

POLICY FOR THE HANDELSBANKEN GROUP ON MEASURES AGAINST MONEY LAUNDERING AND FINANCING OF TERRORISM

established by the central board on 29 April 2009

1.

Introduction

This policy is based on the Swedish law (2009:62) on measures against money laundering and financing of terrorism.

Money laundering means actions taken in order to hide or transform funds deriving from criminal activities. Financing of terrorism means the collection, provision or receipt of funds for the purposes of terrorism.

Money laundering and the financing of terrorism are jointly referred to hereafter as “money laundering”. The Swedish law (2009:62) is referred to hereafter as the “act on money laundering”.

The Bank must not participate in transactions which may be suspected of being linked to criminal activities, or of which the employees do not understand the implication. The Bank’s philosophy is that it must know its customers and understand their business. Knowledge of the customer must be maintained for as long as the customer relationship exists.

Deficiencies in the handling of these matters may lead to the risk of sanctions, financial losses, and reduced confidence in the Bank’s operations.

2.

Compliance with laws and rules relating to money laundering and particularly serious crime, etc.

The Bank’s employees must comply with the provisions in the act on money laundering, relevant enactments resolved by the EC, the directives and general guidelines of the Swedish Financial Supervisory Authority, FATF’s recommendations and Handelsbanken’s internal regulations.

Where appropriate, Handelsbanken’s international units must comply with the above regulations, and in addition comply with the laws and regulations in the countries where they conduct operations.

Every employee who handles customer transactions has a personal responsibility for ensuring compliance with the regulations.

3.

Working methods

Employees at bank branches and other local units must have good knowledge of their customers and their business. A risk-based approach must be used in taking measures to prevent money laundering. This means that the relevant risk factors relating to the Bank's customers, products and services must be identified, analysed and managed.

If, when starting a business relationship, or at a later date, it transpires that the customer was not doing business on his own account, in accordance with the principles concerning know your customer, Handelsbanken must in an appropriate manner endeavour to find the identity of the party on whose behalf the customer is acting.

4.

Organisational structure

Handelsbanken must have a central function manager with overall responsibility for the application of control systems, working procedures, decision and reporting rules, and training programmes in the Group. The central function manager will also have the task of drawing up internal instructions and will act as central support in the Group in these matters.

The central function manager is to report to the CEO. The central function manager may appoint at least one person to assist him or her and delegate powers to this person/these people.

At the regional level, Handelsbanken has co-ordinators who assist the local units in matters relating to money laundering.

All international units and subsidiaries in Sweden must have an officer who has special responsibility for matters relating to money laundering.

5.

Special instructions concerning certain banks

Handelsbanken must not have as a customer or counterparty, a bank which has been established in a jurisdiction where the bank in question does not have a physical presence and which is not related to a financial group under supervision (shell banks).

6.

Training

At least once a year, employees must be informed concerning the Bank's policy and procedures regarding money laundering. Employees must be regularly informed about changes in the applicable regulations and instructions.

All new employees who handle customer transactions must participate in a training course which explains all aspects of these matters.

7.

Protection of employees

Threats or hostile actions that may be directed at employees as a result of their investigating or reporting suspicion of money laundering must be identified and analysed. Where necessary, procedures must be updated. Incidents that occur must be investigated, and appropriate measures are to be taken.

8.

Reporting and information to the public authorities etc.

In Sweden, the central function manager, or the person to whom the responsibility has been delegated, must make decisions and submit information to the Swedish National Police Board.

Regional banks and other units outside Sweden are required to take decisions and provide information about suspected cases to the appropriate public authority within the country. The central function manager must be informed of decisions on reported cases of suspected money laundering, provided that this is compatible with the country's legislation and the requirements of the public authorities.

The function at the central level must annually inform the head of the central legal department, the central function manager for compliance, and the head of the central auditing department on issues concerning money laundering.