



# **Sanction policy**

## Introduction

OTP banka d.d. (hereinafter: Bank) and the OTP Group applies a sanctions compliance policy aiming to ensure compliance with applicable economic, financial and trade sanctions laws, regulations and embargo provisions imposed by the European Union, the United Nations Security Council, the competent authority of the United Kingdom and the government of the United States of America. In terms of complying with sanctions and restrictive measures the OTP Group takes into account all relevant regulations, and the Bank considers the national sanctions provisions applicable to it.

## Group Sanction Compliance Policy

OTP Group has a Sanctions Policy and implemented sanctions procedures that define the minimum standards for the Bank. These are designed to ensure that the Bank complies with the obligations applicable to it and the principles set out in the Sanctions Compliance Policy of OTP Group. They follow, among others, the standards and procedures listed below:

- Screening of customers and transactions:  
Screening of customers and transactions: against at least, but not limited to, the sanction lists of the European Union, the United Nations, the United Kingdom and the United States and in case of the Bank all applicable local regulatory sanctions lists.
- Prohibiting or restricting business activities:  
Prohibiting or restricting business activities, the provision of financial and investment products or services or the facilitation of transactions that may violate the applicable sanctions laws and regulations. The additional purpose of the prohibitions is also to prevent any involvement in transactions and business conducts that could be aimed at circumventing or avoiding directly or indirectly the applicable sanctions.

Restrictions may prohibit - among others - business activity with sanctioned individuals or entities, or any activity directly or indirectly involving countries or territories subject to comprehensive sanctions (including, , Cuba, Iran, North Korea, ,and Syria non-government-controlled areas of Ukraine: the Crimea , Donetsk, Kherson, Luhansk and Zaporizhzhia provinces also considering possible changes over time.

Risk appetite: members of OTP Group may in their sole discretion refuse to provide financial and investment products or services or facilitate transactions even if they are permitted by applicable sanctions laws and regulations but the activity would not be in line with OTP Banking Group's Sanctions Compliance Policy or risk appetite.

OTP Group applies appropriate internal rules for the assessment of all relevant client and transaction concerned, whereby compliance with applicable sanctions laws and its Sanctions Compliance Policy may result in delays to the processing of customer transactions.

In addition to that, correspondent banks involved in the transaction also have the right to suspend any transaction if it is contrary to their own policy or if their screening system indicates that it may violate sanctions. Members of OTP Group concerned act only as intermediaries between the client and the correspondent bank and have no influence on the outcome of the investigations carried out by its correspondent banking partners.