

AML Policy Statement by the Board of Directors

It is KCB Group's policy to combat money-laundering and financing of illegal activity by implementing procedures and processes to identify and verify customers, and to place obligations on staff and management to report certain information on suspicious activity/transactions, in accordance with the AML Compliance Policy Manual. KCB Group will not operate fictitious or anonymous accounts, operate the accounts of shell banks, and will not willingly and/or knowingly conduct business which is tantamount to money laundering. KCB Group holds that no customer relationship is worth compromising our commitment to combating money laundering.

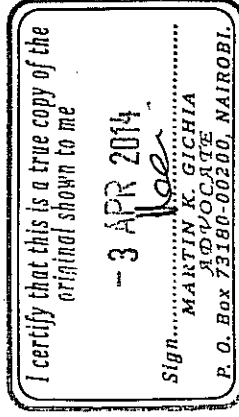
The Board of Directors has set up an independent Compliance function reporting to the Risk Board Committee through the Chief Risk Officer. The function identifies, assesses, advises, monitors and reports on KCB Group's Compliance risk. The Board or its designated committee at regular intervals, reviews the Bank's AML compliance policy and receive reports on its ongoing implementation to assess the extent to which the Bank is managing AML Compliance risk. The maximum interval between such review shall be two years.

In line with the commitment to combat money-laundering, KCB Group has formalized and documented the Policy on Anti-Money Laundering Compliance. The specific objective of the AML Compliance policy is to ensure that anti-money laundering compliance is managed through reasonable and adequate procedures and that suspicious transactions and/or activities are reported to the authorities as is required. The detailed AML Compliance Policy Manual provides guidance on these procedures and is readily available at the Group Policies repository.

The Board affirms that the Bank/Group will not be associated with money laundering and has directed management to implement policies and procedures to ensure that all statutory and regulatory obligations are met in full.

KCB Group requires and affirms that Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) requirements are implemented in all areas of KCB operations, including with its Agents, and that Agent Banking Business is conducted strictly in line with the AML/CFT requirements laid down by the regulatory authorities in the countries KCB operates in.

It is the duty of the Board and Staff to ensure that anti-money laundering compliance standards and policies are established, documented, communicated and followed, to enable safeguard KCB Group's reputation and competitive edge, meet regulator prudential guidelines, and to eliminate fraud.





KCB Group has developed the measures advised in the AML Compliance policy to ensure that the identities of all customers conducting business with the Bank are properly verified and sufficient information is gathered and recorded in order to permit the Bank to "know its customers". This will facilitate the identification of suspicious or unusual activities and transactions, and will provide a useful tool to guard against fraud.

KCB Group shall take particular measures to ensure that it does not engage in any business with shell banks. It is a specific responsibility of Correspondent Banking Relationship Managers to establish "Know Your Correspondent" procedures to ascertain whether correspondent banks or other counter-parties maintain a physical presence and that they are themselves self and statutorily regulated for money laundering prevention.

All members of staff and KCB Agents are required to familiarize themselves with the contents of the AML policy to enable them to properly discharge their responsibilities as regards AML.

Chief Executive

Chairman, Risk Board Committee

January 2013