

The Housing Bank for Trade and Finance Anti- Money Laundering & Counter Terrorist Financing Statement policy

The Housing Bank for Trade and Finance (HBTF) is a regulated financial institution headquartered in Jordan and supervised by the Central Bank of Jordan (CBJ) for all its banking activities. The Bank has established comprehensive Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF) policies and procedures, including Know Your Customer (KYC) requirements in compliance with the Anti-Money Laundering and Counter-Terrorist Financing Law No. (20/2021) and the Central Bank of Jordan AML/CFT Instructions No. (14/2018).

HBTF's AML/CTF policy applies across all business activities and jurisdictions in which the Bank operates, while taking into consideration the implementation of the stricter standards whenever differences exist between the AML/CTF laws, regulations, and requirements of the home country (Jordan) and the host countries in which the Bank operates.

HBTF has implemented approved AML/CTF and Sanctions policies and procedures to ensure compliance with applicable laws and regulations related to combating money laundering, terrorist financing, and sanctions. In addition, HBTF maintains a robust KYC framework to ensure the collection of adequate customer identification information, verification, and documentation.

Customers classified as high risk are subject to Enhanced Due Diligence (EDD) measures. **Such measures include:**

1. Obtaining approval from Senior Executive Management/ Regional Management or those who authorize the same from Senior Executive Management prior to establishing or resuming relationships with such customers, including cases where the customer's or beneficial owner's risk level becomes high risk.
2. Applying appropriate measures to verify the source of wealth and source of funds of customers and beneficial owners classified as high risk.
3. Conducting ongoing and enhanced monitoring of customer relationships, transactions, and activities, while applying stricter due diligence controls over such relationships.
4. Assessing the background and purpose of transactions and business relationships involving high-risk customers where transactions appear to lack clear economic or lawful justification and maintaining proper records of the findings and decisions taken.

HBTF employs an automated transaction monitoring system that monitors customer transactions against predefined monitoring scenarios. The bank also follows a risk-based approach to monitor customer activities, evaluating risk levels based on factors such as customer type, geographic location, the products and services used, and the delivery channels. Customer information is regularly reviewed and updated in accordance with the customer's assessed risk profile.

HBTF is committed to complying with international and local Jordanian sanctions laws and regulations, including sanctions programs issued by the UN, EU, and OFAC. The Bank conducts sanctions screening on customers, transactions, and customer databases to prevent dealings with sanctioned individuals or entities. HBTF also monitors updates issued by international sanctions bodies and ensures that appropriate measures are taken in response to changes to sanctions lists, laws, and regulations.

All employees across departments, business units, and branches are required to report suspicious activities through designated internal reporting channels to the MLRO. The MLRO, in turn, escalates suspicious cases to the relevant authorities (AML/CFT Unit) when transactions are suspected of being linked to money laundering, terrorist financing, or other illicit activities, in accordance with applicable laws, regulations, and internal policies.

HBTF is committed to providing employees with ongoing training and awareness programs related to AML/CTF laws, sanctions, regulations, emerging typologies, and suspicious indicators associated with money laundering and terrorist financing, delivered through training courses, an e-learning platform, and awareness publications on policies, procedures, and internal controls.

HBTF is also committed to combating human trafficking and related financial crimes. The Bank implements appropriate controls and monitoring measures to identify and mitigate risks associated with human trafficking, exploitation networks, and suspicious financial activities linked to trafficking. Employees are trained to recognize red flags related to such activities and escalate suspicious cases in accordance with internal procedures and applicable regulatory requirements.

HBTF maintains a robust AML/CTF compliance framework and promotes a sound compliance culture across all levels of the organization. Our management is unwavering in its belief that committing to international best practices and regulatory requirements, including AML/CTF and sanctions compliance, significantly enhances transparency and ethical standards. This commitment protects the Bank's reputation and operations from compliance and regulatory risks. Therefore, HBTF views comprehensive and effective KYC, AML/CTF, and sanctions policies as integral to our overall compliance function and regulatory responsibilities

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