

Following your request for a summary of AML policies and procedures , including completion of your AML questionnaire, we confirm that we have attached a completed questionnaire.

You also requested information regarding our board and NBKI internal policies and procedures.

We would confirm to you that NBKI are owned 100% by National Bank of Kuwait SAK in Kuwait, and that no individual shareholder owns more than 10% of the shares.

NBKI Board membership is available via the FCA Register, as previously advised to you, as our Board holds regulated functions.

***Copy of AML policy, which includes the following points:***

We confirm that our internal procedures are not available publicly, and that we are an Financial Conduct Authority (FCA) Regulated firm that abide by the Rules and Regulations set out in the United Kingdom. We also confirm that our procedures have been reviewed as part of our Regulatory 2 yearly visit in June 2016 by the FCA. To give comfort we also confirm:

- ***KYC Procedures:*** Are reviewed by the AML team on a regular basis and at least annually. Any alterations are circulated to all relevant members of staff and training given where necessary.

***Segmentation client by risk:*** We do perform a risk rating of our customer at on – boarding which is regularly reviewed at period reviews, trigger events. We rate our customers on Low, Medium, High, and Very High categories. We review as follows: Low 5 yearly, medium 3 yearly, high annually and very high six monthly.

***PEPs treatment:*** All PEPs receive enhanced due diligence and are monitored and reviewed at least annually, updating Risk Ratings, World check and adverse media checks. We sanction check all customers on a daily basis against Side Safe watch, and review our PEP's against Safe watch on a quarterly basis.

***Operations monitoring procedure:*** We are in the process of testing a new transaction/KYB monitoring system called Oracle Mantas, which will review all customer transactions, and enable us to map transaction usage. This system is currently live and in testing phase.

***Customer acceptance policies (definition of prohibited clients):***

Anyone on a sanctioned listing, and individuals that do not fit into the NBKI profile, which has been set up to service existing Bank customers in the United Kingdom. Certain industries and occupations such as arms dealers or money services businesses are prohibited.

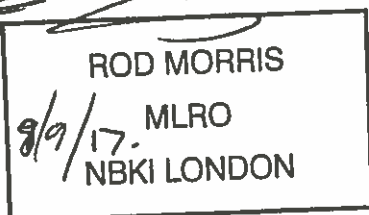
**High risk client's definition and the enhanced measures over them including if exists specific controls:** High risk customers are determined by a risk assessment process which incorporates all risk criteria contained in the Joint Money Laundering Steering Group Guidance. All high risk customers are subject to enhanced due diligence at take on and subsequent monitoring. The enhanced due diligence process would include evidence of a person (passport) evidence of the home address (civil identification card for Kuwaiti individuals), evidence of source of wealth and ongoing funding (could include property deeds, bank statements, inheritance documents, publically available info accounts etc.), knowledge from the account officers in Kuwait and other NBK Offices, publically available information via Google and company websites, external independent reports.

**Controls in place over persons and sanctioned countries:** All customers and transactions are checked on a daily basis against Side Safe watch including UN, EU, OFAC and HMT sanction listing.

**Audit systems in place with regards to AML Policies and AML Procedures.** Our internal audit process has been externally allocated to BDO, and the next AML Audit is due in the 3<sup>rd</sup> quarter of 2017. There are two internal audit findings which relate to ongoing Correspondent Banking file reviews, and the lack of an automated transaction monitoring system. Both of these are currently being actioned.

The external audit function is carried out by Ernst and Young on an annual basis.

Kind regards  
Rod Morris

A rectangular box containing handwritten text. The text is: "ROD MORRIS", "8/9/17. MLRO", and "NBKI LONDON".

ROD MORRIS  
8/9/17. MLRO  
NBKI LONDON