

**Policy on
ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM (AML/CFT)**

Hatton National Bank acknowledges the importance of the fight against money laundering and the funding of (AML/CFT), and fully endorses both international and local regulations aimed at combatting such crimes. The Bank makes every effort to comply with the applicable anti-money laundering laws, rules and standards in the jurisdictions in which it carries out business.

In order to protect the reputation of the Bank and the interest of all its stakeholders, Hatton National Bank has formulated a comprehensive AML/CFT Policy adhering to the relevant laws, regulations and industry best practices. The policy is based on the provisions of the legislations on AML/CFT/KYC in Sri Lanka, contained in the Convention on the Suppression of Financing of Terrorism Act No. 25 of 2005, Prevention of Money Laundering Act No. 05 of 2006, Financial Transaction Reporting Act No. 06 of 2006 and the Extraordinary Gazette Notification No: 1951/13 of 2016.

Hatton National Bank expects all its employees to strictly adhere to these guidelines and to conduct themselves in accordance with the highest ethical standards in every aspect of their business. The Compliance Officer of the Bank is responsible for overseeing policy matters relating to AML/CFT legislation and internal controls.

The Bank has developed a risk-based anti-money laundering program comprising of policies, procedures, internal controls and systems, which include but are not limited to the following:

- Customer identification, verification and “know your customer” (KYC) procedures, including carrying out appropriate due diligence in respect of prospective and existing customers
- Retention of identification and transactional documentation for the required statutory period
- Systems to assist in the on-going monitoring of transactions to identify and report suspicious activity
- Audit functions that ensure the testing of the Bank’s procedures and systems for necessary compliance
- Prohibiting of business with shell banks or banks domiciled in jurisdictions subject to AML and CFT sanctions, and the opening of anonymous accounts
- Blocking of transactions which involve a person/entity who is subject to sanctions
- Customer due diligence to understand the nature and purpose of the relationship and in order to develop a customer risk profile

Hatton National Bank is committed to the training of its staff on the laws relating to AML/CFT, to enable them to understand and fulfill their legal obligations.



Jonathan Alles
Managing Director/CEO