

Belorussian-Russian  
Belgazprombank Joint Stock  
(Belgazprombank)

APPROVED  
by the resolution of the Management  
Board of Belgazprombank  
as of 24.03.2014 (Minutes No. 15)

Financial Monitoring Department

POLICY

Minsk

on prevention of money laundering,  
financing of terrorism and  
proliferation of weapons of mass  
destruction  
(as amended by the Management  
Board's resolutions  
as of 29.06.2015 (minutes No. 28),  
as of 26.12.2016 (minutes No. 70),  
as of 11.02.2019 (minutes No. 7)).

## 1. GENERAL PROVISIONS

1. This Policy defines the basic principles and approaches to the implementation by Belgazprombank (hereinafter referred to as the Bank) of requirements of the legislation of the Republic of Belarus, by-laws of the Bank and international requirements in the field of prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction (hereinafter – AML/CFT).

*(as amended by the Management Board's resolution as of 11.02.2019 (minutes No. 7))*

Money laundering is understood as conferring legitimate status to ownership, use and (or) disposal of proceeds of crime for the purpose of concealing or distorting their origin, location, disposition, movement or their actual belonging, including rights related to these proceeds.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

Financing of proliferation of weapons of mass destruction means the provision and collection of funds in any manner for the purpose of purchase, storage, sale and usage of weapons of mass destruction.

*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

2. This Policy is developed in order to define the main directions of AML/CFT internal control system corresponding to the profile and scale of operations of the Bank.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

3. When implementing AML/CFT measures, the Bank is governed by the legislation of the Republic of Belarus, by-laws of the Bank in this sphere, including this Policy.

*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

## 2. LIST OF TERMS, DEFINITIONS AND ABBREVIATIONS

4. In this Policy the following terms and their definitions are used:

*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

Beneficial Owner – an individual who owns the property of the customer, or owns at least 10 percent of shares (shares in the authorized capital, stakes) of the customer-organization, either directly or indirectly (through third parties) ultimately has the right or the opportunity to give instructions binding on the customer, to influence its decisions or otherwise control its actions;

Wolfsberg Group – the association of the largest banks in the world for the purposes of development of the principles of ethical behavior of private banks in terms of prevention of money laundering, financing of terrorism and proliferation of weapons of mass destruction;

Domiciled Company – a company that provides services to register their customers in states other than the place of actual business of the customer, and to provide a visible presence of the customer at the addresses of its registration;

Legislation – legal acts of the Republic of Belarus in the sphere of AML/CFT;  
*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

Customers – individuals, individual entrepreneurs, companies, financial institutions, serviced by the Bank, including on the basis of a written agreement on financial transactions;

Local Acts – by-laws of the Bank in sphere of AML/CFT;  
*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

*sections excluded by the Management Board's resolution as of 11.02.2019 (minutes No. 7)*

Suspicious Financial Transaction – a financial transaction in respect of which the Bank has suspicions that it is carried out for the purpose of money laundering, financing of terrorism and proliferation of weapons of mass destruction, after the Bank makes a decision to refer it to a financial transaction subject to AML/CFT monitoring;

Financial Monitoring Department – an operating unit of the Bank responsible for AML/CFT measures;

Public Officials – foreign public officials, officials of public international organizations, persons holding positions included in the list of public positions of the Republic of Belarus designated by the President of the Republic of Belarus, as well as their family members and persons close to them;

*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

AML/CFT Internal Control System – internal control in the field of AML/CFT, as well as organizational structure, strategy, policy, methods and

procedures, which are the means of implementation of internal control in the field of AML/CFT. The Bank's AML/CFT Internal Control System is organized within the internal control and risk management systems of the Bank;

Special Report – a special form of registration of financial transactions subject to special control;

Senior Management – the head of the Bank or his deputy or other officer of the Bank, to whom the head of the Bank duly delegates the appropriate authority;

Financial Monitoring Authority – public authority carrying out AML/CFT activities created in the manner prescribed by Legislation.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

5. In this Policy, the following abbreviations are used:

FATF - Financial Action Task Force on Money Laundering.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

### 3. DECLARATION OF CONFORMITY WITH INTERNATIONAL AML/CFT STANDARDS

*(section title as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

6. For the purposes of this Policy international AML/CFT standards are understood as Recommendations of FATF and the Wolfsberg Group documents establishing principles and standards in the field of AML/CFT.  
*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

7. The Bank's AML/CFT Internal Control System fully complies with international AML/CFT standards within the requirements and restrictions of Legislation.

