



National Bank of Serbia

AML SUPERVISION CENTRE

**ANALYSIS OF RESPONSES TO THE QUESTIONNAIRE
ON FINANCIAL LESSORS' ML/TF/PF RISK
MANAGEMENT ACTIVITIES 2025**

Belgrade, April 2026

Introductory note

As part of its supervisory function, the National Bank of Serbia (hereinafter: NBS) conducts off-site supervision and analysis of financial lessors' Money Laundering/Terrorism Financing/Financing of Proliferation of Weapons of Mass Destruction (hereinafter: ML/TF/PF) risk management activities. At least annually, the NBS publishes the analysis of data from/responses to the Questionnaire on Financial Lessors' ML/TF/PF Risk Management Activities (hereinafter: Questionnaire).

The purpose of analysing the Questionnaire is to understand the role and significance of the financial leasing sector in the overall AML/CFT/CPF system. This analysis also helps improve further the risk-based approach to supervising financial lessors' ML/TF/PF risk management activities.

The questions in the Questionnaire are sorted into 10 groups:

Part I: General data on financial lessors

Part II: Clients

Part III: Client composition by the assessed ML/TF/PF risk level

Part IV: Client composition by CDD actions and measures

Part V: Products, services and transactions

Part VI: Outsourcing CDD actions and measures to third parties

Part VII: Employee training

Part VIII: Organisational structure

Part IX: Reporting to the AML/CFT compliance officer and to the Administration for the Prevention of Money Laundering (hereinafter: Administration)

Part X: Internal audit and internal control

The key objectives of the analysis of the submitted responses are:

- insight into the state-of-play in terms of identifying, measuring and managing the ML/TF/ PF risk in financial leasing activities,
- off-site monitoring of the development of the ML/TF/PF risk management system in financial lessors,
- identification of possible deficiencies and timely alerting financial lessors to a potential ML/TF/PF risk exposure, and
- promotion of adequate implementation of established rules and principles of the "Know Your Client" procedure (KYC).

The analysis is based on data for the reporting period 1 January – 31 December 2025, which all financial lessors operating in the financial leasing market of the Republic of Serbia submitted as their responses to the Questionnaire.

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I. Key findings

Based on the analysis, primarily of the inherent ML/TF/PF risk exposure, i.e. the quantitative and qualitative data and information from the Questionnaire, as well as data and information related to the management and control of this risk, the overall conclusion is that financial lessors had low exposure to the ML/TF/PF risk in this as in the previously analysed periods.

Low exposure of financial lessors to the ML/TF/PF risk resulted from the following:

In terms of the **business network size**, the financial leasing sector poses a low risk considering the number of clients with whom they established business relations, the small number of branches/branch offices and the total number of front-office employees. As at 31 December 2025, 13 financial lessors were licensed to perform financial leasing transactions in the Republic of Serbia. There were 449 employees in total, of which 254 were front-office staff applying some of the CDD actions and measures. At the end of the reporting period, business relations with clients could be established at 33 locations in the country and the total number of financial lessors' branches was eight. The total number of clients as at 31 December 2025 was 28,583, up by 1,595 clients or 5.91% more than at 31 December 2024.

The **composition of clients** is another factor behind the low ML/TF/PF risk exposure. This refers primarily to the composition of clients by residence and the fact that non-residents account for a negligible share in the total number of clients (around 0.15%).

Resident legal persons accounted for the dominant share (67.86%) in the total number of clients as at 31 December 2025. In the financial leasing sector, clients are divided into three categories according to the risk analysis: low, medium and high ML/TF/PF risk exposure. The bulk of clients are in the medium-risk category (15,364 clients in total), accounting for a share of over 53%, followed by the low-risk category (10,750) with a share of around 37.61%, while those classified as high-risk (2,469) were in the third place, making up 8% of the total number of clients. The majority of clients assessed as high-risk are resident legal persons, and were placed in this category mostly due to the risk associated with their activity. As for non-residents, only three clients were assessed as high-risk: two natural and one legal person. As in the previously analysed periods, there were no major changes in the composition of clients by residence.

As for **products and services**, considering that the only allowed activity in the financial leasing sector is financial leasing, looking at the number, the total and the average value of all concluded financial leasing agreements, as well as the data about the number, the total and the average value of these agreements concluded with clients assessed as high-risk, we conclude that in terms of this factor, the exposure to the ML/TF/PF risk remains low, as in the previous reporting periods.

As for **outsourcing CDD**, only one lessor outsourced these activities – to its parent bank, and/or founder, which is another indicator of the low exposure to ML/TF/PF risk.

