

Black Lists

- The bank shall constantly update the blacklist module on the Bank's internal watch list with the list of any of known or suspected terrorists or terrorist organizations
- In accordance with the requirements of the AML/CFT Regulation and other related laws and regulations, the TSG Officers/RM shall compare customer names against the terrorist list on the internal watch list before the account opening procedure is completed

Data Validation

- The TSG/CPC Officers shall perform a global search on the core banking application before opening an account to eliminate the occurrence of duplicates
- TSG/CPC OPs supervisors shall review the data captured on BASIS against the account opening forms to ensure accuracy before approving customers scanned signature mandate on BASIS
- An Independent officer shall review batch at end of each day to identify discrepancies

Non-Resident Kenyans

The TSG/CPC Officer/RM shall:

- Ensure that all documents provided by the customer are notarized through a Notary Public/ Solicitor or confirmed by the Consulate in the country of residence.
- Branches, subsidiaries, representative offices or correspondent Banks in the prospective customer's home country may be used to confirm identity or as an agent to check personal verification and address details;
- An account opening reference can be sought from a reputable credit or financial institution in the applicant's home country. Verification details should be requested covering true name or names used, current permanent address, date of birth and verification of signature.
- Place restriction on the customer account until the original copies of all relevant documents are sighted

2. REPORTING LINES

The Head Transaction Services Group reports all AML/CFT issues to the Chief Compliance Officer of the Bank.

3. REGULATORY REQUIREMENTS

The Bank shall abide by all local and international regulatory guidelines

adopted by the Bank, as well as best practices guiding KYC implementation, Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) requirements.

4. RISK BASED APPROACH

The Bank shall adopt a risk-based approach in managing its customer information. All categories of customers shall be risk-ranked based on the Bank's risk rating parameters, thereby enhancing transaction monitoring and overall risk assurance.

5. APPLICATION OF THE POLICY

This policy would enhance the integrity of the Bank's customer information data, guarantee adequacy of information for customer transaction processing and regulatory returns as well as improve overall customer service delivery.

APPENDIX H: CTR and STR TEMPLATES

FRC has recently introduced the goAML Application which provides a platform where reporting entities will capture and submit reports. There are three methods available for submission of STRs and CTRs to the FRC:

1. Manual entry using the online goAML web forms
2. XML file upload via goAML web
3. Business-to-business (B2B) fully automated submission

Option 1 requires no technical development by a reporting entity except if blended with semi-automated method of uploading transactions.

Options 2 and 3 are automated methods which will require technical development from a reporting entity, or a third-party software solution provider.

APPENDIX I: LARGE CASH TRANSACTIONS QUESTIONNAIRE

To be completed for all cash withdrawals and deposits of amounts equal to or greater than USD 10,000 or equivalent in any other currency.

Date: _____

Account Name: _____

Account Number: _____

Currency and Amount: _____

1. Why is the large cash deposit / withdrawal necessary?

2. Please advise why the cash deposit / withdrawal cannot be made through electronic means?

3. For Withdrawals only: Where will the money be taken right from the bank premises?

4. For Withdrawals only: What is the money going to be used for?

5. For Withdrawals only: Who will be the direct and indirect beneficiary (ies) of the money (Attach list if many)? Attach ID/Passport

6. Please provide the full identity of the intended beneficiary (ies) of the money. Please attach documentation to this form if the list is long.

7. Please confirm the source of the money being deposited/ withdrawn over the counter. (Please attach documentary evidence e.g., copy of invoice/bill of lading etc.)

The information provided above is correct and reflects a true account of the funds deposited/withdrawn to/from our account.

Authorized Signatory

Authorized Signatory

APPENDIX J: APPROACHES TO COMPLIANCE MONITORING

1.1 Attestation Grid

The Bank maintains an attestation Grid utilized as a monitoring tool. The grid captures all the reports rendered by the Bank and is used to monitor the rendition of regulatory returns. The Risk and Compliance team is responsible for updating the grid where new reports are introduced and monitoring compliance to internal and external regulations.

