



**Anti-Money Laundering (AML),  
Countering the Financing of Terrorism  
(CFT), and Countering the Financing of  
Proliferation of Weapons of Mass  
Destruction (CPF)  
Policy**

2025





## **Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and Countering the Financing of Proliferation of Weapons of Mass Destruction (CPF) Policy**

ZiraatBank BH d.d. is fully committed to conducting its business in strict compliance with the applicable laws and regulations of Bosnia and Herzegovina. The Bank recognizes that adherence to these rules is not only a legal obligation but also a key element in maintaining trust, integrity, and stability within the financial system. In this respect, the Bank operates in line with:

- The Law on the Prevention of Money Laundering and Financing of Terrorist Activities (“Official Gazette of BiH”, No. 13/24), which establishes the framework for customer due diligence, transaction monitoring, and reporting of suspicious activities,
- The Law on Banks of the Federation of BiH (“Official Gazette of FBiH”, No. 27/17 and 22/25), which defines governance structures, the responsibilities of management and supervisory bodies, and internal control systems,
- The Decisions and Guidelines of the Banking Agency of the Federation of BiH (FBA), which provide detailed requirements for the functioning of the compliance system, the role of the Money Laundering Reporting Officer (MLRO), and the application of the risk-based approach, and
- The obligations imposed by the Financial Intelligence Unit (FIU – SIPA), the competent financial intelligence unit of Bosnia and Herzegovina, to which all Suspicious Transaction Reports (STRs) are submitted and with which the Bank cooperates closely.

In addition to national regulations, ZiraatBank BH ensures that its internal AML/CFT/CPF framework is fully aligned with internationally recognized standards and best practices. The Bank follows the Recommendations of the Financial Action Task Force (FATF), which represent the global standard in combating financial crime; the EU AML Directives, which shape regional standards and obligations for financial institutions; and all relevant sanctions regimes issued by the United Nations (UN), the European Union (EU), the United States (OFAC), and the United Kingdom (HMT).

By combining domestic legal requirements with international standards, ZiraatBank BH d.d. ensures a comprehensive and robust compliance framework designed to protect the Bank, its clients, and the wider financial system from abuse related to money laundering, terrorist financing, or proliferation financing.





## Core Principles

In implementing its AML/CFT/CPF Policy, ZiraatBank BH d.d. is guided by a set of core principles that enable effective prevention and detection of financial crime. These principles are fully integrated into the Bank's daily operations and apply to all organizational and business units, employees, products, and services.

### **Know Your Customer (KYC):**

The Bank applies strict procedures to establish the identity of each client before entering into a business relationship or executing an occasional transaction. Identification and verification are carried out using official and reliable documents, while beneficial owners and authorized representatives are also verified. The Bank ensures it understands the client's business, the purpose of the relationship, and the expected transaction patterns.

### **Risk-Based Approach:**

Recognizing that not all clients or products carry the same level of risk, the Bank applies measures proportionate to the identified level of exposure. For clients, products, services, or jurisdictions classified as high-risk, the Bank applies Enhanced Due Diligence (EDD), including obtaining additional documentation, senior management approval, and enhanced monitoring.

### **Transaction Monitoring:**

All transactions processed through the Bank are subject to ongoing monitoring to ensure they are consistent with the client's known profile and declared business activities. Automated systems and manual checks are used to detect unusual, complex, or high-value transactions. Any deviation from expected patterns is reviewed by the Compliance Sector.

### **Suspicious Activity Reporting:**

When there is suspicion that a transaction or activity is linked to money laundering, terrorist financing, or proliferation, employees are required to immediately report the case. The Compliance Sector evaluates the case and, if the suspicion is confirmed, files a Suspicious Transaction Report (STR) with the FIU in accordance with legal requirements. Employees are prohibited from tipping off the client.

