



## D YATIRIM BANKASI A.Ş.

# POLICY ON PREVENTION OF LAUNDERING PROCEEDS OF CRIME AND FINANCING OF TERRORISM

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Internal Control and Compliance

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## TABLE OF CONTENTS

<b>1. PURPOSE AND SCOPE .....</b>	<b>1</b>
<b>2. UNDERLYING.....</b>	<b>1</b>
<b>3. GENERAL PRINCIPLES .....</b>	<b>1</b>
<b>3.1. KNOW YOUR CUSTOMER / CUSTOMER IDENTIFICATION AND DETERMINATION OF ULTIMATE BENEFICIAL OWNER.....</b>	<b>1</b>
<b>3.2. MONITORING AND REPORTING SUSPICIOUS TRANSACTIONS/ACTIVITIES .....</b>	<b>2</b>
<b>3.3. CONFIDENTIALITY .....</b>	<b>2</b>
<b>3.4. RECORDING AND RETAINING .....</b>	<b>2</b>
<b>3.5. TRAINING.....</b>	<b>2</b>
<b>3.6. COMPLIANCE CONTROL AND CONTINUOUS IMPROVEMENT .....</b>	<b>3</b>
<b>3.7. POLICY REVIEW .....</b>	<b>3</b>
<b>4. ROLES AND RESPONSABILITIES .....</b>	<b>3</b>
<b>4.1 COMPLIANCE OFFICER AND ASSISTANT/DEPUTY COMPLIANCE OFFICER.....</b>	<b>3</b>
<b>4.2 INTERNAL AUDIT DEPARTMENT .....</b>	<b>5</b>
<b>4.3 BUSINESS UNITS .....</b>	<b>5</b>
<b>4.3.1 NEW CUSTOMER ACCEPTANCE .....</b>	<b>5</b>
<b>5. EXECUTION AND ENTERING INTO FORCE.....</b>	<b>6</b>
<b>5.1 EXECUTION.....</b>	<b>6</b>
<b>5.2 ENTERING INTO FORCE .....</b>	<b>6</b>
<b>6. REVISION HISTORY .....</b>	<b>7</b>

## 1. PURPOSE AND SCOPE

The purpose of this policy is to determine the general principles to be followed by D Yatırım Bankası A.Ş. (the Bank) regarding KYC (know your customer), reporting transactions, maintaining records and internal control within the scope of the legal arrangements related to the prevention of laundering proceeds of crime and financing of terrorism.

The Internal Control and Compliance Department is responsible for the management of the prevention of laundering proceeds of crime and financing of terrorism within the scope of Law No. 5549 (the Law), and the Head of Internal Control and Compliance has the responsibilities and authority as the Compliance Officer. The Compliance Officer is supported by the Assistant / Deputy Compliance Officer .

The Internal Control and Compliance Department reports directly to the Audit Committee, which consists of the members of the Board of Directors and is responsible for the internal regulations of the Bank regarding the prevention of laundering proceeds of crime and financing of terrorism. All employees can access these internal regulations of the Bank through the Information Technologies (IT) Service Center.

The Compliance Officer is responsible for the Bank's internal regulations regarding the prevention of laundering proceeds of crime and financing of terrorism. In addition, Suspicious Transaction Reports are submitted to the Financial Crimes Investigation Board (MASAK) by the Compliance Officer.

The Bank carries out all its activities in accordance with high ethical standards, laws and regulations, and in line with the general principles set forth below.

## 2. UNDERLYING

This policy is based on Law No. 5549 and its sub-regulations.

## 3. GENERAL PRINCIPLES

### 3.1. Know your Customer / Customer Identification and Determination of Ultimate Beneficial Owner

The Bank takes all measures to determine the real identity of the customer / related party before performing a banking transaction or entering into a permanent business relationship with any party.

The Bank may request additional information and documents proportional to the risk level of money laundering from its customers with a risk based approach in all transactions it mediates and in line with its credit limits. Likewise, if the Bank determines whether the customer is acting as a proxy, administrator or professional intermediary on behalf of another real or legal person, it ensures that sufficient evidence is collected about the identity of the intermediary person/organization and the persons acting on its behalf, as well as the nature of the relevant power of attorney.

During the establishment of a new business relationship with customers, the "Know Your Customer" principles are followed. In this context, information and documents about the customer are obtained completely.

The Bank uses automated systems that constantly filter the real persons, entities and organizations listed in international sanction lists published by the European Union, OFAC (Office of Foreign Assets Control), UK HMT (Her Majesty's Treasury) and the United Nations Security Council.

### **3.2. Monitoring and Reporting Suspicious Transactions/Activities**

The Bank takes measures and actions regarding suspicious transactions. Paying sufficient attention to the indications that the source of funds is obtained from illegal activities or other money laundering activities, the Bank submits all suspicious transactions to MASAK (FIU). The Bank refrains from assisting parties engaged in deception of law enforcement by providing false, altered or incomplete information.

The reporting of suspicious transactions/activities is conducted in compliance with the relevant laws and regulations.

