

Annex 8

Bank's Anti-Money Laundering and Counter-Terrorist Financing Policy (Policy on compliance with provisions against money laundering and terrorist financing)

Introduction

Ipoteka Bank (hereinafter: the Bank) is committed to comply with the provisions on the prevention of domestic money laundering and terrorist financing (hereinafter: "AML/CFT") and taking into account the recommendations and guidelines issued in this regard.

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

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

Internal risk assessment

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

Client due diligence

The Bank 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 Bank also takes measures to keep client information up to date. The Bank monitors the business relationship with its clients on an ongoing basis..

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

Transaction screening

The Bank uses a screening system to screen out transactions that do not fit the regulatory requirements 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 Bank complies with its legal reporting obligations.

Training

The Bank 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 Bank 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.