

**Excerpts from the Anti-Money Laundering and Combating Terrorist Financing Risk
Management Policy
Otbasy bank JSC**

Almaty, 2023

The Policy defines the basic principles, goals, objectives and requirements to the organization of the internal control system to combat legalization (laundering) of proceeds from crime and financing of terrorism, and financing of the proliferation of weapons of mass destruction (hereinafter - AML/CFT).

The internal control system for AML/CFT purposes is a part of the internal control system in the Bank, which is regulated by the Bank's internal control policy in accordance with the regulatory requirements of the authorized body to prevent involvement of the Bank and its employees in unlawful activities, including fraud, errors, inaccuracies, deception, legalization (laundering) of proceeds of crime and financing of terrorism, in transactions in the territory of the Republic of Kazakhstan related to the values created and recorded in the decentralized information system with the use of cryptography and (or) computer calculations, which do not constitute financial instruments or financial assets in accordance with the civil legislation of the Republic of Kazakhstan, and do not contain the right of claim against anyone.

Internal control in the field of AML/CFT is carried out by the Bank for the purposes of:

- 1) ensuring the Bank's compliance with the requirements of the AML/CFT Law;
- 2) maintaining the effectiveness of the Bank's internal control system at a level sufficient to manage risks related to legalization (laundering) of proceeds from crime and financing of terrorism and financing of the proliferation of weapons of mass destruction, associated risks (operational, reputational);
- 3) excluding involvement of the Bank, its officers and employees in the processes of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction.

The objectives of organization and implementation of internal control for AML/CFT purposes are:

- 1) ensuring completeness and timeliness of submission to the authorized body on financial monitoring of the information provided by the legislation on AML/CFT;
- 2) application of effective procedures for assessing risks related to money laundering and financing of terrorism and financing of proliferation of weapons of mass destruction;
- 3) ensuring that all employees of the Bank implement and comply with internal AML/CFT documents.

Absence of facts of involvement of the Bank and its employees in the processes of legalization (laundering) of proceeds from crime and financing of terrorism and financing of the proliferation of weapons of mass destruction or other criminal activities is a qualitative and quantitative parameter within the framework of work on AML/CFT.

The Bank's internal control system for AML/CFT purposes is embedded in the Bank's processes and daily operations.

The Bank takes measures for due diligence of its clients (their representatives) and beneficial owners in accordance with the AML/CFT legislation of the Republic of Kazakhstan.

Client identification consists of taking measures by the Bank to record and verify accuracy of information about client (his/her representative), identifying beneficial owner and recording information about him/her, establishing and recording the intended purpose of business relations, as well as obtaining and recording other information provided for by AML/CFT Law about client and their representatives.

The Bank shall have the right to request the client (his/her representative) to submit information and documents necessary for identification of the client (his/her representative),

identification of the beneficial owner, as well as submission of information on tax residency, type of activity and source of financing of transactions performed.

Clients (their representatives), in accordance with the AML/CFT legislation of the Republic of Kazakhstan, shall be obliged to provide the Bank with information and documents required for fulfillment of the Bank's obligations stipulated by the Bank's internal documents in the field of AML/CFT, including information on beneficial owners.