

"APPROVED"
Meeting of the Supervisory Board
PIRAEUS BANK ICD JSC
Protocol № 17_23
19.12.2023

**POLICY OF PIRAEUS BANK ICB JSC
ON PREVENTION AND COUNTERACTING TO LEGALIZATION
(LAUNDERING) OF PROCEEDS FROM CRIME, FINANCING OF
TERRORISM AND FINANCING OF PROLIFERATION OF WEAPONS OF
MASS DESTRUCTION**

General information about the Procedure

Name	Policy of JSC "PIRAEUS BANK ICB" on prevention and counteracting to legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction
Author	AML Division
Owner	AML Division
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History of the document

Version code	Version approval date	Description of changes
438FCD-PLC-21082020-1.0	21.08.2020	Creating a document
338	31.12.2021	Amendments were made in order to comply with the Group's Compliance Policy regarding the Policy of compliance with the requirements of sanctions legislation and the Law on Recognition of the Law of Ukraine "On the Establishment of the Free Economic Zone of Crimea" and on the Peculiarities of Economic Activity in the Temporarily Occupied Territories of Ukraine amendments to some legislative acts of Ukraine dated 01.07.2021 № 1618-IX.
616	20.02.23	Amendments to the Policy in accordance with the amendments to the Law on AML/CFT to protect the financial system of Ukraine from the actions of the state that is conducting armed aggression against

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		Ukraine and to align Ukrainian legislation with certain standards of the Financial Action Task Force on Money Laundering (FATF) and the requirements of EU Directive 2018/843 based on the Law of Ukraine dated (FATF) and the requirements of the EU Directive 2018/843 on the basis of the Law of Ukraine of 04.11.2022 No. 2736-IX.
826	13.12.2023	Amendments to the Law of Ukraine "On Prevention and Counteraction to Legalization (Laundering) of Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction"

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Approval sheet/Лист погодження

Policy of JSC "PIRAEUS BANK ICB" on prevention and counteracting to legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction.

Amendments to the Policy in accordance with the amendments to the Law on AML/CFT to protect the financial system of Ukraine from the actions of the state that is conducting armed aggression against Ukraine and to align Ukrainian legislation with certain standards of the Financial Action Task Force on Money Laundering (FATF) and the requirements of EU Directive 2018/843 based on the Law of Ukraine dated

(FATF) and the requirements of the EU Directive 2018/843 on the basis of the Law of Ukraine of 04.11.2022 No. 2736-IX.

Document for approval at the meeting of the Supervisory Board of PIRAEUS BANK ICB JSC

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1. GENERAL PROVISIONS

The Policy of JSC "PIRAEUS BANK ICB" on prevention and counteracting to legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction (from now on - AML/CFT Policy/Policy) regulates the general requirements for the proper organization of the internal banking system of counteraction of money laundering of proceeds from crime, financing of terrorism and/or financing of proliferation of weapons of mass destruction (from now on - the intrabank system of AML/CFT) to prevent the use of JSC "PIRAEUS BANK ICB" (from now on - the Bank) to legalize (launder) of proceeds from criminal, terrorist financing and financing the proliferation of weapons of mass destruction (from now on - ML/FT).

In particular, this Policy sets out the purpose, objectives and fundamental principles that the Bank is guided by when complying with the requirements of the legislation of Ukraine on the prevention and counteraction of ML/FT (from now on - AML/CFT).

The requirements of this Policy apply to all entities of the internal banking system of AML/CFT, which are defined by this Policy and are mandatory for their implementation.

The Bank Supervisory Board (from now - the Supervisory Board) communicate the Policy to the Bank Management Board and the Bank Responsible Officer (AML Officer) for conducting financial monitoring to form a clear understanding of the Supervisory Board's expectations regarding:

- 1) creation of the proper organization and functioning of the internal banking system of AML/CFT and conducting of primary financial monitoring, the operation of an appropriate system of risk management of ML/FT;
- 2) risk-appetite of the Bank in the field of AML/CFT¹ (including, if available, established prohibitions/restrictions on specific activities and/or attracting certain types of customers for service);
- 3) the scope required for the development and approval of the Bank's internal documents on AML/CFT;
- 4) requirements for the construction of three lines of protection in the field of AML/CFT and the distribution of duties and responsibilities among the Bank employees;
- 5) functioning of internal control over AML/CFT issues;
- 6) ensuring training activities on AML/CFT issues.

¹ is a component of the Bank's risk appetite for Compliance Risks, namely 13.1 Money-laundering / Terrorism Financing (ML / TF) Risk. At present, the Bank has zero-tolerance for such risks - see the current version of Annex II: Quantified Risk Appetite Statements, Risk Bearing Capacity, Monitoring Indicators (EWS) to PIRAEUS Bank's Risk and Capital Management Strategy.

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1.2 Terms and reductions.

The following abbreviations are used in this AML/CFT Policy:

Law on AML/CFT – Law of Ukraine “On Prevention and Counteraction to Legalization (Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction;

USR - Unified State Register of Legal Entities, Individuals - Entrepreneurs and Public Associations;

UBO – Ultimate Beneficiary Owner;

USREOU code - identification code according to the Unified State Register of Enterprises and Organizations of Ukraine;

QES – qualified electronic signature;

Client - any person who:

- applies for the provision of services to the subject of primary financial monitoring;
- uses the services of the subject of primary financial monitoring;
- is a party to the agreement (for the subjects of primary financial monitoring, in respect of which the National Commission on Securities and Stock Market by Article 18 of the Law on AML/CFT performs the functions of state regulation and supervision);

Supervisory Board of the Bank - Supervisory Board of PIRAEUS BANK ICB, JSC;

NBU – National Bank of Ukraine;

DD – due diligence;

AML/CFT – prevention and counteraction to legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction;

list of persons - a list of terrorists connected with terrorist activities or subject to international sanctions, formed under the procedure established by the Cabinet of Ministers of Ukraine and published on the official website of the specially authorized body (FIU of Ukraine);

AS – Bank automation system (Bank Core System ABC B2);

SSU – Security Service of Ukraine;

FIU – Financial Intelligence Unit (The State Financial Monitoring Service of Ukraine);

SPFM – subject of the primary financial monitoring;

FATF - Group to develop financial measures to combat money laundering;

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PEP (PEPs in plural) – a natural person who is politically exposed, a member of his family or a person related to a politically exposed person or another person whose ultimate beneficial owner is a politically exposed person, a member of his family or a person related to a politically exposed person;

In this AML/CFT Policy, terms and concepts are used in the following meanings:

Agent - a person acting on behalf and in the interests of the Bank;

Bank - PIRAEUS BANK ICB JOINT STOCK COMPANY;

responsible executor - an employee of the Bank who, by his official duties and/or instructions of the Bank's management, has the authority to perform certain operations and is responsible for their proper execution;

