



THE AFRICAN EXPORT-IMPORT BANK STATEMENT OF APPROACH TO ANTI-MONEY LAUNDERING, COUNTERING TERRORIST FINANCING AND COUNTER PROLIFERATION FINANCING (AML/CTF/CPF)

1. About the African Export-Import Bank

The African Export-Import Bank ("the Bank" or "Afreximbank") was established in Abuja, Nigeria in October 1993, by African Governments, African private and institutional investors as well as non-African financial institutions, and private investors for the purpose of stimulating, promoting, and expanding intra-African, and extra-African trade. The Agreement establishing the Bank was registered with the United Nations on April 10, 1997, as an "International Agreement". The Bank is therefore recognized as a Multilateral Institution under Article 102 of the UN Charter. Afreximbank has full juridical personality under the laws of the State parties to the Establishment Agreement, pursuant to which the Bank is accorded associated immunities, privileges, and concessions.

Our Vision:

To be the Trade Finance Bank for Africa.

Mission Statement:

To stimulate a consistent expansion, diversification, and development of African trade, while operating as a first class, profit-oriented, socially responsible financial institution, and a centre of excellence in African trade matters.

Whilst Afreximbank is not governed by the laws of any one country (i.e., it does not fall under any regulatory body), the Bank is committed to instituting rigorous measures, to prevent money laundering, terrorist financing, proliferation financing and other financial crimes in line with best practice.

2. Background

The scrutiny of anti-money laundering ("AML") and countering the financing of terrorism ("CFT") and countering proliferation financing ("CPF") (together referred to as "AML/CFT/CPF") practices continues to intensify globally with private and public institutions



taking active roles in assessing and mitigating internal and external risks. While Money Laundering (ML), Terrorist Financing (TF), and Proliferation Financing (PF) activities differ in many ways, they often exploit the same vulnerabilities in financial systems and the broader economy that allow for anonymity and opacity in transactions.

The objective of this policy statement is to affirm Afreximbank's continued commitment to combating money laundering, terrorist financing and proliferation financing, by complementing, reiterating, and cataloguing the safeguards and measures that the Bank has in place in this regard. This policy statement is a part of a broader set of policies aimed at ensuring that Afreximbank funds are used for the purposes intended, and it lays out a set of basic principles for guidance.

Afreximbank's approach to Anti-Money Laundering, Counter Financing of Terrorism, Counter Proliferation Financing Policy is primarily premised on the Financial Action Task Force (FATF) standards and applies to all employees (full-time and on fixed term contracts) of Afreximbank Group, and its subsidiaries.

2 Definitions

For the purpose of this AML/CFT/CPF Policy Statement, the following definitions shall apply:

2.1 Money Laundering ("ML") is the concealment of the origins of money obtained illegally, typically by passing it through a complex sequence of financial or commercial transactions. ML usually involves three stages: (i) introducing the proceeds of crime into the financial system (placement); (ii) transactions to convert or transfer the funds to other locations or financial institutions (layering); and (iii) reintroducing the funds into the legitimate economy as "clean" money and investing it in various assets or business ventures (reintegration) appearing to have been legally obtained. The money laundering offenses apply to the 21 categories of offenses designated by the Financial Action Task Force (FATF) in its glossary, including, inter alia, participation in organized crime, fraud, drug trafficking, corruption and bribery, and tax crimes.

2.2 Financing of Terrorism or Terrorist Financing ("FT") is defined as the means and



methods used by terrorist organizations to finance activities that pose a threat to national and international security. Terrorist financing entails soliciting, collecting, or providing funds with the intent of using them to support terrorist acts or organizations. Money can come from both legal and illegal sources.

2.3 Proliferation Financing (“PF”) is the provision of funds or financial services used for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual-use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations.

3 Afreximbank Approach to Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF)

3.1 Afreximbank is committed to the highest ethical standards and will not tolerate the diversion of the resources entrusted to it through money laundering or terrorist financing or proliferation financing. Similarly, the Bank will not partner with entities that tolerate the diversion of resources through money laundering, terrorist financing, or proliferation financing. In response to these risks, Afreximbank’s policy and procedural framework embodies a risk-based approach to ensure the integrity of all its activities.

Guiding Principles, Purpose, and Objectives

3.2 Afreximbank resources may not be used to make, fund, support or permit any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

3.3 Afreximbank is committed to preventing, identifying, and addressing all acts of ML and/or FT and/or PF involving Afreximbank resources, including those funds received by the Bank for its operational activities.

3.4 All personnel and counterparties are prohibited from engaging in activities that may support in any way illegal practices of ML and/or FT and/or PF.

3.5 The purpose of the AML/CFT/CPF Policy is to complement Afreximbank’s existing framework, to provide principles and guidance regarding AML/CFT/CPF requirements and risks, and to meet the following objectives:

- Prevent the use, misuse and/or abuse of Afreximbank’s resources due to ML



and/or FT and/or PF.

