

General

Money Laundering has been identified as a major threat both to Arab Banking Corporation-Jordan (ABC Jordan), and to the banking community generally. ABC Jordan is part of the group of "Arab Banking Corporation B.S.C" incorporated in Bahrain and regulated by the Central Bank of Bahrain. ABC's international units are subject to follow the parent bank regulations and the local regulations.

ABC Jordan has adopted strict procedures for dealing with the threat posed by Money Laundering in accordance with the Central Bank of Jordan (CBJ) & Central Bank of Bahrain (CBB) regulations. ABC-Jordan has furthermore adopted the CBJ regulations as a minimum standard to be followed.

ABC-Jordan has issued an anti-money laundering manual which has been approved by the Board of Directors and complies with the CBJ & CBB regulations & FATF recommendations and international best practice in this respect. These procedures include specific requirements with regard to, amongst other things:

- The appointment of a Money Laundering Reporting Officer.
- Procedures regarding the identification of customers including the prohibition of numbered accounts or accounts for shell banks.
- Regular internal and external inspection and auditing of compliance with procedures.
- Procedures for reporting suspicious transactions.
- Procedures for profiling customer's transactions and business.
- Procedures for education and training of employees in anti-money laundering requirements.
- Implementing internal controls for the prevention of money laundering.

Specific Policies

Know your Customer (KYC) Guidelines

The bank has strict KYC procedures in place which include the validation of business and individual customer identities and place of residence prior to commencing business with any customer. Such information is updated on a regular basis and archived once the business relationship finishes. The procedures include profiling of the customer's transactions as to size, frequency, nature and hence potential risk. No anonymous or numbered accounts are opened nor does the bank open any accounts for banks which do not maintain a physical presence in their country of incorporation i.e. shell banks.

Suspicious Activity Reporting

Any staff identifying an account or transaction as suspicious is required to report the case to the unit Money Laundering Reporting Officer (MLRO). The MLRO will review the facts and determine whether the suspicion is allayed or whether a report to the local regulator is required. If necessary the MLRO will discuss the transaction with the Group MLRO but if suspicions remain, the filing of a Suspicious Transaction Report (STR) cannot be suppressed. Under no circumstances will staff "Tipp-off" the customer that an STR is being prepared.

Terrorist Financing

All accounts are screened on a regular basis against lists of suspected or designated criminals and terrorists provided by the regulator and any matches therewith reported to the regulators.

Unusual Large Transactions

All cash transactions larger than \$10,000 must be reviewed, reported and the rationale thereof clarified before proceeding with the transaction.

Training

It is a requirement that all employees who have potential contact with customers or who process transactions on behalf of customers are required to undertake anti-money laundering training.

Record Retention

Bank is required by law to maintain records which are appropriate to the scale, nature and complexity of the customer's business. All identity or business relationship records must be kept for a minimum period of 5 years from the end of the bank's relationship with the customer.

Compliance

ABC's internal audit unit conducts periodic reviews of ABC's operating units' compliance with the AML procedures. In addition the external auditors (Ernst & Young) are required to conduct an annual audit of the parent bank's compliance and its units with the CBB regulations. Furthermore the regulator's own inspectors conduct periodic reviews of the bank's compliance with the regulations.