Responsible employee/AML Officer - the responsible employee of the Bank for conducting financial monitoring;

internal documents of the Bank on the issues of AML/CFT - policies, rules, programs, methods, other documents developed and approved by the Bank to properly perform the functions of SPFM;

de-risk - a phenomenon in which SPFM refuses to establish (maintain) business relationships with customers to avoid risks, rather than managing them;

escalation - informing the relevant employee of the Bank and/or collegial body about the occurrence of the relevant event;

shell company - a legal entity, trust or other similar legal entity, in respect of which (which) the Bank has reasonable suspicions that its (his) activities may be fictitious;

due diligence(DD) - measures including:

- identification and verification of the client (his/her representative);
- identification of the ultimate beneficial owner of the client or its absence, including obtaining the ownership structure to understand it, and data that allow establishing the ultimate beneficial owner, and taking measures to verify his identity (if any);
- establishing (understanding) the purpose and nature of future business relationships or conducting a financial transaction;
- conducting regular monitoring of business relations and financial transactions of the client, carried out in the process of such relations, on the compliance of such financial transactions with the subject of primary financial monitoring information about the client, its activities and risks (including, if necessary, about the source of funds related to financial transactions);
- ensuring the relevance of received and existing documents, data and information about the client;

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acceptable level of ML/FT risks - a risk that is managed, controlled by the Bank, can not cause an increase in legal risk and reputational risk, as well as deterioration of the financial results of the Bank or harm its creditors and customers;

risk-appetite (propensity to risk) of the Bank in the field of AML/CFT - the amount of risk of ML/FT, determined in advance and within an acceptable level of risk of ML/FT, for which the Bank has decided on the feasibility/need to maintain it to achieve its strategic goals and implementation of the business plan;

reputation risk - the real or potential risk to income and capital that arises from an adverse perception of the Bank's image by customers, counterparties, potential investors, or supervisors that affects the Bank's ability to establish new relationships with counterparties, provide new services or maintain existing relationships. lead the Bank (or its managers) to financial losses or reduction of the customer base, bringing to administrative, civil or criminal liability;

legal risk - existing or potential risk to the Bank's income or capital, which arises due to violation or non-compliance by the Bank with the laws of Ukraine, regulations and may lead to financial losses, abuse, the involvement of the Bank and/or its managers in administrative, civil or criminal liability;

structural subdivision of the Bank – Bank Branches and Customer Service Division, Customer Service Unit, Currency Control Unit, Cash Management Unit, Payment Unit, Treasury Back-Office Unit, Deposit Operations Unit, Securities Trading Unit;

financial inclusion - introducing open, timely, and full access to a wide range of financial products and services and disseminating their use in society through existing and innovative approaches.

1.3. Regulatory framework

The Policy is developed following the requirements of current legislation and internal documents of the Bank, in particular:

- Law of Ukraine "On Banks and Banking Activity" of December 7, 2000, № 2121-III [as amended (from now on - the Law on Banks)]
- Law of Ukraine "On Preventing and Counteracting to Legalization (Laundering) of the Proceeds from Crime, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction" of December 6, 2019, № 361-IX [as amended (from now on - the Law on AML/CFT)];
- "Regulations on financial monitoring by banks," approved by the Resolution of the Board of the National Bank of Ukraine of May 19, 2020 №65 (from now on - the Resolution № 65);
- "Regulations on licensing of banks," approved by the Resolution of the Board of the National Bank of Ukraine of December 22, 2018 N 149 (as amended).

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- "Regulations on the organization of the risk management system in banks of Ukraine and banking groups," approved by the Resolution of the Board of the National Bank of Ukraine of June 11, 2018, N 64 (as amended). (hereinafter - Resolution № 64)
- Law on Recognition of the Law of Ukraine "On the Establishment of the Free Economic Zone of Crimea" and on the Peculiarities of Economic Activity in the Temporarily Occupied Territories of Ukraine amendments to some legislative acts of Ukraine dated 01.07.2021 № 1618-IX.

2. PURPOSE, TASKS, AND PRINCIPLES OF AML/CFT

2.1. The purpose of the AML/CFT Policy

The purpose of implementing the AML/CFT Policy is to ensure compliance of the Bank's activities with the requirements of the current legislation of Ukraine, regulations of the specially authorized executive body for financial monitoring (from now on - FIU), the National Bank of Ukraine (from now on - NBU), the Ministry of Finance of Ukraine, recommendations The Financial Action Task Force (FATF) and the Basel Committee on Banking Supervision and other official documents governing the prevention and counteraction to legalization (laundering) of the proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction, and also internal normative documents of the Bank, which are obligatory for the Bank's employees (depending on their job responsibilities), taking into account the norms of the legislation of Ukraine.

2.2. Tasks of the AML/CFT Policy

The task of implementing the AML/CFT Policy is:

- ✓ establishment of proper organization and functioning of the intrabank system of AML/CFT and conducting of primary financial monitoring;
- ✓ ensuring the operation of an appropriate ML/FT risk management system;
- ✓ determination of the Bank's risk appetite in the field of AML/CFT (including, if available, established prohibitions/restrictions on specific activities and/or attracting certain types of customers for service);
- ✓ determining the amount required for the development and approval of the Bank's internal documents on AML/CFT issues;
- ✓ setting requirements for the construction of three lines of protection in the field of AML/CFT and the distribution of duties and responsibilities among the Bank's employees;
- ✓ ensuring the functioning of internal control over AML/CFT issues;
- ✓ conducting training events on AML/CFT issues

2.3. Principles of the AML/CFT Policy

AML/CFT policies are based on the basic principles of prevention and counteraction:

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- ✓ priority protection of legitimate interests of citizens, society and the state from damage caused by legalization (laundering) of proceeds from crime, terrorist financing and financing the proliferation of weapons of mass destruction;
- ✓ giving priority to measures to prevent legalization (laundering) of proceeds from crime, terrorist financing and financing the proliferation of weapons of mass destruction over measures to combat them;
- ✓ application of a risk-oriented approach during financial monitoring;
- ✓ coordination of interaction of participants of the interbank system of prevention and counteraction;
- ✓ the inevitability of measures to freeze assets related to terrorism and its financing, a proliferation of weapons of mass destruction and their funding;
- ✓ the inevitability of punishment and the persuasiveness and proportionality of measures of influence for violations of legislation in the field of prevention and counteraction;
- ✓ protection of the Bank's Employees from threats and other harmful or discriminatory actions related to compliance with the requirements of the Law on AML/CFT;
- ✓ release from liability for damage caused in connection with the performance of obligations to conduct financial monitoring within limits and in the manner prescribed by the Law on AML/CFT;
- ✓ preservation, protection of information and completeness, relevance and timeliness of information exchange;
- ✓ availability to the participants of the interbank system of information necessary for financial monitoring;
- ✓ release from liability for providing data with limited access by the requirements of the Law on AML/CFT;
- ✓ cooperation and interaction in the field of prevention and counteraction with the competent authorities, whose activities are aimed at ensuring participation in this area by Ukraine's legislation.