Observations made by analysing data and information about measures taken by lessors with the aim of adequate management, control and mitigation of ML/TF/PF risk in the observed period indicate that such measures are efficient and that their implementation sufficiently reduces the level of the said risk to which lessors are exposed. Therefore, albeit low, the risk is adequately managed. Namely, when assessing the management and control of the ML/TF/PF risk, the following indicators were taken into account:

- Lessors pay due attention to staff training. In these training courses employees of all financial lessors are familiarised with the consequences of non-compliance with AML/CFT/CPF law and procedures, and training is carried out in the form of workshops or as a combination of workshops and distance learning (e-learning, webinars, etc.) at least once a year;
- At the end of the reporting period, 11 lessors had a special AML program or an application in which they conducted AML/CFT/CPF activities, and for 10 lessors the program or the application also enables the classification of clients in terms of risk, while one lessor is in the process of introducing such program;
- All lessors apply lists of indicators for recognising suspicious transactions in relation to ML/TF/PF, posted on the Administration's website, as well as lists of designated persons, compiled by the UN Security Council and other international organisations of which the Republic of Serbia is a member;
- Financial lessors have set up their own ML/TF/PF risk management systems, as well as an adequate and comprehensive internal controls system, including mechanisms that ensure that appropriate levels of management are informed in a timely manner of any deviations from the implementation of procedures, in order to take the necessary measures;
- Lessors do not apply simplified CDD to all low-risk clients, but to around 97.52% of them. Enhanced CDD is applied to all high-risk clients, and the bulk of clients are subject to general CDD;
- In the reporting period, there were no cases of termination of a business relationship due to the impossibility to apply CDD actions and measures, while three lessors had nine cases of refusal of an offer to establish a business relationship and carry out a transaction due to the impossibility to apply CDD actions and measures;
- Twenty five reports on suspicious transactions were submitted in the reporting;
- All lessors stated that they did not detect any new circumstances that led to an increase in the ML/TF/PF risk additional to those already been listed in the existing indicators for reporting suspicious activities (the so-called emerging risks).

Although the residual ML/TF/PF risk is low in this area, it should by no means be ignored. Being obliged entities under the Law on the Prevention of Money Laundering and Terrorism Financing, financial lessors are obliged to take all actions and measures necessary for detecting and preventing ML/TF/PF.

II. General data on financial lessors

On 31 December 2025, there were 13 financial lessors licensed by the NBS in the Republic of Serbia. Twelve financial lessors¹ operated of which five operating through a total of eight branches.

There were 449 employees in total working in the financial leasing sector, of which 254 (more than 56%) are front-office staff applying some of the CDD actions and measures.

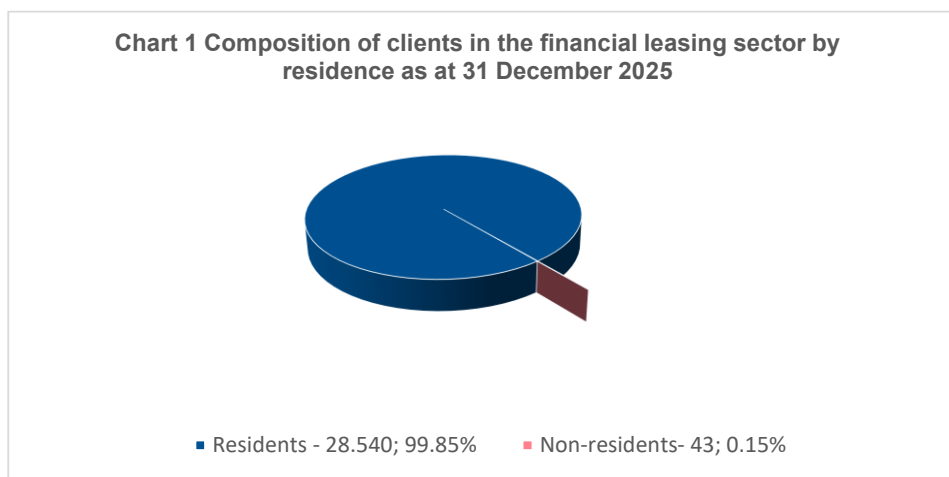
¹ One lessor is undergoing voluntary liquidation, with prior approval of the NBS.

At the level of the sector, the average number of clients per front-office employee performing CDD amounted to 112 at the end of the reporting period, a slight decrease from 2024 when this number equalled 115.

