange rates may prompt OTP Bank Plc. to request additional collateral.

As per the contract between the Business Partner and OTP Bank Plc., OTP Bank Plc. evaluates the Business Partner's open position resulting from the transaction in question on a regular basis, even several times a

day. If the evaluation finds that the margin made available by the Business Partner does not provide coverage — as required by OTP Bank Plc. — for the Business Partner’s credit obligations (open position) that may arise at any given time from the given transaction, compared to the transaction date, OTP Bank Plc. is entitled to call upon the Business Partner at any time to provide additional margin, to supplement or increase the margin. The Business Partner is required to provide the additional margin immediately, in accordance with the contractual clauses, and any losses sustained as a result will be borne exclusively by the Business Partner.

In order to ensure prudent risk management under the prevailing extraordinary market conditions, OTP Bank Plc. will continuously amend its Supplementary Announcement on the daily deal amount of the secured exposure, as well as the degree of the initial margin, the list of eligible collaterals and the acceptance rate thereof, applicable to certain Global Markets services. We wish to draw the attention of our Business Partners to the provision of the contract under which OTP Bank Plc. is entitled to close any or all transactions concluded with the Business Partner if the Business Partner fails to meet the obligation to provide a required margin or fulfils it in a non-contractual manner.

If you wish to discuss this matter further, either orally or in writing, please contact your dealer.

You are kindly requested to acknowledge the above.

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Statements in this Information Note contain non-objective and non-independent explanations. Please note that this document (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and (b) is not subject to the prohibition on dealing ahead of the dissemination of investment research.

This information is not exhaustive. It shall not constitute an offer, a call for bid, investment advisory service, solicitation for the purchase of any financial instrument, or any other kind of advice on legal, tax or accounting issues, and the data contained herein are provided for informational purposes.

This Information Note reflects the market situation prevailing at the time it was prepared. However, it is valid only temporarily and may change with the market conditions or circumstances. Although this Information Note was prepared in good faith from sources that OTP Bank Plc. believes to be reliable, the Bank does not represent or warrant its accuracy, and the data thus obtained may be incomplete or inaccurate. All opinions and estimates included in this Information Note are based on OTP Bank Plc's assessment at the time of its preparation, and may change without further notice. This Information Note should not serve as a basis for any further analysis of the financial instruments described herein. The contents of this Information Note do not imply that OTP Bank Plc. will act as a broker, agent or in any other manner for the benefit or on behalf of a prospective investor wishing to invest in any of the financial instruments stipulated herein. Likewise, OTP Bank Plc. cannot be held liable for any investment decisions made by investors on the basis of this document, especially with regards to the legal compliance or eligibility (adequacy) of the investment in question.

Before making an informed decision about an investment or the use of a service, please carefully peruse the documentation, Information Notes, regulations, contractual terms, public announcements, and lists of conditions regarding the particular product or service, carefully consider the subject and risk of your investment, the associated fees and costs, as well as the possibility of potential losses, and obtain information regarding the statutory tax regulations pertaining to the product or the investment in question. Any risks associated with the specific, individual decisions made on the basis of the contents of this Information Note shall be borne solely by the client, and OTP Bank Plc. shall not be held liable for either the success of the investment decisions or the achievement of the goals set by the client.

All data and information provided herein refer to the past. No reliable conclusions can be drawn from historical data and information concerning prospective future yields, changes or performance.

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