The AML/CFT policy sets out the Bank's general principles for complying with Ukrainian legislation on preventing and counteracting money laundering, terrorist financing, and the proliferation of weapons of mass destruction and is not a restricted document.

3. THE INTERNAL ORGANIZATIONAL BANK STRUCTURE OF THE AML/CFT SYSTEM

3.1. Proper organization of the intrabank AML/CFT system

The Bank is a subject of primary financial monitoring of the national financial monitoring system and takes appropriate measures in the field of prevention and counteraction to legalization (laundering) of proceeds from crime, terrorist financing, and financing of proliferation of weapons of mass destruction.

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The purpose of creating, proper organization of the internal banking system of AML/CFT and conducting the initial financial monitoring of the Bank is:

- compliance with the requirements of the legislation of Ukraine in the field of AML/CFT;
- the ability to accurately identify and report threshold and suspicious financial transactions (activities);
- prevention of the use of the Bank's services and products for conducting financial transactions by clients for ML/FT.

The subjects of the intrabank system of AML/CFT are:

- 1) the Supervisory Board of the Bank;
- 2) the Management Board of the Bank;
- 3) Internal Audit Department;
- 4) Financial Monitoring Division (AML Division);
- 5) Subdivisions of the Bank that conduct / ensure the handling of operations or provision of services consists of:

5.1) Bank Branches

5.2) Customer Service Division, which includes:

- Customer Operations Support Unit
- Currency Control Unit
- Cash Management Unit
- Loan Accounting and Support Unit

5.3) Payment and Treasury Back- Office Division, which includes:

- Payment Unit
- Treasury back-office Unit;

5.4) Deposit Operations Unit

5.5) Securities Trading Unit of Treasury Department

3.2. Construction of three lines of protection in the field of AML/CFT and distribution of duties and responsibilities among the Bank's employees²

² Each line of protection of the Bank is aimed to accurately organize the internal banking system of AML/CFT and conduct primary financial monitoring, by the defined powers, acts appropriately.

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The Bank has created an intrabank AML/CFT system based on the distribution of responsibilities between the system's subjects using the model of three lines of protection:

1) the first line of protection - at the level of the Bank's divisions that conduct and/or provide operations or provide services to the Bank's Clients. Employees of the Bank's divisions (from now on - the responsible executors) are liable for non-performance of duties and/or inaction in the field of AML/CFT by their official duties and/or instructions of the Bank's management.

2) the second line of protection - at the level of the Financial Monitoring Division, the Bank's Responsible Officer (AML Officer), ensures the organization of the internal banking system of the AML/CFT and the Bank's primary financial monitoring, following the requirements of the AML/CFT legislation and internal documents of the Bank on financial monitoring.

3) the third line of protection - at the level of the Internal Audit Department of the Bank, provides verification and evaluation of the effectiveness of the internal banking system of AML/CFT and verification and evaluation of the Bank's initial financial monitoring.

Each line of protection of the Bank shall take appropriate measures to organize the internal banking system of AML/CFT accurately and conduct initial financial monitoring by the defined powers.

3.3. The Supervisory Board of the Bank has the following powers and takes the following measures:

- 1) approves the Bank's Policy on AML/CFT;
- 2) appoints AML Officer following the Procedure established by the Charter documents of the Bank and the legislation of Ukraine;
- 3) exercises constant control over the compliance of the Bank's AML Officer with the established requirements of the current legislation on bank managers established by the Law on Banks, the regulatory legal act of the National Bank of Ukraine on banking licensing, as well as the professional suitability requirements of the Bank's responsible employee, established in Resolution № 65
- 4) ensures the functioning permanently of the collegial body (Management Board of the Bank) to consider problematic and topical issues of the operation of the internal banking system of AML/CFT;
- 5) provides sufficient resources for the operation of the internal banking system of AML/CFT (including a separate structural unit of AML/CFT);
- 6) effectively distributes the AML/CFT functionality between the three lines of protection, ensures proper awareness and fulfillment by the Bank's employees, including business units, of their assigned

This division of responsibilities and responsibilities relates exclusively to the construction of protection in the field of AML/CFT to meet the requirements of NBU Resolution №65, development of a standard banking risk management system, according to NBU Resolution №64 and the requirements of Piraeus Financial Holdings S.A., based on the distribution defined in internal Bank documents on risk management.

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- responsibilities in the field of AML/CFT, understanding of such employees' liability for non-performance of duties and/or their inaction;
- 7) at least once a year considers the reporting of the AML Officer of the Bank on:
- a. the results of the assessment of the risk profile of the Bank with AML/CFT;
 - b. problematic issues related to the establishment of a proper organization of the internal banking system of the AML/CFT and the conduct of primary financial monitoring;
 - c. problematic issues related to ensuring a suitable ML/FT risk management system.
- 8) reviews the Bank's risk profile assessment results, approves the relevant decision based on the results of such a survey, and notifies the Management Board and the AML Officer of the Bank for its further implementation.
- 9) approves the Internal Audit Department Report on the Bank's compliance with the requirements of the Ukraine legislation in the field of AML/CFT, including the adequacy of measures taken by the Bank to ensure the proper functioning of the ML/FT risk management system.

3.4. The Management Board of the Bank to implement its tasks in the field of AML/CFT:

- 1) approves internal bank documents on AML/CFT issues, the approval of which by the requirements of current legislation and internal regulations is within the competence of the Bank's Management Board and monitors their implementation, compliance and timely updating;
- 2) at least once a quarter provides consideration of the following issues:
- 2.1. the results of the monitoring of business relations with clients, as a result of which suspicious activity of clients was revealed, and proposals for taking the necessary measures concerning such clients to minimize the risks of ML/FT;
 - 2.2. issues related to recommendations to refuse to continue business relationships with clients (including in the case of establishing an unacceptably high level of risk to the client);
 - 2.3. problematic issues that arise during the activities of the DD in the Bank;
 - 2.4. changes in the legislation of Ukraine on AML/CFT and the Bank taking the necessary measures in connection with such changes (including updating the internal documents of the Bank on AML/CFT) indicating the timing of such actions;
 - 2.5. the results of the assessment of new banking products/services and their inherent ML/FT risks;
 - 2.6. problematic issues related to training activities for bank employees, bank agents (their employees);

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- 2.7. problematic issues related to establishing business relationships with PEPs and/or their maintenance;
- 2.8. other matters related to the Bank's compliance with the requirements of the legislation of Ukraine in the field of AML/CFT, which need to be considered.
- 3) provides control over the implementation of tasks and decisions based on the results of the consideration of problematic and topical issues of the functioning of the internal banking system of AML/CFT.
- 4) ensures the implementation of the decision of the Supervisory Board of the Bank based on the results of the review of the risk profile of the Bank;
- 5) ensure at least once a year of inspection of the Bank's Responsible Employee regarding its compliance with the established requirements and provide a written notice to the National Bank on the results of such examination.
- 6) ensures control of drawing up a plan of measures to eliminate identified violations of Ukrainian legislation and/or shortcomings in the field of AML/CFT to minimize the risks of ML/FT and prevent future violations (from now on - risk reduction plan) no later than 15 working days from the date of approval Internal Audit Department Report
- 7) at least once a month, inform the Bank's head in writing about the identified financial transactions subject to financial monitoring and measures taken, in particular, to:
 - ensuring primary financial monitoring;
 - development and updating of internal documents on financial monitoring;
 - training of personnel to comply with the requirements of this Law through educational and practical work.
- 8) carry out other measures specified in the internal documents of the Bank.

