



Level 2

Anti Money Laundering Policy – Deutsche Bank Group

Passion to Perform



Anti Money Laundering Policy - DB Group

Table of Contents

- 1. Introduction 3
- 2. Scope 3
 - 2.1. Objectives..... 3
 - 2.2. Applicability 3
 - 2.3. Definition of the Term Money Laundering 3
- 3. Requirements..... 4
- 4. Roles and Responsibilities..... 5
- 5. Record Retention 6
- 6. Associated Policies 6



Anti Money Laundering Policy - DB Group

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 maintain 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 training.

2. Scope

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.

2.2. Applicability

According to section 25g of the German Banking Act (§25 g 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.

2.3. Definition of the Term Money Laundering

Money Laundering is the participation in any transaction that seeks to conceal or disguise the nature or origin of funds derived from illegal activities such as, for example, 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":

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



Anti Money Laundering Policy - DB Group

- 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.

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

3. Requirements

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

- **Ascertainment of customer identity¹:**
 - When entering into a lasting business relationship,
 - When performing a single transaction or deal,
 - Before accepting cash or other physical values worth 15,000 EUR or more (or equivalent) outside an existing business relationship
- **Establishment of purpose of business relationship¹:** 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 Owner¹:** 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 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.

¹ For procedures for client identification, identification of the ultimate beneficial owner or establishment of the purpose of a client relationship, please refer to the “Know Your Customer Policy – DB Group”, the Global Divisional KYC Policies and implementing local KOPs.



Anti Money Laundering Policy - DB Group

- **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.
- **Embargo Requirements:** Deutsche Bank will adhere to all applicable embargo requirements and will check clients and transactions against applicable embargo lists².

4. Roles and Responsibilities

Global Head of Anti Money Laundering and Group Embargo Officer

- Chairs the Group AML Executive Committee
- Determines the structure and resource levels of AML globally
- Is responsible for the Global AML Strategy and oversees all AML change projects
- Ensures resources are deployed effectively to support the Business in mitigating AML risks
- Drives communication to the Board and other stakeholders with respect to issues concerning AML
- Represents AML at Board, Senior Group Committees and at senior corporate level as appropriate
- Maintains relationships to Group's external auditors, regulatory and other authoritative bodies
- Controls, manages and administers AML's global budget and resources planning processes
- Is responsible for AML systems, technology, AML Risk Analysis, MIS and operations

AML Business Partners

- Have a solid reporting line to the Global Head of AML
- Represent Group AML at senior management level in business areas
- Communicate all critical issues to the Global Head of AML
- Determine the AML strategy, resource requirements and advisory approach for their business line; subject to approval by the Global Head of AML
- Communicate with Regional Heads on a timely and effective basis for regional matters
- Coordinate the regional business partner contacts executing advisory for the business
- Are responsible for the global AML strategy at respective business level
- Develop best practices for respective business divisions

AML Regional Heads

- Have a solid reporting line to the Global Head of AML
- Represent Group AML at senior regional level
- Formulate regional overlay to global strategy
- Recruit resources in conjunction with Business Management and Business Partners to meet the needs of the global strategy
- Execute regional aspect of global and local strategy
- Manage local regulatory and regional management relationships
- Communicate with Business Partners on a timely and effective basis for divisional matters
- Responsible for day-to-day management and administration of regional resource pool
- Input to global AML strategy

Group Embargo Officer

- Protects the bank from legal, regulatory and reputational risk with regard to business involving sanctioned entities and / or countries

² For more detailed information, please refer to the "Embargo Policy – DB Group"



Anti Money Laundering Policy - DB Group

- Develops and maintains the Group Embargo Policy and the Special Risk Clients Policy
- Defines the embargo monitoring requirements
- Supports DB entities on issues related to DB's embargo processes and regulatory requirements
- Conducts staff training regarding embargo regimes
- Defines transactions which need to be monitored against applicable embargo lists
- Supports and completes special reputational Risk Policies like the Credit Directives related to transactions from certain predefined high risk areas.

Country Anti Money Laundering Officers

- Have a direct reporting line to local management and a functional reporting line to the Regional Head of AML
- Are responsible for the implementation of the applicable Group Policies on AML, KYC & Embargo
- Ensure that local guidelines and procedures are in line with local Anti Money Laundering laws / regulations and the applicable German AML regulation
- Define within their local jurisdiction relevant policies and procedures
- Are the primary point of contact with their local regulators and law enforcement authorities
- Are responsible for the local AML Risk Analysis
- Are responsible for the implementation of adequate monitoring – research /surveillance tools
- Track and follow up on the conditions that have been imposed as part of the KYC approval
- Develop and maintain procedures and systems to ensure that unusual and suspicious transactions are reported to Group AML (if not explicitly forbidden by local law) and to local authorities in accordance with local law.
- Develop and carry out adequate controls to ensure that all applicable legal and regulatory AML requirements are being adhered to in their jurisdiction.
- Sign-off in the New Product Approval and Smartsourcing process where appropriate.

Legal Entity Anti Money Laundering Officers

- have a reporting line to the Country AMLO and/or, insofar as a legal entity is part of only one business division, to the respective Divisional AMLO
- are responsible for the fulfilment of all requirements imposed by local laws and regulations as well as global minimum standards
- prepare the legal entity AML Risk Analysis, as appropriate

5. Record Retention

Records must be kept of all transaction data and data obtained for the purpose of identification, as well as of all documents related to money laundering topics (e.g. files on suspicious activity reports, documentation of AML account monitoring, etc.). Those records must be kept for a minimum of 5 years

6. Associated Policies

Global Compliance Core Principles – DB Group
Global Know Your Customer Policy – DB Group
Global Embargo Policy – DB Group
Global Special Risk Clients Policy – DB Group