

## SYNOPSIS OF THE KYC AML CFT POLICY OF THE BANK

RBL Bank Limited (hereinafter referred to as 'The Bank') is a Scheduled Commercial Bank licensed by the Reserve Bank of India (RBI) to carry on banking business in India. The Bank is regulated and audited by RBI at regular intervals for its policies, processes, operations, and overall business function.

The Bank is committed towards developing robust Know Your Customer (KYC) principles and Anti-Money Laundering (AML) standards to know/ understand its customers and their financial dealings and manage risks arising out of such financial dealings prudently, as per the relevant guidelines issued by regulators from time to time.

### KYC AML Policy & Standards

The Bank has a comprehensive Group Policy on 'Know Your Customer and Anti Money Laundering measures (hereinafter referred to as 'The Policy') duly approved by the Board which aims to prevent the Bank from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities.

The Policy facilitates a robust governance structure and framework for implementation of AML standards across the Bank to ensure compliance with KYC/ AML/ CFT guidelines. The Policy is subject to review by the Board at least annually and at increased frequencies to incorporate the changes in the statutory guidelines from various regulators (RBI/IFSCA/SEBI/PFRDA), regulatory bodies FIU- India, IBA etc. and provisions of the PML Act and Rules thereof. The Policy was last reviewed in July 2024.

The Policy incorporates the key elements of Customer Acceptance Policy, Customer Identification Procedures, Risk Management and Monitoring of Transactions and is applicable to all segments and products being offered by the Bank including RBL Bank IFSC Banking unit of Gift City & subsidiaries.

### Risk Based Approach- KYC AML CFT Framework

The Bank adopts a Risk Based Approach (RBA) in implementing its KYC AML CFT Framework. The Bank conducts an Enterprise-wide AML Risk Assessment annually to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels. The Risk assessment conducted is placed before the Board/Committee of the Board on an annual basis.

### Customer Risk Assessment

Customers are categorized as low, medium, and high-risk category, while onboarding and ongoing basis based on the assessment and risk perception of the Bank. Risk categorization is undertaken based on several parameters such as customer's identity, social/financial status, nature of business activity, geography, type of products/services offered, delivery channels etc. FATF Public Statement, the reports and guidance notes on KYC/AML issued by the Indian Banks Association (IBA) and other agencies etc., is also factored in risk assessment.



#### Customer Due Diligence

The Bank ensures customer due diligence which includes identification of the customer, verification of their identity using reliable and independent sources of identification, obtaining information on the purpose and intended nature of the business relationship, where applicable; taking reasonable steps to understand the nature of the customer's business, and its ownership and control and determining whether a customer is acting on behalf of a beneficial owner, and identifying the beneficial owner and taking all steps to verify the identity of the beneficial owner, using reliable and independent sources of identification.

#### Ongoing Due Diligence

Ongoing monitoring is an essential element of effective KYC/AML procedures. Bank exercises ongoing due diligence with respect to every customer and closely examines the transactions to ensure that they are consistent with the customer's profile and source of funds as per extant instructions.

Enhanced Due Diligence is carried out for all high-risk category customers including PEP.

The Bank also conducts Re-KYC on periodic basis as per Regulatory guidelines.

#### Combating Financing of Terrorism/Sanctions Screening

The Bank ensures compliance with applicable sanction regimes and has a procedure in place to make sure that said relationship is not posing additional risk to the Bank and ensure that the identity of the customer does not match with any person with known criminal background or with banned entities such as individual terrorists or terror organizations, sanctions list circulated by RBI including UAPA, UNSCR, OFAC etc. For this purpose, there is a robust system put in place to update such negative/sanction database and screen customers and transactions at the onboarding stage and on an ongoing basis respectively.

#### New Products/Services

The Bank has a Product Assessment Committee (PAC) in place which identifies and assesses the ML/TF risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products.

#### Regulatory Reporting

The Bank ensures regulatory reporting requirements w.r.t. Cash Transaction Report, Non-profit Transaction Report, Suspicious Transaction Report, Counterfeit Currency Report, Cross Border Wire Transfer Report to FIU-India and Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS) to CBDT on a regular basis.



**Audit/Compliance Testing**

The KYC AML CFT framework of the Bank is subject to Internal Audit. The Auditors/Compliance Monitoring & Testing Team periodically check and verify the application of KYC/AML procedures and comment on the lapses observed if any in this regard. The audit reports/findings and compliance thereto are placed before the Audit Committee of the Board.

**Training**

The Bank is committed to ensuring that all staff are provided with the necessary training to enable them to comply with their obligations in terms of combating money laundering, counter terrorism and proliferation finance, and compliance to Bank's Policies, Standards and Procedures. The Bank takes sufficient measures to know its employees/staff and ensure necessary due diligence which includes adequate screening mechanism as an integral part of its recruitment/hiring process of personnel.

  
Swamy D.Y.  
Principal Officer  
RBL Bank Ltd.