### **Record Keeping:**

The Bank maintains comprehensive records of client identity, ownership structure, transaction details, and internal reports for at least ten years, as required by law. Records are securely stored and made available to the Compliance Sector, the FBA, the FIU, and other competent authorities upon request. Proper record-keeping ensures transparency, accountability, and the ability to fully reconstruct client activities when necessary.



Through these principles, ZiraatBank BH d.d. strengthens its ability to identify and mitigate risks, protect its clients and reputation, and contribute to the integrity and stability of the financial system in Bosnia and Herzegovina and internationally.

## **Our Commitment**

ZiraatBank BH d.d. is firmly committed to upholding the highest standards of integrity, transparency, and regulatory compliance. The Bank's commitment goes beyond mere adherence to laws and regulations; it reflects a proactive stance in safeguarding the financial system of Bosnia and Herzegovina and the interests of its clients, the Ziraat Group, employees, and the broader community.

The Bank does not establish or maintain business relationships with shell banks, fictitious or anonymous companies, or with natural or legal persons subject to international or domestic sanctions. All potential and existing clients are screened against sanctions lists, Politically Exposed Persons (PEPs) databases, and adverse media sources to ensure that the Bank does not facilitate activities that could jeopardize financial stability or national security.

To support this commitment, the Bank has implemented a comprehensive set of internal policies and procedures that define responsibilities at all organizational levels and prescribe detailed processes for client onboarding, transaction monitoring, suspicious activity reporting, and risk management. Policies are regularly reviewed and updated in line with changes in the regulatory environment and international standards.

Training and awareness are central to maintaining an effective compliance culture. All employees undergo regular training programs, while specialized training is provided to staff working in higher-risk areas.

Furthermore, the Bank applies strong control mechanisms and oversight tools to ensure compliance measures are effective in practice. This includes automated transaction monitoring systems, periodic internal reviews, independent audits, and direct oversight by the Compliance Sector. All identified deficiencies are addressed promptly, and corrective measures are implemented without delay.

By maintaining this preventive and control framework, ZiraatBank BH d.d. demonstrates its unwavering commitment to safeguarding the integrity of the financial system and acting as a reliable partner in the fight against financial crime, both in Bosnia and Herzegovina and internationally. The Bank treats all attempts to misuse its products and services with zero tolerance and takes immediate action in accordance with the law.





## Governance

Effective governance lies at the core of ZiraatBank BH d.d.'s compliance approach. The Bank recognizes that a strong governance framework, with clearly defined responsibilities and oversight mechanisms, is essential for the successful prevention of money laundering, terrorist financing, and proliferation financing.

The Compliance Sector of ZiraatBank BH acts as the central function responsible for implementing and continuously monitoring this Policy. It operates under the direct authority of the Management Board and the supervision of the Supervisory Board, led by the Head of the Compliance Monitoring Function, with independence, resources, and authority necessary to fulfill its duties.

The responsibilities of the Compliance Sector include: drafting and updating internal procedures, coordinating training, monitoring transactions, conducting investigations, reporting suspicious transactions to the FIU, and maintaining communication with the FBA and other competent authorities.

The Management Board provides strategic oversight, allocates sufficient resources for the compliance function, and reviews regular reports on the effectiveness of the AML/CFT/CPF framework. The Supervisory Board bears ultimate responsibility for adopting the Policy and overseeing its implementation.

To ensure independence and objectivity, Internal Audit conducts regular and ad hoc reviews of the Bank's AML/CFT/CPF systems and controls. Reviews assess whether policies and procedures are implemented effectively, identify weaknesses, and provide recommendations for improvement. Findings are reported directly to the Supervisory Board and the Management Board, ensuring timely corrective actions.

Through this governance framework, ZiraatBank BH d.d. guarantees accountability at all levels, strengthens its compliance culture, and ensures that its AML/CFT/CPF system remains robust, transparent, and aligned with domestic regulations and international best practices.

## Contact

For any questions or clarifications regarding this Policy, please contact the Compliance Sector of ZiraatBank BH: [compliance@ziraatbank.ba](mailto:compliance@ziraatbank.ba)