*(as amended by Management Board's resolution as of 29.06.2015, minutes No. 28, as of 26.12.2016, minutes No. 70)*

8. The Bank discloses information on compliance with international AML/CFT standards to third parties within the requirements and restrictions of Legislation.

*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

9. Compliance with international AML/CFT standards is based on the implementation by the Bank of the following basic principles and guidelines in accordance with Legislation:

*(as amended by the Management Board's resolution as of 26.12.2016 (minutes No. 70))*

9.1. the "Know Your Customer" rule applies to all Customers of the Bank and takes into account, inter alia, compliance with the recognized due diligence norms and Customer due diligence measures;

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

9.2. AML/CFT procedures are applied taking into account the principle of risk-based approach;

9.3. measures to monitor Customer activity are implemented to identify Suspicious Financial Transactions and operations in respect of which there are

suspicious that they are or may be committed for the purpose of money laundering, financing of terrorism and proliferation of weapons of mass destruction;  
*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

9.4. special control measures are applied to certain categories of Customers the services to whom are either considered or already provided;

9.5. necessary and reasonable measures are applied to manage geographical risk factors for AML/CFT purposes;

9.6. Bank employees, included in the organizational structure of AML/CFT Internal Control System, undergo AML/CFT training and testing on a regular basis.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

10. The Bank is committed to implementing the principles set out in Section 9 of this Policy to the fullest extent, permitted by the resources and the regulator, taking into account the specifics set out in Section 4 thereof.

#### 4. BASIC PRINCIPLES AND RECOMMENDATIONS

11. The "Know Your Customer" rule.

11.1. The Bank receives the most complete and accurate information in respect of persons undertaken to service required to:

achieve adequate confidence that a potential Customer is exactly the subject (an individual, an individual entrepreneur, organization, financial institution) that it claims to be;

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

confirm the facts of absence of legal barriers to the provision of certain services requested by Customer;

understand the purposes of potential Customer's application to the Bank and further analyze Customer and its ongoing operations.

11.2. Measures to implement the "Know Your Customer" rule, including the content of the information required to be received by the Bank, are established by the Bank independently taking into account the peculiarities of legal regulation, as well as the internal needs of the Bank. The Bank shall implement the necessary measures to establish mandatory identification data of Customers made, inter alia, on the basis of documents, the list of which is established by Legislation and set out in Local Acts.

11.3. The implementation of the "Know Your Customer" rule shall simultaneously pursue two objectives – to strengthen and develop the Bank's business and to provide efficient activity with a view to preventing the penetration of mala fide Customers to the Bank who plan to conduct their business (to perform financial transactions) for the purpose of money laundering, financing of terrorism and proliferation of weapons of mass destruction.

*(as amended by the Management Board's resolution as of 29.06.2015, (minutes No. 28))*

11.4. Taking into account the needs of business and in accordance with the applicable legislation the Bank differentially applies the "Know Your Customer" rule using the principles of risk-based approach.

11.5. The procedures for the application of the "Know Your Customer" rule are comprehensively implemented in respect of each Customer, including potential Customers so as to ensure the implementation of the procedures of identification and documentation of the results of identification.

11.6. The "Know Your Customer" rule assumes not only collection, analysis and processing of information about a Customer at its initial application to the Bank, but also the maintenance of the information received to date. To achieve this the Bank regularly updates the Customer's information received.

11.7. Considering that when applying to the Bank a person may act in the name, on behalf of or for the benefit of another person, the Bank takes steps to identify the persons who are entrusted to represent the interests of a Customer in the Bank (representatives) and those for the benefit or in favor of which a Customer acts on the basis of contracts of insurance, co-insurance, trust management of funds or other assets (beneficiaries).

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

11.8. Before the banking services are provided each the risk of working with a Customer shall be assessed to find out activities and (or) financial transactions for the purpose of money laundering, financing of terrorism and proliferation of weapons of mass destruction (hereinafter – the risk of working with a Customer). To do this the Bank develops and adopts the system of risk evaluation setting a low, medium and high total level of risk of working with a Customer. During the period when services are provided to a Customer the level of risk assigned at the start of relations is reviewed with certain regularity.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

11.9. In the process of Customer's identification procedures the Bank verifies the information received from a Customer (or portion thereof) referring to reliable, independent sources, databases or information in ways that do not contradict Legislation.

