

February 2024

Information on Erste Group Business Policy towards Erste Group's Correspondent transaction partners

Erste Group Bank AG and its Members (**Erste Group**) are committed to combating financial crime, bound by regulatory requirements and by our own expectations to protect **Erste Group**, its employees and first of all our customers from financial crime related risks. To achieve this goal **Erste Group** has set up dedicated business policy restrictions. These business policy restrictions reflect different risk scenarios from an overall anti financial crime perspective taking into account various risks, especially such that might be connected to operating in high risk jurisdictions, high risk industries and/or using/providing higher risk products and /or services.

Further, and importantly, as our business policy seeks to implement the highest and most effective standard to combat financial crime, we may not be able to support certain business activity even if it is consistent with local or other applicable anti-financial crime requirements, these include in particular anti money laundering, terrorist financing, anti-bribery and -corruption, sanctions and embargoes, tax-evasion or other related areas of financial crime.

This means that we may not be able to support all of your business activity that relates to certain individuals, entities, industries, countries or territories even if it is not locally prohibited or not subject to local applicable law. As a general matter, with limited exceptions, our policy implements a consistent standard across all jurisdictions and all currencies we are operating in.

To help us comply with our policy, please do not attempt to conduct business activity or transactions involving **Erste Group** (including transactions routed to or from any third parties such as distributors, agents, financial institutions, or others, that ultimately pass through **Erste Group**), that:

- breach applicable anti financial crime law/ regulation;
- breach sanctions implemented or administered by the United Nations Security Council, the European Union (including any of its member states), the United States, or other applicable jurisdictional sanctions requirements;
- relate directly or indirectly to:
 - the Crimea region, Iran, Myanmar, North Korea, Sudan, South Sudan or Syria¹ ; or
 - related to any third party clearing² transactions from or to Russia and Belarus, or
 - Afghanistan, Cuba, Venezuela or Yemen where there is a US nexus (activity or a transaction that involves USD accounts, products or U.S. Persons) or
 - the Ukrainian regions Luhansk, Donetsk, Zaporizhzhia, and Kherson if there is a US nexus (activity or a transaction that involves USD accounts, products or U.S. persons), third party clearing transactions, or commercial (non-retail related) payments.
- relate to
 - downstream clearing transactions involving two or more EU Delegated Regulation³ countries within the payment transaction chain
 - transactions originated in a country listed in the EU Delegated Regulation and the final beneficiary is not in an Erste Group Home Market⁴
 - downstream clearing transactions originated and/or ending in defined offshore countries⁵ related to third party clearing related payments
 - transactions originated in a country listed in the EU Delegated Regulation and passed through a country having been assessed with high risk (with CPI Score up to 50) due to the Corruption Prevention Index (CPI)⁶ related to third party clearing related payments.

In addition, we would like to inform you that Erste Group has based on specific analysis certain restrictions in countries where Erste Group does not wish to be involved in the settlement of third party clearing related transactions.

In particular payments related to third party clearing related payments with countries listed in ANNEX “1.1 *Specific countries with limited risk appetite*” where ordering bank and/or beneficiary bank are domiciled outside of the jurisdictions of Erste Group Entities (Erste Group Home Markets).

¹ This includes that any funds being provided by Erste Group must not be used for any business activity (direct or indirect) in or related to these countries, irrespective of the legal permissibility to such business activity

² Neither ordering bank nor beneficiary bank belongs to Erste Group/no direct account holder in any Erste Group entity

³ Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies

⁴ <https://www.erstegroup.com/en/home>

⁵ Please see defined offshore countries under the following links:

- <https://www.imf.org/external/np/ofca/ofca.aspx> (IMF - Offshore Financial Centers)

- <https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/> (EU list of non-cooperative jurisdictions for tax purposes)

⁶ Please have a closer look at the Countries with high CPI Index according to Amnesty International's Corruption Prevention Index under the following link: [Corruption Perceptions Index \(CPI\) - Transparency International - Austrian Chapter \(ti-austria.at\)](https://www.transparency.org/en/cpi)

Please let us know if you are doing, or intend to do, business with countries, territories, governments, individuals, or entities that may be the subject or target of economic sanctions, countries with high deficiencies or other applicable jurisdictional requirements related to financial crime.

We may need to gather additional information from you including, where applicable, a copy of the appropriate license(s). Please don't make or attempt to resubmit any of these transactions until we have confirmed that they can be processed in line with our financial crime policies as they may be rejected, blocked or returned causing potential further delays.

Specific restrictions for transactions with elevated reputational and non-financial risks:

Erste Group has elevated concerns about the potential reputational and non-financial risks represented by below industries and/or activities, which are perceived to be vulnerable for financial crime/money laundering abuse or do not fit to the social responsibility principles Erste Group is committed to.

Those industries/activities including especially:

- Entities involved in on-line gambling located in the United States or any USD denominated transactions related to on-line gambling or transactions related to on-line gambling if to be transacted via an US located/registered bank or its affiliate and/or not registered and licensed in the jurisdiction of the respective Erste Group Entity (Erste Group home markets)
- Marijuana-related Entities
- Non-account customers
- Nuclear Power
- Payment Service Providers (PSPs), unless licensed in the European Union and passported in our home markets countries⁷ (please note that we reserve the right to decide due to risk-based approach on accepting particular merchants and businesses with PSPs even when licensed)
- Adult entertainment
- Shell companies
- Unregulated charities
- Virtual currencies/Virtual Asset Service Providers
- Non-profit/non-governmental organizations
- Dealers involved in the distribution of arms and munitions
- Precious metals and gems/mining and extractive industries
- Off-shore banks
- Human trafficking

Erste Group reserves the right to send Requests for Information in order to obtain a detailed understanding of the underlying business and parties involved or reject any payments specifically involved in above industries, but also transactions which are deemed to be of material concerns in order to limit any reputational and other non-financial risks, and to stay in line with our principles of social responsibility.

⁷ For a business relationship with EGB AG it is necessary that the PSP is passported in Austria

1. ANNEX to the Erste Group Risk Appetite Statement

1.1. Specific countries with limited risk appetite

Erste Group has limited appetite to receive transactions not related to Erste Group Home Markets⁸ (no third party clearing⁹ related transactions), related to the following countries:

- Afghanistan
- Armenia
- Azerbaijan
- Central African Republic
- China
- Cuba
- Congo
- Georgia
- Haiti
- Iraq
- Kazakhstan
- Kyrgyzstan
- Lebanon
- Libya
- Mongolia
- Pakistan
- Saudi Arabia
- Somalia
- Tajikistan
- Turkey
- Turkmenistan
- UAE
- Uzbekistan
- Venezuela
- Yemen
- Zimbabwe

Please be informed we reserve the right to adjust the countries above any time based on further international developments and diligent assessments performed.

⁸ <https://www.erstegroup.com/en/home>

⁹ Neither ordering bank nor beneficiary bank belongs to Erste Group/no direct accountholder in any Erste Group entity