The Management Board of the Bank delegates to the **Financial Monitoring Risk Management Committee** the authority to consider the issues specified in paragraph 2 of section 3.4 of this AML/CFT Policy.

The Financial Monitoring Risk Management Committee carries out its activities based on the Regulations, which indicate its composition, responsibilities, work scope, and working procedures.

3.5. Internal Audit Department, which performs the functions of the third line of defense:

- 1) based on risk-oriented approach organizes and conducts by Article 8 of the Law on AML/CFT internal inspections of the Bank's compliance with the legislation of Ukraine in the field of AML/CFT (including the adequacy of measures taken by the Bank to ensure the proper functioning of risk management system of ML/ FT);

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- 2) based on the results of internal inspections prepares reports, conclusions, and proposals and monitors the elimination of identified violations;
- 3) assess the effectiveness of the internal banking system on AML / CFT, including the activities of the Financial Monitoring Division, and the quality of reports submitted to the Bank Supervisory Board and the Bank Management Board;
- 4) obligatory analyzes the issues of sufficiency and efficiency of the AS introduced in the Bank for the performance of the SPFM's obligations by the Bank;
- 5) submits an electronic version of audit reports, conclusions and proposals with a cover letter signed by the QES of the Chairman of the Board to the Financial Monitoring Department of NBU not later than the twentieth working day from the date of their approval ensuring their delivery and confidentiality;
- 6) provides timely detection of problematic issues and signs of inadequate risk management system ML/FT;
- 7) carry out other measures specified in the internal documents of the Bank.

3.6. Financial Monitoring Division for the implementation of its tasks in the field of AML/CFT:

- 1) develops and submits for approval to the Supervisory Board and the Management Board of the Bank internal documents of the Bank on AML/CFT to the extent necessary for the effective functioning of the internal banking system of AML/CFT and understanding of the Bank's responsibilities and powers in the field of AML/CFT;
- 2) ensures sufficient information and awareness of the Chairman, members of the Supervisory Board and the Management Board of the Bank on their responsibilities in the field of AML/CFT, as well as on the inherent risk profile of the Bank's ML/FT risks;
- 3) develops and implements measures to ensure the functioning of the risk management system ML/FT;
- 4) ensure informing the Chairman, members of the Supervisory Board and the Management Board of the Bank and responsible executors of the Bank's divisions on the importance of the requirements of Ukrainian legislation on AML/CFT to ensure proper risk management system, the need to take effective measures to effectively prevent the use of bank services for ML /FT and understanding of the consequences to which the Bank is exposed in the event of non-compliance with the requirements of the legislation of Ukraine on AML CFT;
- 5) ensures proper awareness and fulfillment by the Bank's employees, including employees of business units, of their responsibilities in the field of AML/CFT, understanding by such employees of their responsibility for non-performance of duties and/or inaction by the division of functions on AML/CFT between the three lines of protection (defence);

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- 6) studies new products/services, including new channels of sales, use or development of new technologies for existing or new products to properly assess their inherent ML/FT risks and properly control the ML/FT risks of existing products/services;
- 7) ensures the implementation regularly of training activities for Bank employees and Bank agents/their employees (if any) to understand their responsibilities and procedures;
- 8) ensure the collection of information to verify the presence of impeccable business reputation of all employees of the Bank involved in the initial financial monitoring, if necessary involving other departments of the Bank in the process of collecting and/or verifying information;
- 9) creates and ensures the functioning of an effective and timely system of escalation of suspicions and problematic issues in the field of AML/CFT and the Procedure for their consideration, including information/facts concerning cases of violation or possible violation of Ukrainian legislation in the field of AML/CFT, provided by the internal documents of the Bank;
- 10) uses and submits applications for the improvement of the AS, which ensures timely and full fulfillment by the Bank as SPFM obligations (including detection of financial transactions subject to financial monitoring, freezing of assets related to terrorism and/or its financing/proliferation) mass destruction and/or its financing, the impossibility of carrying out operations by persons from the list of terrorists);
- 11) ensures timely identification of financial transactions subject to financial monitoring and proper information exchange with the FIU;
- 12) develops methods and implements measures on DD to understand the essence of the client, the purpose and expected nature of business relations with him, which allows the Bank to be sure that the client's financial transactions correspond to the Bank's information about him, his business, risk profile, including, if necessary, the source of origin of its funds/assets, the establishment of UBO for the rapid detection of unusual behavior and suspicious financial transactions (activities);
- 13) duly document the actions of the Bank's employees and record events related to the Bank's performance of SPFM obligations;
- 14) stores all documents, data, information (including relevant reports, orders, files) related to the performance of the Bank's SPFM obligations, within the time limits specified by the legislation of Ukraine;
- 15) timely and in full provide at the request of the National Bank the necessary documents/information/explanations/arguments that properly confirm the Bank's compliance with the requirements of the legislation of Ukraine on AML / CFT;

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- 16) draws up a plan of measures to eliminate identified violations of the legislation of Ukraine and/or shortcomings in the field of AML/CFT to minimize the risks of ML/FT and prevent future violations (from now on - risk reduction plan) no later than 15 working days from the date of Audit report approval by the Bank Supervisory Board;
- 17) take measures to improve the internal banking system of AML/CFT continuously;
- 18) carry out inspections of the activities of any division of the Bank and its employees concerning the implementation of their internal documents of the Bank on financial monitoring;
- 19) together with the HR Department prepares and implements the program of annual training of the Bank's employees on financial monitoring, which is approved by the Management Board of the Bank. If necessary, conducts additional training on financial monitoring, both for employees of the Head Office and Branches of the Bank;
- 20) carry out other measures specified in the internal documents of the Bank

3.7. Responsible employees of structural subdivisions (the first line of defense) - employees of the Bank's divisions, to ensure proper primary financial monitoring perform the following functions and tasks:

- 1) carry out proper inspections of new customers, as well as existing customers;
- 2) ensure monitoring of the client's financial transactions (including those carried out in the client's interests) for compliance of such financial transactions with the Bank's information on the client, its activities and risk, including, if necessary, information on the source of funds related to the financial transaction (s);
- 3) ensure the detection (including with the use of automation) of financial transactions subject to financial monitoring, before, in the process, on the day of suspicion, after their conduct or during an attempt to conduct them or after the client refuses to conduct them;
- 4) timely and in full submit at the request of the Financial Monitoring Division / Responsible Employee of the Bank, performed within their powers, information;
- 5) prevent the disclosure (in particular to persons whose financial transactions are being audited) of information submitted at the request of the FIU and other information on financial monitoring, including the fact of submission of such information or the fact of receiving a request, decision or order from the FIU and their implementation), except as provided by the Law on AML/CFT;
- 6) carry out other measures specified in the internal documents of the Bank.