## 12. Customer due diligence measures.

12.1. The Bank undertakes Customer due diligence measures in order to establish an effective system that protects the Bank against the penetration of Customers presenting risks (reputational, operational, including legal, and other risks) associated with the danger of theft of the Bank's funds, seizure of funds and other property placed with the Bank, confiscation of funds placed with the Bank or confiscation of other assets of the Bank and (or) its Customers, which may result in either direct financial losses or indirect damages of the Bank, such as the loss of confidence among investors and Customers, outflow of deposits, acceleration of loans, close of the Bank's access to interbank resources, prosecution actions taken against the Bank by regulatory, tax and law enforcement authorities.

12.2. Customer due diligence measures are undertaken for the implementation of the "Know Your Customer" rule, and include:

identification of the Beneficial Owners of Customers (provided that if a Beneficial Owner is not identified based on Customer due diligence measures, than the person performing the functions of the sole executive body of the organization or person chairing its collegial executive body is recognized as the Beneficial Owner);

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

verification whether Customers and their Beneficial Owners belong to Public Officials;

verification whether Customers and their Beneficial Owners are included into the list of persons involved in terrorism;

verification whether participants of a financial transaction or beneficiaries as well as their Beneficial Owners are included in the list of persons involved in terrorism;

*(third – fifth paragraphs were supplemented by the resolutions of the Management Board as of 26.12.2016 (minutes No. 70))*

receipt and analysis of information about the purpose and intended nature of the relations between a Customer and the Bank;

conduct of ongoing due diligence of business relations and analysis of operations carried out by Customers in order to either confirm or refute the conformity of economic sense of operations with the stated objectives of relations;

receipt, where necessary, of details of the source of funds of a Customer.

12.3. Customer due diligence measures are applied taking account of the risk-based approach and depend on the results of the "Know Your Customer" rule and the level of risk assigned to a Customer.

*(as amended by the resolution of the Management Board as of 29.06.2015 (minutes No. 28))*

12.4. The content of Customer due diligence measures may vary depending on the type of a Customer service, as well as the type of a product or service provided to a Customer.

12.5. Following the principles set forth in Sections 12.3 and 12.4 of this Policy, Customer due diligence measures shall be undertaken:

upon the establishment of relations with a Customer;

at the time a Customer applies for a transaction, which does not imply long-term relations with the Bank (a single transaction), in the amount exceeding the threshold for such transactions established by Legislation and (or) Local Acts;

if there is a suspicion that the activities of a Customer and (or) transactions performed by a Customer may be related to money laundering, financing of terrorism and proliferation of weapons of mass destruction;

*(as amended by the resolution of the Management Board as of 29.06.2015, minutes No. 28)*

if there is a doubt about the veracity or adequacy of documents and information previously obtained from a Customer which are required for the implementation of the "Know Your Customer" rule.

13. The norms of due diligence.

13.1. The Bank undertakes legal and reasonable measures available under present circumstances to prevent establishing relations with:

non-resident banks that do not have in the territories of the states where they are registered permanent management bodies and do not belong to a bank group (a bank holding company);

non-resident banks whose accounts are reportedly used by banks that do not have in the territories of the states where they are registered permanent management bodies and do not belong to a bank group (bank holding company);

companies whose activities are connected with printing and distributing pornographic materials and other products of sexual use, including those carrying out such activities through the Internet.

*(as amended by the resolution of the Management Board as of 29.06.2015 (minutes No. 28))*

13.2. If Legislation does not provide any grounds of refusal to establish relations with the persons referred to in the second and third paragraphs of the first part of Section 13.1 of this Policy, the Bank shall establish relations with such persons subject to assigning the high level of total risk to them according to the Customer risk assessment system adopted in the Bank and maintain current monitoring of all transactions of such persons reporting, if necessary, to Financial Monitoring Authority.

*(as amended by the Board's resolution as of 29.06.2015 (minutes No. 28))*

13.3. excluded

*(excluded by the Management Board's resolution as of 11.02.2019 (minutes No. 7))*

13.4. The Bank further analyzes activities of its Customers to identify unusual activities having no rationale, which may related to money laundering, financing of terrorism and proliferation of weapons of mass destruction.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

13.5. The Bank takes reasonable care in considering the provision of services to potential Customers in respect of which there is negative information in the public sources, as well as to Customers that are registered by Domiciled Companies.

