

Sterling Bank AML/CFT/CPF & TFS Policy Statement

At Sterling, we are fully committed to maintaining the highest standards of Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Countering Proliferation Financing (CPF) in strict compliance with Nigerian laws and regulations, including the Money Laundering (Prevention and Prohibition) Act 2022 (MLPPA), Terrorism Prevention and Prohibition Act 2022 (TPPA), and the Central Bank of Nigeria (CBN) AML/CFT/CPF Regulations 2022.

The bank's **Board of Directors** holds ultimate responsibility for overseeing the effectiveness of the AML/CFT/CPF program, ensuring it is robust and responsive to evolving risks and regulatory changes. The **Chief Compliance Officer (CCO)** is responsible for implementing, maintaining, and enhancing the compliance program, ensuring that the bank meets its obligations under relevant laws and regulations. **Internal Audit** provides independent reviews of the program to ensure its integrity, effectiveness, and alignment with regulatory expectations, identifying areas for continuous improvement.

A **designated Money Laundering Reporting Officer (MLRO)** oversees the bank's compliance with AML/CFT/CPF regulations, ensuring timely **reporting to the Nigerian Financial Intelligence Unit (NFIU)** of suspicious transactions or activities. The MLRO coordinates the escalation of such reports, ensuring full cooperation with Law Enforcement Agencies (LEAs) and regulators to support investigations and enforcement actions when necessary.

We ensure that AML/CFT/CPF controls are integrated into all **products, services, and technologies** offered by the bank. Our risk-based approach extends to emerging financial technologies, with stringent safeguards in place from development to deployment. Special attention is given to **high-risk relationships**, including those involving PEPs, UBOs, DNFBPs and jurisdictions with higher financial crime risks, where enhanced due diligence (EDD) is applied to mitigate potential threats.

We implement rigorous due diligence procedures in line with the CBN's guidelines on Customer Due Diligence (CDD), Politically Exposed Persons (PEPs), Ultimate Beneficial Ownership (UBO), and targeted financial sanctions (TFS) for terrorism financing and proliferation financing.

Sanctions screening is a critical component of our compliance framework, ensuring that all customers, transactions, and counterparties are screened against national and international sanctions lists, including those issued by the **United Nations Security Council Resolutions (UNSCR)** and the **Nigerian Sanctions Committee (NSC)**, with ongoing updates to prevent engagement with sanctioned individuals, entities, or countries.

Our AML/CFT/CPF program extends to **correspondent banking relationships** and **partnerships with other financial institutions or fintechs**, where we ensure that comprehensive due diligence is conducted. This includes assessing the AML/CFT/CPF controls of these institutions to mitigate exposure to financial crime. The bank maintains a risk-based approach to these relationships, ensuring that partners meet our stringent compliance standards before any engagement.

The bank is committed to creating a culture of compliance, ensuring the **protection of employees** who escalate unusual transactions, suspicious activities, or violations of the AML/CFT/CPF program. Employees are encouraged to report concerns without fear of retaliation, and any escalations are thoroughly investigated and addressed.

Additionally, we adhere to **record-keeping obligations** as mandated by law, maintaining comprehensive records of all transactions, customer identification, and due diligence for the required statutory periods. These records are accessible for audits, investigations, and regulatory reviews to ensure transparency and accountability.

At Sterling, we uphold zero tolerance for financial crime. Our robust internal controls, staff training, ongoing monitoring, and unwavering commitment to regulatory compliance safeguard the integrity of our operations and reinforce our dedication to corporate governance and ethical banking.