3.8. Ensuring the effectiveness of the internal banking system of financial monitoring and responsibility for its improper organization.

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To achieve the efficiency of the internal banking system of financial monitoring, the Bank ensures the following main measures:

- ✓ takes measures following the legislation to ensure that the Responsible Employee (AML Officer) undergoes training in the field of AML/CFT within three months from the date of his / her appointment, as well as in-service training of the Responsible Employee by undergoing training at least once every three years in educational institution of FIU and in other educational institutions as agreed by FIU;
- ✓ fulfills the requirements of the National Bank for following (elimination of violations) of the requirements of the legislation in the field of prevention and counteraction made based on, within the powers and in the manner provided by the Law;
- ✓ establishes for employees the Procedure of notifying the Chairman of the Management Board and/or the Responsible Officer about violations of the requirements of the legislation in the field of AML/CFT, including without indication of authorship (anonymously), with the provision of appropriate means;
- ✓ protects employees in connection with the notification of the Chairman of the Management Board and/or the Responsible Employee, the National Bank about the violation of the requirements of the legislation in the field of AML / CFT;
- ✓ does not allow: management, membership in the Supervisory Board of the Bank's, Management Board or implementation control by the Bank of persons, powers, appointment of a responsible employee on financial monitoring (a person who temporarily fulfils the powers of a responsible employee in his case individual) other employees of the Bank involved in financial monitoring, who Citizenship (nationality) of the state that is the source of armed aggression against Ukraine, whether or not outstanding cancellation of conviction for use of criminal offences in accordance with the procedure established by law, or terrorism, and their accomplices. terrorism, as well as their accomplices in such criminal attacks
- ✓ does not allow the formation of the authorized capital of the Bank at the expense of funds, the sources of origin of which cannot be confirmed;
- ✓ takes other defined measures in the field of AML/CFT.

The Chairman of the Management Board of the Bank, as well as the Responsible Employee, are responsible for the improper organization and conduct of the primarily financial monitoring.

The responsible employee shall inform the Chairman of the Management Board of the Bank/Acting Chairman of the Management Board about the AML/CFT measures following the Procedure established by internal regulations.

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The Bank's responsible employee (AML Officer) subordinates directly to the Supervisory Board of the Bank and reports to it.

Chairman of the Management Board of the Bank, Responsible Employee of the Bank / Acting Responsible employee of the Bank, as well as other employees involved in the primary financial monitoring, in case of violation of the legislation on prevention and counteraction, shall be liable by the law.

4. DETERMINATION OF RISK-APPETITE OF THE BANK IN THE FIELD OF AML/CFT

4.1. Proper risk management system

The Bank applies a risk-oriented approach in its activities, which is proportional to the nature and scale of the Bank's operations.

The risk-oriented approach is applied by the Bank continuously and provides identification, assessment of all real and potential risks of ML/FT, inherent in the Bank's activities (risk profile of the Bank) and its Clients, and provides timely development of ML/FT risk management measures. their minimization.

The risk-oriented approach is based on a two-stage risk assessment and includes:

1) evaluation of the Bank's risk profile:

- ✓ identification and assessment of ML/FT risks inherent in the Bank's activities;
- ✓ analysis of existing ML/FT risk management measures to reduce (minimize) them;
- ✓ determination of the Bank's risk appetite in the field of AML/CFT(acceptable for the Bank level of ML/FT risk);

2) assessment of the Client's risk profile:

- ✓ identification and evaluation of the primary risk of the business relationship (financial transaction without establishing a business relationship) with the client;
- ✓ analysis of existing ML/FT risk management measures to reduce (minimize) them to the level of ML/FT risk acceptable to the Bank (within the risk of the Bank's appetite in the field of AML/CFT);
- ✓ assessment of the business relationship (financial transaction without establishing a business relationship) with the client.

Based on the assessment of ML/FT risks inherent in its activities, the Bank determines its risk appetite (acceptable level of risk) in the field of AML / CFT, taking into account:

1) risks that the Bank is ready to accept;

2) risks that the Bank may accept, but only after taking measures to manage such risks (their minimization);

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3) risks that are unacceptable to the Bank.

4.2. Requirements for the Bank's ML/FT risk management system

The Bank's ML/FT risk management system is considered inadequate if at least one of the signs and facts of repeated financial transactions involving suspicion of using the Bank for ML/FT or committing another crime resulting from non-compliance with the measures, established by AML/CFT.

Signs of an inadequate risk management system:

- 1) improper implementation of a comprehensive assessment/reassessment of the Bank's ML/FT risks, including those inherent in its activities (risk profile of the Bank), documenting their results, monitoring, risk control and maintaining the Bank's risk profile to minimize the use of the Bank's services for ML/FT;
- 2) non-implementation of the DD, improper assessment/reassessment of the risk of business relations (financial transactions without establishing business relations) with Clients (risk profiles of Clients), documenting their results, monitoring measures, risk control and maintaining risk profiles of the Bank's Clients to minimize the use of the Bank's services for ML/FT;
- 3) improper application of a risk-oriented approach, which is the Bank's misunderstanding of the risks of ML/FT, which exposes its Client, failure to take adequate measures to minimize the identified risks (Simplified DD for low-risk clients and Enhanced DD for high-risk clients), lack of differentiated (multilevel) risk-oriented Procedure for agreeing on business relations with clients;
- 4) failure to take timely and adequate measures to minimize the identified risks of ML/FT to an acceptable level of risks of ML/FT;
- 5) lack of useful tools to prevent multiple, large amounts of financial transactions (activities) by Clients, in which there are suspicions of using the Bank for ML/FT or committing other crimes, including monitoring of business relations with Clients and financial transactions of Clients carried out in the process of such business relations;
- 6) lack of effective internal control over financial monitoring, untimely detection by the internal audit of problems and shortcomings in the internal banking system of AML/CFT and signs of inadequate risk management system of ML/FT;
- 7) lack of an effective system of escalation of suspicions and problematic issues in the field of AML/CFT, which made it impossible to timely and adequately consider them, including reporting information/facts concerning violations or possible violations of Ukrainian legislation in the field of AML/CFT;
- 8) the lack of a proper system for detecting PEPs, which has led to the Bank's failure to take appropriate measures against them, as defined by the legislation of Ukraine in the field of AML/CFT;
- 9) lack of a proper Client UBO detection system;

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10) failure of the Bank to properly document the Bank's employees' actions and to record events related to the Bank's performance of SPFM functions.

11) inadequate provision of secrecy of financial monitoring and confidentiality of information on information exchange with the FIU, including the fact of transfer of data on the financial transaction to FIU.

