

Announcement of Allied Banking Corporation (Hong Kong) Limited On Anti-Money Laundering and combating terrorist financing

This certification is designed to answer for requests to clarify the position and policies of Allied Banking Corporation (Hong Kong) Limited, a restricted licence bank (hereinafter “the RLB”) on anti-money laundering and combating terrorist financing.

Allied Banking Corporation (Hong Kong) limited, physical presence at 1402 World-Wide House, 19 Des Voeux Road Central, Hong Kong is a subsidiary of the Philippine National Bank in the Philippines. The RLB was incorporated in Hong Kong in 1978 as a Licenced Deposit Taking Company. In 1992, it was upgraded to a restricted licence bank to reflect its financial strength and status.

In the regime for the prevention of money laundering and terrorist financing, we follow the requirements of Anti-Money Laundering and Counter – Terrorist Financing (Financial Institutions) Ordinance (Chapter 615) and rules and guidelines issued by our regulator, the Hong Kong Monetary Authority, the Anti-Money Laundering Policy that we adopted applies to all branches and subsidiary company.

We have a written policy on the prevention of money laundering and terrorist financing with coverage on topics such as reporting mechanism, customer due diligence (“CDD”) requirements for account opening and wire transfer, transactions monitoring, internal control and staff training program. Only when a customer fulfils all our CDD requirements will we open account for the individual and corporate customer. We apply a more stringent CDD requirement for high-risk customers, such as customers who are Politically Exposed Persons (“PEP”).

We will not provide services nor maintain account or any correspondent banking relationship with any “shell” banks or entities with only legal or nominal existence. Our bank does not provide any services on “Payable through” transactions.

We hold regular training programs on the prevention of money laundering and terrorist financing to our staff. We report unusual or suspicious transactions to the Joint Financial Intelligent Unit (JFIU) in Hong Kong whenever we notice such transactions in our business operations.

The RLB is persistent in implementing the anti-money laundering and combating terrorist financing policies and procedures aforementioned, and continually monitors developments in this area as the need arises.

For and on behalf of
Allied Banking Corporation (Hong Kong) Limited,
A Restricted Licence Bank

SD. Helmuth Lau

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Date : 12 June 2014

Financial Institution Name: Allied Banking Corporation (Hong Kong) Limited

Location: 1402 World-Wide House, 19 Des Voeux Road Central, Hong Kong.

This questionnaire acts as an aid to firms conducting due diligence and should not be relied on exclusively or excessively. Firms may use this questionnaire alongside their own policies and procedures in order to provide a basis for conducting client due diligence in a manner consistent with the risk profile presented by the client. The responsibility for ensuring adequate due diligence, which may include independent verification or follow up of the answers and documents provided, remains the responsibility of the firm using this questionnaire.

Anti-Money Laundering Questionnaire

If you answer "no" to any question, additional information can be supplied at the end of the questionnaire.

I. General AML Policies, Practices and Procedures:	<u>Yes</u>	<u>No</u>
1. Is the AML compliance program approved by the FI's board or a senior committee?	Y o Yes	xxx
2. Does the FI have a legal and regulatory compliance program that includes a designated officer that is responsible for coordinating and overseeing the AML framework?	Y o Yes	xxx
3. Has the FI developed written policies documenting the processes that they have in place to prevent, detect and report suspicious transactions?	Y o Yes	xxx
4. In addition to inspections by the government supervisors/regulators, does the FI client have an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?	Y o Yes	xxx
5. Does the FI have a policy prohibiting accounts/relationships with shell banks? <i>(A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group.)</i>	Y o Yes	xxx
6. Does the FI have policies to reasonably ensure that they will not conduct transactions with or on behalf of shell banks through any of its accounts or products?	Y o Yes	xxx
7. Does the FI have policies covering relationships with Politically Exposed Persons (PEP's), their family and close associates?	Y o Yes	xxx
8. Does the FI have record retention procedures that comply with applicable law?	Y o Yes	xxx
9. Are the FI's AML policies and practices being applied to all branches and subsidiaries of the FI both in the home country and in locations outside of that jurisdiction?	Y o Yes	xxx

