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## Deutsche Bank Compliance - AML, NCA & Embargoes

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## Anti Money Laundering Policy - Deutsche Bank Group

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### 1 Introduction

Deutsche Bank (DB) is committed to the highest standards of anti money laundering (AML) compliance and requires management and employees to adhere to these standards to prevent use of our products and services for money laundering purposes.

Deutsche Bank Group will examine its Anti Money Laundering strategies, goals and objectives on an ongoing basis and maintains an effective Anti Money Laundering program for the Bank's business that reflects the best practices for a diversified, global financial services provider.

Adherence to the Deutsche Bank Group Anti-Money Laundering Program is the responsibility of all employees. The program is formulated and directed by the Global Head of Anti Money Laundering. The program includes client screening and monitoring requirements, "know your customer" policies (including the requirement to establish the identity of beneficial owners), Embargo policies, record keeping requirements, the reporting of suspicious circumstances in accordance with relevant laws, and AML training.

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### 2 Scope

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#### 2.1 Objectives

The standards set out in this Policy are minimum requirements based on applicable legal and regulatory requirements and apply for the entire Deutsche Bank Group. These requirements are intended to prevent Deutsche Bank, our employees and clients from being misused for money laundering, terrorist financing or other financial crime. This Policy establishes the general framework for the fight against money laundering and financing of terrorism.

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#### 2.2 Applicability

According to section 259 of the German Banking Act (§259 a KWG), Deutsche Bank AG must ensure that the legal duties resulting from the regulations set out in this Act and the German Anti Money Laundering Act are fulfilled by our subordinated enterprises, branches, subsidiaries and affiliates in Germany and abroad.

Wherever local regulations are stricter than the requirements set out in this Policy, the stricter standard has to be applied. If any applicable laws are in conflict with this Policy, the relevant Deutsche Bank entity must consult with the local legal department and the Global Head of Anti Money Laundering to resolve the conflict.

If the minimum requirements set out in this Policy cannot be applied in a certain country because application would be against local law or cannot be enforced due to other than legal reasons, Deutsche Bank has to assure that it will not

- enter into a business relationship,
- continue a business relationship or
- carry out any transactions.

If business relations already exist in that country, Deutsche Bank has to assure that the business relationship is terminated regardless of other contractual or legal obligations.

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#### 2.3 Definition of the Term Money Laundering

Money Laundering is the introduction of assets derived from illegal and criminal activities (Predicate offences) into the legal financial and business cycle. Offences are for example forgery of money, extortionate robbery, drug crime as well as fraud, corruption, organized crime, or terrorism etc. Predicate offences for money laundering are defined by local law. Generally speaking, the money laundering process consists of three "stages":

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## Deutsche Bank Compliance - AML, NCA & Embargoes

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## Anti Money Laundering Policy - Deutsche Bank Group

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**Placement:** The introduction of illegally obtained monies or other valuables into financial or non-financial institutions.

**Layering:** Separating the proceeds of criminal activity from their source through the use of layers of complex financial transactions. These layers are designed to hamper the audit trail, disguise the origin of funds and provide anonymity.

**Integration:** Placing the laundered proceeds back into the economy in such a way that they re-enter the financial system as apparently legitimate funds.

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These "stages" are not static and overlap broadly. Financial institutions may be misused at any point in the money laundering process.

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### 3. Minimum Requirements

All Deutsche Bank branches and subsidiaries have to comply with the following basic principles:

