

# Financial Crime Compliance Statement



**Bank of  
Ireland**



## **Our Commitment to Protecting our Customers, Colleagues and Communities**

Playing our part in financial crime prevention is essential to protecting the integrity of the financial system in which Bank of Ireland Group, our customers and communities, and wider society operate. Financial Crime can undermine democratic processes, distort free market competition, and threaten basic human rights.

Financial crimes may take many forms; human trafficking, money laundering, terrorism and drug trafficking, corruption and tax evasion, which individually and collectively pose huge economic and societal costs. Preventing the money flow from these illegal activities through the banking system is paramount to disrupting the criminals involved. Banks and other financial institutions are therefore key players in the fight against financial crime.

At Bank of Ireland, we are committed to

- ▶ protecting our customers, colleagues and communities from the adverse effects of financial crime; and
- ▶ supporting government and regulators in effective financial crime prevention.

At Bank of Ireland, we have no tolerance for breaches of Financial Crime legislation or regulation. We have designed and implemented a comprehensive Financial Crime Compliance framework to detect, prevent and deter financial crimes. Over the past number of years, we have invested in our people and systems to support our financial crime prevention ambition.

In Bank of Ireland, the Financial Crime Compliance framework comprises three distinct elements:

- ▶ Anti-Money Laundering Programme, which concerns the risk that the Bank is used by customers or third parties to facilitate money laundering.
- ▶ Terrorist Financing and Financial Sanctions Programme, which concerns the risks
  - ▶ that Bank of Ireland is used by customers or third parties to facilitate terrorist financing; and
  - ▶ that Bank of Ireland provides access to financial services to individuals /entities on the EU, HM Treasury or Office of Foreign Assets Control (OFAC) sanctions lists.
- ▶ Anti-Bribery and Corruption Programme, which is defined as the risk that bribery and corruption is not effectively managed within the bank or through its third parties.

Money Laundering and Terrorist Financing, Financial Sanctions and Bribery and Corruption have been consistently rated as top regulatory compliance risks by Bank of Ireland in recent years, and are the focus of increasingly significant regulatory scrutiny, both internationally and domestically.

We have a dedicated Financial Crime Compliance framework with the objective of ensuring that any financial crime risks identified are appropriately mitigated. This is achieved by establishing board-approved, overarching policies, principles, and standards and implementing appropriate controls, to protect Bank of Ireland, its customers, colleagues and communities from financial crime risk.

# Anti-Money Laundering Compliance Policy Statement

Bank of Ireland is committed to prevention and fight against money laundering and the funding of terrorist and criminal activities.

Bank of Ireland implements and operates an Anti-Money Laundering and Counter Terrorist Financing Programme to ensure that:

- ▶ risks identified by the Bank are appropriately mitigated;
- ▶ the Bank meets its legal and regulatory requirements in relation to knowing and protecting its customers;
- ▶ the Bank, its employees and shareholders are protected.

The Bank's Anti-Money Laundering (AML) and Counter Terrorist Financing (CTF) programme includes:

- ▶ The appointment of a Money Laundering Reporting Officer (MLRO);
- ▶ Policies, Policy Standards and procedures based on various laws, regulations and regulatory guidance from the Central Bank of Ireland, the European Union, the United Kingdom, United States of America and, as applicable, local jurisdictions in which Bank of Ireland does business;
- ▶ Appropriate Customer Due Diligence (CDD) completed on customers and beneficial owners including Risk Assessments and Screening;
- ▶ Enhanced Due Diligence measures in relation to customers presenting a higher risk, such as Politically Exposed Persons (PEPs) including Senior Business Management approval;
- ▶ Ongoing monitoring of customer relationships including ongoing Sanctions and PEP screening;
- ▶ Reporting of any instances where there are reasonable grounds to suspect that a money laundering or terrorist financing offence has been, or is being, committed to the relevant authority;
- ▶ Provision of regular training to all employees of the Bank of Ireland Group including Board of Directors, including annual mandatory web-based training.

# Sanctions Compliance Statement

Sanctions, as defined, are restrictive measures imposed on individuals or entities or countries in an effort to curtail their activities and to exert pressure and influence on them. Sanctions regulations are derived from the foreign and security policies of the United Nations, the European Union, the United Kingdom and the United States, amongst others.

Bank of Ireland Group has a zero tolerance for breaches of Sanctions Regulations applicable in the jurisdictions in which the Bank operates. Bank of Ireland will not knowingly provide banking services to persons, entities, vessels or countries where the provision of such a service breaches, or has the potential to breach, those Sanctions Regulations.

The purpose of the Bank of Ireland Sanctions Compliance Framework is to set out:

- ▶ The minimum standards which must be applied to enable the Bank to comply with the Sanctions Regulations applicable to each of the jurisdictions in which it operates;
- ▶ The process through which the Bank manages its exposure to the sanctions risk across each of the jurisdictions in which the Bank operates; and
- ▶ The standards applied by the Bank to enable it to adhere to the sanctions restrictions relating to the financing of trade, including country/trade embargoes and dual-use (or potentially dual-use) goods, to the extent reasonably practicable.

