

## Overview of the Bank's AML/ATF Program

Money laundering and terrorist financing are financial crimes. The overarching concern shared by governments, regulatory authorities and financial institutions alike is that criminals and criminal organizations may use financial institutions for laundering funds and financing terrorist activity.

ICICI Bank Canada (the "Bank") is committed towards Canada's fight against money laundering and terrorist financing. The Bank has implemented an effective enterprise-wide Anti-Money Laundering/ Anti-Terrorist Financing ("AML/ATF") program to detect and deter money laundering and financing of terrorist activities. The approach taken by the Bank in designing the AML/TF program takes into account the nature, scope, complexity and risk profile of the Bank and its operations.

The AML/ATF program is designed in line with the legislative requirements defined in the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the related Regulations, recommendations published by Financial Action Task Force, and guidance provided by the Office of the Superintendent of Financial Institutions and the Financial Transactions and Reports Analysis Centre of Canada.

Furthermore, the AML/ATF program is also designed to comply with the applicable Canadian Sanctions i.e. sanctions imposed by Canada on specific countries, organizations, or individuals including restricting or prohibiting trade, financial transactions or other economic activity between Canada and the designated person. In addition, the Bank complies with economic or financial sanctions or trade embargoes imposed, administered, enacted or enforced from time to time by certain international authorities such as United Nations, U.S. Office of Foreign Assets Control, the European Union and the United Kingdom Treasury.

The Bank has established and implemented a comprehensive and effective AML/ATF compliance program using a risk-based approach. The principal elements of the Bank's AML/ATF program include:

- a. Oversight by the Board and Senior Management. The Bank has developed written AML/ATF policies and procedures that are kept up to date. The policies are approved by the Audit Committee of the Board on an annual basis. In addition, the Board maintains an oversight of the effectiveness of the Bank's AML/ATF program on regular basis through ongoing reporting process.
- b. Appointment a Chief Anti-Money Laundering Officer ("CAMLO"). The Bank has appointed a CAMLO who is independent of business function responsibilities. The CAMLO is a senior resource who has direct access to the Senior Management and the Board and is responsible for implementing the AML/ATF program and keeping an independent oversight on the adequacy, adherence and effectiveness of the AML controls.
- c. AML/ATF Policies and procedures. The documented policy framework and procedures specifically address the following:
  - i. Know your client requirements such as ascertaining client identity, beneficial ownership, politically exposed persons and third party determination. The Bank does not undertake any transactions or establish business relationship if it cannot verify the identity of an individual or confirm the existence of an entity;
  - ii. Process for client due diligence and enhanced due diligence under situations that are assessed to be posing higher than normal money laundering and terrorist financing risks following the approach defined in the Bank's Client Risk Management Framework;
  - iii. Requirements for monitoring client transactions to detect potential suspicious activity and submit prescribed transaction reports; and

- iv. Ongoing monitoring of high-risk business relationship for identifying unusual activity and for taking additional measures to mitigate the risks.
- d. Assessment of inherent money laundering and terrorist financing risks, based on the Inherent Risk Assessment Methodology adopted by the Bank at enterprise-wide level, drilling down to each business unit level and finally at product/service level;
- e. Training initiatives, being a key element of the AML program, to ensure that the Bank staff, including the Board and Senior Management, is up to date on the AML matters;
- f. Two-tier self-assessments carried out at an enterprise-wide level on an annual basis and for certain business functions at quarterly intervals;
- g. Independent effectiveness review of the AML program by external auditors. The effectiveness review is conducted every two years (at a minimum) to test the effectiveness of the elements of the AML/ATF program, policies and procedures, risk assessment and ongoing training program; and
- h. Record keeping and retention in accordance with applicable laws and regulations.

In summary, the Bank's AML/ATF program is aligned with business activities, regulatory developments, industry standards and best practices.

### **Compliance with Anti-Corruption Laws**

Anti-corruption and bribery in Canada is enforced principally under two federal statutes. There are several provisions in the Criminal Code that are aimed at addressing domestic corruption offences. Moreover, the federal government has enacted the Corruption of Foreign Public Officials Act which makes it an offence to directly or indirectly give, offer or agree to give or offer any form of advantage or benefit to a foreign public official to obtain an advantage in the course of business.

The Bank has adopted a zero tolerance approach to addressing issues of bribery and corruption. The Bank has adopted the Anti-Bribery and Anti-Corruption ("ABAC") Policy for addressing the issue of bribery and corruption. In addition, the Bank's Code of Conduct articulates this zero-tolerance approach. The ABAC Policy outlines responsibilities for compliance, establishes the requirement for appropriate communication and awareness training, set forth disciplinary procedures, and makes available a venue for whistleblower mechanism.

The Bank is committed to fulfill its legal and moral obligations and every employee at the Bank is working towards safeguarding the interest of its customers and stakeholders.