

# Declaration regarding AML, CTF and KYC within Swedbank Group

Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) are prioritised focus areas within Swedbank Group. Financial institutions must be able to identify and understand risks of money laundering and terrorist financing in order to apply preventive measures.

As criminals require financial service in order to launder the proceeds of and fund their criminal activities, proper Know-Your-Customer (KYC) practices are central, and the knowledge of the customer provides a basis for understanding the general activities in which a customer usually would be expected to engage. Furthermore, this gives the institution an opportunity to detect unusual and suspicious activities and to determine whether a specific customer is included on different listings of terrorists and/or sanctions. Appropriate procedures must be in place within financial institutions to assist governments in their efforts to identify terrorist funds.

In light of our changing environment, it is of great importance that financial institutions continually evaluate the strength and relevance of their existing policies, procedures and employee training programs and, if necessary, update them to address these changes.

Money laundering and terrorism not only harm the public as a whole but can also damage the stability and reputation of the financial sectors. It is obviously in the financial industries' and society's best interests that financial institutions take all reasonable measures to prevent money laundering and terrorist financing.

## Our Anti-Money Laundering and Countering Terrorist Financing Policy

It is of great importance that financial institutions act to combat the risks of money laundering and assist governments in the identification of potential terrorist funding activities. Below follow some of the things we do within Swedbank Group.

- Swedbank has adopted a Policy on prevention of money laundering and countering terrorist financing that requires Swedbank's head office, foreign branches and subsidiaries worldwide to develop and implement effective programs to comply with applicable laws. Swedbank's Group Policy is appropriately applied throughout the company and supervision is made by Swedbank's Head of Group Risk Control;
- We have a Group Anti-Money Laundering Officer and a team dedicated to the duty of overseeing Swedbank's global policies, practices and procedures with regard to preventing money laundering and the financing of terrorist activities. Furthermore, we have Anti-Money Laundering Reporting Officers within the different business units that report to the Group Anti-Money Laundering Officer as well as to national Financial Intelligence Units (FIU);
- We have established appropriate controls, regulations and compliance procedures;

- We use independent compliance, audit, risk management and legal functions to provide guidance and to be of assistance as well as to evaluate and ensure that our units and businesses comply with applicable money laundering and terrorist financing laws, rules and regulations;
- We have established procedures and routines regarding Know-Your-Customer and Customer Due Diligence, which, for example, comprise identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source (such as public records) and, where applicable, the beneficial owner. Furthermore Swedbank pays special attention to;
  - Understanding the ownership and control structure of our customers,
  - Obtaining information on the purpose and intended nature of business relationship, and
  - Monitoring of business relationship, including scrutiny of transactions to ensure consistency of transactions with obtained information about purpose and intended nature of business relationship; If a customer's reasons for a transaction/activity are not clear or understandable Swedbank takes measures in order to prevent money laundering or terrorist financing.
- We rely on those closest to our customers - local branch managers, relationship managers and customer service personnel - to understand fully with whom we are doing business and to ensure that the business we conduct on behalf of our customers is legitimate;
- We have developed and continue to update regulatory framework and procedures that meet or exceed applicable legal and regulatory requirements, and continuously educate our employees;
- We have established processes, to assist governments in identifying relevant information with regard to suspected terrorist and money laundering entities or individuals identified by government agencies (e.g. EU's and OFAC's sanction list);
- Furthermore we co-operate with law enforcement and regulatory agencies applicable to national regulation;
- We have developed procedures that assist in the monitoring of transactions for the purpose of identifying possible suspicious activity;
- We recognize that preventing money laundering and identifying possible terrorist financing activities is an ongoing process that involves constant due diligence and the ability to keep pace with the ever more sophisticated typologies employed by criminals;
- We have established employee training programs to educate and assist employees in the ways of preventing Anti-Money Laundering and Counter Terrorist Financing transactions;

- The regulations within Swedbank do not allow conducting business with banks without physical presence, involving meaningful mind and management, in a country of its incorporation (shell banks);
- Swedbank does not allow direct use of correspondent accounts by third parties (payable through account) to transact business on their own behalf; and
- Swedbank does not allow anonymous accounts.

Swedbank continuously updates its regulatory framework and procedures, systems and technology, and we educate our staff to assure that we are well-equipped to combat money laundering and other financial crimes and assist governments in the combat on terrorism. All this is done in accordance with national legislation and international recognized standards and regulations. We are fully committed to remaining constantly alert to prevent the use of our products and services by those who would abuse them.