

Bogotá D.C. 2024

Ref. Declaration regarding risk-based approach to prevent money laundering and terrorist financing - SARLAFT at BANCO GNB SUDAMERIS S.A.

This declaration is issued at your request, regarding the prevention of money laundering and terrorist financing at BANCO GNB SUDAMERIS S.A. The enclosed information about operational processes, organizational structure and corporate administration is strategic; therefore, we thank you to keep it in strict confidentiality.

GENERAL INFORMATION

BANCO GNB SUDAMERIS S.A. (henceforth the ENTITY) is a credit establishment duly-accredited in Colombia, with headquarters in Bogotá D.C. Carrera 7 No. 75 – 85, telephone 601-2750000.

The ENTITY is supervised by the Finance Superintendence of Colombia and has adopted and implemented a risk-based approach to prevent money laundering and terrorist financing (SARLAFT) that complies with the standards of the Organic Statute of the Financial System and instructions issued by the Finance Superintendence of Colombia in the Basic Legal Circular (Part I, Title IV, Chapter IV), as well as the recommendations and best international practices in this area, principally from the Financial Action Task Force (FATF) and the Financial Action Task Force of South America (GAFISUD).

The risk-based approach to prevent money laundering and terrorist financing established by the ENTITY applies procedures to identify, evaluate, measure, treat and monitor in a systematic, efficient, structured and integral manner the risks that can affect the organization in the achievement of its objectives.

The policies, controls and procedures implemented by the ENTITY within the risk-based approach are guidelines which seek due diligence to prevent being used to give the appearance of legality to illicit assets and to control those customers resources are not used for illegal activities. The above-mentioned policies, controls and procedures includes the knowledge of the clients and their transactions with the ENTITY, the definition of market segments, the monitoring of transactions, the training of personnel and cooperation with the respective authorities, among others.

The policies, procedures and rules of behavior regarding the application of all control mechanisms and instruments of the SARLAFT are included in the Manual of General Government Policies of SARLAFT for the Conglomerate and the Code of Conduct, approved by the Board of Directors of the ENTITY and are mandatory for all employees of the ENTITY and its local and international branches.

KNOW YOUR CUSTOMER

Our Know Your Customer policy is based on the identification of the client's individual risk level since the onboarding process, whereby the ENTITY determines the know your customer mechanism (intensified, ordinary or simplified). According to this profile, the ENTITY requires enhanced due

diligence procedures to clients scored High and Very High risk, that includes higher levels of review and approval.

Information supplied by our clients is verified prior to the onboarding process and continuous actions are taken to update this information, according to the client's risk level.

Customer information is stored in physical files for at least five years, and then it remains in a system of easy reproduction due to attend requirements of the competent authorities.

Additionally, the ENTITY has developed strict policies to avoid any relations with "shell banks", individuals or entities included in international lists that are binding for Colombia, or potential clients who intend to carry out operations with countries that are sanctioned and classified as higher risk by FATF.

MONITORING SYSTEMS

The ENTITY has a technological platform, based upon an alert system, it is managed for a suitable and experienced human resource team that allow us to monitor all the client's transactions due to the risk factors, to identify unusual operations, based on the alarm signals that are identified.

The ENTITY also monitors intra and inter segment alerts, determined upon the segmentation of the risk factors (Clients, Products, Distribution Channels and Jurisdictions) established by the Basic Legal Circular of the Finance Superintendence of Colombia.

If during the development of policies due to the knowledge of the clients, unusual transactions or operations are detected and not fully justified by the clients, they are considered suspicious operations and so are reported to the competent authorities (Financial Analysis Unit - UIAF), in accordance with current regulations.

PERSONNEL TRAINING

Training due to the Risk Management System for Money Laundering and Terrorism Financing is directed to all employees of the Bank and its branches through the "Mi Portal" virtual training system at least once a year.

Additional training is made to different areas of the ENTITY, according to the probability of Money Laundering and Terrorist Financing risk in the different processes of the ENTITY, giving priority to those processes that may be vulnerable to ML/TF risk.

SUPERVISORY AND CONTROL ORGANISMS

As mentioned above, the ENTITY is subject to the supervision, control and inspection of the Finance Superintendent of Colombia, which visits the ENTITY to evaluate the SARLAFT control environment. As a result of these evaluations, corrective measures are applied for continuous improvement in this area and to improve mitigation of the risks associated to money laundering and terrorism financing.

Additionally, compliance reviews of control mechanisms designed and implemented within SARLAFT at the ENTITY, are included in the internal auditing processes as a specific program based on auditing procedures.

Likewise, the external audit performs among other reports, a yearly review and report, directed to the Board of Directors about the fulfillment of the regulations on the SARLAFT, as a result of an independent evaluation.

COMPLIANCE OFFICER

The ENTITY has a Principal Compliance Officer and an alternate who are named by the Board of Directors and duly take possession at the Finance Superintendence of Colombia.

The Compliance Officer of the ENTITY has second-level hierarchy within the ENTITY, has decision-making capacity, is accredited in risk administration knowledge and is supported by a personnel and technology work team in accordance with ML/TF risk, is an employee of the ENTITY and does not belong to control organisms or areas directly related to activities covered by the principal mission.

Sincerely,



SANDRA LILIANA VALENCIA
Compliance Officer
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