

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

Česká spořitelna is fully aware of risks resulting for its from possible abuse for legalisation of proceeds from criminal activities and for financing of terrorism through risk client deals.

Strategy of Česká spořitelna 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 management of Česká spořitelna to create effective mechanisms to eliminate these risks and detect undesirable activities resulting from them.

Česká spořitelna defines its AML Strategy with the aim to develop a complex and balanced system of prevention against possible legalization of proceeds from criminal activities and financing of terrorism.
For Česká spořitelna is legal and corporate obligations to formulate and implement the AML Strategy that closely connected with the effort to strengthen its position in the banking sector of the Czech Republic and European Union as a prestigious and credible banking institution and representing the best experience of Erste Group.

Česká spořitelna

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

being aware of its obligations towards its shareholders, clients and business partners,

in an effort to protect its legitimate interests as well as interests of Erste Group

and finally, in an effort to eliminate risks resulting from possible connection of the financial sector with 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, ČS entirely follows the legislation of the European Union and the Czech Republic for the area of preventing financial system misuse of financial system for legalization of proceeds from criminal activities and financing of terrorism (hereinafter referred to as „AML“)

- ČS respects the international standards in the AML area, primarily recommendations of Financial Action Task Force on AML, Basel Committee on Banking Supervision and Wolfsberg Group, observes from the common Erste Group principles and follows example from the best international experience in the AML area
- ČS has established the AML Strategy covering all areas of its business and has in place a policy as well as particular procedures and processes to prevent money laundering and financing of terrorism which comply with legal requirements of the Czech Republic and European Union with respect to AML
- ČS has established a Customer Acceptance Policy within which it performs customer classification based on risk factors, primarily determines unacceptable and risky clients and takes another measures towards them
- All ČS branches and subsidiaries have adopted a common ALM system based on a Holding norm and adhere all described ALM policies and procedures
- ČS complies with the "Know your customer" (KYC) policy. Within this, it in particular:
 - verifies all potential customers and persons related to them under international lists of persons and movements against whom/which sanctions are applied
 - identifies the true identity of customers and other persons related to them
 - verifies and records necessary identification data of customers and other persons
 - takes measures for identification of politically exposed persons and comply with closing business relationship with them under enhanced control
 - identifies the true owners of corporate legal entities and recipients of revenues and distributed financial funds of non-profit organizations in an express cases
 - carries out the customer due diligence in an expressed specified cases within it we find out the source of customers' financial funds or assets, obtains information on the purpose and intended nature of the business or business relationship
- ČS actualizes 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
- ČS disposes with new technologies that are enable to identify cases of money laundering and financing of terrorism and blocking customer financial funds
- ČS monitors accounts of its customers with regard to suspicious transactions
- ČS takes necessary measures for the observance of regulations on the application of international sanctions, especially as to the ban on providing financial sources to sanctioned entities and the ban on handling the sanctioned assets.
- ČS does not open any anonymous accounts to customers and does not do business with customers who refuse to be identified or refuse the identification of the third party
- ČS neither does business with shell banks, offshore banks or banks residing in risk jurisdiction, nor enters into corresponding relationships with banks that provide services to the listed entities
- ČS periodically trains all its employees on AML issues and conclusively tests their knowledge
- ČS regularly carries out a complete 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.