



External Compliance Statement

Introduction:

Al Maryah Community Bank (“MBank” or “Bank”) established in 2021, is the first digital bank in the United Arab Emirates (“UAE”), licensed by the Central Bank of the UAE (“CBUAE”), and headquartered in Abu Dhabi. MBank operates within the UAE, dealing exclusively in the local currency, the UAE Dirham (AED). The Bank provides range of online banking services to both individuals and corporate customers, offering retail products such as current and savings accounts, cards and loans products, as well as wealth management products, including IPOs subscriptions.

This document outlines Mbank’s comprehensive Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF), Counter-Proliferation Financing (CPF), Know Your Customer (KYC), Sanctions and general regulatory compliance framework, as mandated in the latest Bank’s Board-approved Compliance Policies. It establishes the governance structure, risk-based methodology, and control mechanisms designed to ensure full compliance with applicable UAE laws, regulations, and international standards. This framework reflects Mbank’s commitment to safeguarding the financial system, maintaining regulatory integrity, and embedding a strong compliance culture across all levels of the organization.

Regulatory Obligations:

Mbank is committed to comply with all the applicable UAE Laws and regulations including the Federal Decree-Law No. 10 of 2025 (replacing Law 20 of 2018) on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation Financing, the Cabinet Decision No. 134 of 2025 concerning the Executive Regulations of Federal Decree-Law No. 10 of 2025, and any other related laws and regulations.

MBank recognizes its responsibilities to prevent the misuse of its services for illegal activities, including Money Laundering (“ML”), and Terrorist Financing (“TF”). The Board of Directors, Senior Management, and Staff of Mbank are committed to full compliance with laws and regulations of the United Arab Emirates (“UAE”) as governed by the Central Bank of UAE (“CBUAE”) and other applicable international standards, such as the Financial Action Task Force (“FATF”) recommendations and Wolfsberg standards.

Mbank is further obliged to comply with both UAE and United Nations (“UN”) Sanctions and Counter Proliferation Financing (“CPF”) measures, as mandated by UAE Cabinet Decision No. (74) of 2020, which implements relevant United Nations Security Council Resolutions (“UNSCRs”) and applies Targeted Financial Sanctions (“TFS”) through the publication of a Local Terrorist List. In addition, MBank is committed to adhering to all other relevant economic and trade sanctions laws and regulations, including those imposed by the Office of Foreign Assets Control (“OFAC”), the European Union (“EU”), the United Kingdom Her Majesty’s Treasury Sanctions (“UK-HMT”) implemented by the Office of Financial Sanctions Implementation (“OFSI”) and other applicable regimes.

Objective and Purpose:

Mbank Compliance Policies (AML, CTF, KYC, Sanctions and CPF) aim at establishing and maintaining robust internal controls to prevent, detect, and report any activity related to ML and TF. They further assist Mbank in avoiding involvement, facilitation, and/or engagement in customer / business relationships or transactions with or on behalf of any sanctioned individuals or entities. This will ensure compliance with local laws, regulations, and international best practices.

Mbank Compliance policies are reviewed on annual / trigger-based basis (whatever comes first). They are approved by the BoD and aim to protect the bank from being exploited for ML, TF, PF and Sanctions activities. They are mandatory and apply to the Board of Directors, Senior Management, Employees (permanent and contractual), Contractors, Vendors and Business Partners of the Bank. It further governs the bank's customers, transactions, products, services, and delivery channels and other related activities.

Governance:

Mbank has a robust Financial Crime and Compliance (FCC) governance framework aligned with the Three Lines of Defense (3LoD) model. Business units form the First Line, Compliance acts as the Second Line, and Internal Audit provides independent assurance as the Third Line, reporting directly to the Board of Directors (BoD).

The Chief Compliance Officer (CCO) being also the Money Laundering Reporting Officer (MLRO), with direct access to the BoD through the Board Risk and Compliance Committee (BRCC), oversees the Bank's compliance with all applicable UAE laws and regulations, ensures effective oversight of ML, TF, PF and Sanctions risks and maintains direct escalation channels to Senior Management and the BoD. Internal Audit conducts periodic independent reviews, while the Legal Department provides guidance on the applicable contractual matters.