- Mitigate reputational risks.
- Protect against establishing any relationships that may support, relate to or facilitate ML and/or FT and/or PF.
- Exercise due diligence when dealing with Counterparties, their owners/controlling interests, employees, contractors, and subcontractors; and
- Ensure timely review and update of the Bank's AML/CFT/CPF Policy.

3.6 In this context, it is a violation of the Afreximbank's AML/CFT/CPF Policy to:

- 3.6.1 Obtain, conceal, retain, manage, or invest money or other property into the Bank's system, if it is known or there are reasonable grounds to suspect it is derived directly or indirectly from unlawful activity.
- 3.6.2 Assist third party to engage in money laundering, terrorist financing or proliferation financing by aiding, abetting, concealing, procuring, and conspiring to commit the offence.
- 3.6.3 Tip-off suspects that an investigation into ML/FT/PF has been, is being, or is about to be conducted, thereby prejudicing the investigation.
- 3.6.4 Fail to report suspicious transactions.
- 3.6.5 Destroy relevant documentation or evidence/exhibit for the purpose of concealing information.

Prevention Measures

3.7 Afreximbank Customer Due Diligence (CDD) measures and monitoring systems are key components for preventing money laundering and other financial crimes.

3.8 In this regard, the Bank has developed policies and procedures, which ensure that:

- 3.8.1 Adequate measures are in place to determine customers' clear identity and effective procedures to verify such information;
- 3.8.2 Customer Due Diligence processes (including background checks), are conducted on all new and existing transactions for all customers of the Bank;
- 3.8.3 Full identification of all parties to the Bank's relationships are obtained, verified and re-validated periodically, using relevant independent sources;
- 3.8.4 Independent verification of customer's physical address information, and source of income/wealth is conducted;



- 3.8.5 Verification of the source of funds used to establish a relationship with the Bank is obtained and corroborated (where applicable);
 - 3.8.6 Verification of ownership structures in companies is performed to understand and establish the ultimate beneficial owners;
 - 3.8.7 Enhanced due diligence is performed on high-risk relationships by collecting additional information, and performing additional checks as pre-requisites for establishing a business relationship with the Bank;
 - 3.8.8 The customer due diligence information held by the Bank is periodically updated on a risk-based approach; and
 - 3.8.9 Afreximbank will screen all customers against all relevant global watch-lists and will also seek to provide the Bank employees and the Board of Directors, with intelligence regarding information about its customers and relationships, that could materially affect the interest of the Bank.
- 3.9 It is in line with Afreximbank AML/CFT/CPF Policy to:
- 3.9.1 Decline prospective business where all the required information is not available without justifiable reason;
 - 3.9.2 Decline transactions that do not appear legitimate and where there are reasonable grounds to suspect money laundering and/or terrorist financing;
 - 3.9.3 Closely monitor receivables into any of Afreximbank accounts, to report any irregularity observed.
 - 3.9.4 Retain proper records for audit trails and ensure adequate evidence for any required investigation.
 - 3.9.5 Provide adequate and proper training to staff to instantly recognize suspicious transactions and unusual customer behaviour; and
 - 3.9.6 take appropriate action, including terminating its relationships with customers involved in money laundering, financing of terrorism, proliferation financing and other illicit financial crimes.

Customer Acceptance Policy

- 3.10 Afreximbank will ensure client profiling through appropriate classification of the risk perception of the customer, in terms of the nature of business, location of customer and his/her clients, customer type, product offered to customer and other risk factors





as defined in the Bank's AML/CFT/CPF Policy.

3.11 Afreximbank will not:

- 3.11.1 open anonymous or fictitious accounts, or accounts on behalf of other persons whose identities have not been disclosed or cannot be verified. The Bank shall also not receive remittance/conduct transactions in respect of such persons.
- 3.11.2 open accounts of person(s) whose identity matches that of any person with known criminal background or with banned entities, such as individual terrorist or terrorist organizations, including any names on the United Nations Security Council (UNSC) Resolutions' and African Union watch lists; and customers with adverse public reputations that are known or suspected of money laundering, terrorism, or proliferation.
- 3.11.3 open an account and shall close an existing account where the Bank is unable to apply appropriate Customer Due Diligence (CDD) measures, that is, where the Bank is unable to verify the identity and/or obtain documents required as per the risk categorization due to non-cooperation of the customer, or non-reliability of the data/information furnished to the Bank.
- 3.11.4 make payment or process any remittance where the Bank is unable to apply appropriate CDD measures, i.e. where the Bank is unable to verify the identity and/or obtain required documents due to non-cooperation of the customer, or non-reliability of the data/information furnished.

Maintaining Updated Records

- 3.12 Afreximbank maintains updated records of its customer database and provides information when required on customer's status. Records of all concluded transactions shall be archived for a period of not less than five years after termination of the business relationship.

Know Your Customer's Customer (KYCC)

- 3.13 It is part of Afreximbank policy to identify, verify and investigate, to the extent possible, the identity and activities of our customers' clientele. This is an extra layer of compliance and helps the Bank to build a more comprehensive customer risk profile.