All employees who are in direct or indirect contact with the customer are trained in handling of and the procedure to be followed for transactions with suspicion of laundering proceeds of crime or financing of terrorism.

### **3.3. Confidentiality**

Bank employees and executives cannot inform customers or third parties about the content of the investigations conducted against them, that they have been notified or requested for information, that an investigation has been or may be initiated against them regarding the prevention of laundering proceeds of crime or financing of terrorism.

The Bank shall not disclose any information that the suspicious transaction has been or will be reported to anyone including the parties of the transaction, except for the information provided for the examiners assigned for supervision of obligations and for the courts during trial, that a suspicious transaction has been reported to MASAK by the Compliance Officer. In case of violation of this regulatory obligation, related persons shall be sentenced to imprisonment from one year to three years and to judicial fine up to five thousand days. Likewise, security measures peculiar to legal persons shall be adjudicated because of this offence.

### **3.4. Recording and Retaining**

In accordance with the legal legislation on prevention of laundering proceeds of crime, the Bank shall retain the documents, books and records, identification documents kept in all forms regarding their transactions and obligations established in the Law for eight years, starting from the drawn up date, the last record date, the last transaction date respectively and submit them when requested.

The Internal Audit Department is responsible for auditing these records and how they are retained, and for reporting the failures to comply with the obligations in this regard.

### **3.5. Training**

Bank employees receive training on prevention of laundering proceeds of crime and are subsequently examined so that they can take prompt and appropriate measures to identify customers and to take action in suspicious transactions. Those who fail the examination are trained again.

Training on prevention of laundering proceeds of crime is provided to all employees who are in communication with customers. These training are held at first following recruitment and then at regular 12-month intervals. In addition, employees are constantly informed about new methods of laundering proceeds of crime.

### **3.6. Compliance Control and Continuous Improvement**

The adequacy of internal regulations such as the Policy on Prevention of Laundering Proceeds of Crime and the Financing of Terrorism and the procedures and instructions issued by the Bank within this scope, and the compliance of transactions to these regulations are regularly checked; internal controls are continuously improved in accordance with the findings obtained as a result of the controls.

The Bank acts in cooperation with law enforcement and regulatory authorities in fulfilling its obligations under applicable laws.

### **3.7. Policy Review**

The Compliance Officer is responsible for the development of this Policy as approved by the Board of Directors. This Policy is reviewed at least once a year to determine whether it is in line with the nature, size, complexity of the Bank's operations and regulatory and supervisory requirements.

This policy may be subject to review outside of the specified period under the following exceptional circumstances:

- Significant changes in the organizational structure of the Bank,
- Significant changes in existing legal regulations,
- In case of publication of directives by international organizations (eg: FATF),
- If any change is required by the Bank's management in the Prevention of Laundering of Proceeds of Crime and Financing of Terrorism issues.

Changes to this policy are approved by the Board of Directors and submitted to MASAK after approval. These changes are marked and recorded in the document history and the latest version and announced throughout the Bank.

## **4. ROLES AND RESPONSABILITIES**

Combating Laundering Proceeds of Crime and Financing of Terrorism is the responsibility of all Bank employees . For this reason, the following organizational structure has been established for the Prevention of Laundering Proceeds of Crime and Financing of Terrorism:

### **4.1 Compliance Officer and Assistant/Deputy Compliance Officer**

The Term "Compliance Officer" refers to the officer employed and equipped with the necessary authority in order to ensure compliance with the obligations imposed by the Law no. 5549 on the Prevention of The Laundering Proceeds of Crime and the legislation enacted on the basis of this law.

The duties and responsibilities of the Compliance Officer are as follows:

- To carry out the necessary studies in order to ensure the compliance of the Bank with the Law No. 5549 and the regulations issued in accordance with this law, and to ensure the necessary communication and coordination with MASAK,
- Establishing the Bank's policies and procedures and submitting the Bank's policies to the approval of the Board of Directors,
- To carry out risk management activities related to AML issues,
- To establish monitoring and control policies and procedures and to carry out activities related to them,
- Submitting the training program for prevention of laundering proceeds of crime and financing of terrorism to the approval of the Audit Committee and ensuring the effective implementation of the approved training program,
- To evaluate the information and findings, obtained by conducting researches within the scope of his authority, and possibilities about the transactions that may have been communicated to him or that may be suspicious, and to inform MASAK of the transactions he has decided to be suspicious,
- To take the necessary measures to ensure the confidentiality of notifications and other related issues,
- Keeping information and statistics on internal audit and training activities regularly and submitting them to MASAK until the end of March of each year, as specified in the Regulation,
- Establishing appropriate procedures for the control and review of alerts generated by IT systems used for the detection and monitoring of suspicious or unusual transactions, Submitting the annual compliance report to the Audit Committee in accordance with current regulations, Responding to written requests forwarded by MASAK,
- Receiving suspicious transaction reports submitted by employees and collecting information about circumstances that are considered to be related to laundering proceeds of crime and financing of terrorism (all notifications are kept in a separate file),
- To ensure that the alerts generated by the IT systems used regarding suspicious or unusual transactions are received and the necessary controls are carried out,
- To monitor and evaluate whether the Bank's procedure for the Prevention of Laundering Proceeds of Crime and Financing of Terrorism is implemented in accordance with the rules. In case the Compliance Officer identifies any deficiencies, absence or risks arising from existing customers, new customers, products and services, s/he provides in writing her/his advisory opinions regarding the appropriate corrective measures to be taken.
- Evaluating the procedures applied by the third party in cases where the bank applies the principle of reliance on third parties in identification and confirmation and conveying its recommendations to the Management,
- When necessary, taking corrective measures on prevention of laundering proceeds of crime and financing of terrorism based on the audit findings carried out by MASAK or making recommendations in this regard,
- Evaluating Internal Audit findings in order to take corrective measures in the AML/CFT issues.

