

MONEY LAUNDERING PREVENTION PROGRAM for "Know Your Customer"

ASA BANKA DIONIČKO DRUŠTVO SARAJEVO (hereinafter abbreviated as the Bank) is headquartered in Sarajevo Trg međunarodnog prijateljstva 25, Bosnia and Herzegovina (BA). The Bank operates under the supervision of the Banking Agency of the Federation of BiH (FBiH Banking Agency).

In addition to supervision by the FBiH Banking Agency as a national supervisor/ regulator, the Bank also implemented internal and external audits carried out by an independent third party that assesses AML policies and practices on regular basis.

Legislation in the field of prevention of money laundering and terrorism financing is based on international standards such as:

- The FATF's Recommendations as a global standard in the fight against money laundering and terrorism financing.
- Directive of the European Parliament and the Council on prevention of the use of financial systems for money laundering and terrorism financing.

The Bank operates in accordance with the provisions of the Law on Prevention of Money Laundering and Terrorism Financing adopted by the Parliamentary Assembly of BiH, as well as with all the bylaws adopted under this Law.

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.

The Bank implemented legal and regulatory compliance program that includes having a responsible officer in charge of coordinating and supervising the AML framework.

AML policies and practices are applicable to all business units of the Bank.

The Bank applies mandatory identification of the customers on whose behalf it opens accounts or does business. In accordance with the "Know Your Customer" procedures and implemented Law on Prevention of Money Laundering and Terrorism Financing, 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.

The 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.

The Bank implements AML training for relevant employees that includes identification and reporting of transactions which must be reported to the state authorities, and examples of different forms of money laundering, including its products and services and internal AML procedures.

Sarajevo, 09.01.2017.