



**Luminor**

**LUMINOR BANK ANTI-  
MONEY LAUNDERING  
AND SANCTIONS  
COMPLIANCE POLICY  
PRINCIPLES**

July 2022

# GENERAL PRINCIPLES

We are firmly committed to respecting our regulatory, ethical, and social responsibilities and ensuring that our products, services, or channels are not used for purposes of money laundering, tax and sanctions evasion, terrorist financing and proliferation of weapons of mass destruction.

We take proportionate measures required by applicable laws where we are operating (Estonia, Latvia, Lithuania), international legal acts, best practices, and we have adopted and maintain relevant policies and standards. Our policies and standards defining anti-money laundering and implementation of sanctions are applicable to the Luminor Bank AS and all our subsidiaries, are approved by our Supervisory Council and reviewed annually.

We expect our clients, partners, vendors, suppliers and other third parties to comply with all applicable laws and regulations concerning anti-money laundering and implementation of sanctions.

## MAIN PRINCIPLES

### **Roles and responsibilities**

We implemented the three lines of defense model to ensure effective governance and oversight of money laundering and sanctions risks. We have introduced clear roles and responsibilities in respective areas with defined accountability that cannot be delegated. Our roles and responsibilities are in line with applicable laws and best practices. We perform suitability assessment of employees who are accountable for preventing us from being used in money laundering and sanctions evasion schemes. We invest and train all relevant employees to be able to recognize suspicious behavior and activities and act respectively.

### **Conduct**

We act with full transparency and collaboration with all relevant supervisory, law enforcement and regulatory authorities and duly follow guidelines issued by them. We inform our management bodies without delay on any findings and observations of external audits and supervisory authorities related to anti-money laundering and sanctions compliance areas.

### **Customer base**

We predominantly serve customers who are residents of Estonia, Latvia and/or Lithuania, and customers with a strong personal or business relation to the Baltic states. We make exceptions from our risk appetite only following internal framework where absolute limitations are not in breach and including seniority in decision making. We have set limits to continuously monitor our risk appetite and we inform our management bodies on them regularly.

### **Knowing our customers and due diligence**

We know our customers, we always identify them and their beneficial owners, we collect sufficient information to understand the purpose and intended nature of the business relationship. We verify data collected in reliable and independent sources. We conduct ongoing due diligence on customers' relationship. For customers with identified red flags we perform ongoing enhanced due diligence more often. In addition, we screen out customers against PEP (politically exposed person) lists and adverse media to identify related risks without delay. We protect all the information provided by customers concerning their data and activities.

### **Transaction monitoring and reporting**

We perform risk-based transaction monitoring on all transactions performed by our customers. We report all suspicious transactions and customer behavior to local Financial Intelligence Units. We have effective and reliable IT systems in place for monitoring and dedicated units to ensure data quality and ongoing support.

### **Implementation of Sanctions**

We implement applicable sanctions imposed by authorities of countries where we operate (Estonia, Latvia, Lithuania), United Nations and European Union. As we are resolutely committed to the protection of human rights, in addition to all statutory

obligations we voluntarily abide by the sanctions imposed by the United States and the United Kingdom. We screen all our customers and their transactions against sanctions lists in real-time. We are precautionary and reject any request to execute a transaction, provide financial services or make a deal if it can violate sanctions restrictions imposed by the above-stated Sanctions Authorities. We report sanctions breaches and possible violations to the regulatory authorities.

### **Business integrity**

We highly value ethical behavior and endeavor to prevent any breaches of external and internal legal acts. Our employees can raise their concerns about perceived malpractice or wrongdoing according to [Raising Your Concern process](#). In addition to our external Raise Your Concern form, our customers may also use third-party reporting tools and whistleblowing procedures, such as those provided by local Banking Associations or supervisory authorities. Read further on our [Raise Your Concern page](#).

## ABOUT US

Luminor is the leading independent bank in the Baltics and the third-largest provider of financial services in our region. We serve the financial needs of individuals, families, and companies. Just like our home markets of Estonia, Latvia, and Lithuania we are young, dynamic, and forward looking. Further information about us can be found at [www.luminor.ee](http://www.luminor.ee).

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