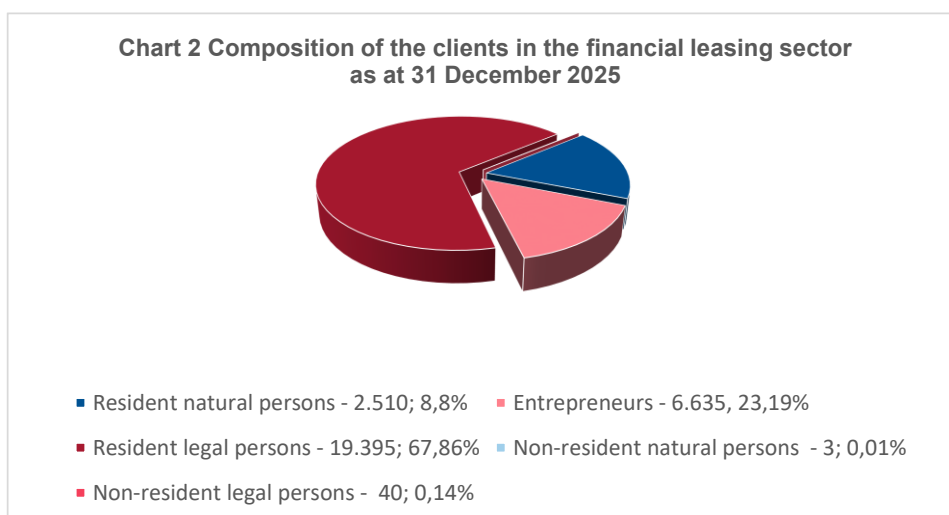
Based on the above, it can be concluded that according to the size of the business network, as a factor affecting the ML/TF/PF risk exposure, the exposure of financial lessors to the ML/TF/PF risk is assessed as low, the same as in the previously observed period.

III. Clients

As at 31 December 2025, the total number of clients came at 28,583, and the bulk of them (more than 99%) are residents (Chart 1). The total number of clients rose by 1,595 or 5.91% relative to the previously observed period.



The biggest share in the total number of clients is that of resident legal persons – 67.86% (total number 19,395), followed by resident natural persons engaged in a business activity – 23.19% (total number 6,635) and resident natural persons – 8.8% (total number 2,510), while non-resident natural persons were only three, and non-resident legal persons forty, accounting for a negligible share (Chart 2). Hence, the geographic factor has no impact of the vulnerability of the financial leasing sector.



As the bulk of residents are legal persons, the Chart below gives an overview of their composition made up of the following: legal persons organised as limited liability companies, legal persons organised as joint-stock companies, legal persons organised in other legal forms (such as limited partnerships and partnership companies), and those not belonging to any of the above categories, since they are, for instance, associations, foundations, sport associations, etc. (categorised as “other”) – Chart 3.



The bulk of resident legal persons (15,749) were limited liability companies (96.65%), while the share of legal persons organised as joint-stock companies (121) was 0.74%. Legal persons organised in other legal forms (230) had a 1.41% share, while “other” persons (195) accounted for 1.20%.

Non-resident natural persons are from countries classified by lessors as high, and medium risk. Of those assessed as high risk category one is from the Russian Federation and the other from Cameroon and the one from Israel was estimated as medium risk.

There were 40 non-resident legal persons, namely: 34 from Montenegro (estimated as medium-low risk), two from Slovenia (estimated as low risk), one from Bosnia and Herzegovina (estimated as medium-high risk), one from Slovakia (estimated as high risk), one from Sweden (estimated as low risk) and one from Poland (estimated as low risk).

Based on the data in the Questionnaire, one non-resident legal entity in the entire financial leasing sector was assessed as high-risk.

As in the previously analysed periods, there were no major changes in the composition of clients by residence.

When analysing the number of clients classified as risky in the National ML/TF/PF Risk Assessment, it was concluded that they account for only 1.42% at the level of the entire sector (31 clients engaged in the trade of gold, 14 organisers of games of chance, 143 intermediaries in real estate transactions and rentals, 118 entities engaged in the trade of dual-use goods, 27 engaged in the production and trade of arms and military equipment, and 72 clients engaged in re-export activities).

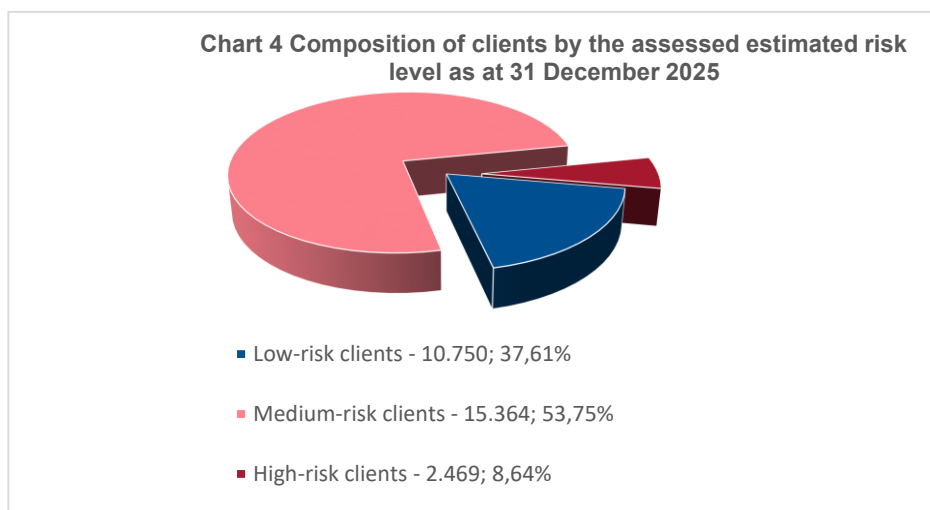
When assessing client composition as a factor affecting the ML/TF/PF risk exposure, various indicators are taken into account, such as the number of high-risk clients, clients who are officials (domestic and foreign), high-risk legal persons: with a complex ownership structure, with persons from offshore geographical areas or with a trust in their ownership structure, with an official in the

