

Anti-Money Laundering Acknowledgement [of Landeskreditbank Baden-Württemberg – Förderbank – (L-Bank)]

We, Landeskreditbank Baden-Württemberg – Förderbank – (L-Bank), herewith confirm that our bank has the means and the internal procedures in place to detect and to intercept money laundering channels or chains relating to the proceeds of terrorist activities, organized crime or other serial criminal offences.

L-Bank is a credit institution licensed by the German financial and banking services regulator Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin, Federal Financial Supervisory Authority), being subject to such Authority's supervisory rules and regulations.

Following the *40 Recommendations of the Financial Action Task Force on Money Laundering (FATF)*, an intergovernmental body for the development and promotion of policies to combat money laundering, and the Directive 91/308/EEG (amended by Directive 2001/97/EG) of the Council of the European Community on the prevention of the use of the financial systems for the purpose of money laundering, the German Money Laundering Act (the Act) came into force on 29th November 1993.

The Act has recently been fundamentally modified by the Act on the implementation of the forth EU Directive on money laundering, for the execution of the EU Regulation on transfer of funds and the reorganization of the Financial Intelligence Unit of 23rd June 2017. Furthermore, other specific provisions relating to anti money laundering are regulated by the Banking Act of the Federal Republic of Germany (the Banking Act). Additional information as to the practical implementation is provided by BaFin as well as the guidelines published by the Zentraler Kreditausschuss, a joint committee operated by the central associations of the German banking industry.

Both the Act and the Banking Act oblige credit and financial service institutions to implement internal rules and safeguards with the aim of preventing money laundering. It is an integral part of L-Bank's business policy to comply with those obligations.

According to section 7 para. 1 sentence 1 of the Act we have appointed an Anti-Money Laundering Officer, who is responsible for the enforcement of the Act and the administrative provisions issued by the Federal Financial Supervisory Authority implementing said Act.

For this purpose, the Anti-Money Laundering Officer has created internal operating procedures for employees which include the duties to be complied with, taking the Act and the internal principles into account.

In particular, regular staff training dealing with money laundering methods and the catalogue of obligations defined in the Act as well as a regular reliability examination of staff is ensured.

In addition, we carry out checks (using probative official documents) on the true identity of our customers. Whenever we are obliged to identify a customer, we also establish the economic beneficiary, i.e. the person on whose behalf a transaction is carried out or who is involved in the transaction as a trustor. In the event of doubt as to whether the person to be identified is acting on his/her own behalf, or where it is certain that he/she is not acting on his/her behalf, we take reasonable measures to obtain information as to the real identity of the person on whose behalf the customer is acting.

Both our Internal Audit Division and our external auditors perform regular audits to establish whether the security measures taken at L-Bank to combat money laundering are reasonable and appropriate and whether the Anti-Money Laundering Officer has acted in accordance with the responsibilities assigned to him/her.

L-Bank operates an electronically supported Research System, which monitors account-based financial transactions with respect to any unusual, irregular and unexpected activities. If after intensive clarification and monitoring of the business and taking into account the transaction, the customer or the source of his assets reason for doubt remains as to whether the transaction serves the purpose of money laundering, we refrain from the transaction and make a decision as to whether the business relationship should be refused or terminated. Moreover, cases of suspicion in accordance with section 43 of the Act are reported to the German Financial Intelligence Unit.