13.6. The Bank shall:

refuse to enter into and (or) execute a contract on performing financial transactions in writing with persons included in the list of persons involved in terrorism and with persons whose Beneficial Owner is included in the list of persons involved in terrorism;

block financial transactions (except for receipt of money (through bank, postal remittances), credit of securities to depository accounts), the participant or beneficiary of which is a person included in the list of persons involved in terrorism or a person whose Beneficiary Owner is a person included in the list of persons involved in terrorism;

freeze funds if their owner is a person included in the list of persons involved in terrorism or a person whose Beneficial Owner is a person included in the list of persons involved in terrorism;

refuse to perform financial transactions of Customers as well as their representatives if they fail to deliver documents (information) necessary for their identification in accordance with Legislation;

neither open nor maintain accounts for anonymous Customers (i.e. accounts opened without delivering by the persons applying for accounts of documents required for their identification), neither open nor maintain accounts for Customers with obviously fictitious names or aliases;

provide no services to persons without their personal presence or presence of their representatives, except for cases specified by Legislation.

*(supplemented by the Management Board's resolution as of 29.06.2015 (minutes No. 28), as amended by the Management Board's resolution as of 26.12.2016 (minutes No 70))*

#### 14. The risk-based approach.

14.1. The Bank in accordance with the specifics set forth by Legislation maintains AML/CFT Internal Control System taking into account the principle of risk-based approach.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

14.2. The risk-based approach means the differentiation of the application of the "Know Your Customer" rule and Customer due diligence measures depending on the total risk level of working with a Customer.

For a Customer with a high total risk level enhanced measures of Customer due diligence and "Know Your Customer" rule shall apply.

For a Customer with medium and low total risk level standard measures of Customer due diligence and "Know Your Customer" rule may apply.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

14.3. The content and nature of enhanced and standard measures are determined by the Bank on the basis of the relevant requirements of Legislation.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

14.4. The Bank takes legal measures adequate under existing circumstances to control and reduce the overall risk of working with a Customer.

14.5. The Bank performs an internal assessment of the risks of money laundering and financing of terrorism in accordance with the requirements of Legislation, but at least once every three years.

*(introduced by the Management Board's resolution as of 11.02.2019 (minutes No. 7))*

#### 15. Monitoring of Customer operations.

15.1. The Bank ensures continuous monitoring of the operations and activities of its Customers.

15.2. Regularity and comprehensiveness of the monitoring are defined in accordance with Legislation taking into account the risk-based approach and depending on the necessity to either confirm or refute suspicions that the activities or operations of Customers are performed for the purpose of money laundering, financing of terrorism and proliferation of weapons of mass destruction.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*



15.3. The criteria for identification and signs of Suspicious Financial Transactions are determined by the Bank in Local Acts taking into account the following peculiarities:

basic criteria and signs are those which are defined in accordance with criteria and signs established by Legislation;

additional criteria and signs are those which are developed by the Bank in view of the peculiarities of the Bank activities and the nature of services provided.

15.4. In case of identifying Customer operations or activities which hit legislative criteria, operations (activities) which in the Bank's opinion might be connected with money laundering, financing of terrorism and proliferation of weapons of mass destruction, including any attempts to perform such operations (activities), the Bank shall inform Financial Monitoring Authority.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

15.5. Excluded.

*(excluded by the resolution of the Management Board as of 11.02.2019 (minutes No. 7))*

16. Special control measures.

16.1. Special control measures are applied to Public Officials being accepted or already serviced by the Bank.

16.2. The persons subject to special control measures shall be detected at the stage of implementation of the «Know your Customer» rule.

16.3. The Bank applies classification criteria established by Legislation to designate a potential Customer as a Public Official.

16.4. A written approval of Senior Management to establish relations with a Customer designated as a Public Official shall be received before the Bank can enter into contractual relationships with such a person, and the Bank shall take reasonable steps to determine the origin of funds of a Public Official.

16.5. The Bank shall execute a constant in-depth monitoring of financial transactions performed by Public Officials that are already serviced by the Bank.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

17. Management of geographic risk factors.

17.1. The Bank's policy regarding the management geographical risk factors for AML/CFT purposes shall ensure such level of supervision over Customers and their transactions depending on the state where the Customers and their counterparties are registered (resident, located etc.), which is sufficient to detect, assess and minimize appropriate risks in an effective and timely manner.

17.2. The nature of the measures to minimize the level of geographical risk factors is determined in accordance with Legislation.