4.3. Basic prohibitions and restrictions

In determining its risk appetite, the Bank imposes the following prohibitions/restrictions on its activities, taking into account their unacceptable risk for the Bank:

- 4.3.1. does not open or maintain anonymous (numbered) accounts;
- 4.3.2. does not establish correspondent relations with shell banks, as well as with non-resident banks and other financial institutions, in respect of which it is known that they maintain correspondent relations with shell banks;
 - 4.3.3. does not use information from a third party formed and acting in accordance with the legislation of the state carrying out armed aggression against Ukraine and/or the state (jurisdiction) that does not implement or improperly implements the recommendations of international intergovernmental organisations involved in the fight against the legalisation (laundering) of income obtained bybtained by criminal means, or the financing of terrorism, or the financing of btained by criminal means, or the financing of terrorism, or the financing of the proliferation of weapons of mass destruction, except when the use of information is carried out is carried out within the Group according to the uniform rules governing financial monitoring.
- 4.3.4. does not execute transactions between the temporarily occupied territory and other territory of Ukraine;
- 4.3.5. does not accept and does not conduct financial transactions for deals where the legal entity, the location (residence) of which is the temporarily occupied territory;
- 4.3.6. does not attract Deposits/Term Deposits and does not provide Loans denominated in the currency of the State- Occupier;
- 4.3.7. does not establish business relations, and does not conduct financial transactions, does not provide services directly or indirectly with Clients (customer representatives), who are:
 - casinos and bookmakers operating without a license or supervision, in particular, companies engaged in online gambling;
 - who provide financial or insurance services without an appropriate permit or control by the executive bodies;
 - persons who trade cryptocurrencies (for example Bitcoins);

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- legal entities, private entrepreneurs, individuals and individuals engaged in independent professional activity, whose location (place of residence) and tax address is the temporarily occupied territory. does not establish business relations (except as provided by UN Security Council resolutions) and does not conduct expenditure financial transactions, does not provide services directly or indirectly to Clients who are:
- persons and / or organizations that are included in the list of persons or in respect of which international sanctions or sanctions of authorized state bodies of Ukraine have been applied;
- persons and / or organizations acting on behalf of and on behalf of persons and / or organizations included in the list of persons or in respect of whom international sanctions or sanctions of authorized state bodies of Ukraine have been applied;
- persons and / or organizations directly or indirectly owned or ultimately beneficially owned by persons and / or organizations included in the list of persons or subject to international sanctions or sanctions of authorized state bodies of Ukraine. who are residents of russian federation and the republic of belarus;
- persons and / or organizations in respect of whom it has been recognized that they act on behalf of included in the list of persons or subject to international sanctions or sanctions of authorized state bodies of Ukraine, who are residents of russian federation and the republic of belarus; in order to avoid sanctions or cooperation with which is prohibited/limited by other applicable legislation or regulations;
- by persons whose data are posted and/or reported on the website EMA
- the counterparty of the financial transaction or the financial institution that provides the business transaction is a person belonging to the persons specified in paragraph 4.3, and the Bank becomes aware of this during the provision of services/transactions;
- persons and / or organizations in respect of whom there was a termination of business relations at the initiative of the Bank.

4.3.8. does not open accounts for persons and does not carry out financial transactions if at least one of the parties to the financial transaction is registered, resides or location in

Country	
Islamic Republic of Iran	Republic of Cuba

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Syrian Arab Republic	Nothern Cyprus
Sudan and South Sudan	russian federation (rf)
Myanmar	republic of belarus (rb)
Korea (the Democratic People's Republic of)	

4.3.9. refuses to establish (maintain) business relations / refuse the client to open an account (service), including by terminating business relations and closing the account / refusing to conduct a financial transaction in the case of:

- if the identification and/or verification of the client, as well as the establishment of data that allows identifying the ultimate beneficial owners, is impossible or if the Bank has doubts that the person acts on its own behalf;
- setting an unacceptably high risk for the client or failure of the client to provide the documents or information necessary for the proper DD and/or verification of the client;
- submission by the client or his/her representative of inaccurate data or presentation of information to mislead the Bank;
- detection that the bank or other financial institution with which the correspondent relationship has been established is a shell bank and / or maintains a correspondent relationship with the shell bank;
- if it is impossible to identify the person on whose behalf or in whose interests the financial transaction is conducted and to establish its ultimate beneficial owner or beneficiary (beneficiary) in the financial transaction;
- clients in respect of whom the Bank, based on the results of studying the client's activities, has reasonable suspicions that they have performed ML/FT operations and other crimes;

4.3.10. The Bank also does not establish/maintain business relations with the Clients and does not carry out financial transactions to the persons specified in the Client's Eligibility Policy, a component of the Compliance Policy (Policy of compliance with legal norms and standards) of PIRAEUS BANK ICB JSC.

4.3.11. The Bank shall also /has a right to terminate any relationship by assigning an Unacceptably High Risk with an existing Client if, due to the due diligence, Bank finds that the client falls into one of the categories specified in this section (for example, as a result of the revocation of a securities license, provision of inaccurate information to the Bank or submission of information to mislead the Bank, included in the list of persons or subject to international sanctions or sanctions of

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authorized state bodies of Ukraine, or cooperation with which is prohibited/limited by other applicable legislation or regulations, etc.).

- 4.3.12. 4.3.9. The Bank does not transfer funds in the absence of mandatory information that must accompany the financial transaction for the transfer of funds.
- 4.3.13. 4.3.10. The Bank, the Bank's managers, the AML Officer, other employees of the Bank involved in the initial financial monitoring, the ultimate beneficial owners of the Bank do not use their powers and related opportunities or refrain from using them to legalize (launder) income, obtained by illegal means, financing terrorism and financing the proliferation of weapons of mass destruction or assisting others in committing such acts.
- 4.3.14. 4.3.11. Based on the analysis results, the Bank determines (if necessary) in its internal documents on AML/CFT additional prohibitions/restrictions in its activities (for specific events and/or attracting certain types of customers for service).
- 4.3.15. 4.3.12. All other risks may be accepted by the Bank, including after taking risk management measures (their minimization). In taking appropriate risks, the Bank takes into account the availability of sufficient means to manage them, particularly the availability of the necessary resources.
- 4.3.16. 4.3.13. By applying a risk-oriented approach, the Bank refrains from the unreasonable application of de-risking, which contradicts the risk-oriented approach and does not promote financial inclusion.

