
**Policy for measures against money
laundering and terrorist financing**

in

the Sydbank Group

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1. Introduction

The object of this policy is to determine the general guidelines for the Bank's measures against money laundering and terrorist financing.

This policy applies to the entire Sydbank Group, including all of the Bank's domestic and foreign activities.

It is the policy of Sydbank to comply with legislation and rules on money laundering and terrorist financing. To the extent that the Bank's activities are subject to foreign rules on money laundering and terrorist financing, such rules must moreover be observed.

2. Regulation

Sydbank is subject to the Danish Consolidating Act on Measures to Prevent Money Laundering and Financing of Terrorism (Executive Order no. 389 of 15 April 2011) implementing Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.

Denmark is a member of the Financial Action Task Force (FATF).

The Bank is licensed by the Danish FSA (www.finanstilsynet.dk) to provide financial services. Sydbank's compliance with money laundering legislation is monitored by the Danish FSA.

Sydbank's branches in Germany are subject to the money laundering rules in Germany and are under the supervision of the German authorities.

3. Anti-money laundering officer

Sydbank's Compliance Officer has been designated as the anti-money laundering officer. The anti-money laundering officer must ensure that Sydbank complies with legislation and rules governing money laundering and terrorist financing and that measures contained in this policy are implemented.

The functional description of the anti-money laundering officer must be approved by the Bank's management.

4. Measures

The following measures must be implemented to prevent Sydbank from being used for the purpose of money laundering and terrorist financing:

4.1 Risk management

An analysis must be made containing an assessment of the extent to which the Bank's business model and business volume are at risk of being used for the purpose of money laundering or terrorist financing. The analysis must be updated on a continuing basis and as a minimum once a year.

On the basis of the analysis the Bank must put into practice appropriate measures to prevent the Bank from being used for the purpose of money laundering and terrorist financing.

4.2 Organisation, resources and business procedures

The Bank must have an efficient and effective organisation in place with a clear allocation of tasks regarding anti-money laundering. Adequate resources must be available to ensure that the Bank complies with legislation governing money laundering and the measures specified in this policy.

Business procedures that clearly describe the measures to be carried out to prevent the Bank from being used for the purpose of money laundering and terrorist financing must be made available to all relevant employees.

4.3 Training

The Bank's relevant employees must receive training in money laundering rules on a regular basis and as a minimum once a year. The Bank registers which employees have received training.

4.4 Customers

The Bank must know its customers, including the purpose of the business relationship, the expected scope, identity and have proof of identity. This applies to occasional as well as regular customer relationships. Where a customer is a legal person, the ownership and control structure must be clarified.

The investigation of customers is carried out using a risk-based approach.

4.5 Politically exposed persons (PEPs)

The Bank must be able to identify and monitor customers who are PEPs on an ongoing basis and have a procedure in place for the approval of customers who are PEPs.

4.6 Correspondent banks

Cooperation with other banks is subject to a due diligence of the correspondent bank's compliance with money laundering legislation. Sydbank has no business connections with banks that have no physical presence (shell banks).

4.7 Monitoring

The Bank must monitor whether transactions conducted in Sydbank could be suspected of money laundering or terrorist financing. Monitoring must be carried out both manually and by means of electronic systems.

As a part of its monitoring procedure, screening of customers and transactions against EU's and FATF terrorist lists and other sanctions lists must be carried out on an ongoing basis.

4.8 Reporting

The Bank reports suspicious transactions to the competent authorities.

4.9 Internal controls

Regular internal controls must be implemented to ensure that the measures specified in this policy are carried out and are effective.

4.10 Internal reporting

The anti-money laundering officer must submit a report to the Bank's Executive Group Management four times a year and the Bank's Board of Directors once a year on the Bank's risks, measures implemented and internal controls regarding money laundering.