

Group standard for anti- money laundering and counter- terrorist financing (AML/CTF)

Issued by Board of Directors in DNB ASA, valid from 27th of April 2018.

Purpose

The compliance policy states that DNB shall operate with integrity and honesty, and in keeping with sound business practices. DNB shall operate in compliance with requirements set out in external and internal regulations (compliance). Compliance risk in DNB shall be low. Compliance risk is the risk of regulatory sanctions, financial loss or loss of reputation as a result of fraudulent actions, failure to maintain sound business practices or non-compliance with applicable regulations.

DNB's initiatives within anti-money laundering and counter-terrorist financing are firmly rooted in the Norwegian Money Laundering Act and DNB's role as a responsible player in Norwegian society. The Group aspires to promote a healthy business community, help reduce financial crime and prevent DNB from being involved in financial crime. DNB will help counteract and detect money laundering and terrorist financing through robust control measures and sound internal control.

The standard sets out principles to ensure compliance with international anti-money laundering regulations, and covers the following topics:

- Top level commitment
- Risk assessments
- Risk-based procedures and processes
- Risk-based customer due diligence
- Communication and training
- Monitoring and follow-up

Scope

DNB's governing documents (the compliance policy and associated standards – "Governing Documents") apply to all companies in the DNB Group, including its international operations. In the event of any inconsistencies, laws and other relevant external rules will take precedence over the Governing Documents. The owner of the standard shall be notified of such inconsistencies.

The Governing Documents do not apply to:

- companies in which DNB has no controlling interest, as defined in the Norwegian Limited Liability Companies Act,
- companies which DNB has acquired for temporary ownership, and
- companies which DNB owns jointly with other financial institutions.

Principles

1. Top level commitment

The Board of Directors shall appoint a person at senior management level with a particular responsibility for following up anti-money laundering efforts.

DNB's senior management has principal responsibility for the Group's anti-money laundering efforts, which includes preparing risk assessments and risk-based procedures and control measures.

2. Risk assessments

The risk of transactions associated with money laundering and terrorist financing must be identified and evaluated on a regular basis. Risk assessments are a prerequisite for a risk-based approach and form the basis for establishing risk-based procedures, processes and control measures.

3. Risk-based procedures and processes

DNB shall have adequate, effective and appropriate procedures for:

- Risk assessments
- Risk-based customer due diligence and ongoing monitoring
- Investigations and reporting
- Documentation and storage
- Internal control and risk management, including compliance monitoring
- Communication and training

4. Risk-based customer due diligence

DNB shall carry out risk-based customer due diligence. Customer information used in the customer due diligence shall be documented, and the documents must be stored in a safe manner.

5. Communication, including training

All employees and others who perform tasks on behalf of DNB must have the necessary knowledge of the anti-money laundering regulations. The training shall be based on responsibilities, roles and functionality, and the scope of such training shall be risk-based.

6. Monitoring and follow-up

DNB shall implement risk-based ongoing monitoring of customer relationships and transactions. In addition, DNB shall investigate suspicious transactions and report these to the relevant authority if the suspicion is not dispelled. Compliance with DNB's anti-money laundering regulations, including risk management, shall also be monitored.

DNB's global internal anti-money laundering regulations elaborate on and provide

guidance for the operationalisation of international anti-money laundering regulations.

Definitions

In Norwegian legislation, money laundering comprises actions described in the Norwegian Penal Code, Section 332 (receiving proceeds from crime) and Section 337 (money laundering):

- receiving or obtaining for yourself or others part of the proceeds of a criminal act (receiving proceeds from crime),
- providing assistance in safeguarding the proceeds of a criminal act for another person by, for example, collecting, storing, concealing, transporting, sending, transferring, converting, disposing of, pawning or investing them, or by converting or transferring assets (money laundering), and
- by other means concealing or obscuring where the proceeds of a criminal act you have personally committed, are located or originate from, who controls them, their movements or rights associated with them (money laundering – often referred to as self-laundering).

According to Norwegian legislation, terrorist financing is defined as providing financial support or raising money for individuals or groups that intend to use it to commit terrorist acts, cf. Sections 131-136 a of the Penal Code.

DNB uses the international terms anti-money laundering (AML) and counter-terrorist financing (CTF).

Roles and responsibilities

- The group chief compliance officer (GCCO) is the owner of the standard.
- All group executive vice presidents have executing responsibility.
- Compliance shall be monitored according to the three lines of defence.
- All managers are responsible for reporting non-compliance with the principles in the standard.

Special roles associated with anti-money laundering:

- Group AML officer

The compliance policy states that the Board shall appoint a group AML officer.

- Local AML officers

All business areas, international offices and companies in the DNB Group with an extensive business scope shall have local AML officers. With respect to staff and support units, the group AML officer shall be consulted to determine whether there is

a need for a local AML officer.

Local AML officers will be part of the local second-line compliance function and will report to the group AML officer.

The group AML officer shall be involved in the process of appointing and dismissing local AML officers. All communication shall be documented in writing.

The compliance policy states that:

All employees are responsible for ensuring compliance with external and internal regulations

Employees in DNB have an independent responsibility for helping to ensure that the Group complies with applicable regulations (compliance). Employees shall familiarise themselves with the regulations that are relevant to their own work. Employees are responsible for their own learning and shall complete training activities as agreed with their immediate superior.

DNB shall make sure that applicable regulations are readily available to its employees and offer necessary training. Managers shall ensure that the employees understand their responsibilities, proactively observe the regulations, and complete the required training activities.

Employees have the right and duty to report non-compliance with regulations (compliance violations), and other aspects that could affect compliance risk, to their immediate superior or via DNB's whistleblowing channel.