## Important notes

- ▶ Sanctioned Country means any country or other territory subject to a country-wide export, import, financial or investment embargo which, as of the date hereof, includes Iran, North Korea, Syria and Crimea; and additionally Cuba in respect of transactions which have a nexus to the United States. There are comprehensive sanctions in place against each of the Sanctioned Countries and accordingly, it remains outside the Bank's risk appetite (and profile) to provide financial services to customers resident, incorporated or otherwise located in the Sanctioned Countries or where we are on notice that customer funds either originate in or are ultimately destined for use in these countries.

- ▶ Bank of Ireland prohibits business activity, including the commencement or continuation of customer relationships or provision of products or services or facilitation of transactions that the Bank believes may violate applicable Sanctions Regulations or the Bank of Ireland Group's Sanctions Policy Standard. This includes prohibitions on business activity with individuals or entities named on a sanctions list or activity, directly or indirectly, involving Sanctioned Countries.
- ▶ In order to comply with its obligations under applicable Sanctions Regulations, the Bank screens all incoming and outgoing cross-border electronic payments and paper instruments (international cheques and drafts) that are received from, or destined for, an account outside of the Republic of Ireland or the United Kingdom in real-time against relevant Sanctions Lists before the payments/ instruments are executed.

In the event that a payment generates a reported violation which requires investigation, Bank of Ireland reserves its right to delay or decline same pending completion of our obligations in this regard.

Bank of Ireland reserves the right to decline any application or transaction which falls outside our risk appetite or is contrary to our Group Sanctions Policy Standard.

# Anti-Bribery and Corruption Compliance Statement

At Bank of Ireland, we are committed to maintaining the highest standards of business conduct and ethics wherever we operate or do business. Bank of Ireland has a zero tolerance policy towards bribery and corruption, whether as an initiator or recipient, including the facilitation of tax evasion.

This means that we must comply with all applicable anti-bribery and corruption laws, in all markets and jurisdictions where we operate. These laws include the Criminal Justice (Corruption Offences) Act 2018, the UK Bribery Act, and the US Foreign Corrupt Practices Act.

Bank of Ireland's Anti-Bribery and Corruption (ABC) compliance programme and policies are overseen by the Board on a regular basis.] Bank of Ireland requires all employees, including the Board of Directors and Associated Parties, to comply with all principles in the ABC Policy in the performance of their services for or on behalf of the Bank.

Bank of Ireland does not consider any business arrangements that involve bribery and corruption to be binding.

The purpose of the Bank of Ireland's Anti-Bribery and Corruption Policy statement is to set out:

- ▶ The minimum standards that enable the Bank to comply with the Anti-Bribery and Corruption regulations applicable to each of the jurisdictions in which the Bank operates;
- ▶ The standards applied by the Bank to ensure that a consistent approach to prevent, identify, manage and remediate ABC risks is implemented across all Business Units; and
- ▶ The roles and responsibilities, under the three lines of defence model, in managing bribery and corruption risk.

Bank of Ireland's ABC Compliance Programme seeks to address the following key risks:

- ▶ Employees or Associated Parties of the Bank:
  - ▶ being influenced or compromised due to the acceptance of a promise or offer of any type of bribe; including
  - ▶ paying or offering any type of bribe in order to gain any commercial, contractual, regulatory or personal advantage;
  - ▶ engaging in either active or passive corruption in order to gain an undue advantage;

- ▶ facilitating tax evasion by an individual tax payer or entity irrespective of jurisdiction;
- ▶ The Bank entering into business collaborations, joint ventures or partnerships due to the acceptance or offer of any type of bribe;
- ▶ Inadequate processes or procedures in place to identify and manage bribery and corruption risks to which the Bank may be exposed; and
- ▶ Failure to maintain adequate records to monitor the risk of bribery and corruption.

Based on the above key risks, the ABC Programme focuses compliance on the following:

- ▶ **Employee Risk:** we are required by Policy to have appropriate controls in place to manage risks and maintain records when offering or accepting gifts or hospitality; sponsorships, or other advantage or when engaging in charitable donations. Donations to political parties are expressly forbidden.
- ▶ **Resourcing Risk:** In connection with recruitment, it must be fair and consistent, merit-based, and in keeping with the hiring standards applied by Bank of Ireland. Hiring, in paid or unpaid, temporary or permanent roles, must not be used to improperly influence third parties, or to gain advantage.
- ▶ **Third Party/ Supplier Risk:** we are required by Policy to ensure that appropriate due diligence and controls are applied to any third party Bank of Ireland engages, to ensure that they comply with all applicable anti-bribery legislation and regulation. When a third party performs services for or on behalf of Bank of Ireland, additional controls are applied to manage the enhanced risks from Associated Parties.
- ▶ As part of the prevention, identification and remediation of ABC issues, mandatory training is conducted throughout Bank of Ireland on an annual basis, in addition to targeted training tailored to individuals working in roles with a higher risk of exposure to bribery and corruption risk
- ▶ Bank of Ireland carries out regular ABC Enterprise-wide Risk Assessments, independent and effective monitoring and oversight of controls, and testing of its ABC programme.
- ▶ **Speak Up:** Bank of Ireland also maintains clear whistleblowing policies and processes, to ensure that individuals can confidentially report concerns, without fear of retribution, confident that these will be investigated and remediated as required.



Bank of Ireland is regulated by the Central Bank of Ireland.

