

Know Your Customer and Anti Money Laundering/Counter Terrorist Financing Policies

The Bank believes that no customer relationship is worth compromising our commitment to combating financial crime and terrorist financing. Our policy is to ensure that the highest standards of due diligence apply in relation to 'know your customer' principles; that we consistently comply with the requirements of legislation and appropriate guidelines in the jurisdictions in which we operate, and that, at all times, we ensure the protection of our staff, our brand and our reputation.

The Bank recognises that preventing financial crime is an ongoing process that involves constant diligence and the ability to keep pace with the increasingly sophisticated schemes employed by criminals.

Our policy is comprehensive and includes:

- **Systems and controls** are implemented to minimise the risk of the Bank's services being used for laundering funds associated with any criminal conduct, as defined by UK legislation, or for terrorist financing. The responsibility to ensure that the Bank does not have any involvement in money laundering or terrorist financing activity falls upon all management and staff.
- Money laundering **risk assessment** of the Bank's services and client base is undertaken. Appropriate policies, procedures and due diligence controls are applied in proportion to that risk.
- The Board receives an **annual report from the Money Laundering Regulatory Officer** on compliance with this policy and the Bank's anti-money laundering and counter - terrorist financing procedures. This is to ensure that compliance continues to be fully satisfactory. The report provides any recommendations for any further action that may be required. The Board undertakes to act on those recommendations. The Bank has at all times regard to current **UK good practice** for money laundering prevention and countering the financing of terrorism as set out in the *Joint Money Laundering Steering Group's Guidance for the Financial Sector*. It will adapt this Guidance as necessary to meet the specific requirements, risk-based strategy and circumstances of the Bank and its clients.
- **Management and staff** are required to comply with the policies and procedures in the Bank's *Anti-Money Laundering and Counter Terrorist Financing Manual*. The Bank is committed to the fight against financial crime and terrorist financing, and to preventing the misuse of our products and services.