

## **Conception of Anti-money laundering and Counter terrorism financing protection of Slovenská sporiteľňa, a.s. (hereinafter the “Conception”)**

Slovenská sporiteľňa, a.s. (hereinafter the “SLSP, a.s.”), a bank with long tradition on the Slovak banking market, member of the Erste Group, as well as all of its subsidiaries value the trust extended by shareholders, clients, employees, partners and financial markets.

The Conception of anti-money laundering and counter terrorism financing protection is based on the Act no. 297/2008 Coll. on protection against protection against money laundering and terrorist financing (hereinafter referred to as the “Act”) and the guidelines of the National Bank of Slovakia. The Conception is built on several protection pillars and takes into account only the requirements stipulated by the Slovak and European legislation, but it is also based on the domestic and international standards, FATF regulations (Financial Action Task Force), directives, analysis drafted by advisory companies, the Erste group standards, as well as its own experience with the existing clients and scope of services and products offered by the bank.

The Conception is in writing accepted by the Board of Directors of SLSP, a.s., which as the statutory body is responsible for the complex protection of the bank against the money laundering and terrorism financing, and also for its implementation.

The main pillar of the Conception of the bank protection against the money laundering and terrorism financing is based on the recognized values of SLSP, a.s. the “Know Your Customer” principle.

Employees of the “first-line”, who are in daily contact with their clients thanks to their professional attitude are familiar with their needs and requirements, business operations, plans, standards transactions, and therefore they can offer the clients the most suitable product or service. On the other hand, since they work according to the “KYC” principle, they are in a good position to distinguish the unusuality of operations performed by individual clients and to proceed in accordance with law. With their professional approach the SLSP firstline employees are able to prevent abuse of the banking financial system in the form of money laundering or terrorism financing.

Supporting this approach to protect the bank the systemic monitoring of business operations is in place to be able to detect the irregularities in the client’s financial behavior.

All possible unusual business operations are reported to the Financial Intelligence Unit in accordance with the Act.

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The bank's main principles, procedures, rules and obligations in the area of prevention against money laundering and terrorist financing are set out in the AML Program, which is approved by the Board of Directors of SLSP, a.s.

With the aim to constantly increase the expertise and preparedness, all employees are regularly retrained and are familiar with the most important elements in this area to be able to apply the risk approach when assessing clients, their deals and transactions.

The organizational structure of SLSP, a.s. also supports the efficient and independent performance of activities in the field of protection against money laundering and terrorist financing. The bank has created a special unit for the prevention and detection of money laundering, which is managed by a nominated person in accordance with the AML Act. The nominated person – Compliance officer is responsible for the preparation, regular updating and practical implementation of the bank's AML Conception (in particular preparation of internal regulations, implementation of control mechanisms, definition of unusual and suspicious transactions and criteria for their evaluation, preparation of procedures and rules for reporting unusual business operations).

The Compliance Department sets the rules for the bank's protection against EU or US sanctions, along with proper monitoring of clients and their transactions in accordance with the sanction's rules.

An inseparable part of the complex AML Conception of the bank is the close cooperation with the Financial Intelligence Unit as well as with the National Bank of Slovakia in considering the outputs of the National Risk Assessment with the aim to improve mechanisms of the bank's protection against money laundering and terrorist financing.

The Board of Directors of SLSP, a.s. declares its "zero tolerance" approach towards the penetration of "dirty" money into the financial system and against terrorism financing and also do not accept any form of anonymity within the business relationship with the client, unclear ownership structure of the client, lack of transparency of the beneficial owner as well as the acceptance of funds whose origin is unclear. At the same time, the bank shall never place the bank's business interests above the anti-money laundering and terrorism financing prevention and protection.

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January 2023

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