governance structure, the number of clients organised as limited liability companies, entrepreneurs, the number of clients classified as risky in the National ML/TF/PF Risk Assessment, etc. Looking at the above indicators, it can be concluded that the risk exposure is low, given that the individual share of each of them in the total number of clients in the financial leasing sector is low.

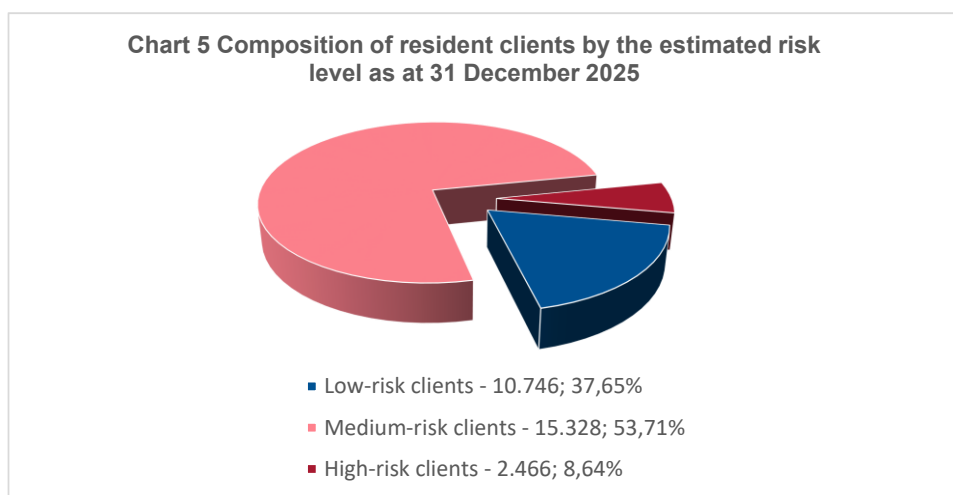
IV. Client composition by the assessed risk level

Within the financial leasing sector, clients are divided into three categories, according to the assessed ML/TF/PF risk level: low-, medium- and high-risk category.

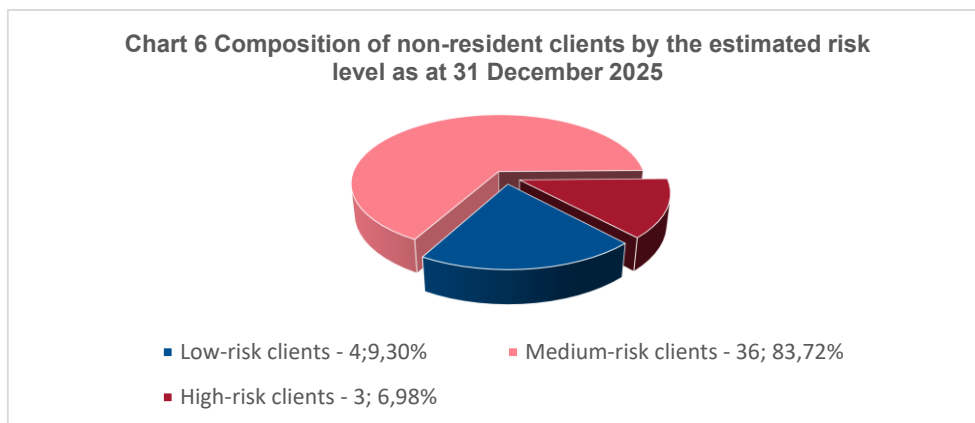
The largest number of clients is classified as medium-risk, i.e. a total of 15,364, accounting for 53.75%, followed by clients in the low-risk category (10,750), accounting for 37.61% while those classified as high-risk (2,469) were in the third place, making up 8.64% of the total number of clients, as shown in Chart 4.



