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Press Release

December 5, 2018

Statement on South Sudan Money Laundering Allegations

KCB Group PLC has taken note of reports appearing in the media regarding South Sudan which adversely refer to KCB Bank South Sudan operations at various times in the last half of 2018.

KCB Group wishes to disassociate itself with reports linking the bank to involvement in any form of money laundering. KCB Group is reviewing the allegations and has sought requisite legal representation and reserves the right to take any action it deems fit including legal action in respect of persons pedaling the false allegations

We would like specifically to respond for the record as hereunder:-

1. Our operations in South Sudan

KCB Bank South Sudan has had operations in South Sudan from the year 2006. KCB South Sudan being the dominant Bank in South Sudan is the preferred Bank of choice for most corporate entities, Government Institutions and Senior individuals in the Government currently and prior to the deterioration of security in the Country. The business had over the years been growing significantly, catalyzing South Sudan's economic expansion until war broke out in 2013, hurting the operating environment. This has since seen KCB scale down operations in the country.

2. Role in the Economy.

The KCB Group through the Bank has continued to create employment in the country and support the fragile economy of South Sudan by providing essential banking services under very difficult circumstances including hyperinflation and allegations of profiteering from the country in such circumstances is far from the truth. As such, KCB has played a key role in deepening financial inclusion including facilitating the flow of funds for relief by UN Missions to vulnerable communities in the remotest of areas. Due to the current operating environment, the Bank only provides basic banking services to allow the citizens to carry out transactions for their day-to-day needs.

KCB Group Plc

Directors: A.W. Kairu (Chairman); J.N. Oigara; L.K. Kiambi; H.K. Rotich; N. Biwott; A.A. Khawaja;
T.D. Ipomai; J.O.A Nyerere; Ms. G.M. Malombe; L. M. Njiru.

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3. Adherence with Banking Laws and Guidelines

Our operations in South Sudan, as in any other country we operate in, are guided by the in-country prudential and regulatory guidelines. All our operations are further guided by international banking regulations with strict adherence to Prudential and Anti Money Laundering Laws. Despite the hard prevailing conditions in South Sudan during the war, KCB Bank South Sudan has continued to cooperate with the Government and the Bank of South Sudan in ensuring that KCB Bank South Sudan is fully compliant with all the requisite Anti-Money Laundering requirements and being a Group entity has adopted to stringent measures.

4. Compliance with Various Watch Lists

We have continually and promptly complied with all requests for sanctions against individuals and entities listed by the United Nations Security Council and other watch lists, and will continued to do so. Among them are the two UN Security Council Sanctions list (vide resolution 2206- 2015 and resolution 2428- 2018).

At our level, this means isolating and freezing their respective accounts as per the provisions of the sanctions. KCB Bank South Sudan continues to work closely with the Government of South Sudan and the Bank of South Sudan with regards to resolutions on sanctioned parties. KCB has continually engaged the UN Panel of Experts on South Sudan on the South Sudan sanctions and the authors of the Sentry Report on the Bank's operations in the country. The bank also continues to work with the respective Central banks in Kenya and in South Sudan to strengthen the market environment in South Sudan.

We reiterate that KCB Group has invested in a robust AML System, which ensures that we are in compliance with all the AML requirements.

Additionally, we wish to emphasize that all wholly owned or controlled KCB Group companies are committed to implementing single global standards shaped by the most effective anti-money laundering standards available in any location where KCB operates.



About KCB Bank Group

KCB Bank Group is East Africa's largest commercial Bank that was established in 1896 in Kenya. Over the years, the Bank has grown and spread its wings into Tanzania, South Sudan, Uganda, Rwanda, Burundi and Ethiopia. Today KCB Bank Group has the largest branch network in the Region of over 250 branches, 962 ATMs and 13,562 agents offering banking services on a 24/7 basis in East Africa. This is complemented by mobile banking and internet banking services with a 24hour contact center services for our customers to get in touch with the Bank. The Bank has a wide network of correspondent relationships totaling over 200 banks across the globe and our customers are assured of a seamless facilitation of their international trade requirements wherever they are.

For further information, please contact Judith Sidi Odhiambo-Head of Corporate & Regulatory Affairs; email: jsodhiambo@kcb.co.ke

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