

## Extracts from the KCB Group Sanctions, Embargoes & Watch-lists Policy

KCB Group upholds recognized Sanctions and Embargoes and will take appropriate steps not to expose its correspondent banking partners to undue risk with regard to the Sanctions and Embargoes.

KCB Group will reserve the right to accept or decline any customer relationships, and will take appropriate measures in order to identify parties that may pose any undue risks to the Group with a view to exercising that right.

### **Policy Statements:**

KCB Group is a responsible member of the international banking community and shall take appropriate measures, including instituting internal controls and monitoring systems, to uphold recognized Sanctions and Embargoes.

KCB Group will not, either deliberately, or without applying a reasonable duty of care, carry out transactions or engage in business relationships that will expose its banking partners to breach of advised Sanctions and Embargoes applicable to the banking partners.

KCB Group reserves the right to accept or decline any person's request for facilities or to open an account, or terminate any existing customer<sup>1</sup> relationship, and shall accordingly take appropriate measures to identify parties, whether natural persons or legal bodies, which or who as the case may be, may be deemed to present significant risk to the Group with a view to exercising that right.

KCB Group will apply appropriate systems and controls, including policy procedures and manual and automated electronic monitoring systems in order to detect, prevent, and report transactions by parties subject to recognized sanctions or embargoes.

KCB Group, as a responsible member of the international banking community, shall comply with UN sanctions and embargoes, will not knowingly trade with countries or transact with any parties on UN Sanctions and Embargoes lists.

KCB Group will not knowingly enter into relationships or otherwise undertake transactions with parties, where such relationships or transactions may expose our international banking partners (correspondent banks) to flout their own regulatory requirements covering Anti-money Laundering/Combating the Financing of Terrorism (AML/CFT), as well as those covering economic or any other sanctions, and in particular where such requirements may have been advised to KCB Group.

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<sup>1</sup> Customer - KCB's customer is any party that enjoys any services or relationships with KCB

Recognized Sanctions.

KCB Group regularly updates the schedule of Recognized Sanctions, Embargoes, and Watch lists, which includes and is not limited the following lists:

1. UN Sanctions lists
2. US Office of Foreign Assets Control (OFAC) lists
3. European Union (EU) lists - Groups and entities subject to Common Foreign and Security Policy CFSP related financial sanctions.
4. UK lists - UK HM Treasury consolidated sanctions list
5. French National List

Country Sanctions

KCB Group reserves the right to reject all transactions relating to any country that is the subject of sanctions. KCB shall not participate in trade, relationships, or engage in transactions with parties that may involve, whether directly or indirectly, the following countries and or their governments, except for humanitarian assistance and any other exceptions allowed under UN Sanctions:

- Iran
- North Korea
- Sudan\*
- Somalia

\*Does not include South Sudan

The Sanctions, Embargoes & Watch lists policy was approved by KCB GROUP BOARD on 8.09.2010

For: KENYA COMMERCIAL BANK LTD.  
  
Head, Compliance Risk

8<sup>th</sup> March, 2013