1.2 Training of Employees

- ✓ *To maintain the Bank's standards at all times, there are series of policies, procedures and processes to serve as a system of awareness and guidance.*
- ✓ *Training should be the primary tool used to raise awareness of compliance guidelines within the Bank.*
- ✓ *Training programs shall be organized with a risk-based approach ensuring that the departments that are high risk receive the required training in the first instance. This provision notwithstanding, in line with regulatory provisions, each employee shall undertake mandatory compliance training at least once in a financial year. Documented evidence of the training sessions shall be kept, with the delegates signing a register to the effect that they have received and understood the training provided to them.*
- ✓ *Ad-hoc sensitization memos shall also be disseminated via the intranet.*

1.3 Attestation of Code of Professional Conduct

- ✓ *All employees are required to attest to the relevant code of professional conduct annually. Employees are also required to make relevant disclosure in accordance with the ethics of the Bank.*
- ✓ *The code would be implemented as a tool/means to ensure best standards are maintained by employees and senior staff. The code would be circulated once a year and every employee are required to attest to the code.*
- ✓ *The code would engender ethical and professional behavior from all employees within the Bank. In the implementation of a new business line, the code of conduct would be rolled out to the affected business/employees.*

1.4 Whistle Blowing Procedures

The Bank has established whistle blowing procedures that encourage (under assurance of confidentiality) all stakeholders to report any unethical activity/breach of any of the Bank's compliance obligations or requirements including the Corporate Governance Code and Ethics policy using, amongst others a dedicated email address or portal. Details of the whistle blowing procedures are contained in the Whistle Blowing policy of the Bank.

1.5 Monitoring Reports

- ✓ *The Board and the Management of the Bank are ultimately responsible for the activities within the Bank. The role of the Board and Management in respect of its corporate governance oversight function requires that they must on a quarterly basis request/receive report on the activities being carried out by the Bank.*
- ✓ *The reports must be based on the set and agreed KPIs and set out regulatory standards of compliance and best practice.*
- ✓ *The report must provide to the board and management that the compliance risk appetite measures set in place are effective.*
- ✓ *The reports must demonstrate that they have adequately mitigated the perceived, identified and documented compliance risks.*

- ✓ *The reports must also be able to notify the Board and Management of upcoming compliance related risks which have either been identified by the Risk and Compliance function or outlined/communicated by the regulator.*
- ✓ *The reports would highlight areas such as; whistle blowing activities, corporate governance activities and monitoring reports output.*

APPENDIX K : MISCELLANEOUS

1.1 Amendments and Changes

The policy shall be reviewed every year. The responsibility for the review of the policy to ensure adherence to laws, regulations and best practice shall be that of the Risk and Compliance Team

1.2 Communication

This policy shall be communicated to all employees.

The Head of Risk and Compliance shall be responsible for ensuring that the new employees are provided with a copy of this policy as part of the induction programme upon resumption of duties.

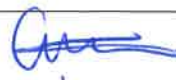
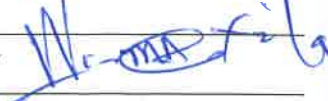
The team would also ensure that all employees understand the importance of complying with the provisions herein.

1.3 Sanctions

Violations of this policy, including failure to comply with its provisions and failure to report actual or potential breaches of this policy, will lead to disciplinary action in accordance with applicable disciplinary procedures set out in the Disciplinary Sanctions Grid of the Bank.

Compliance Policy 7.0

This Policy has been approved by the Board of Directors.

SN	TITLE	NAME	DATE	SIGNATURE
1	Head, Risk and Compliance	Caroline Macharia	12/08/2022	
2	Managing Director	Ayodele Popoola	12/8/2022	
3	Chairman, Board Risk Management Committee	Nalin Shah		