

KUMARI BANK LIMITED (KBL) ANTI MONEY LAUNDERING POLICY STATEMENT

The Board approved AML/CFT policy of the Bank is guided by the country's Asset (Money) Laundering Prevention Act, its subsidiary instruments Asset (Money) Laundering Prevention Rules issued by FIU-Nepal, Directives on AML/CFT issued by the banking regulator and the International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation issued by FATF.

The purpose of our AML policy is to establish the general framework for the fight against money laundering, terrorism and other financial crimes.

The Policy includes but is not limited to:

- The appointment of a AML Compliance Officer at managerial level as required by local regulation;
- A Customer Due Diligence (“CDD”) Program, which incorporates Customer Identification and Verification and Know Your Customer (“KYC”) principles, including Identification of beneficial ownership and the implementing of programs designed to appropriately remediate CDD of our existing customers;
- Conducting enhanced due diligence on customers assessed as higher risk, such as Politically Exposed Persons (“PEPs”) in senior positions, their relatives and close associates;
- Establishing processes and systems designed to monitor customer transactions for the purpose of identifying suspicious activity;
- Record keeping and Obligations there under;
- Countering Money Laundering Risks while adopting new technology;
- Obligations regarding Wire transfers, specific provisions regarding correspondent Banking,
- The investigation and subsequent reporting of suspicious activity to the appropriate regulatory bodies;
- Role of Audit and Board and regular AML training of its employees;
- The prohibition of the following products, services and customer types:
 - Anonymous accounts or customers seeking to maintain an account in an obviously fictitious name;
 - Shell banks, ie, banks with no physical presence or staff;
 - Payable-through-accounts, ie, KBL does not provide its customers payable-through-account facilities ; and
- Any relevant additional local requirements

KBL is committed to reviewing its AML strategies and objectives on an ongoing basis and to maintaining an effective AML program. KBL is committed to the highest standards of anti money laundering (AML) compliance and requires management and employees to adhere to these standards to prevent use of our products and services for money laundering purposes.