



INFORMATION ON AML/CFT POLICIES AND COMPLIANCE WITH LEGAL,  
REGULATORY AND OPERATIONAL MEASURES FOR COMBATING MONEY  
LAUNDERING, TERRORIST FINANCING AND THE FINANCING OF  
PROLIFERATION

R-Bank JSC (hereinafter referred to as the Bank) pursues the officially approved compliance policy in the area of prevention of legalization of criminal incomes, terrorism financing and financing of proliferation of weapons of mass destruction. The policy is focused on measures ensuring strict compliance with national regulatory requirements, taking into consideration international standards and best world practices in the stated area.

1. The Bank has developed local regulations in the area of Anti-money laundering and counter-terrorism financing (hereinafter - AML/CFT), covering the requirements stipulated by the national and international legislation, as well as the best world practices. Hereon the Bank applies the required measures and procedures aimed at preventing of banking services use in terms of legalization of criminal incomes, terrorism financing and financing of proliferation of weapons of mass destruction.

Based on audit results the independent audit company KPMG confirmed the overall compliance of the Bank's active and implemented AML/CFT measures and procedures with international requirements and standards as well as the best world practices.

2. The basis of the Bank's AML/CFT policy is observance of key principles including:

- risk-based approach or customer risk assessment based on three-vector risk assessment matrix (customer profile, type of transactions and country risk) and measures aimed at prevention and minimization of risks, comparable to risks assessment in compliance with the national standards (similar requirements of FATF, Wolfsberg Group);

- detection and reporting of suspicious financial transactions (activities), duly submitted reports to the financial monitoring authority;

- special independent structural unit on arrangement and coordination of AML/CFT internal control;

- training program and knowledge assessment of the Bank staff;

- regular internal and external audit on compliance with AML/CFT policies and procedures;

- prohibition of disclosure to customers or to other third persons on information of the Bank's activities and customers control measures.

3. The Bank shall not establish correspondent relationships with non-resident banks, with their accounts used by the banks that do not have standing management boards in countries where they are registered, and which are not part of a banking group (bank holding company). The Bank shall not establish and maintain relationships with non-resident banks, which do not have standing management

boards in countries where they are registered and which are not part of a banking group (bank holding company).

4. In 2008 the Bank established an independent special structural unit (Compliance control Department) with the corresponding officials appointed. The Bank staff, in terms of employment duties, participates in the process of identification of customers and financial transactions subject to special control.

5. The Bank holds staff training in compliance with the program approved, stipulating briefings (induction, scheduled, off-schedule), staff knowledge assessment, practical trainings and participation in workshops.

6. Regulations of the Bank shall not permit opening and keeping bank accounts for anonymous holders (where a person, seeking for a bank account, fails to produce documents required for identification), as well as opening and keeping bank accounts for holders that use fictitious names (aliased names).

7. The Bank shall not open bank accounts for individuals without face-to-face contact with such individuals or their representatives (save as otherwise stipulated by the active legislation of the Republic of Belarus).

8. The Bank shall establish procedures for identification and work with politically exposed persons (PEPs), with the Chairperson of the Board to take resolution on establishment of relationships with PEPs.

9. Availability of due customer identification (before entry into any relationships with the customer) based on Know Your Customer procedure and principle, duly updated e-database of customer profiles. The following information is collected in terms of questionnaire (survey): source of funds, beneficial owners, affiliates. Bank staff shall use relevant national and external databases (World-Check, SWIFT (KYC), Bankers Almanac Acuity, etc.), analyze sanction lists and publications of state institutions of EU and USA (OFAC), and consider information, submitted by international rating agencies, FATF and EAG groups, as well as information from Internet. KYC information in electronic customer profiles shall be updated according to the risk category assigned to the customer.

10. Special AML/CFT measures applied by the Bank:

- ongoing monitoring of the customers' financial transactions and accounts, retroactive searches;

- suspension of the customer's financial transaction in compliance with national regulatory requirements;

- refusal to open bank account, termination of contract relations with the persons, engaged in money laundering, terrorism financing and financing of proliferation of weapons of mass destruction, or representing a high risk of financial transactions and activities related to money laundering (based on the Bank's criteria, information and other grounds), persons on sanction lists; due submission of information to regulatory and financial monitoring authority on the Bank's actions and financial transactions subject to special control;

- freezing of funds (accounts) and (or) blocking of financial transactions (debit transactions);

- banking services (products) risk assessment in terms of AML/CFT standards.

11. Rendering assistance to supervisory and controlling authorities of the Republic of Belarus in terms of their areas of activities (Financial Monitoring Department of the State Control Committee of the Republic of Belarus, National Bank of the Republic of Belarus) and foreign supervisory authorities, if appropriate.