

## Wüstenrot Group Anti-Money Laundering Policy

Wüstenrot Group's focus is on low-risk business in its core market Austria. Wüstenrot Group is committed to combating financial crime and ensuring that accounts held at its organizations are not misused for illegal activities like money laundering, terrorist financing and proliferation financing.

The Republic of Austria is a member of the European Union, the Financial Action Task Force on Money Laundering (FATF) and the Basel Committee on Banking Supervision and has enacted laws and regulations designed to implement the policies of these authorities. Wüstenrot Group is supervised by the Austrian Financial Market Authority (FMA) and fully complies with the Austrian Federal Banking Act (BWG), Austrian Financial Market Anti-Money Laundering Act (FM-GwG) and Austrian Beneficial Owners Register Act (WiEReG), which incorporate FATF-standards and current EU-legislation against money laundering and terrorist financing.

Therefore, Wüstenrot Group has implemented policies with respect to anti-money laundering (AML) and counter terrorism financing (CTF) which, combined with other comprehensive measures and procedures, aim at applying a risk-based approach. These policies implement the applicable legal framework, such as the Austrian Financial Market Money Laundering Act and applicable EU regulations.

### **Wüstenrot Group AML & CTF Organization**

To prevent money laundering and terrorist financing across the group, a uniform money laundering organization has been created for the Wüstenrot Group. The AML-Officer – supported by his deputies – centrally specifies all working guidelines regarding money laundering prevention and prevention of terrorist financing. He ensures that these guidelines are enforced throughout the company.

Wüstenrot Bank AG is part of the common standards for combating money laundering and terrorist financing of Wüstenrot Group. The function of the AML-Officer of Wüstenrot Bank AG is outsourced to Wüstenrot group's AML-Officer. In this context, mandatory guidelines and work instructions as well as preventive measures are regularly adapted to the specifics of the business model and the IT architecture of Wüstenrot Bank AG.

## Key AML Areas

<p><b>Preparation and Implementation of the Risk Analysis</b></p>	<p>A group-wide risk analysis is carried out in which the potential risks of money laundering and terrorist financing are identified and assessed. Risk mitigation measures are defined and implemented based on the results of this risk analysis.</p> <p>The risk analysis is carried out based on data and information, taking into account all relevant risk factors, in particular those relating to customers, countries or geographical areas, products, services, transactions and sales channels, as well as other new or developing technologies.</p>
<p><b>KYC and Due Diligence</b> <i>Know Your Customer</i></p> <p><b><i>Due Diligence</i></b></p>	<p>In course of the customer onboarding process of new customers a diligent identification procedure of private customers and corporates and their beneficial owners is carried out before establishing a new customer/business relationship.</p> <p>Verification of the source of funds is demanded on a risk-based customer approach.</p> <p>The due diligence requirements are applied before a permanent business relationship is established. During the establishment of a permanent business relationship, a risk analysis of the customer is carried out.</p> <p>Each customer is classified in risk classes, ranging from 1 (low risk/simplified customer due diligence) to 4 (high risk/enhanced customer due diligence).</p> <p>If it is not possible to comply with the due diligence obligations towards a customer, no business relationship is established and consequently no transaction is executed.</p> <p>In case of an already existing business relationship, it will be terminated and the AML-Officer is informed immediately.</p>

<b>Monitoring Systems</b>	<p>Based on the customer's master data/KYC data a customer's risk profile is created (ranging from low to high risk).</p> <p>At BWAG and WVAG, customers and transactions are checked for their likelihood of money laundering delinquency according to specific parameters on certain occasions by an AML system and – if necessary – passed to the Compliance/AML department for further analysis.</p> <p>At Wüstenrot Bank AG, the business relationship with customers is reviewed using an automated monitoring system to continuously monitor transactions (transaction monitoring). The results of the checks are verified and evaluated by professionally qualified employees to perform an in-depth review on conspicuous transactions or customers.</p> <p>If and when the initial suspicion cannot be made plausible in a sufficient way, the suspected case is discussed with the AML-officer, who will also decide further steps to be taken.</p>
<b>Reporting Authorities</b>	<p>The AML-Officer fulfills reporting obligations towards the relevant authorities (e.g. Federal Criminal Police Office, Financial Market Authority and National Banks) and requests information from the Criminal Police (FIU) and other authorities. The AML-Officer also acts as the single point of contact towards AML &amp; CTF authorities in case of onsite-visits and internal &amp; external auditors.</p>
<b>Suspicious Activity Reports (SAR)</b>	<p>Reports to the respective FIUs (Financial Intelligence Unit) are based on AML risk indicators (e.g. suspicious routing of money transfer, suspicious cash transactions, suspicious information during KYC process etc.). The AML-Officer immediately reports suspicious cases to the relevant authority.</p>
<b>Reporting Obligations</b>	<p>The AML-Officer reports to the executive board and the supervisory board on the prevention of money laundering</p>

<p><b><i>Reporting on SARs</i></b></p>	<p>and terrorist financing in the Group on a regular (at least annual) and ad-hoc basis.</p> <p>Furthermore, the AML-Officer reports to the executive board on performed SARs. The Head of Internal Audit and the head of the area concerned are informed as well.</p>
<p><b>Exchange of Information within Wüstenrot Group</b></p>	<p>An exchange of information, including client-related data, within Wüstenrot Group for the purposes of combating money laundering and terrorist financing is expressly permitted by law. In order to comply with the policies and procedures to be applied throughout the Group, the documents identifying the customer and the information submitted with SAR may be shared within the Wüstenrot Group.</p>
<p><b>Changes in Law and other Legal Requirements</b></p>	<p>The AML-Officer informs legal entities and foreign branches about relevant amendments in applicable laws and/or other legal requirements as well as on the interpretation of further publications (e.g. circulars of the Financial Market Authority, FATF recommendations, rules of the Austrian National Bank, guidelines and Q&amp;A's of EBA, ESMA or ECB).</p>
<p><b>Education and Training</b></p>	<p>The employees of Wüstenrot Group are trained on a regular and ad-hoc basis on the methods used to prevent money laundering and terrorist financing and are constantly informed about the legal requirements in place.</p>
<p><b>Further Measures to combat Money Laundering and Terrorist Financing</b></p>	<ul style="list-style-type: none"> <li>• Accurate work instructions and continuously improved information material.</li> <li>• Raising awareness of the obligations at sales employee level by incorporating the obligations into the respective agreements.</li> <li>• Regular customer contact by sales staff as a business strategy (implementation of the "know your customer" principle on a personal level).</li> <li>• Compliance with customer identification obligations and continuous monitoring of the business relationships.</li> </ul>

	<ul style="list-style-type: none"><li>• Monitoring of all customers by automated comparison with regards to politically exposed persons (PEP) and sanctions lists.</li><li>• Restriction or monitoring of complex structures (trustees, beneficial owners).</li><li>• Regular review/update of the Anti-Money Laundering Guideline to ensure that it reflects the latest developments and obligations.</li><li>•</li></ul>
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