

FINANCIAL CRIME FRAMEWORK



Overview

I&M Bank's purpose is to be partners of growth for all its stakeholders being – customers, shareholders, employees and the community. Driven by this purpose, I&M Bank has committed to protect the interests of all our stakeholders through setting up stringent measures that help mitigate the impact of financial crime through the Bank's systems.

To achieve this, the Bank through its Risk Management policy is committed to combating financial crime by ensuring that our products and services are not misused for the purpose of money laundering, terrorism financing and fraudulent activities.

The threat of financial crime is not only unique to Kenya but globally. The Bank's fundamental responsibility is to therefore protect the integrity of its financial system by adhering to Anti-Bribery, Anti-Corruption and Anti Money Laundering Regulations. Against this background, I&M Bank does not do any business with customers involved in avoidance and circumvention of regulations; or willingly assist any customer suspected of laundering money or any proceeds from criminal activity, financing terrorism or proliferation financing.

What it means to the customer?

The Bank is highly focused in knowing our customers, with the objective of protecting the financial systems that they transact with and their wealth. We have therefore set aside a framework of policies, guidelines and controls to ensure that this is achieved as follows:

- Customers are required to provide accurate and complete information regarding beneficiaries of each transaction conducted through their accounts.
- I&M Bank only conducts business with customers who use our financial solutions for legitimate purposes and whose identities can be determined and verified.
- The Bank restricts certain types of businesses considered as high risk. The Bank therefore requests for additional information for better understanding of our customers' nature of business. I&M Bank also restricts business from countries identified as tax havens, offshore corruption and high money laundering havens.
- The Bank diligently monitors transactions for any suspicious activity through our customers' accounts. We conduct due diligence on our customers by requesting for additional information, and if our customers do not respond sufficiently and in a timely manner, we have the right to restrict such transactions.
- We do not execute transactions related to entities or individuals listed in the following sanctions:
 - o The United Nations Security Council Sanctions List
 - o The Consolidated List of European Union Financial Sanctions (EU)
 - o Sanctions lists administered by the United States Office of Foreign Assets Control (OFAC), including the List of Specially Designated Nationals and Blocked Persons
 - o Sectoral sanctions identifications list
 - o UK HMT Sanctions List

Outlook

I&M Bank will continue to apply proactive approaches to managing risk. The Bank has a robust Group Enterprise Risk Management Framework, which allows employees to devise innovative ways to fight the risks associated with Financial Crime. We reaffirm our commitment to increase preventive capabilities in the fight against Financial Crime over time, in a bid to protect all our stakeholders.

The risk environment is very dynamic and the Bank will remain one step ahead by developing stronger controls, in our bid to mitigate threats emanating from Financial Crime. As a growth partner for all our stakeholders, the Bank looks to make a positive contribution in fighting Financial Crime, hence positively impacting the society's socio-economic empowerment.