

Anti-Financial Crime Statement

April, 2022

Introduction

The National Bank of Kuwait Group (NBK) is committed to maintaining the highest ethical standards and vigorously enforcing the integrity of its business practices and acting fairly in all of its business dealings and relationships wherever it operates around the world. NBK adopts a zero-tolerance approach towards any Financial Crimes activities (Money Laundering, Terrorist Financing, Fraud, Bribery, and Corruption).

As part of NBK Anti-Financial Crime Program, NBK has developed and implemented comprehensive policies, procedures, and internal controls that are aligned with NBK's Compliance Risk Management Framework and reasonably designed to comply with laws and regulations related to Anti-Financial Crime. Those policies and procedures are periodically reviewed and approved by the Board of Directors and are applicable to all NBK locations including overseas branches and subsidiaries.

The Anti-Financial Program includes: risk management processes (oversight, governance, and escalation); a risk assessment process; communication and training; review and pre-approval processes; due diligence on third party relationships, business transactions/deals, and new products; controls oversight and confidential reporting; financial controls and record keeping; and independent testing processes.

Anti-Money Laundering & Counter Financing of Terrorism

The fight against money laundering and terrorism financing activities is a priority for NBK Group. From NBK's perspective, the prevention of money laundering has three objectives:

- **Ethical** – taking part in the fight against crime.
- **Professional** – ensuring that NBK is not involved in recycling the proceeds of crime that could call into question its reputation, integrity and if fraud is involved, its solvency.
- **Legal** – complying with Kuwait legislation and regulations as well as the international laws and regulations that impose a series of specific obligations on financial institutions and their employees.

NBK established a comprehensive Anti-Money Laundering and Counter Financing of Terrorism Policy ("AML & CFT Policy"). The objective of the AML & CFT Policy is to identify and appropriately manage money laundering risks identified by NBK and to prevent NBK's operations and activities from being used for unlawful purposes and effectively manage sanctions

The Central Bank of Kuwait has issued comprehensive instructions as well as detailed guidance notes that deal with the issue of anti-money laundering and terrorist financing based on the Law (106) of 2013. NBK has issued internal circulars, publications, manuals, and conducted workshops and seminars for the implementation of CBK guidelines by all members of management and staff.

All of NBK's overseas locations are subject to local regulations, and are fully compliant with the requirements of the FATF. Both local and Central Bank of Kuwait (CBK) regulations complement each other and all overseas locations have a dedicated Anti-money laundering reporting/compliance officer. NBK has also considered other international guidance on the subject of anti-money laundering and terrorist financing including (but not limited to) Basel Committee publication No. 85 – Customer due diligence for banks, United Nations guidance on the suppression of terrorist financing.

Anti-Bribery and Corruption

Our commitment to Anti-Bribery and Corruption builds on our corporate responsibility to our customers, shareholders and colleagues to deter, prevent, detect and respond to those who would seek to use the Group to facilitate any form of financial crime.

According to the best practice for countering Bribery and Corruption, NBK has clearly defined its Anti-Bribery and Corruption Policy, effective controlling processes, internal mechanisms for promoting integrity, a well-defined management of conflicts of interest and accountability rules. The Anti-Bribery and Corruption policy sets out the key principles and minimum control requirements that enable NBK to mitigate Bribery and Corruption risks and comply with all laws and regulations.

NBK prohibits any form of bribery and corruption, including but not limited to accepting, offering, paying, giving, soliciting or authorizing bribes, by promoting internal integrity and fulfilling the obligation towards the stakeholders of NBK. Any forms of bribery and corruption are prohibited criminal offences, and undermine the trust of customers, regulators, international organizations and other stakeholders' trust in NBK.

Anti-Fraud

The Anti-Fraud Policy of the National Bank of Kuwait (NBK) Group has been established to facilitate the development of controls that aid in the detection and prevention of fraud against NBK or its customers. It is the intent of NBK to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and the conducting of investigations.

This policy applies to any irregularity, or suspected irregularity, involving employees, as well as shareholders, consultants, vendors, contractors, external agencies, and/or any other parties with a business relationship with NBK. Any investigative activity required is conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to NBK.

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another person to act upon it to his injury. Each member of the management team is required to be familiar with the types of improprieties that might occur within his area of responsibility, and be alert for any indication of irregularity.