

## **OTP BANK'S S.A ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING POLICY-EXTRACT**

### **Introduction**

**OTP Bank S.A.** (hereinafter: "Bank"), as a member of the **OTP Group** (hereinafter: "Banking Group") are committed to comply with the provisions on the prevention of domestic and international money laundering and terrorist financing (hereinafter: "AML/CFT") and take into account the recommendations and guidelines issued in this regard.

In order to comply with AML/CFT requirements, the Banking Group develops internal policies and establishes effective processes, procedures and controls built into processes.

The Banking Group applies a risk-based approach to its AML/CFT activities, handling higher money laundering or terrorist financing (ML/TF) risks with priority.

### **Group policy and procedures**

The Banking Group defines the requirements, procedures and workflows to be applied at Group level in relation to AML/CFT activities. The Banking Group operates a control mechanism for the members of the Banking Group to monitor the effective implementation of Group-wide expectations.

### **Internal risk assessment**

In order to identify, analyse, assess and manage ML/TF risks, the Banking Group prepares a Group-level risk assessment, the results of which are regularly reviewed. The Banking Group defines and implements risk management measures to address the residual risks identified in the Group-wide risk assessment.

### **Client due diligence**

The Banking Group classifies its clients into risk categories and applies varying levels of client due diligence measures depending on the risk level. Client due diligence involves identifying, verifying and recording the details of clients, their associated persons and beneficial owners. The Banking Group also takes measures to keep client information up to date. The Banking Group monitors the business relationship with its clients on an ongoing basis and performs dynamic client due diligence in the event of changes in the client's risk rating.

The Banking Group shall, at its sole discretion, refuse to enter into a business relationship or to execute any transaction if money laundering or terrorist financing is suspected, in particular if the client does not know or does not provide satisfactory information about the background of the suspected transaction.

The Banking Group applies the "Know your customer" (KYC) principle in the customer due diligence process to develop a client profile.

### **Transaction screening**

The Banking Group uses an automated screening system to screen out transactions that do not fit the client profile and are suspected of money laundering or terrorist financing. It pays particular attention to all complex, unusual transactions and financial operations without economic or legal purpose.

The Banking Group complies with its legal reporting obligations.

### **Training**

The Banking Group conducts regular (at least annual) mandatory training to raise awareness of AML/CFT among its employees. It reviews educational materials regularly.

### **Cooperation with authorities**

The Banking Group cooperates fully with national supervisory and investigative authorities and local financial intelligence units, providing the requested information in a timely manner. It fulfils its reporting and data provision obligations in accordance with the relevant requirements.