



ANTI-MONEY LAUNDERING AND COMBAT TERRORISM FINANCING POLICY

In response to the international community's growing concern about the problem of money laundering and potential terrorist financing, Bosnia and Herzegovina established all necessary legal arrangements in accordance with the FATF's Recommendations as a global standard in the fight against money laundering and terrorism financing and Directive of the European Parliament and the Council on prevention of the use of financial systems for money laundering and terrorism financing.

It is the policy of ZiraatBank BH d.d. (hereinafter referred to as: the Bank) to prohibit and actively pursue the prevention of money laundering and any activity that facilitates money laundering and/or the terrorist funding and/or criminal activities. The Bank is committed to AML/CTF compliance in accordance with applicable law and requires its management and employees to adhere to these standards in preventing the use of its products and services for money laundering purposes. In compliance with its legal obligations, the Bank implemented its own AML program adopted by the Supervisory Board, with all of its strict internal regulations for the prevention, detection and reporting of unusual and suspicious transactions which may involve money laundering and terrorism financing. AML/CTF policy and practices are applicable to all business units of the Bank.

CUSTOMER DUE DILIGENCE

The Bank pays at most attention to "Know Your Customer" principle in order to protect itself from crime revenue launderers. All branches and other units within the Bank identify their customers and those who carry out the transactions on behalf of the customers before they handle transactions exceeding legal limits. The Bank will not enter into a business relationship, nor will it perform any transaction at the request of a customer that rejected the identification procedure, if there is no sufficient information about the nature and purpose of the transaction, or if it is impossible to perform full due diligence of the customer. Bank applies appropriate risk assessment policies that define the level of risk for groups of clients or a single client, business relationship, transactions or products in order to prevent potential abuse for the sake of money laundering or financing of terrorist activities. The Bank applies adequate policies covering relationships with politically exposed persons, which are harmonized with the international best practice in the field of prevention of money laundering. The Bank is doing business only with correspondent banks that possess licenses to operate in their countries of origin and it will not establish correspondent relationships with "shell" banks nor will it allow its clients to directly use a correspondent account for carrying out business transactions on their behalf. All information and documentation regarding customer identification and transaction details are kept for at least 10 years. Opening Anonymous Accounts and conducting any kind of relationships with Shell Banks are prohibited.

MONITORING, INTERNAL AUDIT AND REPORTING SUSPICIOUS TRANSACTIONS

Suspicious transactions and the parties to these transactions are reported to the FIU (Financial Intelligence Unit). Branches and other units of the Bank are regularly informed about the types of suspicious transactions as well as the new or revised AML/CTF laws, rules and regulations. Names of the suspicious individuals/entities listed in OFAC/UN/EU lists are updated and distributed in order to warn our employees prior to initiating transactions. In the Bank, the organization wide compliance with the applicable AML/CTF laws, rules and regulations is audited by the Internal Audit and the Banking Agency of the Federation of Bosnia and Herzegovina.

EMPLOYEE TRAINING PROGRAM

All relevant personnel are required to participate in ongoing training programs regarding:

- National laws and regulations,
- Bank's principles and applications on crime revenues,
- Recognition of the customer, actuality and verification of the documents and information they provide (KYC),
- International regulations and standards,
- Recognition and reporting of suspicious transactions,
- Types of industries, regions and transactions that may be at risk,
- Legal and administrative responsibilities.

BRANCHES AND OTHER UNITS

All the Bank branches and other units, regardless of their geographic location, must adhere to this policy provided that it does not conflict with the applicable AML/CTF legislation.

COMPLIANCE OFFICER

The Bank has designated a compliance officer who is responsible for developing and monitoring of programs and strategies related to AML/CTF laws and regulations:

Ensar Osmić, Head of Compliance Department

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