

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

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

Number of employees: 8.000

Number of branches: 400

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

Subsidiaries:

- Factoring KB, a.s. (www.factoring.kb)
- Modrá pyramida stavební spořitelna, a.s. (www.mpss.cz)
- KB Penzijní společnost, a.s. (www.pfkb.cz)
- ESSOX s.r.o. (www.essox.cz)
- SG Equipment Finance Czech Republic s.r.o. (www.sgef.cz)
- Komerční banka, a.s., pobočka zahraničnej banky na Slovensku (www.koba.sk)
- KB Real Estate s.r.o.
- Protos, uzavřený investiční fond, a.s.
- Bastion European Investments S.A.
- VN 42, s.r.o.
- NP 33, s.r.o.
- Cataps, s.r.o.

Shareholders:

- Sociétés Générale S.A. 60,35%
- Nortrust Nominees Limited 5,39%
- JPMCH1 Chase Nominees Limited 3,74%
- Other shareholders 33%
- 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-SYSTÉM, česká burza cenných papírů, a.s. (the Czech Stock Exchange).

Regulatory body: Czech National Bank (www.cnb.cz)

External auditor: Deloitte Audit s.r.o. (www.2.deloitte.com)

II. Legal framework

The main principles of anti-money laundering and combating the financing of terrorism issues are based on Act No. 253/2008 Coll., on Selected Measures against Legitimation of Proceeds of Crime and Financing of Terrorism (for more details please see <http://www.mfcr.cz/cs/zahranicni-sektor/ochrana-financnich-zajmu/boj-proti-prani-penez-a-financovani-tero/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. 281/2008 Coll., on Certain Requirements for the System of Internal Principles, Procedures and Control Measures against the Legitimation of the Proceeds of Crime and Financing of Terrorism (for more details please see http://www.cnb.cz/en/supervision_financial_market/legislation/money_laundering/national_legislation.html).

Komerční banka, a. s., se sídlem:

Praha 1, Na Příkopě 33 čp. 969, PSČ 114 07, IČO: 45317054

ZAPSANÁ V OBCHODNÍM REJSTŘÍKU VEDENÉM MĚSTSKÝM SOUDEM V PRAZE, ODDÍL B, VLOŽKA 1360

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The above mentioned documents order banks to:

- implement own anti-money laundering, combating the financing of terrorism system and know-your-customer policy,
- identify clients, incl. updating of the client's identification (not to open or maintain anonymous accounts or conduct business with shell banks),
- realize controls of the clients,
- report any suspicious transactions in case of transactions specified by Act No. 253/2008 Coll. to the respective authorities,
- request and store specified information concerning transactions up to 10 years,
- introduce training programs for employees concerning this question,
- review customers and their transactions for possible terrorist connections.

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.

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.

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 identification of new customers, necessary documents, customer due diligence including confirmation of their business legitimacy, procedures for routine verification of clients' data pursuant to risk client structure, their storage and responsibility of clients' Bank Advisors/Relationship Managers in it,
- define the use of on-line technical facilities for monitoring of transactions and reporting suspicious deals,
- 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,
- 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,
- prohibit offering any anonymous account or maintaining business relationship with a shell bank,
- cover relationship policy with politically exposed persons,
- review customers for possible terrorist connections.

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.