

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

Please find information in the below sections regarding National Bank of Kuwait (Int'l) PLC (NBKI)'s board of directors and the Bank's internal policies and procedures.

➤ **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 Financial Crime Prevention policy, which includes the following points:**

We are a dual regulated firm – authorised Prudential Regulation Authority (PRA) and regulated by the PRA and Financial Conduct Authority (FCA). We are bound by the rules and regulations set out in the United Kingdom.

We confirm that our internal 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. Our policies & procedures are reviewed annually at a minimum and are approved through the appropriate governance structures.

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

➤ **KYC procedures:**

Our KYC procedures are reviewed by the Financial Crime team on a regular basis and at least annually. Any alterations are circulated to all relevant members of staff and training given where necessary following the necessary committee and/or Board approval.

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). New risk assessments are performed whenever a client is due for review or when changes to client circumstances become known to the Bank.

➤ **Treatment of 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, alongside new World-Check and adverse media checks.

Sanctions checks are performed on a nightly basis against Eastnets Safewatch. Additionally, the NBKI customer database is screened against World-Check PEP lists on a monthly basis, alongside quarterly screening of the Bank's PEP list for any adverse media.

➤ **Operations monitoring procedure:**

NBKI employs the use of Oracle Mantas transaction/KYC monitoring software. 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. Any new clients not known to the NBK group undergo extensive checks and escalated approval sign off at local senior management level and with NBK Group headquarters in Kuwait.

Individuals involved in certain industries have also been prohibited, such as arms dealing and money service businesses. NBKI does not also deal with shell banks and other institutions deemed as posing heightened financial crime risk (e.g. crypto currency vendors etc).

➤ **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 checked on a daily basis against Eastnets Safewatch, which incorporates UN, EU, OFAC and HMT sanction listings.

Audit systems regarding AML policies and AML procedures:

Our internal audit process has been allocated to BDO, and the most recent audit took place in September 2020. The external audit function is carried out by Ernst & Young LLP on an annual basis.

Kind regards,



Sarah Al-Ghani

Deputy MLRO