

United Arab Bank PJSC

Policy Statement on Anti Money Laundering / Counter Terrorist Financing / Sanctions

Dated: 19 February 2015

1. Introduction

United Arab Bank (the bank) is committed to upholding the Law of the UAE and operating in accordance with its licence from the Central Bank of the UAE (CB UAE). The bank seeks to be compliant with all applicable laws, regulations and guidelines on AML/CTF/Sanctions.

2. MLRO

The Bank has appointed a Money Laundering Reporting Officer (MLRO) in accordance with CB UAE Requirements, and the individual is an Approved Person with the regulator. There is also a Deputy MLRO appointed.

3. Policy Derivation

The Bank's policy is derived primarily from CB UAE Circular 24/200 Regulation Concerning Procedures for AML dated 14/11/2000 as amended, which reflect the Forty Recommendations issued by the Financial Action Force (FATF), together with UAE Federal law No 4 of 2002 regarding the Criminalisation of Money Laundering.

UAB also follows the Wolfsburg Group Principles.

UAB seeks to be sanctions compliant and the Board has set a zero tolerance for sanctions breaches. The AML/CTF/Sanctions unit within the Compliance Department monitors transactions to ensure that they are not in breach of UAE, UN, EU and OFAC sanction programmes. The bank continues to enhance and develop its capability in this area, mindful that it is a dynamic regime that must be complied with.

4. KYC Due Diligence

The bank has a due diligence programme that sets a distinction between High Risk clients and Standard clients. All High Risk clients are subject to Enhanced Due Diligence. All clients are subject to KYC and procedures are in place to ensure that client identification documents are obtained.

Original documents must be seen and staff have to verify this and be satisfied that it is a genuine original. If there is a doubt, further supporting documentation is required. For entities there is a requirement to identify the beneficial owners.

The source of wealth must be obtained as part of the on-boarding process. Source of funds is required where transactions are not in line with expected business activity.

Guidance is issued from time to time where the bank seeks to clarify for staff on-boarding / KYC requirements and it is supplemented with training. There is a centralized team in Operations responsible for on-boarding, ensuring consistency of approach. All High Risk clients are required to be reviewed and approved by Compliance.

The bank has a record retention policy which is in line with CB UAE requirements, which is 5 years from the date of the last transaction. Closure of an account is considered a transaction.

5. Transaction Monitoring

The bank has an automated transaction monitoring system to assist in the identification of suspicious transaction that may be masking dirty money. All staff are trained in AML and made aware of the AML Laws and their personal responsibilities in exercising due skill, care and diligence in preventing money laundering.

The bank works co-operatively with all law enforcement authorities and its regulator to assist in preventing money laundering or terrorist financing. All staff are required to report any suspicious activity to the MLRO. The MLRO will review and may file a report with the country's AMLSCU.

6. Transaction Filtering

The bank has an automated transaction filtering system to assist in ensuring that we do not breach applicable international sanctions programmes for inward and outward payments. The bank also screens its client database on a continuous basis.

7. Training

The bank has a Talent Management unit that works closely with the MLRO in the development of the Annual Training Plan. AML/CTF/Sanctions Training is mandatory. Online training is supplemented with face to face training on local regulatory requirements on AML/CTF/Sanctions.