

## **SANCTIONS POLICY OF OTP BANKA SRBIJA A.D. NOVI SAD**

### **Introduction**

OTP banka Srbija a.d. Novi Sad (hereinafter: Bank) is committed to complying with the economic, financial, trade sanctions laws and regulations and embargo provisions of Serbia, the European Union, the United Nations and the United States as well as other applicable sanctions laws and regulations specifically in the jurisdictions in which OTP Banking Group operates, subject to the primacy of local laws and regulations.

### **Group Standards**

Bank has a Sanctions Policy and implemented sanctions program that define the minimum standards Bank and its subsidiaries must comply with to meet the above obligations including the following standards and procedures.

Screening customers and transactions against the sanctions lists issued by the European Union, the United Nations, the United States and all applicable local regulatory sanctions lists including the jurisdiction in which the Bank and its subsidiaries operate.

Prohibiting or restricting business activities, providing financial and investment products or services or facilitating transactions that may violate the applicable sanctions laws or related OTP Banking Group standards.

Sanctions restrictions may prohibit business activity with individuals or entities named on a sanctions list, or any activity directly or indirectly involving countries or territories subject to comprehensive sanctions (including, without limitation, Cuba, Iran, North Korea, Venezuela, Syria and the Crimea region). Prohibitions aim also to prevent transaction and business conduct that has the purpose of evading or avoiding directly or indirectly any applicable sanctions.

OTP Banking Group has introduced internal rules to investigate all relevant clients and transactions. Compliance with applicable sanctions laws may result in delays to the processing of customer transactions.

OTP Banking Group may in its sole discretion refuse to provide financial and investment products or services or facilitate transactions even where permitted by applicable sanctions laws and regulations in case these activities fall outside of Bank's risk appetite.

### **Policy on the financing of the defence industry OTP banka Srbija a.d. Novi Sad**

#### **Introduction**

OTP banka Srbija a.d. Novi Sad (hereinafter: 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, the 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.

#### **Group Policy**

Considering the above principles Bank 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.

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. 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.

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 defence industry must fully comply not only with the binding national and international laws and conventions on arms production and trade, 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 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 defence industry.