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AML, KYC, and Sanctions Policy Statement by the Board of Directors

It is KCB Group's policy to combat money-laundering, terrorism financing, proliferation financing and the financing of any illegal activity by implementing appropriate policies and procedures for effective prevention, detection, control and reporting of possible money laundering and terrorism financing activity. KCB Group holds that no customer or other relationship is worth compromising its commitment to combating money laundering, terrorism financing, and proliferation financing.

KCB Group Operating entities have placed obligations on staff and management to report suspicious activity/transactions and have established the necessary internal reporting procedures. KCB Group Operating entities have also established processes and procedures to identify and verify customers' identity, and to establish their sources and uses of funds.

Anti-Money Laundering, Combating the Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF) compliance standards and policies are established, documented, communicated and followed in KCB Group, in order to safeguard KCB Group's reputation by ensuring AML/CFT/CPF compliance in all of the Group's activities. The policies ensure compliance with all applicable laws, regulatory guidelines, and also satisfies KCB Group's international obligations with regard to combating money laundering and the financing of terrorism.

The KCB Group Boards of Directors have set up independent compliance functions reporting to the relevant Board Risk Management Committees though appropriate structures. Each function identifies, assesses, advises, monitors and reports on KCB Group's compliance risk. The Risk Management Committees at regular intervals review the AML, KYC and Sanctions compliance policies and receive reports on their implementation to assess the extent to which the Group Operating entities are managing AML/CFT/CPF compliance risk. The maximum interval between such policy reviews is three (3) years.

KCB Group maintains effective Group-wide KYC risk management framework and Customer Acceptance Programme that provides adequate controls, standards and procedures that safeguard the KCB Group against reputational, operational, legal, and concentration risks, and protects the Group from becoming a vehicle for money laundering, terrorist financing, proliferation financing and other unlawful activities.

KCB Group Operating entities maintain measures to ensure that that all new customers are properly identified, and identity verified, and that sufficient information is gathered and recorded in order to permit the operating entity to ''know its customers'' by understanding the nature of business, ownership and control structure of the customer.

KCB Group Operating entities take reasonable measures to establish and verify the identity of the natural persons who are the customer's beneficial owner(s), such that the KCB Group Operating entity is satisfied that it knows who the beneficial owners are, and that the ownership and control structure of the party with whom a relationship is being entered, in the case of legal persons and arrangements, is understood.

KCB Group Operating entities neither operate fictitious or anonymous accounts, nor operate the accounts of shell banks.

KCB Group Operating entities take measures to ensure that they do not engage in any business with correspondent banks or other counter-parties that do not maintain a physical presence, and which are not regulated for money laundering prevention and do not apply adequate and international standards in their AML/CFT/CPF framework.

"Know Your Correspondent" procedures are maintained to ascertain whether correspondent banks or other counter-parties maintain a physical presence and that they are themselves licensed, have an adequate AML/CFT/CPF framework, and are statutorily regulated for financial crimes prevention.

KCB Group upholds recognized Sanctions and Embargoes, and all KCB Group operating entities take appropriate steps not to expose correspondent banking and other international financial partners to undue risk with regard to the Sanctions and Embargoes. KCB Group Operating entities reserve the right to accept or decline any customer relationships and to take appropriate measures to identify parties that may pose any undue risks to KCB Group with a view to exercising that right.

KCB Group operating entities implement all legal requirements in jurisdictions where they operate and comply with UN resolutions relating to the suppression of terrorism financing and the prevention, suppression and disruption of proliferation financing and such other related sanctions and embargoes.

Further, KCB Group is a responsible member of the international financial services community and takes appropriate measures, including instituting internal controls and monitoring systems, to uphold UN and other internationally recognized Sanctions and Embargoes. As such, KCB Group operating entities shall not, either deliberately, or without applying a reasonable duty of care, carry out transactions or engage in business relationships that expose financial services partners to breach of advised Sanctions and Embargoes applicable to these partners.

KCB shall not knowingly enter relationships or otherwise undertake transactions with parties where such relationships or transactions may expose international banking partners (Correspondent banks) to flout their own regulatory requirements covering Anti-

Money Laundering, and Combating the Financing of Terrorism and Proliferation Financing, as well as those covering economic or any other sanctions, and in particular where such requirements may have been advised to KCB Group operating entities.

KCB Group regularly updates the schedule of its recognized Sanctions, Embargoes and Watchlists which includes:

1. UN Sanctions Lists.
2. US Office of Foreign Assets Control (OFAC) Lists.
3. European Union (EU) lists - Groups and entities subject to Common Foreign and Security Policy (CFSP) related financial sanctions.
4. UK lists - UK HM Treasury consolidated sanctions list
5. France Lists
6. KCB Group Internal Watch Lists

KCB Group requires and affirms that requirements on Anti-Money Laundering, Combating the Financing of Terrorism & Counter Proliferation Financing (AML/CFT/CPF) are implemented in all areas of KCB Group operations, including with its Agents, and that all business is conducted strictly in line with the AML/CFT/CPF requirements laid down by the regulatory authorities in the countries KCB Group operates in.

GROUP CHIEF EXECUTIVE OFFICER **CHAIRMAN, GROUP AUDIT & RISK COMMITTEE**

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