

# Policy on the prevention of money laundering, financing of terrorism and violations of sanctions at the Jyske Bank Group

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12.02.2018



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## 1 Purpose

The purpose of this policy on the prevention of money laundering, financing of terrorism and violations of sanctions is to lay down the basic rules which the Jyske Bank Group must comply with to prevent that the Bank and its subsidiaries is exposed to misuse in the form of money laundering, financing of terrorism or violation of sanctions. The circumstances are described and elaborated on in Jyske Bank's internal business procedures.

In no way does the Jyske Bank Group wish to assist in money laundering and financing of terrorism, and the Bank cooperates with the authorities to prevent this from happening.

## 2 Money laundering

Money laundering means receiving or obtaining for oneself or others part of a financial gain or funds originating from a criminal offence. Money laundering also means hiding, storing, transporting or using funds or other assets, well aware that they derive from criminal activity.

## 3 Financing of terrorism

Financing of terrorism means the collection or transfer of funds with the intention of applying the funds towards granting financial support to terrorists, potential terrorists or terrorist organisations – or being well aware that they will be applied towards such purposes.

## 4 Sanctions

The UN and the EU may adopt sanctions against a country if, despite several requests to do the opposite, it continues to violate international agreements, for instance, on human rights. Sanctions will typically be weapon embargoes, entry bans to the EU, freezing of funds and movable property, ban on investments as well as bans on export/import of certain goods. Sanctions may also directly target persons, as may be the case in connection with sanctions against terrorism. Jyske Bank makes determined efforts to comply with international sanctions and has procedures and measures in this respect.

## 5 Legislation

Jyske Bank is subject to the Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism, guidelines to this anti-money laundering act as well as regulations issued by the EU in the money laundering area. This policy must therefore always be interpreted to the effect that it is in compliance with the rules on the money laundering area.

It is the responsibility of the MLRO (money-laundering reporting officer) to:

- ensure that Jyske Bank's business procedures and internal procedures at all times reflect current legislation and rules guiding the money laundering area;
- ensure sufficient internal control procedures for compliance with the rules in the money laundering area. The controls must be performed on an ongoing basis, and the result of the controls must be reported to the management;
- approve the establishment and continuation of client relationships with politically exposed persons;
- approve the establishment of relations with correspondent banks

## 6 Business procedures and training

High standards in the prevention of money laundering, financing of terrorism and violations of sanctions are guaranteed through updated business procedures and continuous training tailored to the various competency profiles. Training activities and business procedures are based on the Bank's business model and risk analysis and must particularly focus on the following factors to reduce the risk that the Bank is misused for purposes of money laundering and financing of terrorism:

Before the establishment of a client relationship, the following must be ensured:

- knowledge of the correct identity of the client, including the beneficial owners of the company;
- adequate and satisfactory gathering of information about the purpose and intended nature of the client relationship;
- approval by the MLRO (money-laundering reporting officer) of politically exposed persons' client accounts;
- the subjection of all correspondent banks to an investigation and the subjection of bankers outside the EU and in high-risk countries to a strict investigation procedure. Jyske Bank does not wish to have any direct or indirect business relations with banks that are not physically represented in a country (shell banks);
- approval by the MLRO (money-laundering reporting officer) of correspondent banks when the correspondent bank is located outside the EU/EEA;
- that Jyske Bank does not enter into any business relationship with sectors in which the risk of money laundering or financing of terrorism is assessed to be high. Currently such sectors are assessed to cover dealers of virtual currencies (for instance, Bitcoins);
- that the MLRO (money-laundering reporting officer) approves the establishment of business relations to money transfer companies or currency exchange companies;
- that no accounts are opened for gaming companies, where such account will be used for transactions via the bank between the gaming company and gamblers;
- that no client relationship is established or existing client relationships are terminated where it is not possible to carry out sufficient 'know-your-client' procedures.

## 7 Monitoring

- Client relations and transactions are monitored continuously, and suspicious behaviour and transactions will be identified and investigated. Politically exposed persons will be subject to strict monitoring.
- Clients and transactions must be screened up against relevant sanction and terror lists.

## 8 Reporting

- Jyske Bank will report to the relevant authority if suspicion of money laundering or financing of terrorism cannot be disproved.

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## 9 Approval

This policy has been approved by  
The Group Supervisory Board of Jyske Bank A/S, Silkeborg, 12.02.2018

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