- \* **Ascertainment of customer identity:**
  - When entering into a lasting business relationship,
  - When performing a single transaction or deal,
  - Before accepting cash or physical values worth 15.000 EUR (or equivalent) outside an existing business relationship, also when performing a number of smaller payments adding up to this amount (smurfing)
  - When performing transfer of funds outside an existing business relationship value worth 1.000,- Euro (or equivalent)
- \* **Establishment of purpose of business relationship:** When entering into a lasting business relationship, Deutsche Bank must obtain information on kind and purpose thereof, if this is not clear from the business relationship itself.
- \* **Identification of Ultimate Beneficial Owner:** Whenever Deutsche Bank is required to identify a customer, it must establish and verify the identity of the ultimate natural person,
  - who owns or
  - controls the customer or its assets or
  - on whose behalf the transaction is carried out or the business relationship is established
- \* **Client account monitoring:** A permanent monitoring of clients' accounts must be implemented to detect unusual/suspicious transactions. Monitoring must be effected for applicable business areas using adequate processes and systems.
- \* **Correspondent banking:** Special attention must be paid to correspondent banking business and adequate security measures must be implemented.
- \* **Forbidden business:** Payable through accounts and relationships with shell banks are forbidden for Deutsche Bank and Deutsche Bank's correspondent banks
- \* **Reporting of suspicious circumstances/transactions:** Such circumstances/transactions must be reported to the competent authorities according to local law. Group Anti Money Laundering must be informed about all suspicious events, if not explicitly prohibited by local law.
- = **Staff reliability:** Deutsche Bank Group must not employ staff who are deemed not reliable.
- \* **Anti Money Laundering controls:** The responsible Anti Money Laundering Officer must ensure by adequate customer- and business related controls that all applicable AML requirements are being adhered to and security measures are properly functioning.
- \* **Anti Money Laundering Training:** All employees (including trainees and temporary personnel) responsible for carrying out transactions and/or for initiating and/or establishing business

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## Deutsche Bank Compliance - AML, NCA & Embargoes

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## Anti Money Laundering Policy - Deutsche Bank Group

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relationships must undergo anti money laundering training. Deutsche Bank has decided to extend the target audience for AML to cover all staff. Initial training must be attended within three months after an employee has joined Deutsche Bank Group and subsequently every two years. Minimum content training requirements defined by the Global Head of AML have to be adhered to.

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**Anti Money Laundering Risk Analysis:** Deutsche Bank has set up a system to assess the level of risk exposure considering product and client risk and derive appropriate security measures from this analysis.

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**Embargo Requirements:** Deutsche Bank will adhere to all applicable embargo requirements and will check clients and transactions against applicable embargo lists.

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## 4 Roles and Responsibilities

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### Global Head of Anti Money Laundering and Group Embargo Officer

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- Chairs the Group AML Global Operating Committee(AML GOC) and is responsible for the bank's AML & Embargo strategy. The AML GOC is also responsible for escalation and sanction in case of non-compliance of internal and external requirements and lack of quality
- Represents AML at Board, Senior Group Committees and at senior corporate level as appropriate
- Manages "Central AML" function, and controls adequacy of organizational structure and resource levels globally
- Drives communication to the Board and other stakeholders with respect to issues concerning AML
- Maintains relationships between AML and the Group's external auditors, regulatory and other authoritative bodies
- Oversees AML's global budget & resources, planning & forecasting processes
- Oversees AML related IT-systems, AML Risk Analysis, change projects, technology, operations, Management Information System (Reporting) and all AML-specific processes
- All Regional AML Heads have a functional reporting line into the Global Head of AML

### Regional Head of Compliance

- The Regional Head of Compliance is responsible for the implementation of effective and efficient AML program across his/her region in line with global standards.
- Is the senior escalation point for KYC matters, Embargo & Sanction escalations, and any other areas of dispute before further escalation to the global Head of AML.
- Is responsible to inform the Global Head of AML in a timely fashion of any and all significant matters around the function.
- Is obliged to ensure that resources for AML are deployed effectively across the region to mitigate high level risk

### Regional Head of AML

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- Represents Group AML at senior regional level, and manages local regulatory and regional management relationships
- Formulates the regional overlay to global plans and executes regional aspects of global and local requirements
- Recruits resources in conjunction with Business Management to meet the needs of global and regional plans
- Responsible for day-to-day management and administration of regional resource pool
- Inputs to global AML strategy and plan, provision of input on regular and ad-hoc reporting requirements from Central AML

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