Restrictive measures (sanctions) include means of diplomatic or economic nature imposed on states, organizations, individuals or legal entities by international organizations or competent state bodies for the following purposes:

- compliance with international law;
- maintaining global peace and strengthening of international security;
- consideration of cases of human rights violations;
- establishing the basic principles of democracy and the rule of law

4.4. The Bank enforces sanctions imposed by such international organizations / authorities:

- EU: [EUR-Lex - 02014D0145-20221114 - EN - EUR-Lex \(europa.eu\)](#)

- UN: <https://www.un.org/sc/suborg/en/sanctions/information>

-USA (OFAC – Office of Foreign Assets Control: <https://sanctionssearch.ofac.treas.gov/>

4.4.1.UK sanctions: <https://www.gov.uk/guidance/sanctions-embargoes-and-restrictions>

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4.4.2. Hong Kong Monetary, Banking and Financial Terms: <https://www.hkma.gov.hk/eng/key-functions/banking-stability/aml-cft/sanctions-related-notices-updates.shtml>

4.4.3.- Luxembourg (CSSF-The Commission de Surveillance du Secteur Financier is a public institution: <http://www.cssf.lu/en/supervision/financial-crime/sanctions/>

4.4.4. France (Ministry of the Economy): <https://www.economie.gouv.fr/>

4.4.5.and :

Canada; Australia; New Zealand; Japan; Belgium; Israel; Switzerland; Internal Watch list for Ukraine; Argentina; Azerbaijan; Bulgaria; India; Kazakhstan; Kyrgyzstan; Latvia; Netherlands; Qatar; South Africa; South Africa; Poland; United Arab Emirates; United Kingdom; United States of America

Compliance with sanctions applies to both the acceptance of customers and the execution of transactions (regardless of the currency of the transaction).

5. INTERNAL REGULATORY DOCUMENTS OF THE BANK ON AML/CFT

5.1. List of internal regulations of the Bank on financial monitoring.

In addition to the Policy, the Bank, in compliance with its requirements, develops and approves such internal documents to comply with the needs of the legislation in the field of AML/CFT:

1. Rules of financial monitoring of JSC "PIRAEUS BANK ICB";
2. Program of measures to carry out due diligence of clients of JSC "PIRAEUS BANK ICB";
3. Program of measures to carry out due diligence of correspondent banks of JSC "PIRAEUS BANK ICB";
4. Financial monitoring risk management program of JSC "PIRAEUS BANK ICB";
5. Program for financial monitoring in the areas of the bank's activities in the process of servicing customers of JSC "PIRAEUS BANK ICB";
6. Procedure "Procedure for suspension, resumption of financial transactions of freezing/unfreezing of clients' assets and execution of decisions (orders) of the Specially Authorized Body" of JSC PIRAEUS BANK ICB;
7. Procedure "Procedure for working with sanctions lists and interaction of PIRAEUS BANK ICB JSC divisions in monitoring clients and their transactions for the presence in the list of persons associated with terrorist activities or subject to international sanctions
8. Program of training and advanced training of employees of JSC "PIRAEUS BANK ICB" on the prevention of legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction;

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9. Procedure for submission of reports by employees on violations in the field of money laundering and terrorist financing of JSC "PIRAEUS BANK ICB" (AML Whistleblowing procedure)
10. INSTRUCTIONS for the identification of controlled foreign companies (CFCs) and interaction of departments in the analysis, verification and provision of information to the supervisory authority in JSC "PIRAEUS BANK ICB"
11. INSTRUCTIONS for working with ISPPA in FP
12. PROCEDURE FOR MAINTENANCE OF PAYMENT OPERATIONS and recommendations for identifying money transfers with risk indicators by branch employees
13. The procedure for assessing the Bank's risk profile and taking measures to minimize the ML/FT risks of JSC "PIRAEUS BANK ICB"
14. Methodology for assessing the susceptibility to ML/FT risks of the bank's processes in the implementation of internal control over financial monitoring in JSC "PIRAEUS BANK ICB"
15. Methodological recommendations for identification, verification of clients - individuals and individual entrepreneurs of JSC "PIRAEUS BANK ICB"

These documents and the AML/CFT Policy are internal regulations of the Bank on financial monitoring.

5.2. Basic principles of development and implementation of internal documents on AML/CFT issues

The main principles of development and implementation of internal documents on AML/CFT are:

- creation of the proper organization and functioning of the internal banking system of AML/CFT and conducting of primary financial monitoring, functioning of a proper system of risk management of AML/CFT ensuring the functioning of effective intrabank system of AML/CFT;
- introduction of a risk-oriented approach during the implementation of AML/CFT procedures;
- fulfillment by the Bank of all obligations specified by the legislation in the field of AML / CFT;
- taking into account all types and directions of the Bank's activity;
- introduction of the AML/CFT culture in the Bank and ensuring direct participation of each employee (within its competence) during the implementation of the AML/CFT procedures;
- clear division of responsibilities and powers between the Supervisory Board, the Chairman of the Management Board, members of the Management Board, the Responsible Officer, other employees and structural subdivisions of the Bank to prevent violations of AML/CFT legislation in the Bank's work;
- availability of appropriate internal control (by different types of services/products, types of clients, level of clients' risks, amount of financial transactions) and identification of Bank employees who

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make decisions at different stages of control according to their functions, ensuring the principle of "senior position - greater authority and responsibility";

- establishing a detailed and as clear as possible for the Bank's employees the Procedure during their implementation of the AML/CFT procedures;
- ensuring the secrecy of financial monitoring and confidentiality of information on information exchange with the FIU, including the fact of transfer of information on the financial transaction to FIU;
- ensuring the confidentiality of information on internal documents on AML/CFT issues;
- ensuring the confidentiality of information about Clients, their accounts and financial transactions, as well as other information that constitutes bank secrecy;
- prevention of involvement of the Bank's employees in ML/FT.

5.3. The Bank's internal documents on AML/CFT should contain:

- determination of the subdivision (s) of the Bank and / or employees of the Bank responsible for the implementation of the DD measures and distribution of responsibilities between them;
- the procedure, which ensures the implementation of all measures under the DD (in particular, measures for identification and verification, the establishment of UBO, monitoring of business relations and financial transactions, updating customer data);
- the Procedure for identifying PEPs and the Procedure for taking the necessary additional measures;
- the Procedure for assessing/re-evaluating the risk profile of the Bank and the risk profile of clients and taking measures to minimize the risks of ML/FT;
- the Procedure for identifying risk criteria for ML/FT and indicators of suspicion of financial transactions;
- the Procedure for taking the necessary additional measures to establish a correspondent relationship with a foreign financial institution;
- the Procedure for maintaining an electronic questionnaire, which will ensure the timeliness, completeness, and accuracy of the information entered into the client's electronic questionnaire;
- procedure for refusing the Bank to establish (maintain) business relations / open an account (service), including by terminating business relations, closing an account / refusing to conduct a financial transaction in cases provided by the Law on AML/CFT;
- the Procedure for the Bank to identify discrepancies between the information on the UBO contained in the USR and the information received by the Bank as a result of DD procedure;

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- the Procedure for using by the Bank the information regarding the identification, verification of the clients, establishment of their UBO and taking measures to verify their identity, as well as information on the purpose and nature of the future business relationship received from a third party who is a SPFM in accordance with the requirements Law on AML/CFT(in case the Bank decides to use this instrument);
- the Procedure for the use of Agents by the Bank, conducting training events for them (their employees) and exercising control over their activities (in case the Bank decides to engage Agents);
- the Procedure for entering relevant information in the registers of messages;
- the order of use of AS;
- the Procedure for information exchange with the FIU and the implementation of relevant decisions/instructions of the FIU;
- the Procedure for freezing assets related to terrorism and its financing, the proliferation of weapons of mass destruction and their financing;
- the Procedure for suspension of operations by the Bank in cases specified by the Law on AML/CFT;
- the Procedure for accompanying the Bank with transfers of relevant information by the requirements specified by the Law on AML/CFT;
- the Procedure for controlling the relevant limits in case the Bank uses simplified methods of identification and verification of the client (client's representative);
- the Procedure for ensuring the secrecy of financial monitoring, the confidentiality of other information;
- the Procedure for informing the SSU in cases specified by the legislation in the field of AML / CFT;
- the Procedure for conducting training events for the Bank's employees;
- the Procedure for acquainting the Bank's employees with the Bank's internal documents on AML/CFTissues;
- the Procedure for storing all documents/information on the Bank's compliance with the legislation requirements in the field of AML / CFT.