17.3. The information legitimately received, confirming that the state (territory) belongs to states (territories) with negative reputation or to states (territories) in respect of which official restrictive or prohibitive measures are in place, is crucial in estimating geographical risk factors and, for instance, may include:

states (territories) which do not take part in international cooperation in the sphere of AML/CFT or fulfil FATF Recommendations;

states (territories) facing an increased level of corruption, illicit traffic in arms and humans beings, illegal migration, illegal production or transportation of narcotics, as well as free trade in narcotics (except for cases of the use of narcotics for medical purposes);

states (territories) which benefit from preferential tax treatment and (or) in which there is no requirement to disclose or provide information on financial transactions (offshore jurisdictions);

*paragraph excluded by resolution of the Management Board as of 11.02.2019 (minutes No. 7)*

The lists of the mentioned states (territories) are received by the Bank from official sources or, in the absence thereof, are compiled at the bank's own discretion using other available legal sources in accordance with Local Acts.

17.4. Adequate measures available under existing circumstances shall be applied to any of the Bank's Customers and to their operations if there is information available about the existence of one or several risk factors indicated in Section 17.3 of this Policy and connected with such Customers or their counterparties.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

#### 18. Training and testing of employees

18.1. The Bank acknowledges qualitative training and testing of the Bank's employees on AML/CFT issues as the main tool for building an effective AML/CFT Internal Control System. The Bank maintains a high level of training of the employees on AML/CFT issues and increases their awareness of potential negative consequences for the Bank, its employees and Customers resulting from the violation of Legislation or Local Acts.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

18.2. The Bank arranges its activities taking into account the necessity to reserve resources crucial for the timely and comprehensive training and testing of employees on AML/CFT.

18.3. The Bank's employees who shall be subject to training and testing are designated in accordance with the requirements of Legislation in view of their job functions and peculiarities of AML/CFT Internal Control System.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

18.4. Training and testing of employees are carried out annually on a regular basis. From time to time, extra training and testing of employees can be arranged in order to acquaint them with the newly introduced AML/CFT legislative and regulatory requirements or to increase the level of knowledge.

### 5. ORGANISATION OF AML/CFT INTERNAL CONTROL SYSTEM

*(section title amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

19. The organization of AML/CFT Internal Control System in the Bank is based on the following principles:

the head of the Bank or his deputy by virtue of the order of the head of the Bank is designated as a senior official responsible for the realization of the internal control requirements in the sphere of AML/CFT;

the head of Financial Monitoring Department submits to the senior official responsible for internal control in the Bank;

the head of Financial Monitoring Department submits to the Board of Directors of the Bank (with the reporting required at least once a year);

the management of risks connected with non-compliance (incomplete compliance) with the requirements of Legislation, international AML/CFT requirements is carried out in accordance with the requirements of Local Acts in the sphere of operational and reputational risk management;

*(as amended by the Management Board's resolution as of 11.02.2019 (minutes No. 7))*

Financial Monitoring Department informs the Management Board of the Bank about the status of AML/CFT Internal Control System at least once a year;

multi-tiered AML/CFT Internal Control System to prevent money laundering, financing of terrorism and proliferation of weapons of mass destruction is maintained within the Bank, and involves not only Financial Monitoring Department, but also other divisions of the Bank which carry out, execute and control transactions, provide their legal and technical support (multi-tiered character of AML/CFT);

all employees of the Bank shall, in accordance with their job functions, take part in AML/CFT and monitor all financial transactions falling within the scope of financial monitoring analysis (comprehensive character of AML/CFT);

continuity of the process of AML/CFT measures (ongoing monitoring for AML/CFT purposes).

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

20. While organizing and maintaining AML/CFT Internal Control System the Bank may not delegate the performance of duties stipulated by Legislation to other persons, except for the delegation of duties related to identification which shall only be made in compliance with Legislation. The Bank is responsible for the organization and effective functioning of AML/CFT Internal Control System as well as for meeting identification requirements in case that the identification is delegated to another person.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

21. The monitoring of the activity of Customers may be carried out:

in real time mode at the time of a financial transaction or immediately before it (current control);

during subsequent examination of transactions (subsequent control).

Customer activities are studied on the basis of the frequency, volume, turnover and character of the transactions taking into consideration the level of risk assigned to a Customer and services used.