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- To ensure that all measures are taken by the business units in order to fully comply with the requirements of regulatory authorities.

The Assistant/Deputy Compliance Officer supports the Compliance Officer in the above mentioned matters and additionally performs the following duties;

- Developing the policy on Prevention of Laundering Proceeds of Crime and Financing of Terrorism and carrying out monitoring activities to ensure compliance with the policy,
- Updating the policy and procedures when necessary,
- Participating in the process on the development and documentation of procedures for the Prevention of Laundering of Proceeds of Crime and Financing of Terrorism,
- Working with the Human Resources Department on preparation of training materials and the development of training programmes regarding the Prevention of Laundering Proceeds of Crime and Financing of Terrorism,
- Making recommendations on the measures to be taken in relation to the findings of the Internal Audit Department and regulatory / supervisory authorities on Prevention of Laundering Proceeds of Crime and Financing of Terrorism, and monitoring the corrective actions taken,
- Taking steps to ensure the correct operation of IT systems used for the Prevention of Laundering Proceeds of Crime and Financing of Terrorism,
- Supporting Business Units in the implementation of the AML/CFT Policy and procedure.

## **4.2 Internal Audit Department**

The Internal Audit Department integrates this policy and related procedures within the scope of the annual audit program. The Internal Audit Department evaluates the adequacy and efficiency of the measures taken to identify, evaluate, monitor and manage the risk related to laundering proceeds of crime and financing of terrorism.

## **4.3 Business Units**

The Bank's Departments/Units apply the principles set forth in the policy and procedure regarding the prevention of laundering proceeds of crime. Business units are specifically responsible for:

- Implementing the customer identification and verification procedures,
- Implementing customer risk assessment and classification,
- Detecting suspicious transactions and reporting them to the Compliance Officer,
- Providing information to the Internal Control and Compliance Department regarding the customers, transactions, established business relations and other necessary information in connection with the implementation of the procedure, and collecting the relevant records,
- Complying with the obligations set forth in the circular to be published on Prevention of Laundering Proceeds of Crime and Financing of Terrorism.

### **4.3.1 New Customer Acceptance**

The bank does not give loans to persons that provide confidential, unidentified, fake names or incomplete information, and does not enter business relationship with such persons. All business units of the bank

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that establish business relationships or have business relationships established with customers are responsible for the following:

- To identify and verify the identity of the customer by using documents, data and information obtained from reliable and independent sources,
- To identifying the beneficial owners of legal persons,
- To take reasonable risk-based measures to identify the beneficial owners and to constantly update this information,
- To take reasonable, risk-based measures to understand the owners and management structures of legal entities, trusts and similar legal entities,
- To obtain information about the significant transactions and activities of the customer or beneficial owner, the purpose and reason of their business relationship,
- Profiling the financial status/transaction of real and legal customers, including at least one of the following:
  - The purpose of the business relationship,
  - The amount and source of the customer's assets and income,
  - Description of the professional or commercial activities of the customer
  - To continuously monitor the business relationship, including closely monitoring the transactions and activities of customers and beneficial owners throughout the duration of the business relationship; thereby ensuring that such transactions and/or activities are commensurate with the business activities, risk profiles and, if necessary, the source of their wealth of the persons concerned,
  - Obtain all required approvals in accordance with applicable procedures on prevention of laundering proceeds of crime and financing of terrorism in case the customer is classified as a high-risk group.

The Bank ensures that the information of the customers is constantly updated throughout the business relationship and that the records related to all of the above are kept in accordance with the principles specified herein the section titled "Recording and Retaining" section.

## **5. EXECUTION AND ENTERING INTO FORCE**

### **5.1 Execution**

This policy is executed by the Audit Committee. This policy and the revisions thereto come into force after approval by the Board of Directors.

### **5.2 Entering Into Force**

This Policy has been entered into force with the decision of the Board of Directors dated 29.12.2023.



## 6. REVISION HISTORY

<b>Date</b>	<b>Update</b>	<b>Summary</b>
05.08.2021	1.0	First released.
30.12.2022	2.0	It has been updated as part of the annual review.
29.12.2023	3.0	It has been updated as part of the annual review.