

## Nova KBM d. d. – Anti Money Laundering Policy

### 1 General Information

Legal Name	<b>Nova KBM d.d.</b>
Headquarters	Ulica Vita Kraigherja 4 2505 Maribor Slovenia
Legal Form	Joint stock company
Registration	District Court in Maribor
Banking Licence	Last issued on December 22 <sup>nd</sup> , 1999 by the Bank of Slovenia
Tax Identification No.	SI94314527
Registration No.	5860580
Website	<a href="http://www.nkbm.si">www.nkbm.si</a>

### 2 Foundation/Basis

- Slovenia has in place the legislative framework governing the area of the prevention of money laundering and terrorist financing which is in compliance with the latest EU regulations regarding anti money laundering and counter terrorism financing. **Prevention of Money Laundering and Terrorist Financing Act** was promulgated in July 2007.
- Pursuant to the Penal Code both money laundering as well as terrorist financing are defined as a criminal offence.
- Slovenia has ratified a number of international conventions. In this way has put in place a comprehensive system to detect and prevent money laundering and terrorist financing, which has been assessed by the relevant organizations (UN, European Council, European Commission, Financial Action Task Force) as a modern one and compliant with international standards.
- Main features of Prevention of Money Laundering and Terrorist Financing Act
  - in accordance with Directives 2005/60/EC and 2006/70/ES defining accountable entities
  - client's due diligence when establishing a business relationship with a client
  - client's due diligence when carrying out a transaction amounting to EUR 15,000 or more, whether the transaction is carried out in a single operation or in several operations which are evidently linked
  - identification of the bearer of the passbook when a transaction on a basis of a passbook or a bearer passbook is made
  - face to face identification except in special cases issued by the Ministry of Finance
  - re-identification of clients which are foreign legal entities at least once a year except international governmental organisations
  - identification of clients represented by authorised persons
  - obligatory reporting to Office for Money Laundering Prevention of cash transactions exceeding EUR 30,000
  - obligatory reporting of any transaction exceeding the amount EUR 30,000 and which is carried out both on accounts in countries in which there is a greater

probability for the occurrence of money laundering or terrorist financing as well as to all residents of those countries

- option to suspend a transaction or a business relationship as such
- mandatory appointment of Anti Money Laundering and Counter Terrorism Financing Officer (hereinafter: AML & CTF Officer), professional training, a list of indicators for suspicious activity, and internal controls
- 10 years period of keeping records.

### 3 Objectives

Nova KBM d. d. as one of the largest Slovenian universal banks is strongly committed to the economical, social and political environment in Slovenia, EU and other parts of Europe. As the international community's concern about the problem of money laundering and terrorism financing is growing, so is Nova KBM d. d. committed to fight against money laundering, financing of terrorism, financial crime and corruption. This Anti Money Laundering Policy aims to establish an internal system in full compliance with statutory home and international regulations helping law enforcement authorities detecting and preventing any illegal or criminal activities for which Nova KBM d. d. may be misused. Nova KBM d. d. is therefore committed to examining, harmonizing and reviewing its Anti Money Laundering Policy on an ongoing basis with the newest regulation, practices and guidelines.

Nova KBM d. d. is committed to high standards of anti-money laundering and counter terrorism financing compliance and requires management and employees to adhere to these standards in preventing the use of its products and services for money laundering as well as terrorism financing purposes.

Adherence to the Nova KBM d. d.'s Anti Money Laundering Instructions and Procedure (hereinafter: AMLIP) is the responsibility of all employees. The AMLIP were prepared by the in-house AML & CTF Officer and approved by the Management Board.

### 4 Anti Money Laundering Instructions and Procedure of Nova KBM d. d.

- Anti Money Laundering Instructions and Procedure of Nova KBM d. d. addresses the issue of money laundering in accordance with Prevention of Money Laundering and Terrorist Financing Act, which contains a comprehensive set of measures for detecting and preventing both money laundering as well as terrorism financing activities.
- The AMLIP applies for establishment of new business relationship, acceptance of cash, physical securities or precious metals and any other suspicious transactions.
- Ascertainment of customer identity is the first stage in the Anti Money Laundering procedure. Client screening and monitoring depends on the classification of the client and statutory requirements and goes from the usual client screening to enhanced due diligence.
- Nova KBM d. d. reports to Office for Money Laundering Prevention about cash transaction in the amount and over EUR 15,000 on a daily basis and is required to prepare an annual statement on the prevention of money laundering and counter terrorism financing, which is confirmed by the Management Board.
- Every unusual activity which results in a suspicion of money laundering either terrorist financing is reported to the in-house AML & CTF Officer and to Office for Money Laundering Prevention.

- Determining the ultimate economic beneficiary of any accounts, transaction or funds is the second stage.
- Records of all transaction data and of information obtained for the purpose of identification and transactions must be kept for the statutory imposed period.
- In-house AML & CTF Officer provides internal training for Bank's employees on a regular basis by explaining general facts, legal requirements and actual tasks of the Bank's employees in connection with the prevention of both money laundering and terrorism financing.
- Internal auditors control the implementation of the anti money laundering policy and the AMLIP application.

## 5 Supervision

External Supervisor	European Central Bank Office for Money Laundering Prevention (operates within the Ministry of Finance)
External Auditor	Deloitte revizija d.o.o., Ljubljana