

August 2015

**Summary of the Compliance Policy related to Anti-Money Laundering /
Know-Your-Customer regulations and procedures**

The Compliance Policy's Anti-Money Laundering/Know-Your-Customer Regulations (the "Policy") of The OJSC PASHA Bank (the "Bank") is a Policy that is designed to ensure that all employees and businesses of the Bank are well informed with respect to their customers and the nature of the transactions processed through their accounts.

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The objectives of the Policy are:

- To comply with Anti-Money Laundering (AML) /Anti-Terrorist Financing (ATF) laws and Policy;
- To observe Know-Your-Customer (KYC) principles and customer identification Policy;
- To recognize, investigate and report suspicious activity;
- To protect the reputation and integrity of the Bank.

It is the Policy of the bank to institute appropriate regulations, procedures, and controls to comply with applicable AML/ATF law and Policy in the Azerbaijan Republic and other jurisdictions in which the Bank has an operating presence. To support the Policy, the Bank has implemented a comprehensive internal AML compliance program, which includes:

- Written regulations and procedures;
- A designated AML Compliance Officer;

- AML risk assessment and controls, including software programs that monitor account activity/transactions for AML purposes;
- Employee training;
- Independent audit testing.

The Policy outlines the elements of sound KYC procedures, and provides guidelines for obtaining and corroborating customer identification and other information.

The Policy defines the responsibility of each business within the Bank to perform its own assessment of risk to money laundering activities, and to develop risk-based regulations and procedures taking into consideration its products and services, premises, and systems, customer characteristics, country and industry risk.

The Policy also makes clear the Bank's commitment to cooperate with governmental and law enforcement authorities in connection with transactions involving the Bank. The effectiveness of the Bank's AML efforts depends upon the knowledge and vigilance of its employees. Accordingly, the Policy imposes AML training requirements.

The Policy outlines the responsibilities of the Compliance, and Audit in the implementation of, and adherence to, the Bank's AML Policy and procedures.

The Director of Compliance Department, reports directly to the Chief Legal Officer of the Bank. Compliance staff is assigned to each business unit and works with them to develop and review business-specific policies and to ensure ongoing compliance with Bank policies and governmental Policy. Compliance has responsibility for filing suspicious activity reports with governmental authorities and works closely with the business units.

Internal Audit includes a dedicated AML/KYC audit team. AML/KYC matters are included in the periodic audits of all applicable business units.

Visit our web page at www.pashabank.az for additional information such as businesses, products and services, management, financial information and



locations. Visit Bankeraccuty repository (Bankersalmanac) for additional information on USA PATRIOT Act Certification.

Note: This Summary is provided as an accommodation and is for informational purposes only. It is subject to change without notice. Having provided this Summary to any party creates no duty on the Bank's part, and no party shall rely upon this Summary for any reason.

A handwritten signature in blue ink, appearing to read "Anar Karimov", written in a cursive style.

Anar Karimov
Compliance Director