ANTI-MONEY LAUNDERING POLICY

Introduction:

There has been a global strengthening of laws and regulations in response to the increased incidence of money laundering and terrorist financing. Turkey, a Financial Action Task Force (FATF) member since 1991, has developed a national legislative system for combating money laundering and terrorist financing that complies with all FATF recommendations. This system is based on Law No.5549 “Prevention of Criminal Laundering Proceeds” (with an emphasis on statutory duties for financial institutions). The national system was adopted on 18 October 2006. Regulation and supervisory activities related to money laundering and terrorist financing are performed by the Financial Crimes Investigation Board (FCIB).

Anadolubank A.S. is committed to the prevention and minimization of all terrorist financing and other criminal financing activities (including money laundering and all operations facilitating money laundering). All transactions, activities, and services performed by the Anadolubank A.S. head office, as well as it branches, overseas subsidiaries, and similar affiliated units, are covered by the Anadolubank A.S. anti-money laundering policy. Transactions completed by overseas units are subject to the Anadolubank A.S. anti-money laundering policy to the extent that the policy is congruous with the legislation (and all other authoritative conditions) applicable to the relevant country. Adoption of the Anadolubank A.S. anti-money laundering policy, and all amendments to this policy, are subject to approval by the Board of Directors. Efficiency and scope of the policy (including risk management, monitoring and control activities, and training programs) are subject to annual audits (internal and external).

The Anadolubank A.S. anti-money laundering policy includes:

- Customer due diligence (Know your customer principles)
- Risk management
- Monitoring and control activities
- Training programs

Regardless of the monetary value of the relationship, all Anadolubank customers (or those acting on behalf or for the benefit of Anadolubank customers) are screened before the establishment of permanent business relationship. Accurately identifying all customers (including walk-in customers and those acting on behalf or for the benefit of Anadolubank customers) before carrying out a transaction request exceeding legal thresholds is a standard regulatory process adopted by all Anadolubank branches.

Customer Due Diligence (Know Your Customer):

Documents containing information regarding customer identity information and/or transaction details are kept for a period of eight years. Relationships with shell banks are not permitted by Anadolubank. Opening an account with an anonymous name is forbidden by Turkish law.

Risk Management:

Risk management is carried out by compliance officers under the supervision and responsibility of the executive board. Activities of compliance officers include defining risk limits as well as rating, classifying and assessing transactions on the basis of customer risk, service risk, and country risk.
Based on assessments of risk characteristics, additional measures are often implemented for those groups deemed high risk.

**Monitoring and Control Activities and Reporting of Suspicious Transactions:**

Monitoring and control activities and the reporting of suspicious transactions are activities that aim to ensure operations are carried out in accordance with the Law as well as all other institutional policies, procedures and regulations issued pursuant of the Law. These activities exist to monitor the following:

- transactions conducted with risky countries
- complex and unusual transactions
- transactions inconsistent with a customer’s profile
- customers and transactions in high-risk groups

Suspicious transactions and the parties to these transactions are reported to MASAK (FCIB) regardless of amount. All reported transactions are communicated within the bank's scope of confidentiality.

**Training:**

All personnel working in direct contact with customers, as well as those who are authorized to execute cash and non-cash financial transactions are required to participate in regular training programs. Training topics may include:

- laundering of crime proceeds and terror financing
- stages and methods of crime proceeds laundering
- case studies of laundering and terror financing
- legislation: prevention of criminal financing; risk; corporate policies and procedures; national regulations (principles regarding customer identification; reporting of suspicious transactions; obligations to provide information and documents for legal purposes; sanctions in relation to compliance failure); international legislation regarding prevention of money laundering and terror financing.