The examination of Customer activities is carried out manually or automatically. In this regard, the Bank acknowledges the importance of:

availability in the Bank of an automated financial monitoring system allowing to organize effectively the process of identification of or reaction of the Bank to the Suspicious Financial Transactions, and to minimize the operational risk in the process of financial monitoring;

constant vigilance of the employees due to the fact there is no possibility to automate such factors as the employees' intuition, analytical skills, personal contacts with Customers or telephone negotiations with them, application of skills to determine transactions making no sense on the basis of practical experience.

22. The system of Local Acts is developed in the Bank and is subject to regular review in order to take into account the changed requirements of Legislation, international AML/CFT requirements, introduction of new bank products and/or other changes in the activities of the Bank.

23. The information about Customers and their transactions, acquired during the implementation of AML/CFT internal control measures is confidential and cannot be disclosed except as otherwise provided by Legislation.

The Bank's employees shall not inform Customers or other persons about forms, means and methods of AML/CFT internal control measures undertaken by the Bank or about the fact that the Bank provides the information on Customer transactions in Financial Monitoring Authority, except as otherwise provided by Legislation.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

24. The information obtained during the identification of Customers, or information about financial transactions is kept as a proof of AML/CFT measures undertaken by the Bank in accordance with Legislation. The identification data of Customers shall be stored during the period of at least five years after the termination of relations with a Customer.

The data about financial transactions in respect of which Special Reports have been submitted to Financial Monitoring Authority shall be stored during the period of at least five years from the date on which a transaction was executed.

## 6. SPECIFICS OF THE BANK'S RELATIONS WITH FINANCIAL INSTITUTIONS

25. Upon establishing relations with financial institutions the Bank, considering the requirements of Legislation, takes measures to determine:

non-resident banks which do not have in the territories of the states where they are registered permanent governing bodies and are not members of a banking group (bank holding company);

non-resident banks whose accounts are used by banks which do not have in the territories of the states where they are registered permanent governing bodies and are not members of a banking group (bank holding company).

26. With regard to the financial institutions mentioned in Section 25 of this Policy the Bank takes due diligence measures to the extent, established by

Legislation, which are sufficient to fulfil the principal mentioned in Section 13.1 thereof.

27. The Bank refrains from establishing and maintaining relations with financial institutions with high level of geographical risk factor.

28. When establishing relations with financial institutions registered in the Republic of Belarus the Bank takes measures to implement the "Know Your Customer" rule established by Legislation.

When establishing relations with non-resident financial institutions in addition to the measures established by Legislation in the sphere of realization of the "Know Your Customer" rule the Bank:

collects the information about a financial institution which is sufficient to obtain full insight into the character of its business activities and to determine from the available information its reputation and the quality of supervision;

obtains the information about any investigations undertaken against a financial institution in connection with money laundering, financing of terrorism and proliferation of weapons of mass destruction, as well as about any prudential supervision measures or sanctions undertaken by regulatory bodies against it;

assesses AML/CFT measures implemented by a financial institution;

seeks the approval of Senior Management to establish new relations with financial institutions;

receives satisfactory evidence regarding the robust implementation by a financial institution of the «Know your Customer» rule measures in respect of its Customers.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

## 7. OBLIGATORY REQUIREMENTS IN RELATION TO AUDIT, INTERNAL CONTROL AND COOPERATION WITH SUPERVISION

29. The system of internal control of the Bank maintains a constant internal control over AML/CFT Internal Control System which is conducted in accordance with the by-laws setting out the audit process of the Bank.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

30. Audits are carried out in accordance with Legislation and Local Acts by:

internal audit department carries out the audit of organization of AML/CFT work, assesses efficiency of AML/CFT Internal Control System and informs respective management bodies of the Bank;

internal control department, which performs subsequent audits to check the compliance of the Bank with Legislation, Local Acts in the course of banking and other operations (transactions).

The compliance of the Bank's activities with Legislation is supervised by the National bank of the Republic of Belarus.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

31. In accordance with Legislation and business customs the Bank seeks to maintain such level of cooperation with supervisory and controlling authorities

which would enable the Bank to receive their prompt explanations and recommendations regarding the implementation of legislative AML/CFT requirements.

*(as amended by the Management Board's resolution as of 29.06.2015 (minutes No. 28))*

## 8. FINAL PROVISIONS

32. This Policy shall be reviewed upon any changes or updates in Legislation affecting the provisions of thereof or at the discretion of the Bank's management bodies.