

Burgan Bank

Anti-Money Laundry
& Combating
Terrorism Financing
Policy Statement





Introduction

This booklet has been developed by and is the exclusive property of Burgan Bank. Any attempt to copy, duplicate or modify this booklet may be considered an act of forgery and may be the subject of criminal proceedings. This booklet is given to every director, executive and employee of Burgan Bank, and the guidelines mentioned herein are considered by Burgan Bank as a necessary code of ethical behavior and good conduct to be strictly adhered to and followed by all such directors, executives, and employees of Burgan Bank; each of whom has a duty to conduct him/herself based on the principles of good faith and integrity.

Policy Statement

Burgan Bank Group adheres that it is regulated and supervised by the Central Bank of Kuwait; The Group is entirely committed to combating all Financial Crime activities of which includes but are not limited to; Money Laundering, Terrorist Financing, Economic Sanctions, breaches and any harming reputational exposure. Burgan Bank Group is aware that global threats that compromise the security and effectiveness of financial systems and institutions, that can undermine economic development and damage societies.

Burgan Bank Group certifies that it has a zero tolerance for the facilitation, aiding or abetting of any form of Financial Criminal activity, and strictly prohibits any transaction (directly or indirectly) or business arrangement (including the provision of banking services) that has the purpose of enabling any person (including any individual, government, legal corporate entity, or organized groups) to evade or circumvent applicable legal or regulatory requirements; those of which are defined within the policy.

Objective:

The purpose of this policy statement addressed hereby is an acknowledgment that Burgan Bank Group as a financial institution adheres that it is committed to upholding the highest standards of integrity and ethical conduct in the financial industry. Our Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) Policy is designed to prevent and combat illicit activities, ensuring a secure financial environment for all including but not limited to; Individual customers, corporate legal entities, affiliated institutions, and all of its employees.

Anti-Financial Crimes Program

As part of Burgan's obligation to its Anti-Financial Crimes (AFC) program, the bank enforces an Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) policy to support in denying criminals and terrorists access to/through the bank's financial systems. Our AML/CFT Policy underscores Burgan Bank Group's dedication to maintaining the highest standards of financial integrity and by adhering to these principles, we contribute to a secure and transparent financial system, fostering trust among our clients and stakeholders.

Complying with all applicable AML and CTF laws and regulations across the Group, subsidiaries and all the jurisdictions in which the Group operates. The AFC policy is in full compliance with the Central Bank of Kuwait's ("CBK") instructions 2/RB/RBA/507/2023, 2/105/11105/2019, 8519/105/2/2019, Kuwait Law 106/2013, its Executive Regulations and all relevant ministerial resolutions.

The Policies relevant to the Anti-Financial Crime Program is reviewed and approved by the Board of Directors of which compliments a Risk-Based approach that aligns with the compliance to the State of Kuwait's Combating Money Laundering and Terrorist Financing laws, instructions, regulations; and international best practices, international laws and guidelines in relevance to combating Financial Crime as Burgan Bank Group adopts and implements the Financial Action Task Force (FATF) 40 recommendations on combating Money Laundering and Financing of Terrorism. Furthermore, Burgan Bank Group also takes in notion the implementation of the relevant United Nations treaties, agreements and the United Nations Security Council Resolutions.

Burgan Bank Group Key Principles:

1. Customer Due Diligence (CDD/EDD):

- We conduct thorough our customer due diligence process; to verify the identity of our clients, business associates, and employee's
- Enhanced due diligence is applied to high-risk customers, establishing a comprehensive understanding of their financial transactions.

2. Know Your Customer (KYC):

- Burgan Bank Group maintains a robust KYC process to assess the risk's associated with each customer (individual, Corporate legal entity, Financial institutions)
- Regular updates of customer information are performed to ensure accuracy and relevance.
- KYC is performed on all clients; including Staff employed under the group of which they undergo the Know Your Employee (KYE) process and perform updates on a regular basis

3. Transaction Monitoring:

- We imply advanced monitoring AML systems to detect and report suspicious transactions promptly.
- Unusual patterns, large transactions, or transactions inconsistent with the customer's profile trigger investigations.

4. Reporting and Cooperation:

- Burgan Bank Group adheres to regulatory reporting requirements, promptly filing Suspicious Activity Reports (STRs) as necessary.
- Collaboration with relevant authorities and sharing information in accordance with legal frameworks is a priority.

5. Employee Training and Awareness:

- Regular training programs ensure that employees within the AFC are knowledgeable about AML/CFT regulations and their role in compliance as second line of defense.
- An internal reporting system encourages customer facing staff to raise concerns about client's potentially suspicious activities known as Unusual Transactional Reporting (UTR)
- An internal reporting form allows all Burgan employees to have direct access to submitting anonymously any allegation of misconduct, illegal act, malpractice or potential wrongdoing known as (Whistle-blower form).
- Burgan Bank also ensures that each entity within the Group provides detailed AFC training to its respective Board, Executive Management and all employees annually.
- New joiners are provided with AFC training at the time of joining as a part of the induction program and therefore are being trained and updated with relevance to AFC policies regularly.

6. Risk Assessment/ Risk Base Approach (RBA):

- Periodic risk assessments are conducted to identify and evaluate AML/CFT risks associated with our products, services, and customer base.
- Risk mitigation measures are implemented to address identified vulnerabilities.

7. Technology and Innovation:

- Burgan Bank Group leverages technological advancements to enhance AML/CFT controls.
- Continuous monitoring and updates to systems ensure alignment with evolving risks and regulatory requirements.

Compliance with Laws and Regulations:

- Burgan Bank Group is committed to complying with all applicable AML/CFT laws and regulations.
- Regular reviews and updates of the AML/CFT Policy are conducted to stay in line with the evolving regulatory landscape.

Conclusion:

The responsibility for the establishment and maintenance of effective AML systems and controls across the Group is led by the Group Head of Anti-Financial Crimes (GAFC) whom is appointed as the Burgan Bank Group MLRO with the support from/to the Board of Directors.