On-going Monitoring of Customers and Transactions

- 3.14 The on-going monitoring of Afreximbank customers and transactions shall broadly involve the following:
- a. Periodic reviews shall be conducted on a cycle of 1 year, 3 years and 5 years for high- risk, medium-risk, and low-risk categories, respectively; and
 - b. Trigger-based reviews, which are based on trigger events/detection scenarios.

Politically Exposed Persons (PEPs)

- 3.15 Afreximbank will implement the following measures when dealing with relationships where there are politically exposed parties:
- 3.15.1 Appropriate risk-assessment to determine whether the customer or the beneficial owner is a politically exposed person.
 - 3.15.2 Obtain Senior Management approval for establishing or continuing (for existing customers) such business relationships.
 - 3.15.3 Take reasonable measures to establish the source of wealth and source of funds; and
 - 3.15.4 Conduct Enhanced Due Diligence (EDD) and on-going monitoring of the business relationship.
 - 3.15.5 The requirements for all types of PEPs will also apply to family members or close associates of such PEPs.

Correspondent Banking Relationships

- 3.16 Afreximbank will gather sufficient information about its correspondent institutions, to fully understand the nature of the correspondent's business, and to determine the reputation of the institution and the quality of geographic supervision.
- 3.17 In conducting due diligence on any correspondent banking client, Afreximbank will consider the following risk elements, at minimum:
- 3.17.1 Geographic Risk: The Bank shall review pronouncements from regulatory agencies, and applicable international bodies, such as the Financial Action Task Force (FATF), to evaluate the degree of risk presented by the jurisdiction in which the Correspondent Banking Client is based, jurisdiction in which its ultimate parent and/or subsidiaries are domiciled , and jurisdictions of those with whom they conduct business;





- 3.17.2 Corporate governance risk: The ownership (including ultimate beneficiary owners) and management structure of the Correspondent Banking Client may present increased risks. These will be evaluated in the due diligence process;
- 3.17.3 Business risk: The types of financial products and services that the Correspondent Banking Client offers to its own customers, as well as the type of markets the Correspondent Banking Client serves, may present greater risks;
- 3.17.4 Product risk: The business purpose(s) for the relationship with the Correspondent Banking Client, including the products and services offered to that client;
- 3.17.5 Anti-Money Laundering Controls: Using a risk-based approach, the Bank shall evaluate the quality of the Correspondent Banking Client's AML program;
- 3.18 Afreximbank shall confirm that the Correspondent Banking Client is not a 'Shell' Bank, as Afreximbank will not provide products or services to Shell Institutions.

Wire Transfers

- 3.19 As outlined in Financial Action Task Force (FATF) Recommendation 16, Afreximbank shall undertake required and accurate originator information, and required beneficiary information, on wire transfers and related messages, and all information that remains with the wire transfer or related message throughout the payment chain.
- 3.20 Afreximbank will monitor wire transfers for the purpose of detecting those that lack the required originator and/or beneficiary information and will take appropriate measures. In the context of processing wire transfers, the Bank will take freezing action and will prohibit the conduct of transactions with designated persons and entities, vis-a-vis the obligations set out in the relevant United Nations Security Council (UNSC) Resolutions [such as Resolution 1267 (1999), and its successor resolutions, and Resolution 1373 (2001)] relating to the prevention and suppression of terrorism and terrorist financing.

Staff Training and Awareness Raising

- 3.21 Afreximbank will continue to educate and train all employees, board members and other relevant stakeholders as this forms a necessary and important tool for





creating awareness on the issue of financial crimes.

3.22 Afreximbank will maintain relevant literature, and put in place effective and efficient training programs, to ensure that staff members are fully aware of their obligations and responsibilities.

3.23 All training records shall be maintained for a minimum of 5 years.

Sanctions Risk Management

3.24 As a Multilateral Institution, the Afreximbank's policy is to consider sanctions to the extent they are applicable to its operations and/or specific transactions, including those administered and enforced by the African Union (AU), United Nations Security Council Resolutions (UNSCR), and other relevant internationally recognized sanctions authorities, as the same are in force from time to time.

3.25 The Bank has put in place a sanctions compliance program, which includes, but not limited to, operating guidelines, automated screening solutions, identification of red flags, identification of UBOs, reporting of suspicious activity and regular communication and awareness raising initiatives.

Monitoring and review

3.26 The Afreximbank Internal Audit Department monitors the effectiveness and review the implementation of the AML/CFT/CPF Programme, considering its suitability, adequacy, and effectiveness. Improvements identified will be implemented as soon as they are communicated.

Responsibility for the Policy

3.27 The Afreximbank AML/CFT/CPF Policy is endorsed by the Board of Directors of Afreximbank. The Board has overall responsibility for ensuring the AML/CFT/CPF Programme complies with the Bank's legal and ethical obligations, and that all those under the control of the Bank comply with it.

4 This statement of Approach is distributed to all the Financial Institutions that have relationships with Afreximbank and is also available on the Bank's official website for public information.



Signed:

A handwritten signature in blue ink, appearing to read "Idrissa DIOP", written over a horizontal line.

Idrissa DIOP

Director, Compliance Department

22 February 2024