

AML/CTPF Department

AML/CTPF Policy Statement

Anti-Money Laundering and Counter Terrorist & Proliferation Financing (AML/CTPF) Policy Statement

OBJECTIVE

This statement represents a certification by **Kuwait Finance House (KFH)** to its correspondent banking customers regarding compliance with **Anti-Money Laundering, Counter Terrorist Financing, and Counter Proliferation Financing** (hereinafter collectively referred to as “**AML/CTPF**”) regulations.

KFH is strongly committed to preventing the use of its products and services for money laundering, terrorist financing, or proliferation financing activities. Accordingly, the Bank complies with all applicable laws, regulations, and international standards designed to combat money laundering, terrorist financing, and proliferation financing, and is committed to cooperating with the relevant local and international competent authorities in this regard.

SCOPE

This AML/CTPF Policy applies to **Head Office departments and local branches only**.

AML/CTPF COMPLIANCE PROGRAM

The key components of KFH’s AML/CTPF Compliance Program include, but are not limited to, the following:

- Board of Directors-approved AML/CTPF Policies and Procedures
 - Designation of a **Money Laundering Reporting Officer (MLRO)** and appropriate deputies
 - Enterprise-wide **AML/CTPF Risk Assessment**, supported by systems, processes, and internal controls
 - Ongoing **AML/CTPF training and awareness programs** for employees
 - **Independent testing and assurance**, including internal audit and/or external reviews
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KEY POLICY PRINCIPLES

Key AML/CTPF policy principles are as follows:

- KFH has implemented a **risk-based approach** supported by policies, procedures, processes, systems, and controls to identify, assess, manage, and mitigate money laundering, terrorist financing, and proliferation financing risks.

- KFH applies **customer identification and verification procedures** in accordance with applicable legal and regulatory requirements.
- KFH conducts appropriate procedures to **identify, determine, and verify the identity of the Ultimate Beneficial Owner (UBO)**, including ownership and control structures, in line with regulatory expectations.
- KFH implements **Customer Due Diligence (CDD)** and **Enhanced Due Diligence (EDD)** measures commensurate with customer risk classification (Low, Medium, and High Risk).
- KFH maintains a **Know Your Employee (KYE)** program incorporating screening, monitoring, and due diligence requirements.
- KFH monitors customer transactions on an ongoing basis to identify unusual or suspicious activity and reports such activity to the competent authorities, where required.
- KFH utilizes automated systems and screening tools to comply with **sanctions, embargoes, terrorist, and proliferation financing restrictions**, covering customers, beneficial owners, related parties, and transaction counterparties.
- Customers and related parties identified as **Politically Exposed Persons (PEPs)** or equivalent high-risk individuals are subject to enhanced monitoring and controls.
- KFH has established a comprehensive framework governing relationships with **charitable and non-profit organization customers**.
- KFH does not permit the opening or maintenance of **anonymous accounts or accounts in fictitious names**.
- KFH does not establish or maintain **correspondent banking relationships with shell banks**.
- KFH does not deal with **walk-in customers**.
- KFH complies with all legal and regulatory requirements relating to **cross-border transfers and remittances**, including transparency and information requirements.
- KFH ensures **ongoing AML/CTPF training** for employees, aligned with their roles and responsibilities.
- KFH maintains records in accordance with **applicable legal and regulatory record-retention requirements**.

DISCLAIMER

In providing this information, **Kuwait Finance House (KFH)** does not undertake any responsibility or liability for the AML/CTPF compliance measures that the recipient institution may be required to implement under applicable laws, regulations, or supervisory requirements.