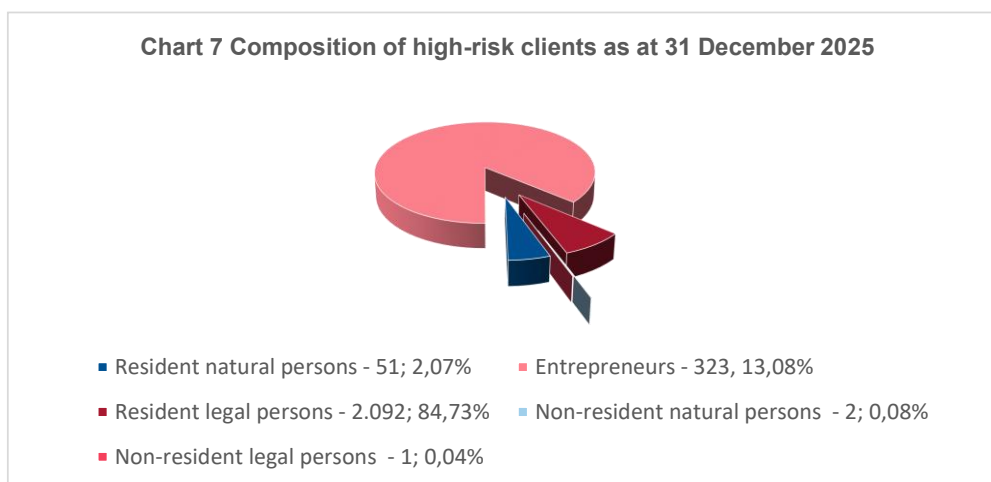
Charts 5 and 6 give an overview of the composition of clients in the financial leasing sector by risk level – for residents and non-residents.



The bulk of residents is classified in the medium-risk category (15,328 or 53.71%), followed by low-risk clients (10,746 or 37.65%), while the fewest of them are in the high-risk category (2,466 or 8.64%).

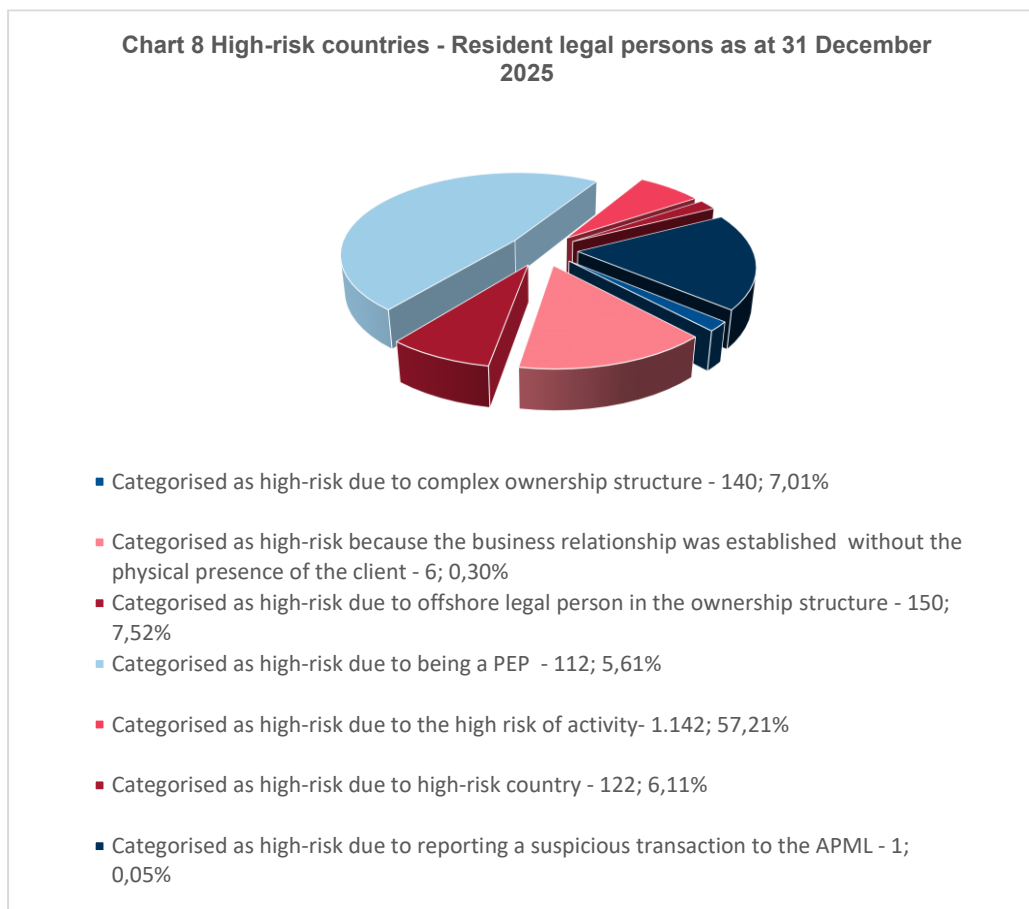


The largest number of non-residents (36 clients – 83.75%) is classified in the medium-risk category, four non-residents are classified as low-risk and three as high-risk. Chart 7 gives an overview of the composition of high-risk clients.



