

Disclosure of information on measure imposed on credit institution

Supervisory measure against Nova Ljubljanska banka d. d. owing to breaches identified in the area of the prevention of money laundering and terrorist financing at the level of the NLB Group

Information on person responsible for breach	
Business name and registered office of legal person	Nova Ljubljanska banka d. d., Ljubljana, Trg republike 2, 1000 Ljubljana, registration number 5860571000 (hereinafter: the bank)
Information on breach	
Description of circumstances and conduct entailing a breach of the Prevention of Money Laundering and Terrorist Financing Act (Official Gazette of the Republic of Slovenia, No. 68/2016 and 81/19 ; hereinafter: the ZPPDFT-1)	<p>Between 11 December 2018 and 15 February 2019, Banka Slovenije conducted an inspection of the money laundering and terrorist financing prevention activities at the level of the NLB Group (hereinafter: the group). The purpose of the inspection was to review how the bank as the parent company manages prevention of money laundering and terrorist financing risks at the level of the group.</p> <p>On the basis of the inspection, a breach of the first paragraph of Article 15 of the ZPPDFT-1 was established, as the bank, given its size and composition, did not establish effective policies to mitigate and manage the risks of money laundering and terrorist financing at the group level.</p>
Nature of identified breaches	The establishment of effective policies at the group level has a preventive purpose and in this context is an important task of the bank as a parent company in managing the risks of money laundering and terrorist financing of the group. Due to the importance and necessity of ensuring effective policies at the group level, the bank was instructed with the Order on rectify breaches to proceed immediately with the elimination of the identified breach.
Operational part of order on rectification of breaches	
<p>1. On the basis of an examination of Nova Ljubljanska banka d. d., Trg republike 2, 1000 Ljubljana (hereinafter: the bank), conducted from 11 December 2018 to 15 February 2019 in the area of risk management in connection with money laundering and terrorist financing (hereinafter: AML/CFT) at the level of the NLB Group (hereinafter: the group), Banka Slovenije finds that</p> <p>the bank has breached the first paragraph of Article 15 of the ZPPDFT-1 by failing to put in place effective policies commensurate with its size and composition, in particular given that the bank is the parent company in the group, to ensure the effective mitigation and management of the risks of money laundering and terrorist financing, including risks at the level of the group.</p> <p>To rectify the breaches, the bank must:</p> <ul style="list-style-type: none">a) put in place policies commensurate with its size and composition, by means of which it will effectively manage AML/CFT risks at the level of the bank, and at the level of the group;b) ensure that the bank's policies for managing the group's AML/CFT risks comply with applicable legislation. <p>The bank shall embark without delay on activities to rectify the breaches cited in point 1 of this order on the rectification of breaches (hereinafter: the order). The final deadline for the</p>	

rectification of the breaches is 31 December 2019. The bank shall also submit a written report to Banka Slovenije by the aforementioned deadline on the measures taken to rectify the breaches, as set out by the first paragraph of Article 251 of the ZBan-2.

2. In connection with the activities to rectify the breaches cited in point 1 of this order, the bank shall draft an action plan clearly defining the activities for the rectification of the breaches, and shall submit it to Banka Slovenije by 31 July 2019.
3. In connection with the activities to rectify the breaches cited in point 1 of this order, the bank shall designate the persons at the bank responsible for rectifying the identified breaches, and shall report their names to Banka Slovenije by 31 July 2019.
4. An objection to this order shall not stay its enforcement (third paragraph of Article 343 of the ZBan-2 in connection with first paragraph of Article 151 of the ZPPDFT-1).
5. In accordance with Article 161 of the ZPPDFT-1, in connection with the imposed supervisory measures, Banka Slovenije shall publish the following information on its website after the imposed measure becomes final, and shall submit it to the competent European supervisory authorities:
 - the business name and registered office of the legal entity or the name of the individual;
 - a description of the circumstances and conduct that constitute a breach of the aforementioned law or require the implementation of the ordered measure;
 - the nature of the identified breaches or the type of deficiencies for which the measure was ordered;
 - the operational part of the decision by which the proceedings are legally finalised; and
 - any rectification of a breach or implementation of an ordered measure.

Information on any rectification of breach or implementation of ordered measure

The bank has eliminated the breaches within the set deadline. On 24 November 2020, the Bank of Slovenia issued a Decision stating that the breaches have been remedied.

Information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-2

Judicial protection proceedings were initiated, the court rejected the appeal, and the decision is final.