



3, rue d'Antin
75002 Paris
France

Paris, May 3rd, 2018

Subject: BNP Paribas Group Financial Security Program

BNP Paribas ("BNPP" or "the Bank") is a French multinational financial services company headquartered in Paris, France. The Bank is supervised on a consolidated basis by the *Autorité de Contrôle Prudenciel et de Résolution* and the European Central Bank. BNPP, including its branches and subsidiaries ("BNPP Group") is committed to economic sanctions compliance, the prevention of money laundering and corruption, tax evasion and the fight against terrorist financing.¹

As part of these efforts, BNPP Group has adopted and maintains a risk-based compliance program (the "Financial Security Program") reasonably designed to ensure conformity with applicable anti-money laundering, anti-corruption, counter-terrorist financing, and Sanctions² laws and regulations in the territories in which BNPP Group operates. Significant resources and personnel are dedicated to this end, within an integrated Compliance Function.

The Financial Security Program consists of policies, procedures, training and controls (including independent testing) which are informed by international best practices.

As part of the Financial Security Program, the Bank has established standards in anti-money laundering, compliance with Sanctions, anti-corruption and counter-terrorist financing including:

- A Know Your Customer program designed to identify and confirm the identity of its customers, including, where applicable, their respective beneficial owners³ and proxy holders;
- Enhanced due diligence for high-risk clients, politically exposed persons, or situations of increased risk;
- Processes to update, as appropriate, customer due diligence information;

1) BNPP Group is not: (i) a "shell bank"; (ii) the target of Sanctions, or (iii) targeted under Section 311 of the USA PATRIOT Act. "Shell bank" means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision. "Section 311 of the USA PATRIOT Act" refers to the individuals or entities listed pursuant to Section 311 of the U.S.A. Patriot Act (http://www.fincen.gov/statutes_regs/patriot/section311.html) as well as entities beneficially owned or controlled by such persons.

2) "Sanctions" means any economic or trade sanctions, including associated laws, regulations, restrictive measures, embargoes, and asset freezing measures, that are enacted, administered, imposed, or enforced by the French Republic, the European Union, the U.S. Department of the Treasury's Office of Foreign Assets Control, and any other competent authority in territories where BNPP Group is located, organized, or resident.

3) Beneficial owner refers to:

- the natural person(s) who ultimately (i.e. including through a chain of ownership) owns 25% or more of the shares or voting rights of a customer or controls a customer, and/or
- the natural person(s) on whose behalf a transaction or an activity is being conducted.



- A policy to generally not process or otherwise engage in activity (regardless of currency) for, on behalf of, or for the benefit of, any individual, entity or organization targeted by French, European Union, United States authorities, United Nations or other applicable sanctions regimes (in particular, any activity involving directly or indirectly, Crimea/Sevastopol, Cuba, Iran, North Korea, Sudan, or Syria);
- Customer database screening, transaction filtering (prior to execution) reasonably designed to ensure compliance with Sanctions;
- Enhanced vigilance regarding financial institutions or territories which may be connected or controlled by terrorist organisations targeted by French, European Union, United States authorities or United Nations, as well as scrutiny of payment transfers to/from these financial institutions or territories;
- A compliance program to prevent and detect bribery, corruption and influence peddling implementing the best international standards and regulations (including the Sapin II Law, the U.S FCPA and the UK Bribery Act); and
- Systems and processes to detect and report suspicious activity to the appropriate regulatory body.

BNPP Group has adopted policies, procedures and controls reasonably designed to ensure that (i) it does not establish or maintain relationships with Shell banks and (ii) it keeps relevant customer and transaction records for a period of at least 5 years.

A handwritten signature in blue ink, appearing to read 'N. Hartmann', with a long horizontal stroke extending to the right.

Nathalie HARTMANN,
Head of Compliance

Previous versions:

- July 12, 2016
- December 21, 2016