

KAF GROUP OF COMPANIES (“KAF GROUP”)

FINANCIAL CRIME COMPLIANCE (“FCC”) STATEMENT

KAF Group continues to invest in its people, processes and systems, to stand vigilant against financial crime which is a constantly evolving threat to the integrity of the local and global economy and financial industry.

We are dedicated to upholding strong ethical values and has implemented policies and controls to prevent money laundering, bribery, and corruption across all its operations. Our internal practices also include efforts to combat fraud, tax evasion, terrorism financing and proliferation financing in line with the aspirations of Bank Negara Malaysia and Securities Commission Malaysia. This is to effectively manage any identified risks, support the integrity of the financial system, and strive against financial crimes. In line with this commitment, the KAF Group has established risk-based programmes designed to detect and prevent financial crimes, assess and mitigate related risks, and comply with all applicable laws, rules, regulations, supervisory guidance, and industry best practices.

KAF Group stands alongside regulators, associations and peers in the fight against rising trends such as increasing mule and fraud crime. Along with other reporting institutions in Malaysia, KAF Group continues to be committed to completing its submission of reports under the Foreign Account Tax Compliance Act (FATCA), in addition to fulfilling its annual reporting obligation under the Common Reporting Standard (CRS), to the Inland Revenue Board of Malaysia as an additional mechanism to facilitate our FCC regime.

AML/CFT/CPF POLICY STATEMENT

KAF Group has put in place the Group AML/CFT/CPF Policy which sets out the overall governance, controls and systems in mitigating regulatory and operational risks of clients with potential risk of money laundering, terrorism financing and proliferation financing (“ML/TF/PF”) activities.

KAF Group is fully dedicated to upholding high standards of compliance with AML/CFT/CPF regulations by implementing strong policies, procedures, and systems to prevent and detect ML/TF/PF activities.

Periodic reviews are conducted on the enterprise-wide AML/CFT/CPF program, which follows a risk-based approach, to ensure it is strong and meets the requirements by the following primary legislation/regulation;

- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (“AMLATFPUAA 2001”);
- BNM Policy Document on AML/CFT/CPF & TFS – Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Financial Institutions (AML/CFT/CPF and TFS for FIs) issued on 5 February 2024;
- BNM Policy Document on AML/CFT/CPF & TFS – Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions (DNFBPs) and Non-Bank Financial Institutions (NBFIs) issued on 5 February 2024;

- SC Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market issued on 26 April 2021
- Financial Action Task Force International Standards on Combating ML/FT and Proliferation (“FATF Recommendations”); and
- Any other international or local regulatory requirements related to AML/CFT/CPF issued from time to time.

As the Bank strongly advocates the prevention of ML/TF/PF as part of the overall FCC and Ethics portfolio, notable controls deployed include processes where the Bank’s clients are screened and vetted against a comprehensive database of sanctions, high-risk jurisdiction and other related categories for eventual review and reporting to the regulator or authorities. This is supplemented by adequate due diligence, risk management and monitoring processes in support of an effective AML/CFT/CPF framework.

The newly expanded scope of the FCC and Ethics portfolio which includes fraud monitoring, further embodies stringent internal processes and assessments that are of the highest integrity to ensure satisfaction of the regulatory requirements and to ensure the Bank's clients and their transactions remain clear of the prohibitive AML/CFT/CPF elements. The continuous reporting of institutional AML/CFT/CPF risk assessment to the Executive Committee and Board Risk Management Committee signifies the Bank's initiative of ensuring consistent, transparent and timely reporting of risks as well as reflecting a robust governance framework for the conduct of AML/CFT/CPF controls.

With a strong internal governance framework, competent officers and continuous cooperation and reporting to the regulator(s) as well as law enforcement agencies, the Bank is confident in ensuring a sustainable compliance culture for implementation across the Bank.

ANTI-BRIBERY AND CORRUPTION STATEMENT

KAF Group is committed to maintaining the highest ethical standards with the highest level of integrity in conducting its business and operation.

KAF Group has adopted zero tolerance policy towards all forms of bribery and corruption, in line with its Group Code of Ethics and Professional Conduct to uphold integrity in its day-to-day businesses and dealings with the third parties. A specific Anti Bribery and Corruption (“ABC”) Guide is in place to govern the conduct, provision and controls relevant to ABC.

KAF Group is dedicated to conducting business with integrity, transparency, and fairness in all interactions with third parties and organizations in the public sector, including public officials. KAF Group also requires all third parties working with us to adhere to high ethical standards and have anti-bribery and corruption measures in place. All engagements or business relationships established or due to be established will undergo a stringent course of assessments and approvals which include screening against a database of corruption offenders published by the Malaysian Anti-Corruption Commission in an effort to mitigate exposure to ABC risks.

KAF Group encourages all employees, third parties, and the public to report any suspected cases of corruption through our corporate website. Suspected cases will be thoroughly investigated and appropriate actions will be taken, which may include reporting to authorities, disciplinary measures, and prosecution.