The majority of high-risk clients are resident legal persons (2,092 of 2,469), making up 84.73% of clients in the high-risk category.

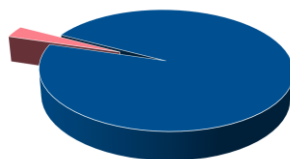
As the majority of high-risk clients are resident legal persons, Chart 8 illustrates their share according to different grounds for this classification.



The bulk of resident legal persons are classified as high-risk due to the high-risk activities they are engaged in (more than a half, 57.21%). The remaining resident legal persons are classified as high-risk on other grounds, in line with the risk analysis (16.19%), because they have an offshore legal person in the ownership structure (7.52%), because of complex ownership structure (7.01%), because of the high-risk assessment assigned to the country of its founder/beneficial owner (6.11%), because of an official in their ownership/governance structure (5.61%), because of business relations established through authorised persons without the physical presence of the client (0.39%) and because of reports on suspicious transactions submitted to the Administration (0.05%).

Resident natural persons were classified in the high-risk category mostly because they are officials (56.86%), 43.14% of them were classified as high-risk on some other grounds in accordance with the risk analysis, as illustrated in Chart 9.

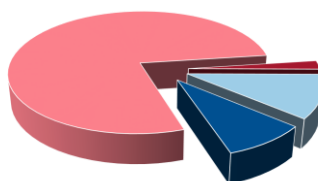
Chart 9 High-risk countries - Resident natural persons as at 31 December 2025



- Categorised as high-risk due to being a PEP - 29; 56,86%
- Categorised as high-risk on other grounds according to risk analysis - 22; 43,14%

The majority of entrepreneurs (natural persons engaged in a business activity) were also classified as high-risk due to their high-risk activities (Chart 10).

Chart 10 High-risk countries - Entrepreneurs as at 31 December 2025



- Categorised as high-risk due to being a PEP- 10 3,10%
- Categorised as high-risk due to high risk of activity - 149; 46,13%
- Categorised as high-risk due to reporting a suspicious transaction to the APML - 0;00%
- Categorised as high-risk on other grounds according to risk analysis - 164; 50,77%

V. Client composition by CDD actions and measures

Simplified CDD actions and measures were applied to 10,484 clients, general CDD to 15,630 clients and enhanced to 2,469 clients. In percentage terms, general CDD was applied to 54.68% of clients, simplified to 36.68% and enhanced to 8.64% of clients (Chart 11).

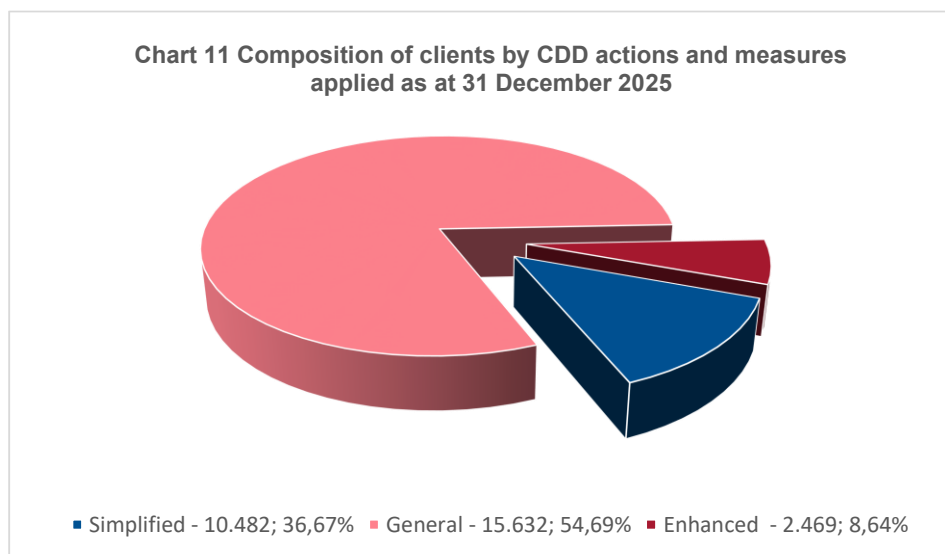


Table 1 gives an overview of applied CDD actions and measures by residence.

