

Anti Money Laundering Policy

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Anti Money Laundering, Fraud Prevention and Terrorists Financing Statement

- In Germany all banks have to comply with the German Banking Act (“Kreditwesengesetz”, KWG) and German laws designed to combat money laundering and terrorists financing (“Geldwäschegesetz”, GwG) or the transparency of payments. All our subsidiaries – even if foresaid acts are not relevant for them comply with the obligations specified in this acts like a bank has to.
- Our institution has a written policy designed to combat money laundering. We confirm that our written policy includes internal controls and procedures, employee training programs, audits and compliance function. The standards set forth in this policy are minimum standards based on the relevant regulations and provisions.
- We confirm that to the best of our knowledge we are compliant with regulatory requirements as well as internal policies relating to money laundering.
- We always prove the true identity of our customers as well as the identity of authorized signatories-attorneys and particularly of the ultimate beneficiaries of any significant and unusual amounts. We also check the origin and destination of funds as well as the purpose and the object of transactions.
- We maintain complete records and information of our customers’ identification, account file and correspondence for a minimum of five, regularly ten years after closing an account.
- We focus our attention on to activities of private and corporate customers with countries, that are not compliant with the Anti-Money Laundering laws and keep an eye on the actual embargo or control lists of our government and other governments or supranational institutions (FATF, OFAC, OFSI).
- We do not have direct account relationships with correspondent institutions in high-risk legislations, neither with shell banks.
- Financial supervisory Authority is Bundesanstalt für Finanzdienstleistungsaufsicht.
- Following the 40+9 recommendations, of the Financial Action Task Force on Money Laundering (FATF), German Anti Money Laundering Act as well as guidelines of the Federal Financial Supervisory Authority oblige credit and financial services institutions to implement internal rules and safeguards with the aim to prevent money laundering, terrorist financing crime.



1. Introduction

Germany is a member of FATF. Our Bank is regulated by Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). We comply with the strictest of standards aimed at preventing money laundering, terrorist financing, and other criminal activities.

We ensure that the bank as a whole and its employees are subject to a binding requirement to comply with all laws, regulations, and regulatory provisions applicable to our bank.

We regularly review strategy and approaches for preventing money laundering, fraud, and terrorist financing.

Our bank neither supports nor tolerates any violations of the law, criminal offenses, or unethical business practices when we get to know about those cases. We inform our customers or correspondents in any case of violations of the law. We appreciate getting in contact with us in order to inform us about suspicious transactions in other banks with connection to accounts we hold.

2. Minimum standards

We apply the following principles in complying with its duty of care in the bank and its subsidiaries to combat money laundering, terrorist financing, and other criminal offenses:

The identity of the customer must be confirmed:

- before all contractual business relationships are sealed which are regulated in German Anti-Money Laundering Act
- in the event of any suspect
- in the event of any doubt as to the accuracy of the details relating to the identity of the counterparty or the economic beneficiary.

Purpose of the business relationship

- When a long-term business relationship is established, information on the intended nature and purpose of the business relationship must be obtained unless this is already obvious beyond doubt from the business relationship itself.



Clarification of economic beneficiary

- This is to be done when identifying the customer
 - who ultimately owns/own or controls/control the counterparty, who is/are ultimately responsible for initiating a transaction or for establishing a business relationship, or
 - who is/are the main beneficiary/beneficiaries of an arrangement designed to benefit one or more third parties.

Continuous monitoring

- Business relationships,
- including the transactions executed during the course of the relationship, must be continuously monitored. We use the Geno-SONAR system to identify unusual or suspicious transactions. This system is regularly reviewed by independent Auditors.

Politically exposed persons (PEPs)

- We have applied appropriate risk-oriented procedures that allow to determine whether a counterparty is a politically exposed person (PEP).
- Enhanced due diligence specified in the GwG must be applied if a transaction is identified as business with a PEP acting on his/her own account.

Correspondent banking

- We pay special attention to correspondent banking relationships, surveyed by our AML Officer

Prohibited transactions

- please see our Wolfsberg Questionnaire

Suspicious activity reporting obligations

- We report informations pointing to money laundering or the financing of terrorism to the relevant authorities in accordance with the requirements of local laws and regulations.
- The AML Officer of VerbundVolksbank OWL Group is to be informed about all suspicious transactions.



Employee trustworthiness

- We have implemented appropriate precautionary measures to ensure that its employees are trustworthy.

Verification and checks to prevent money laundering, terrorist financing, and other criminal offenses

- The internal security measures carried out by the AML Officer of VerbundVolksbank OWL Group must include risk-based reviews to assess the effectiveness of controls
 - and intrinsic control systems already embedded
 - and customer onboarding processes
 - in control activities both to detect and prevent money laundering, financing of terrorism, or other criminal offenses
 - the list of controls must be updated continuously based on the latest results from analysis of the risks.

Training to prevent money laundering

- Employee awareness, including all employees getting in contact with money-laundering relevant processes is yearly once to be done by the AML Officer.
- The types of offense, current methods used for money laundering, terrorist financing, and other criminal offenses must be part of the trainings.
- We aim to prevent these crimes as early as possible.

Embargoes and sanctions

- We use suitable systems and processes to ensure that we comply with embargo and sanctions provisions.

Documentation and document retention

- All transaction and identification data must be recorded and retained.
- Data and documents compiled in connection with anti-money-laundering provisions must be retained for at least five years.



3. Responsibilities and Contact details

The AML Officer of VerbundVolksbank OWL Group

- is responsible for activities relating to the prevention of money laundering, terrorist financing, and other criminal offenses and reports to the Board of Managing Directors
- liaises with the bank's external auditors, banking and other regulators and other authorities
- is responsible for the information of whom it may concern about the measures to combat money-laundering, terrorist financing and all other kinds of violations of the law offered by the bank.

The International Department of VerbundVolksbank OWL Group

- keeps contact to all correspondents, cares about knowing our customer and our correspondents in international business
- collects and prepares relevant material to comply with embargos and financial sanctions

Contact details for our Compliance department can be found on our website and via SWIFT.

<https://www.verbundvolksbank-owl.de/volksbank-digital/hilfe-und-downloads/formulare-und-downloads.html>

Contact details for the International department can be found on Bankersalmanac and SWIFT.

Ingemar Hansmann
AML Officer