

**CERTIFICATE
Of
Raiffeisenbank (Bulgaria) EAD Wide Compliance, Anti-Money Laundering, Financial
Sanctions and Counter-Fraud and Counter-Corruption Rules and Regulations**

This is to notify you that **Raiffeisenbank (Bulgaria) EAD** and all its branches and subsidiaries fully comply with the Bulgarian Law for the Measures against Money Laundering and with the provisions set out in Council Directives on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (2015/849/EU).

Such provisions have been included in Bulgaria:

1. Measures Against Money Laundering Act {regulate preventive measures against using the financial system for money laundering purposes, as well as organizations and control over such measures};
2. Measures against the Financing of Terrorism Act (defines the measures against financing of terrorism, as well as procedure and control with respect to the application of the said measures).

Further, **Raiffeisenbank (Bulgaria) EAD** has developed and implemented anti money laundering programs and principles that are designed to aim for compliance with the applicable anti-bribery and anti-corruption laws and regulations.

Raiffeisenbank (Bulgaria) EAD

- License No: B12 issued by the Bulgarian National Bank, last change with order RD 22-2254/16.11.2009
- Registration No: 831558413
- Supervisory Authorities: Bulgarian National Bank, Bulgarian Financial Supervision Commission and Bulgarian Financial Intelligence Agency

The following procedures, which have been approved by senior management and are appropriately exercised in compliance with local legal requirements, are to be understood as the minimum requirements for the **Raiffeisenbank (Bulgaria) EAD**, include but are not limited to:

General Note

- Board of Management approved AML/Compliance Officer
- Senior Management approved written policies

Customer Due Diligence

- Identifying the customers and verifying the identity thereof on the basis of documents, data or information obtained from reliable and independent sources;
- Identifying the beneficial owner and taking reasonable measures to verify the identity
- Clarifying the ownership structure and control of the client;
- Collecting information and assessment of the purpose and nature of the business relationship
- Clarifying the source of funds in the cases provided for in law;
- Ongoing monitoring of the established business relationship and verifying the transactions and operations carried out throughout the course of the mentioned relationship, as to whether these transactions and operations are consistent with the risk profile of the customer and with the information collected

In cases where the bank cannot meet the requirements for a CDD, it is obliged to refuse to perform the operation/transaction or to establish a business relationship. In the cases of already established business relationships, in which the bank cannot fulfill the requirements

for CDD measures, it is obliged to terminate these relationships – this is agreed with the AML Supervisor or the Head of Compliance Dept.

Risk-based approach

- **the client risk** (incl. the beneficial owner of the client)- the risk of the type of client or business activity they exercise
- **the country risk** (the country where the client or his beneficial owner is registered, established or carries its business activity or with which he is otherwise connected);
- **the product risk** – risk of the products and services used as well as the type of transactions/ operations performed;
- **the delivery mechanism** used for products, services, transactions and operations
- **other relevant information** collected by the Bank during the CDD process to include into the client risk assessment

Customer Documentation

- record keeping
- these records must be kept for 5 years
- regular updating of customer data

Transaction Monitoring

- automated transaction monitoring
- plausibility checks of account activities
- analysis of payment corridors
- screening of unusual, complex and conspicuous transactions
- evaluation of effectiveness of scenarios

Suspicious Transaction Reports

- written procedures based on Compliance/AML risk indicators
- to Bulgarian Financial Intelligence Agency Directorate of the State Agency For National Security

Financial Sanctions

- **Raiffeisenbank (Bulgaria) EAD** implements all applicable financial sanctions and embargoes. For sensitive cases stricter rules may apply, for example business with Syria or North Korea is not executed
- real time screening of transactions against all applicable lists (EU, UN, OFAC, UK-HMT, local)
- daily screening of existing clients against list of sanctions (EU, OFAC, UK-HMT, local)

Counter-Fraud and Counter-Corruption

- explicit prohibition of any fraudulent activities as well as bribery and facilitation payments communicated to all employees and published in RBI's Code of Conduct and mandatory Group Regulations applicable for all entities
- responsibilities assigned for all measures related to fraud and corruption prevention in Head Office and all subsidiaries with a direct reporting line to the relevant Group function in Vienna
- risk based models for countries, entities, and industries
- implementation of consistent counter-fraud and counter-corruption framework in all entities including automated reporting mechanisms

- annual control assessments regarding reliability and efficiency of the respective control frameworks
- disciplinary measures in case of breaches
- close and regular information exchange between AML and Counter-Fraud functions
- whistleblowing hotline and other disclosure methodologies in place

Training

- new employees have to attend AML training within the first 3 months of joining **Raiffeisenbank (Bulgaria) EAD**
- annual training for employees with direct or indirect customer contact (i.e. Relationship Manager or Sales Department)
- trainings are provided in the form of e-learnings and/or classroom trainings depending on necessity and requirements of the employees
- ad hoc trainings
- advanced training sessions
- training communicates at least knowledge about
 - o money laundering and sanctions
 - o the importance of knowing the customers businesses and behavior
 - o methods and techniques of money laundering, fraud, bribery and corruption o how to detect possible money laundering and fraud
 - o setting first proper actions in case of suspicion
 - o general employee compliance duties
- the participation is documented for every single employee (name, date of attendance, contents)
- regular verification of quality and efficiency of our policies

For all Compliance related issues, such as AML, Financial Sanctions and Counter-Fraud and Counter-Corruption activities, **Raiffeisenbank (Bulgaria) EAD** has designated a Compliance Officer.

This Certificate is also valid for all branches and subsidiaries of **Raiffeisenbank (Bulgaria) EAD**.

For further information, please see our homepage www.rbb.bg or please do not hesitate to contact us at Compliance@raiffeisen.bg.

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Radmir DUKOV

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