Table 1 Overview of applied CDD actions and measures by residence

Clients	Simplified CDD actions and measures	General CDD actions and measures	Enhanced CDD actions and measures	Total
Resident natural persons	849	1.611	51	2.511
Resident legal persons	6.682	10.620	2.092	19.394
Entrepreneurs	2.949	3.363	323	6.635
Non-resident natural persons	0	1	2	3
Non-resident legal persons	4	35	1	40
Total	10484	15.630	2.469	28.583
	36.68%	54.68%	8.64%	100.00%

Table 2 below shows a comparative overview of the number of clients by the assessed risk level and CDD actions and measures as at 31 December 2025.

Table 2 Structure of financial leasing sector clients by risk level and CDD actions and measured applied

Risk level	Number of clients	Share	CDD actions and measures	Number of clients	Share
Low	10.750	37.61%	Simplified	10.482	36.67%
Medium	15.364	53.75%	General	15.632	54.69%
High	2.469	8.64%	Enhanced	2.469	8.64%
	28.583	100%		28.583	100%

Based on the analysis of the data from the Questionnaire, it can be concluded that lessors do not apply simplified CDD to all low-risk clients, but to 97.5% of them. All high-risk clients are subject to enhanced CDD, while most of the clients are subject to general CDD actions and measures. Accordingly, client composition by applied CDD mostly corresponds to client composition by the assessed ML/TF/PF risk level, given that enhanced CDD actions and measures are applied to all clients classified as high-risk, and general ones to more clients than those classified as medium-risk, meaning that these actions and measures are also applied to one portion of low-risk clients.

In the reporting period, there were no cases of termination of a business relationship due to the impossibility to apply CDD, and there was only one case of refusal of the offer to establish a business relationship due to the impossibility to apply CDD. There were no requests for data submission by the Administration for any of the clients with whom a business relationship was established in the analysed period.

VI. Products and services

The total number of lease agreements concluded in the reporting period was 24,122, up by 911 from 2024, of which 5,463 agreements or 22.64% were concluded with clients classified as high-risk.

The total number of lease agreements in which the amount of the lease payment exceeded EUR 1,000 for natural persons was 124 in the reporting period, while those in which the payment exceeded EUR 5,000 was 368. Relative to the previous period, we see a negligible increase in the number of concluded lease agreements in which the amount of the lease payment exceeded EUR 1,000 (there were 117 agreements on 31 December 2024), as well as a negligible decrease in the number of lease agreements in which the payment exceeded EUR 5,000 (380 on 31 December 2024).

In the reporting period, 11 financial lessors had cases of third parties providing a guarantee for the lessee, and the relationship between the lessee and the guarantor was clear.

Taking into account all the above and the fact that the scope of financial lessors' activities is rather limited and is reduced to financial mediation between financial lessors and lessees, the risk based on the products and services offered by the financial leasing sector is assessed as low.

VII. Outsourcing CDD actions and measures to third parties

Only one lessor outsourced the CDD actions and measures to a bank, their founder.

Given that only one financial lessor outsourced CDD actions and measures to third parties, it is estimated that the ML/TF/PF risk exposure on this account is also low.

VIII. Employee training

Based on the responses to the Questionnaire, it can be concluded that all employees from the financial leasing sector are aware of the consequences of non-compliance with AML/CTF/CPF law and procedures.

Training in financial lessors is usually carried out by compliance officers and their deputies. According to the AML Law, a compliance officer is a person employed at the obliged entity in a

position with powers allowing for an effective, efficient and good quality performance of all tasks laid down in this Law, who has not been sentenced by a final judgement or has not been prosecuted, and who is qualified for AM/CFT/CPF tasks and familiar with the nature of the obliged entity's business in the areas vulnerable to ML/TF/PF risks. These conditions must also be met by the deputy compliance officer. Financial lessors carry out training as workshops or a combination of workshops and distance learning (for e.g. e-learning, webinars, etc.) at least once a year. Training of compliance officers/their deputies is organised through presentations, external training, seminars, conferences and lectures. All financial lessors test the knowledge of their employees after completing all training courses, except for the lessors undergoing liquidation.

At the end of the reporting period, 11 lessors had a special AML program, that is, an application in which they conducted AML/CFT activities, while one lessor stated that it was in the process of introducing such application. Also, for 10 lessors the program or the application also enables the classification of clients by level of risk. After verifying the identification data, clients are classified, especially taking into account the geographical risk, client, product and transaction risks, paying special attention to clients who are officials, as well as legal entities with a complex ownership structure.

All financial lessors use the lists of indicators for detecting suspicious ML/TF/PF-related transactions, published on the website of the Administration. Beside these indicators, eight lessors included their own indicators in the indicator list, as in the previous reporting period. All financial lessors (12 of them) prepared official notes on the performed transactions analyses which, based on the indicators applied by the lessors and the experience of their employees, pointed to suspicions of money laundering in the reporting period. A total of 3,238 official notes on the performed transactions analyses were prepared in the reporting period.

