

Koper, 6th November 2017

Banka Intesa Sanpaolo d.d. AML Policy

We, Banka Intesa Sanpaolo d.d., declare that we maintain AML/KYC policy and fully comply with international efforts to fight money laundering and terrorist financing as well as other criminal activities.

Banka Intesa Sanpaolo d.d. has its headquarters in Koper, Slovenia and is supervised by the Central Bank of Slovenia and the Office for Money Laundering Prevention which ensures that Banka Intesa Sanpaolo d.d., is fully compliant with the entire regulatory framework regarding AML and FT regulations.

Please be informed that according to our internal procedures and rules Banka Intesa Sanpaolo d.d. policies shall not be shared with third parties and are not available for public use. However, in order to provide you an overview please find below some basic provisions of our AML policy. Our policy is compliant with and drafted on the basis of EU and local legislation as well as Intesa Sanpaolo Group policies.

1: Objectives

(1) The objectives pursued by the Bank under these Guidelines are:

1. Effective management of the risk of money laundering and terrorist financing.
2. Effective management of the risk of breaching the restrictive measures,
3. Implementation of requirements imposed by the binding regulations and by the Parent Bank - Intesa Sanpaolo s.p.a. (hereafter: Parent Bank) regarding the prevention of money laundering and terrorist financing, and the implementation of restrictive measures.

(2) In order to attain the objectives from paragraph 1 of this Article, the Bank is implementing the

1. Regulations of the Republic of Slovenia and of the EU:
 - The Prevention of Money Laundering and Terrorist Financing Act (Official Gazette of the Republic of Slovenia, no. 68/16), with all the amendments; hereinafter: ZPPDFT-1) on the basis of the Directive (Eu) 2015/849 of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing,
 - Implementing regulations issued under the ZPPDFT-1 Act,
 - Regulation (EC) No.2015/847 of the European Parliament and of the Council of 20 May 2015 on information on the payer accompanying transfers of funds (hereafter: Regulation 2015/847),
 - The legal acts of the EU (Decisions and Regulations) introducing restrictive measures against certain countries or persons, groups of persons or organizations,
 - The Act Relating to Restrictive Measures Introduced or Implemented in Compliance with Legal Instruments and Decisions adopted within International Organisations (Official Gazette RS, no. 127/2006; hereafter: ZOUPAMO),
 - Implementing regulations issued or maintained in force under the ZOUPAMO-Act.
2. Guidelines for the Implementation of measures regarding the prevention of money laundering and terrorist financing for the banking sector (Bank of Slovenia, May 2008, with all the amendments),
3. The Internal rules of the Parent Bank:

2: Management of the risk of money laundering and terrorist financing

(1) The risk of money laundering and terrorist financing is a risk that a particular transaction carried out in the Bank is intended for committing the criminal offence of money laundering and/or terrorist financing. The risk of money laundering and terrorist financing is closely correlated with the reputational risk and legal risk.

(2) The Bank controls the risks of money laundering and terrorist financing by implementing all the critical processes and procedures (client on-boarding DD, client on-going DD, unusual activities detection, periodic monitoring, client data updating and on-line transaction screening), providing for appropriate education and training of employees, appropriate assigning the tasks and responsibilities, and establishing the internal controls over the implementation thereof.

(3) The Bank implements the measures addressing the prevention of money laundering and terrorist financing proportionately with the risk of money laundering and terrorist financing that is connected to particular clients, groups of clients, services or business processes (risk-based approach), observing the minimal requirements specified in the applicable regulations, guidelines and internal rules of the Parent Bank.

(4) In its relationship with banks to which loro accounts were opened or other business relationships and/or correspondence relations exist, the Bank implements all the measures of money laundering prevention in a customized approach, depending on the nature of their activity and the relationship entered into with them.

(5) Upon all relevant changes to its business processes (e.g. introduction of a new product, new technology or organizational changes), the Bank estimates the impact on its exposure to the risk of money laundering and terrorist financing, and if required, the Bank adopts the necessary measures to reduce that risk.

3: Management of the risk of breaching the restrictive measures

(1) The risk of breaching the restrictive measures is a risk that the Bank, by entering into a business relationship or carrying out a certain transaction through the Bank, may breach a restrictive measure imposed by the EU or USA or a restriction specified in the internal rules of the Parent Bank (hereafter: restrictive measures).

(2) The risk of breaching the restrictive measures correlates with the reputational risk and/or the legal risk.

(3) The Bank controls the risk of breaching the restrictive measures by implementing all the relevant measures (especially customers and transactions filtering against sanction lists, enhanced controls on risky countries and enhanced controls of underlying goods in documentary or other transactions with risky countries), providing for appropriate education and training of employees, appropriate assigning the tasks and responsibilities, and establishing the internal controls over the implementation thereof also in this respect.

(4) The Bank conducts the measures for the implementation of restrictive measures proportionately to the risk of breaching the restrictive measures involved in particular in the activity of customers and their counterparties, and the country risk of respective countries to which such customers or their transactions are related (risk-based approach). As a minimum, the Bank observes the minimal requirements specified in the applicable regulations and internal rules of the Parent Bank.

Sincerely,

Bojan Rimanič
AML Officer