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II. Risk Assessment:	<u>Yes</u>	<u>No</u>
10. Does the FI have a risk-based assessment of its customer base and their transactions?	Y <input type="radio"/> Yes	XXX
11. Does the FI determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the FI has reason to believe pose a heightened risk of illicit activities at or through the FI?	Y <input type="radio"/> Yes	XXX
III. Know Your Customer, Due Diligence and Enhanced Due Diligence:	<u>Yes</u>	<u>No</u>
12. Has the FI implemented processes for the identification of those customers on whose behalf it maintains or operates accounts or conducts transactions?	Y <input type="radio"/> Yes	XXX
13. Does the FI have a requirement to collect information regarding its customers' business activities?	Y <input type="radio"/> Yes	XXX
14. Does the FI assess its FI customers' AML policies or practices?	Y <input type="radio"/> Yes	XXX
15. Does the FI have a process to review and, where appropriate, update customer information relating to high risk client information?	Y <input type="radio"/> Yes	XXX
16. Does the FI have procedures to establish a record for each new customer noting their respective identification documents and 'Know Your Customer' information?	Y <input type="radio"/> Yes	XXX
17. Does the FI complete a risk-based assessment to understand the normal and expected transactions of its customers?	Y <input type="radio"/> Yes	XXX
IV. Reportable Transactions and Prevention and Detection of Transactions with Illegally Obtained Funds:	<u>Yes</u>	<u>No</u>
18. Does the FI have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?	Y <input type="radio"/> Yes	XXX
19. Where cash transaction reporting is mandatory, does the FI have procedures to identify transactions structured to avoid such obligations?	Y <input type="radio"/> N/A	N <input type="radio"/>
20. Does the FI screen customers and transactions against lists of persons, entities or countries issued by government/competent authorities?	Y <input type="radio"/> Yes	XXX
21. Does the FI have policies to reasonably ensure that it only operates with correspondent banks that possess licenses to operate in their countries of origin?	Y <input type="radio"/> Yes	XXX
22. Does the FI adhere to the Wolfsberg Transparency Principles and the appropriate usage of the SWIFT MT 202/202COV and MT 205/205COV message formats? ¹	Y <input type="radio"/> Yes	XXX
V. Transaction Monitoring:	<u>Yes</u>	<u>No</u>
23. Does the FI have a monitoring program for unusual and potentially suspicious activity that covers funds transfers and monetary instruments such as travelers checks, money orders, etc?	Y <input type="radio"/> Yes	XXX

¹ The four payment message standards to be observed are: i) FIs should not omit, delete, or alter information in payment messages or orders for the purpose of avoiding detection of that information by any other FI in the payment process; ii) FIs should not use any particular payment message for the purpose of avoiding detection of information by any other FI in the payment process; iii) Subject to applicable laws, FIs should cooperate as fully as practicable with other FIs in the payment process when requesting to provide information about the parties involved; and (iv) FIs should strongly encourage their correspondent banks to observe these principles. Source: [http://www.wolfsberg-principles.com/pdf/standards/Wolfsberg_NYCH_Statement_on_Payment_Message_Standards_\(2007\).pdf](http://www.wolfsberg-principles.com/pdf/standards/Wolfsberg_NYCH_Statement_on_Payment_Message_Standards_(2007).pdf)

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VI. AML Training	Yes	No
24. Does the FI provide AML training to relevant employees that includes: <ul style="list-style-type: none"> ▪ Identification and reporting of transactions that must be reported to government authorities. ▪ Examples of different forms of money laundering involving the FI's products and services. ▪ Internal policies to prevent money laundering. 	Y <input type="radio"/> Yes	N <input checked="" type="radio"/> No
25. Does the FI retain records of its training sessions including attendance records and relevant training materials used?	Y <input type="radio"/> Yes	N <input checked="" type="radio"/> No
26. Does the FI communicate new AML related laws or changes to existing AML related policies or practices to relevant employees?	Y <input type="radio"/> Yes	N <input checked="" type="radio"/> No
27. Does the FI employ third parties to carry out some of the functions of the FI?	Y <input checked="" type="radio"/> No	N <input type="radio"/> No
28. If the answer to question 27 is yes, does the FI provide AML training to relevant third parties that includes: <ul style="list-style-type: none"> ▪ Identification and reporting of transactions that must be reported to government authorities. ▪ Examples of different forms of money laundering involving the FI's products and services. ▪ Internal policies to prevent money laundering. 	Y <input type="radio"/> N/A	N <input type="radio"/>

Space for additional information:

(Please indicate which question the information is referring to.)

19. No mandatory cash transaction reporting is required in Hong Kong.

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Name: Helmuth Lau
Title: Compliance Officer
Signature:
Date: 12 June 2014

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