All lessors use lists of designated persons, published by the UN Security Council and other international organisations of which Serbia is a member.

In the reporting period, there were no cases that clients or persons who tried to establish a business relationship or any other person with whom a financial lessor has or has had a business or other similar relationship were designated persons. According to the Law on the Freezing of Assets with the Aim of Preventing Terrorism and Proliferation of Weapons of Mass Destruction (RS Official Gazette, Nos 29/2015, 113/2017, 41/2018 and 94/2024), the term designated person means a natural person, a legal person or a group or an association, whether registered or not, designated and listed as a terrorist, terrorist organisation or terrorist financier, or listed as a person associated with the proliferation of weapons of mass destruction and special lists, based on relevant UN Security Council resolutions or acts of international organisations of which the country is a member, based on a proposal by competent government authorities or based on an elaborated request of a foreign country. Special lists are lists based on UN Security Council resolutions or acts of international organisations of which the country is a member, other than those listing natural or legal persons, groups or associations, which list movable and immovable assets related to the proliferation of weapons of mass destruction, such as ships, airplanes, etc.

The sector has adequate information systems with regular reporting on ML/TF/PF risk to appropriate management levels and employees responsible for managing the said risk.

The financial leasing sector established efficient ML/TF/PF risk exposure identification and assessment processes, as well as adequate employee training programmes on the aforementioned risk.

IX. Organisational structure

Compliance officers/their deputies perform other tasks on a daily basis, in addition to the tasks related to detecting and preventing ML/TF/PF. Seven lessors recorded changes in the number of employees in the reporting period.

The financial leasing sector has mainly defined clear lines of responsibilities in identifying, measuring, monitoring and reporting on ML/TF/PF risk, and the risk management system is based on adequate human and technical resources, therefore the ML/TF/PF risk exposure is adequately controlled.

X. Reporting to the AML/CFT compliance officer and to the Administration

In the reporting period, employees of four lessors submitted to compliance officer a total of 86 reports on suspected ML risk, and 19 of them were submitted to the Administration. Also, no reports on suspected terrorism financing were submitted to compliance officers in the reporting period.

In the reporting period, 25 reports on suspicious activities were submitted to the Administration, and the most common reasons for reporting suspicious activities are suspicion as to the beneficial owner of the client, low cost of the lease asset, suspicious operations, negative information from mass media, knowledge that the beneficial owner is linked to the commission of a criminal offence related to money laundering.

All except one lessor stated that they did not detect any circumstances leading to an increase in the ML/TF/PF risk which have not already been listed in the existing indicators for reporting suspicious activities (emerging risks), and one lessor stated that it identified circumstances such as the price difference in the import and sale of used passenger vehicles.

XI. Internal audit and internal control

In the past year, ten financial lessors carried out internal audit, while the remaining two carried it out in the previous year or two years ago. Irregularities were identified by internal audit in ten lessors, which six of them eliminated, while four lessors stated at the time of reporting that the deadlines for elimination of irregularities had not yet expired. No irregularities were identified in two lessors.

Irregularities mostly pertain to the internal controls system, partial non-compliance of internal acts, inaccurate client scoring, the reclassification process, delays in conducting KYC evaluations (periodic verification of collected information, data, and documentation on the client and their business), lack of an automated AML scoring system, etc.

Of the existing lessors, 11 stated that their compliance officers and their deputies participate in the internal control and in all cases, the compliance officer reports to the management about the results of the internal control. In contrast, in one lessor, although the compliance officers and their deputies do not participate in internal control, management is informed of the results of the internal control. Last year, internal control was carried out in all lessors (not including the ones undergoing liquidation) and irregularities were found in nine of them, while three lessors stated that they did not identify irregularities. These irregularities most often pertain to omissions in terms of verification, the quality

of the submitted documents (illegibly filled in, poorly scanned documents), procedure to identify the beneficial owner, inconsistently implemented internal procedures etc. Deadlines for eliminating these irregularities were given and all lessors eliminated the identified irregularities by the set deadline..

The board of directors was informed about ML/TF/PF-related internal audit findings in all lessors except one where internal audit was initiated in Q4 2025 and was ongoing on 31 December 2025.

In addition, this area was covered by the external auditor's report in six lessors.

As in the previous reporting period, there are no disciplinary proceedings being conducted against lessors or their employees due to employee integrity issues (such as involvement in fraud, theft, corruption, etc.).

In view of the above, we can conclude that an adequate and comprehensive internal controls system is in place in the financial leasing sector with mechanisms to ensure that appropriate levels of management are timely informed about any deviations from the application of procedures so that they can take the necessary measures. Financial lessors also periodically carry out internal audits covering the key elements of ML/TF/PF risk management and control.