

Summary of Nordea Anti-Money Laundering/Counter Terrorist Financing (“AML/CTF”) and policy and practises – October 2018

At Nordea, the cornerstone of our business is being a responsible member of society. We use our skills, expertise, knowledge and relationships to make a positive difference to the society and our customers, external stakeholders, authorities and other counterparties.

Strong financial crime risk management practices are one of the most powerful tools in fighting financial crime. Managing the risk of financial crime is vital to achieving Nordea’s commitment to serving as a positive contributor in society.

Nordea is committed to complying with all applicable AML/CTF laws and regulations in the jurisdictions in which it operates. Therefore we have established global policy and instructions in order to achieve robust and consistent standards of compliance in such jurisdictions. Nordea’s global AML/CTF framework and practises implementing the framework support the broader customer strategy, values and vision, and provide a uniform set of risk management principles and mandatory standards throughout the Nordea Group.

Nordea’s AML/CTF framework and practises are based upon the various laws, regulations and regulatory guidance from Financial Action Task Force (“FATF”), the United Nations, the European Union, Sweden, Denmark, Finland, Norway, the United Kingdom, the United States of America, and, as applicable, other local jurisdictions in which Nordea operates.

Nordea’s AML/CTF framework includes but is not limited to:

- The appointment of a Global Money Laundering Reporting Officer (“MLRO”) and similar Country positions as required by local regulation.
- Group Global AML/CTF Policy and Standards that define the minimum standards which all Nordea branches and subsidiaries must comply with, including:
 - Risk based approach in prevention of money laundering.
 - Defined accountabilities and responsibilities throughout the group for prevention of money laundering and terrorist financing.
 - Establishment of Know Your Customer (“KYC”) standards including Customer Due Diligence (“CDD”) processes to be followed when new customers are on-boarded, and Ongoing Due Diligence (“ODD”) performed. Conducting enhanced due diligence (“EDD”) on customers assessed as higher risk, such as Politically Exposed Persons (“PEPs”), their family members and close associates.
 - Establishing processes and systems designed to screen and monitor customer transactions for the purpose of identifying prohibited or suspicious activity.
 - The investigation and subsequent reporting of suspicious activity to the appropriate regulatory bodies.
 - Mandated regular independent testing and regular AML training for all staff.
- The prohibition of certain products, services and customer types such as:
 - Anonymous accounts or numbered accounts or customers seeking to maintain an account in an obviously fictitious name.
 - Shell banks, i.e. banks with no physical presence or staff.
- Any relevant additional local requirements.

To drive global adherence to these frameworks and ensure embedding has taken place, Nordea has invested in a centralised financial crime change programme whose objectives address all fundamental areas of financial crime, including Governance, KYC, Sanctions Screening, Transaction Monitoring. These programmes support Nordea's policies, procedures, technology changes, improvements, and enhancements to establish a group-wide and sustainable standard for the prevention of financial crime.

A link to our Wolfsberg Group statement can be found here.

<https://www.nordea.com/Images/33-49775/Wolfsberg-AML-Questionnaire.pdf>