

# Statement of Česká spořitelna On the Policy of Anti-Money Laundering and Combating the Financing of Terrorism

Česká spořitelna (hereinafter referred to as The Bank) is fully aware of the risks resulting from the possible abuse of proceeds from criminal activities and financing terrorism through its client's deals.

Strategy of The Bank in the area of preventing the legalization of proceeds from criminal activities and financing of terrorism (hereinafter referred to as „AML Strategy“) represents a permanent effort of The Bank's management to create effective mechanisms to eliminate these risks and detect undesirable activities that might result from them.

The Bank defines its AML Strategy as a continuous process to develop complex, effective and balanced system of prevention against possible legalization of proceeds from criminal activities and financing of terrorism. The bank is obliged by law to formulate and implement the AML Strategy which is closely connected with the efforts to strengthen its position within the banking sector of the Czech Republic and European Union as a prestigious and credible banking institution and represents the best experience of the Erste Group.

## Česká spořitelna

being aware of its responsibility for legal, social and ethical values,

being aware of its obligations towards its shareholders, stakeholders, clients and business partners, in effort to protect its legitimate interests as well as interests of the Erste Group

and finally, in an effort to eliminate risks resulting from possible connection of the financial sector in the world of crime and terrorism,

makes this

## Public Statement on the Policy of Anti-Money Laundering and Combating the Financing of Terrorism:

- In its activities, The bank entirely follows the legislation of the European Union and the Czech Republic for the area of preventing financial sector to be possibly misused for legalization of proceeds from criminal activities and financing of terrorism (hereinafter referred to as „AML“)
- The bank respects the international standards in the AML area, primarily recommendations of Financial Action Task Force on Anti-Money Laundering, Basel Committee on Banking Supervision and Wolfsberg Group, observes from the common Erste Group principles and follows the latest international trends in AML area.
- The bank has established the AML Strategy covering all areas of its business activities and has in place a policy as well as particular procedures and measures to effectively prevent money laundering and financing of terrorism which comply with legal requirements of the Czech Republic and European Union with respect to AML
- The bank has established a Customer Acceptance Policy within which it's described the customers risk classification based on risk factors.

- The bank also established an Acceptance Unit which covers onboarding of the clients with the high risk rating as well as regular checks of client's necessary documentation and therefore mitigates the risks resulting from establishing relationship with risky client.
- The bank implemented the „Know your customer“ (KYC) policy. Within this policy, in particular:
  - verifies all potential customers and related persons against the international sanctions lists (namely OFAC, EU, UN).
  - identifies the true identity of customers and other persons related to them
  - verifies and records necessary identification data of customers and other persons
  - takes responsible measures to identify and verify politically exposed persons and treat them as the AML law and the Group policy requires
  - identifies the ultimate beneficial owners of corporate legal entities and recipients of revenues and distributed financial funds of non-profit organizations in an express cases
  - identifies client's source of funds or assets, obtains information on the purpose and intended nature of the business or business relationship as a part of customer due diligence process
- The bank refreshes and archives identification data of customers and other persons up to date and stores them for 10 years from the execution of business or the termination of business relationship
- The bank monitors accounts and transactions of its customers with regard to suspicious transactions
- The bank takes necessary steps in monitoring newest regulations, including international sanctions, and generally new trends in banking with relation to security.
- The bank prohibits opening of any anonymous accounts to customers and does not establish business relationship with customers who refuse to be identified or refuse the identification of the third party
- The bank periodically trains all its employees on AML issues and regularly tests their knowledge
- The bank regularly carries out both internal and external audit of AML policies and procedures
- ČS has never been sanctioned or prosecuted in connection with money laundering and financing of terrorism.