

METRO BANK PLC EXTERNAL SANCTIONS POLICY MAY 2020

This document summarises the approach that Metro Bank takes to ensure compliance with its economic sanctions obligations.

Metro Bank is committed to meeting all its legal and regulatory obligations in relation to economic sanctions, including those applicable to the bank imposed by the United Nations (UN), European Union (EU), United Kingdom (UK) and the United States (U.S.).

Economic sanctions are restrictions put in place by governments, intergovernmental organisations and regional bodies to achieve specific foreign policy or national security objectives. Economic sanctions can take the form of any of a range of restrictive or coercive measures, including limiting the provision of certain financial services and/or restricting access to financial markets, funds and economic resources to certain individuals, entities or countries.

This means we may not be able to provide products or services to certain individuals, entities or countries. It also means that we may have to hold payments to or from our customer's account in order to review whether the payment is permitted by law and/or within Metro Bank's risk appetite. If we do not believe the payment is permitted, we may block the customer's access to the funds or refuse to process the payment, depending on the circumstances and our legal obligations. We may also take further action that we believe is necessary to prevent a breach of economic sanctions. We recognise the adverse impact these steps may have on certain customers and are committed to acting in a proportionate manner by only taking those steps which are necessary to achieve these aims.

To manage and mitigate the risk of breaching economic sanctions laws Metro Bank is committed to taking the following action:

- Regularly reviewing our economic sanctions policy and regularly assessing our economic sanctions risk exposure, including whenever there is a material change to our legal and regulatory requirements or relevant circumstances.
- Ensuring that all our colleagues understand our and their own economic sanctions obligations and are given regular training on how to identify and prevent potential sanctions evasion and violation.
- Prohibiting business that might prevent us from meeting our legal, regulatory or other obligations in relation to economic sanctions or that may introduce other financial crime risks outside of our risk appetite. This includes:
 - o not providing products or services to individuals and/or entities on a sanctions list; and
 - o not conducting business directly or indirectly with or for the ultimate benefit of, countries subject to sanctions, or countries that are recognised by Metro Bank (based on guidance from relevant external organisations such as the Financial Action Task Force or the European Union) as presenting a high risk of financial crime. Such countries, which may be subject to change, currently include:
 - Cuba
 - Iran
 - North Korea
 - Crimea region
 - Syria

- Screening our customers, parties connected to our customers, employees and any other parties that have a relationship with the bank against applicable sanctions lists at account opening and at other points throughout the course of the relationship.
- Screening incoming and outgoing transactions, as determined appropriate, against applicable economic sanctions lists before any payments are executed or funds are made available.
- Investigating all potential economic sanctions concerns using trained sanctions colleagues.
- Blocking access to or refusing to process, at our discretion, any payments that we consider to pose a risk of breaching sanctions, or where we are required to do so as part of our legal and regulatory obligations.
- Reporting actual and suspected breaches of economic sanctions to the relevant authorities, including attempts to evade sanctions.

Authorised transactions will be processed at our discretion, if doing so would not breach applicable sanctions or is permitted by a specific or general licence. These transactions will be considered on a case-by-case basis.

We may also, at our discretion, decide not to process transactions, provide products or services, or otherwise facilitate transactions even where permitted by sanctions laws, if these activities fall outside of our risk appetite.

In certain circumstances, we may ask for additional information in order to determine whether transactions or other activities are permissible. Failing to provide this information may mean that, in line with our legal obligations, transactions are delayed, rejected or blocked, or that accounts are blocked. It may also mean that a report is made to the relevant authorities.

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