

NBKI Board membership

We confirm that NBKI is owned %100 by National Bank of Kuwait S.A.K.P in Kuwait, and that no individual shareholder owns more than %10 of the shares. NBKI Board membership is available via the FCA register, as our Board holds regulated functions.

NBKI AML policy, which includes the following points:

We are a Financial Conduct Authority (FCA) regulated firm that abides by the rules and regulations set out in the United Kingdom.

We confirm that our internal Policies and Procedures are not available publicly.

We also confirm that our procedures were reviewed as part of our regulatory visit by the FCA in May 2019.

In addition to the above, we confirm the following points –

KYC procedures:

Our KYC procedures are reviewed by the Financial Crime and AML teams on a regular basis and at least annually. Any alterations are circulated to all relevant members of staff and training given where necessary.

All procedures are also available on the Bank's internal intranet page, which is accessible to all staff.

Segmentation by client risk:

An initial customer risk rating is carried out at onboarding stage, with customers categorised into four risk categories, namely low, medium, high and very high, with the following review timeframes:

- Low risk: every five years
- Medium risk: every three years
- High risk: every year
- Very high risk: every six months

Customers are also reviewed at trigger event stage (such as change to customer account, new account request, reactivation of blocked/inactive accounts).

Treatment of Politically Exposed Persons "PEPs":

All PEPs are subject to enhanced due diligence and are monitored and reviewed at least annually. As part of this review, updated customer risk ratings are performed, together with name screening and adverse media checks.

Sanctions checks are performed on a nightly basis using Bank-approved screening software. Additionally, the NBKI customer database is screened against on a monthly basis and quarterly screening of the Bank's PEP customer list for any adverse media.

Anti-Bribery and Corruption

NBKI has policies and procedures for the prevention of Bribery and Corruption. These policies and procedures mandate strict adherence to the provisions of the UK Bribery Act 2010 and other relevant legislation. The policy sets out standards in respect of:

Scope

- Legislation and Legal Requirements
- Proportionate Procedures
- Board and Senior Management Commitment
- Risk Assessment
- Due Diligence
- Communication (including training)
- Monitoring and review protocols
- Conduct
- Roles and Responsibilities
- Reporting and Escalation
- Record Keeping

Operations monitoring procedure:

NBKI employs automated transaction monitoring software to identify potential money laundering, terrorist financing and other financial crime. This monitoring programme reviews all customer transactions against pre-determined scenarios and enables us to map transaction usage.

Customer acceptance policies (definition of prohibited clients):

NBKI defines prohibited clients as any individual named on a sanctioned listing, as well as individuals who do not fit into the NBKI profile, which has been set up to service existing NBK customers in the United Kingdom.

Individuals involved in certain industries have also been prohibited, such as arms dealing and money service businesses.

Definition of high risk clients, enhanced measures and 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 are subject to subsequent monitoring.

The enhanced due diligence process includes:

- Evidence of a person (passport)
- Evidence of the home address (civil identification card for Kuwaiti individuals)
- Evidence of source of wealth and ongoing funding (this may include property deeds, bank statements, inheritance documents, publicly available information, accounts, knowledge from the account officers in Kuwait and other NBK offices, publicly available information via Google and company websites, external independent reports).

Controls in place over persons and sanctioned countries:

All customers and transactions are screened on a daily basis using Bank-approved screening software, which incorporates UN, EU, OFAC and HMT sanction listings.

Audit systems regarding Financial Crime Compliance Policy and procedures:

Our most recent internal audit took place in June 2022. The outcome was a Satisfactory rating.

Kind regards,
Andrew Jackson
Money Laundering Reporting Officer