The Bank's internal documents on financial monitoring take into account the peculiarities and directions of the Bank's activities, the characteristics of different types of Clients, and the Bank's implementation of a risk-oriented approach.

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If necessary, to ensure the proper organization of the Bank's AML/CFT system, other documents not provided for in this Policy may also be developed. The Bank's Management Board approves the Bank's internal regulations on financial monitoring.

The Bank ensures the relevance of internal documents on AML / CFT, taking into account changes in legislation in the field of AML/CFT and events that may affect the risks of AML/CFT of the Bank.

6. INTERNAL CONTROL WITH AML/CFT

6.1. Types of internal control in the implementation of financial monitoring

To ensure the functioning of internal control over AML/CFT issues, the Bank has introduced the necessary types of internal control in the implementation of financial monitoring:

Type of control	Procedure (description)	Division of duties and responsibilities among the Bank's employees	Notes
depending on the time of control			
previous	precedes the execution of the action/operation	Responsible employees of the Bank's structural divisions	Carry out the measures specified in paragraph 1 of section 3.7. of this AML/CFT Policy.
current	is performed during the execution of the action/operation	Responsible employees of the Bank's structural divisions / UFM employees	The responsible employees of the structural divisions of the Bank shall carry out the measures specified in clause 2 and clause 3 of section 3.7. of this AML/CFT Policy. FMM employees carry out the activities specified in paragraph 11 and paragraph 12 of section 3.6. of this AML/CFT Policy.

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further	carried out after the action/operations and aimed at identifying deficiencies, correcting errors	Employees of Internal Audit Department	Based on the results of the inspections, it monitors the elimination of identified violations
depending on the moment of control:			
preventive	aimed at preventing breaches and risks	Responsible AML Division employees	AML Division employees carry out the activities specified in paragraphs 10-18 of section 3.6. of this AML/CFT Policy.
revealing	aimed at identifying risks	Management Board of the Bank Compliance Control Department	The Management Board of the Bank considers the issues specified in clause 2 of section 3.4 of this AML/CFT Policy.
corrective	aimed at avoiding / mitigating risks	Supervisory Board of the Bank	The Supervisory Board of the Bank makes decisions based on the results of consideration of the issues specified in clause 8 and clause 9 of section 3.3. of this AML/CFT Policy
depending on the subject of control:			
independent	carried out by the employee independently	Responsible employees of the Bank's structural divisions	Employees of the first line of protection carry out the measures specified in clauses 1-3 of section 3.7. of this AML/CFT Policy.
double	carried out by two (or more) employees	Responsible AML Division employees	ANL Division employees carry out the activities specified in paragraph 11 and paragraph 12 of section 3.6. of this AML/CFT Policy.

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collegiate	carried out collegially	Management Board of the Bank / Supervisory Board of the Bank. Financial Monitoring Risk Management Committee	The Management Board of the Bank considers the issues specified in clause 2 of section 3.4 of this AML/CFT Policy. The Supervisory Board of the Bank considers reporting on the issues specified in clause 7 of section 3.3 of this AML/CFT Policy.
automatic	carried out by an automated system	Employees of the IT department	The IT department implements system-wide financial monitoring software, which should meet the requirements of Ukrainian legislation in the field of AML/CFT and promote the functioning of an appropriate system of risk management of ML/FT.
depending on the frequency of implementation			
functional (permanent)	conducted regularly	Responsible AML Division employees	AML Division employees perform the activities specified in section 3.6. of this AML/CFT Policy.
periodic	is carried out by the periodicity established in the internal bank documents	Internal Audit Department employees / Chairman of the Management Board / Management Board of the Bank / Supervisory Board of the Bank	Internal Audit Department employees conduct internal audits of the Bank's compliance with the requirements of Ukrainian legislation in the field of AML / CFT. The Chairman of the Management Board reviews the reporting of the AML Officer of the Bank once a month. The Management Board of the Bank considers the issues submitted for

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			consideration by AML Officer of the Bank at least once a quarter. The Supervisory Board of the Bank reviews the reporting of the AML Officer of the Bank at least once a year
depending on the scope of control			
selective	is carried out on separate selected elements of the corresponding process.	Responsible AML Division employees / Internal Audit Department employees	Conducted by AML Division Employees and Internal Audit Department employees on individually selected elements of the relevant process of financial monitoring
full	covers the entire scope of the appropriate financial monitoring process	Responsible employees of the Bank's structural divisions / AML Division employees	Internal control over the Bank's compliance with the requirements of AML/CFT legislation of Ukraine (including the adequacy of the measures taken by the Bank to ensure the functioning of an appropriate risk management system for AML / CFT).

6.2. Responsibility

The defined Procedure of internal control in the Bank and the determination of the Bank's employees who make decisions at different stages (types) of control under their functional responsibilities, ensure the principle of "higher position - greater authority and responsibility."

7. FINAL PROVISIONS

The AML/CFT Policy is not a restricted document. The AML/CFT Policy is indefinite, enters into force after its approval by the Bank's Supervisory Board from the date following the date of the Bank's Supervisory Board decision, and is valid until its revocation or approval by the Bank's Supervisory Board of the new AML/CFT Policy, which the previous one loses force.

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Policy of JSC "PIRAEUS BANK ICB" on prevention and counteracting to legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction

AML/CFT Policy are reviewed as necessary. Changes and/or additions to this AML/CFT Policy shall be made by approving them by the Supervisory Board of the Bank under the established Procedure.

Employees of the Bank (depending on their job responsibilities) get acquainted with this AML/CFT Policy under the signature in the case of:

- approval, amendments to the AML/CFT Policy - within the deadlines set by the regulations of the National Bank of Ukraine.
- Employment in the Bank - before the beginning of official duties.

For improper compliance by employees with the requirements of this AML/CFT Policy, the Bank may take measures of influence within Ukraine's current legislation.

In case of non-compliance of any part of this Policy with AML/CFT with the current legislation of Ukraine, including in connection with the adoption of new acts of legislation of Ukraine or regulations of the National Bank of Ukraine, this Policy is valid in the part that does not contradict the legislation.

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