

## **Aozora Bank Group Basic Policy on Anti-Money Laundering**

The Aozora Bank Group is aware that preventing money laundering, combating the financing of terrorism, countering proliferation financing, and responding to economic sanction constitute the most important issues facing the global financial system. The Bank has established a framework to comply with domestic and international laws, regulations, and rules, while also making an on-going effort to further strengthen its preventive measures against money laundering, financing of terrorism, and proliferation financing, and its response to economic sanctions (hereafter “anti-money laundering”).

### **(1) Organizational structure**

The Aozora Bank Group has developed internal regulations and an organizational structure, which includes the establishment of an Anti-Money Laundering Centralized Management Division, in order to properly implement the following management measures/initiatives while conducting an on-going review to ensure their effectiveness.

### **(2) Customer management policy**

The Aozora Bank Group determines whether or not to accept a transaction with a customer, including account opening, in accordance with its internal procedures. In addition, when conducting transactions, it takes appropriate measures in line with the risk-based approach, such as conducting preventative measures based on customer characteristics, type of transaction, county/region, and products/services. The Aozora Bank Group also utilizes the results of its periodic monitoring and analysis (including profiling) of customer transactions in order to conduct a review of its preventative measures.

### **(3) Management policy for correspondent counterparties**

The Aozora Bank Group collects information and performs appropriate evaluations regarding its correspondent counterparties, and manages them based on their risk-profiles.

### **(4) Employee training policy**

The Aozora Bank Group provides timely and on-going financial crime prevention training for its employees that consists of knowledge acquisition as well as learning methods for the proper management of customers, such as verification at the time of transaction and the creation of transaction records, and for the appropriate response to economic sanctions.

### **(5) Internal audit policy**

The Aozora Bank Group regularly conducts internal audits regarding anti-money laundering and works to further improve its anti-money laundering framework and policies based on the results of these audits.

### **(6) Reporting of suspicious transactions**

The Aozora Bank Group has developed a system for conducting daily monitoring of its customers' transactions, including new account openings, and ensuring the proper response to, as well as immediate reporting to the relevant authorities of, any suspicious customers or transactions detected as a result of said monitoring.