

Basic Policy on Criminal Organizations

In order to block relationships with criminal organizations that threaten social order and safety, and interfere with the sound development of the economy and society, the Bank has established, and will abide by, the following Basic Policy on Criminal Organizations.

1. The Bank shall block relationships, including transactions, with criminal organizations, and resolutely refuse illegal demands.
2. In response to illegal demands by criminal organizations, the Bank shall work to quickly resolve the problem by responding as an organization, while ensuring the safety of employees.

3. The Bank will not provide funds, engage in improper or exceptional transactions, or provide logistical assistance to criminal organizations.
4. To prepare for the possibility of illegal demands by criminal organizations, the Bank shall establish close and ongoing collaborative relationships with expert outside organizations such as the police, the National Center for the Removal of Criminal Organizations, and the Bar Association.
5. If there are any illegal demands by criminal organizations, the Bank shall respond with a resolute stance, taking action such as legal countermeasures based on both civil and criminal law.

Measures Against Money Laundering and Terrorism Financing

In response to the full enforcement of the revised Act on Prevention of Transfer of Criminal Proceeds in October 2016, management system and compliance items such as identity verification at the time of transactions and notification of suspicious transactions have been revised, and the industry has been practicing strict compliance regarding prevention of the acceptance of illegal funds and involvement in illegal transactions.

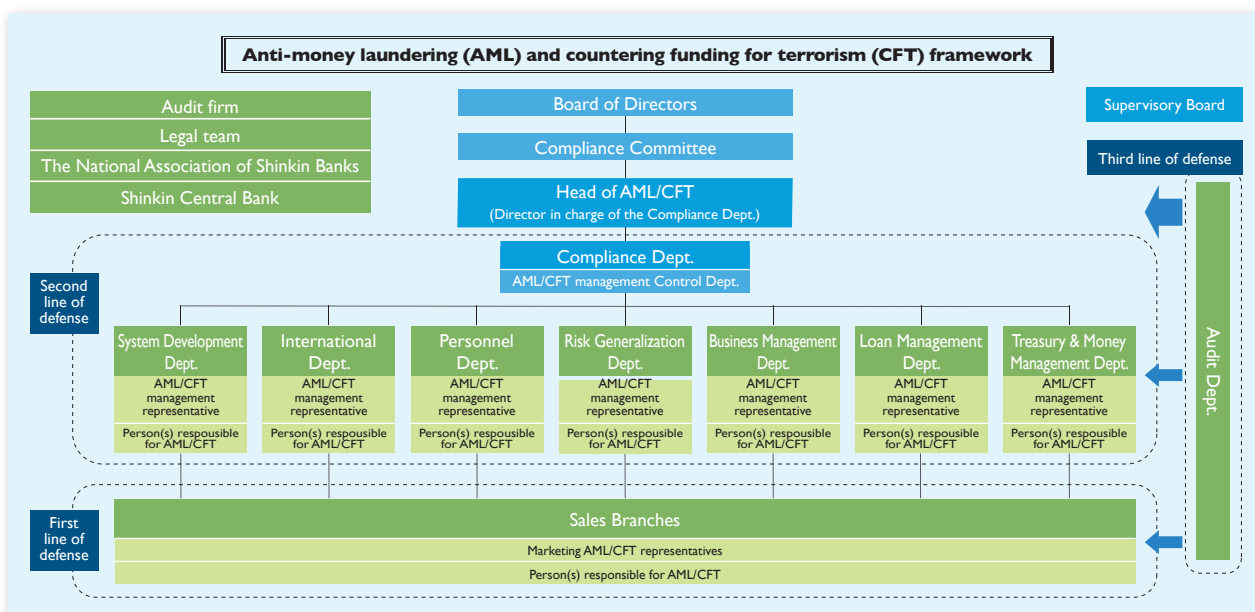
At the Bank too, we are working hard to counter increasingly complex and sophisticated money laundering and terrorism financing in collaboration with relevant institutions, in order to protect the safe and secure lives and transactions of customers.

As part of that, we send requests to confirm the purpose of

transactions and other matters to customers we have relationships with, and, while taking care to protect personal information, we periodically have customers present identification, and check the occupation, purpose of transaction, and other information relating to the customer.

Going forward, we will continue to improve the necessary management systems such as staff training and human resource deployment, and work for the further strengthening of those arrangements.

Also, specific initiatives and the Bank's management system concerning measures against money laundering and terrorist financing (AML/CFT) are as follows.



AML and CFT Policies

Osaka City Shinkin Bank strives against money laundering (AML) and toward countering funding for terrorism (CFT), and to that end adheres to applicable associated laws and regulations, and to ensure the appropriateness of tasks, the Bank has formulated the following basic policies and will put in place management systems.

I. Operational policy

The Bank has positioned AML and CFT among its most important management issues. With respect to AML/CFT risks, it will construct and maintain management systems that allow it to

respond appropriately as an organization. Specifically, management is demonstrating leadership in a range of measures. These include creating systems that bring the whole organization together to identify and evaluate risks related to AML and CFT; reconciling interests for individual departments; offering guidance and support for identifying and evaluating risks; formulating policies, rules, and procedures that take into account the results of AML/CFT risk evaluations; and allocating management resources needed to appropriately control AML/CFT risks.

Furthermore, should these risks change, or should operational