

## **Balad Bank AML / CFT Policy Statement**

Balad Bank is firmly committed to complying with all applicable rules and regulations regarding Anti-Money Laundering (AML), Combating Financing of Terrorism (CFT), and combating Proliferation (CPF). Balad Bank has written a Policy to detect and prevent money laundering, terrorist financing, proliferation of weapons of mass destruction, and other illegal activities.

We examine our AML strategies, objectives, and policies on an ongoing basis to maintain an effective AML program that reflects best practices for the Bank's business. AML Policy and procedure apply across all branches, subsidiaries, and affiliates.

The Compliance Department of Balad Bank is responsible for safeguarding the bank from AML risk. It has an independent and formal status and clear authority to access any information. The head of the Compliance Department does not have any business line responsibilities.

### **AML Policy of Balad Bank**

The policy of Balad Bank is to follow sound banking practices by complying with legal and professional responsibilities.

The main elements of Balad Bank's money laundering prevention policy are as follows:

- Obtaining full information/identification of customers and their activities.
- Detection of suspicious transactions via proper monitoring procedures.
- Maintaining information and documents relating to customers and their transactions.
- Spreading money laundering prevention culture to all Balad Bank's staff via specific training activities and periodic bulletins.
- Regular review of the above elements by Balad Bank's internal auditors and/or external examiners.

### **Due Diligence**

Balad Bank has strict KYC and Customer Acceptance policies and procedures in place. Balad Bank will not enter any business relationship with the following types of customers:

Customers or beneficial owners that are listed by OFAC, HM-UK, EU, Central Bank of Sudan, or United Nations (UN) under an asset freeze or embargo order.

- Numbered or Anonymous Accounts.
- Shell Bank /Company
- Any Bank that conducts business with a Shell Bank.
- Bank that provides direct access to third parties to transact business on their behalf (e.g. payable-through accounts) using correspondent (Vostro) accounts.

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- Correspondent whose AML controls are considered inappropriate and/or insufficient and the Correspondent does not satisfy Balad Bank that necessary remedial action will be undertaken.
- Identity of Individuals or Entities that cannot be confirmed or do not provide all required information or have provided information that is false or that contains significant inconsistencies that cannot be resolved upon further investigation.

Similarly, Enhanced Due Diligence measures are taken before establishing Relationships with the following types of clients:

- Correspondent Banks
- Money Service Providers, Exchange Houses
- Politically Exposed Persons (PEPs),
- Private Banking Clients
- Non-bank Financial Institutions (Insurance Companies, Financing Companies, Securities Brokers & Dealers)
- Resident individuals, authorized signatories, or beneficial owners of an entity (owner, partner, or power of attorney holder) a Citizens from a Very High or High-Risk Country
- Non-resident individual and Corporate
- Dealers in precious metal and stones, real estate, luxury goods
- Auction houses
- Private Foundations
- Client Accounts Opened by Professional Intermediaries (lawyers, external accountants, auditors)
- Charitable / Non-profit Organizations
- Entities established under Free Trade Zones
- Mutual Funds
- Embassies and Diplomatic Missions
- Overseas Public Sector Bodies

In addition to EDD, PEPs & Correspondence Banking Clients are accepted subject to Senior Management approval.

All customers are accepted subject to providing an original and valid identity document, screening, and residential address documentation.

Identity and account information is updated and reviewed from time to time as required and as per the customer's risk classification Policy.

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Balad Bank keeps updated sanction lists of persons and organizations suspected of criminal activity, obtained from the information furnished by the Central Bank circulars, OFAC, HM-UK, EU, and UN.

In addition to our detailed KYC procedures, Balad Bank has an automated system to scrutinize all new and existing accounts on a daily basis against the updated sanction lists. Enhanced due diligence is performed on all wire transfers to/from High-Risk Countries.

### **Transactions Monitoring System**

Our AML procedures require that special care and scrutiny is carried out on any large or unusual transaction(s) that have no commercial or economic purpose and to verify the source of the funds. Our internal systems are designed to highlight significant transaction(s) so that such transaction(s) require a second review before execution. Our automated AML system detects and alerts suspicious transaction(s) and our exception reports are designed to monitor such transactions. The Financial Information Unit (FIU) requires that a Suspicious Transaction Report (STR) be submitted for Suspicious Cases. Information reported to FIU includes all details of the transaction as well as identity details of the customer. STR is prepared and sent to FIU by the Compliance Department.

### **Record Keeping**

Balad Bank has a record-keeping policy in place which is based on Central Bank of Sudan (CBOS) requirements and its own needs.

Identification and account opening records are retained for five years after the closing of a relationship. Records relating to financial transactions and electronic funds transfer instructions are held for five years from the date of the transaction.

Records relating to AML Training, Compliance Monitoring, and Internal and External Suspicious Transaction Reports, are also retained for a minimum of five years.

### **Staff Training**

The Compliance Department conducts regular training programs for all branches and Head Office Staff of Balad Bank. Staff involved in the compliance function are encouraged to keep themselves updated on the latest regulations on money laundering.

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مصرف البلد  
Balad Bank

## Independent Review

### External Review:

Balad Bank's Compliance function is subject to audit by External Auditors.

### Internal Review:

Internally, an independent audit of Balad Bank's AML function is conducted annually or more frequently as required by the Internal Audit in order to assess and evaluate the effectiveness of Balad Bank's AML Program.


  
**Asaad Gubara**  
**Head of Compliance & CG**



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