I. Basic information on Komerční banka, a.s.

Identification number: 45317054
Registered seat (real physical premises within licensed jurisdiction): Na Příkopě 33/959, 114 07 Prague, Czech Republic
Legal form: joint stock company
Record on incorporation: Commercial Register with the Municipal Court in Prague, Section B, File No. 1360, date: 5th March 5th, 1992
Banking license: issued by Czech National Bank, No.:2003/3349/520 from July 28, 2003
Regulatory body: Czech National Bank (www.cnb.cz)
Number of employees: 7,500
Number of branches: 337
Principal line of business: Full scale of corporate, retail and investment banking, financial leasing and brokerage, supporting banking services for financial institutions that are controlled by the Bank
Web link: www.kb.cz
External auditor: Deloitte Audit s.r.o. (www..2.deloitte.com)

Subsidiaries:

- Komerční banka, a.s., pobočka zahraničné banky na Slovensku (www.koba.sk)
- Factoring KB, a.s. (www.factoring.kb)
- SG Equipment Finance Czech Republic s.r.o. (www.sgef.cz)
- Modrá pyramidá stavební spořitelna, a.s. (www.mpss.cz)
- KB Penzijní společnost, a.s. (www.plkb.cz)
- ESSOX s.r.o. (www.essox.cz)
- Komerční pojišťovna, a.s.
- Protos, uzavřený investiční fond, a.s.
- KB Real Estate s.r.o.
- VN 42, s.r.o.
- Bastion European Investments S.A.
- Worldline Czech Republic s.r.o.NP 33, s.r.o.
- Czech Banking Credit Bureau, a.s.
- STD2, s.r.o.
- KB SmartSolutions, s.r.o.

Shareholders:

- Société Générale S.A. : 60,35%
- Actual information about shareholders is available on the KB’s website: https://www.kb.cz/en/about-the-bank/everything-about-kb/obligatory-published-information
Note: Komerční banka shares are publicly traded on exchange markets in the Czech Republic managed by the market organisers Burza cenných papírů Praha, a.s. (the Prague Stock Exchange) and RM-SYSTEML, česká burza cenných papírů, a.s. (the Czech Stock Exchange).

II. Legal framework

The main principles of anti-money laundering and combating the financing of terrorism issues are based on the Act No. 253/2008 Coll., on Selected Measures against Legitimisation of Proceeds of Crime and Financing of Terrorism (for more details please see https://www.mfcr.cz/cs/zahranicni-sektor/ochrana-financniich-zajmu/boj-proti-prani-penez-a-financovanitero/legislativa-aml-cft).

The rules for implementation of anti-money laundering and combating the financing of terrorism policy and know your customer policy for banks are specified further by the Decree No. 67/2018 Coll., on Certain Requirements for the System of Internal Principles, Procedures and Control Measures against the Legitimisation of the Proceeds of Crime and Financing of Terrorism (for more details please see https://aplikace.mvcr.cz/dbinka-zakonu/ViewFile.aspx?type=z&id=62969).

Policy of Komerční banka, a.s. in anti-money laundering, know your customer, fight against terrorism and related areas

The above mentioned documents order banks to:
III. Internal rules of Komerční banka, a.s.

Responsibility for managing the prevention of anti-money laundering and combating the financing of terrorism risk lies not only with the KB Compliance department as the central unit for directing compliance, but it is also the duty of all managers and employees to whom the relevant rules and procedures apply. All employees, managers and Board members are trained in all relevant topics AML, KYC, CFT, S/E and Code of Conduct.

Komerční banka, a.s. has implemented complex measures, specified in internal documents Directive No. 16 “Basic Principles of System against Legalisation of Proceeds from Criminal Activity” and other relevant internal rules that fully comply with the above-mentioned Act and the Decree of the Czech National Bank. The standards defined in this Directive are the minimum requirements set out by the SG Group in order to comply with regulatory requirements regarding (i) the fight against money laundering and combating the financing of terrorism (AML/CFT) and (ii) international sanctions. Last update of the Directive was updated in December 2019 with 12 appendices.

Internal rules:
- define basic principles and detail working procedures in daily implementation of anti-money laundering, combating the financing of terrorism and know-your-customer policy,
- set up procedures for Due diligence applicable to customers, including information about collection of necessary documents. Documents and information are different for different risky category of the client. Komerční banka has 4 category (low risk, med-low risk, med-high risk and high risk category).
- For Individuals KB request as minimum but not limited, Identity card with relevant information (Full name; Date of birth; Place of birth; Identification number; Nationality (ies); Identity document fulfilling the following requirements; Photography; the type of document, dates and place of issuance; name and capacity of the authority or the person who issued the document and, if appropriate, has authenticated it; Residential address). For professionals is requested information about business and financial situation. Legal entity have to declare Legal name, registered address, legal form, regulated status, registration information, ownership structure, Ultimate beneficiary owner (10% for High risk clients) up to 25%, Corporate purpose, List of controlling parties, type of business, revenue,
- define standards for set up of local FCCR
- define the use of on-line technical facilities for monitoring of transactions and reporting suspicious deals, using automatic alerts, AMLO alerts and external alerts.
- Process for screening messages and database; require the check and screening process against PEP, Sanction and embargo, negative news, internal black list. Screening is provided during on boarding process, than during periodic control (weekly, monthly, quarterly) in the internal databases.
- cover process for relationship with politically exposed persons and close person, government ownership
- procedure for termination of business relationship
- specify procedures and check-up to prevent and detect the risk of money laundering and financing of terrorism,
- implement procedures for identification and disclosure of a suspicious transactions,
- review customers for possible terrorist connections,
- impose the key responsibility for implementation of the policy in the Bank on Compliance Unit and its Head with direct reporting to the Board, stipulate tasks, activities and responsibility of each involved bank’s Unit towards the policy, embody the best experience of Société Générale Group in this field,
- order to organize structured training courses for officers being in contact with customers or their transactions about principles of anti-money laundering and combating the financing of terrorism and the detection of such illegal activities at least once within twelve months,
- prohibit offering any anonymous account or maintaining business relationship with a shell bank, unlicensed bank.

None violation of principles against anti-money laundering, legitimisation of the proceeds of crime and financing of terrorism and know your customer policy has been detected by the regulator or involved institutions.

IV. Foreign Account Tax Compliance Act (FATCA)

Komerční banka is registered with FATCA status Reporting Model 1 FFI, GIIN QQA6ZW.00091.ME.2003. In this context, the Bank is obliged to identify and report bank products held by U.S. persons in particular.