Risk Appetite:

Mbank adopts a risk-based approach to effectively identify, assess, and mitigate the risks of ML, TF, PF and Sanctions to which it may be exposed. It maintains a **zero-tolerance** risk appetite for any breaches related to ML, TF, PF and violations of applicable financial, economic, and trade sanctions laws. The Bank's customer acceptance criteria strictly prohibit entering or maintaining relationships, or executing transactions, that pose an unacceptable level of financial crime or sanctions risk.

Guided by its Board-approved Risk Appetite Statement (RAS), Mbank defines the types and levels of risk it is willing to accept in pursuit of its strategic objectives while avoiding any activity that could compromise compliance with applicable laws, regulations, or policies. The Bank also recognizes that non-compliance with AML, CFT, CPF or Sanctions obligations can

Controls Environment:

All customers undergo due diligence before onboarding and throughout the tenure of their relationship with Mbank. The relationship risk is evaluated using a three-tier scale: Low, Medium, and High based on a comprehensive assessment of multiple risk factors, including customer profile, PEP status, geography, products and services, delivery channels, industry sectors, technologies, regulatory environment, and relevant employee categories. The level of due diligence applied corresponds to the assigned risk rating, with higher-risk customers being subject to Enhanced Due Diligence (EDD) measures to ensure stronger risk mitigation.

All customers are subject to periodic Know Your Customer (KYC) reviews according to their assigned risk rating. High-risk customers are reviewed annually or upon the occurrence of a trigger event, whichever comes first; medium-risk customers every three years or trigger-based; and low-risk customers every five years or trigger-based.

Additionally, Mbank has established robust procedures, systems, and controls to ensure continuous monitoring and screening of customers and counterparties for potential sanctions concerns and suspicious activities. The Bank fully complies with all applicable regulatory requirements, including the timely reporting of suspicious transactions and the implementation of freezing measures where required.

Mbank retains all records and documents obtained through CDD measures, ongoing monitoring, account files and business correspondence, and copies of personal identification documents, including STRs and results of any analysis performed for a minimum period of **five years** after the termination of the relationship/ closure of the account or for any extended period as may be required under the laws of the UAE or as per Mbank records retention policy. Moreover, records from inspections from the supervisory authorities are maintained for a similar period to the above from the date of completion of the inspection.

Furthermore, the Bank is under an obligation to ensure that all employees are aware of their responsibilities and potential liabilities in relation to money laundering, terrorist / proliferation financing and sanctions. To meet this obligation, mandatory and periodical general and role-based trainings are being conducted for all employees including the Board Members in line with an approved annual training plan.

FATCA and CRS:

Mbank is fully committed to global tax transparency initiatives and complies strictly with the Foreign Account Tax Compliance Act (FATCA) and the Organisation for Economic Co-operation and Development's (OECD) Common Reporting Standard (CRS). In accordance with the directives of the CBUAE and the UAE Ministry of Finance, the Bank maintains comprehensive onboarding and ongoing due diligence procedures to identify reportable accounts and ensures the secure exchange of financial account information with the relevant regulatory authorities.

result in significant regulatory, legal, financial, and reputational consequences; therefore, it is committed to maintaining robust controls to ensure full adherence to all relevant requirements.

Further, Mbank RAS prohibits any type of relationship, transaction, activity, etc. that might breach any of the applicable AML, CTF, CPF and Sanctions regulations. The RAS currently prohibits, but is not limited to, the following:

- Accepting new-to-bank prospective customers without a genuine business case/ proposal, identification of Ultimate Beneficial Owners (UBOs) and an overall satisfactory enhanced due diligence result.
- Accepting, conducting and / or providing customers, transactions, activities, or products knowingly that they shall facilitate criminal activities by customers, including but not limited to tax evasion, money laundering, terrorist and proliferation financing, sanctions evasion or any other illegal activity.
- Establishing or maintaining any customer or business relationship, conducting any financial or commercial transactions, keeping any accounts under an anonymous or fictitious name or by an alias or a number.
- Establishing or maintaining a business relationship or executing any transaction in the event the Bank is unable to complete adequate risk-based due diligence measures in respect of the customer for any reason.
- Engaging in financial dealings that could contribute directly / indirectly to the proliferation of weapons of mass destruction.
- Issuing or dealing in bearer shares or bearer share warrants.
- Conducting business relationships with Hawala Dealers, Shell Companies, Shell Banks, Arms Dealers (unless licensed in UAE only and strictly dealing with the UAE Government), Unregulated Money Services Businesses, and any other as and when added.
- Establishing or maintaining any customer or counterparty relationship with an entity which is incorporated in or an individual who is a resident of (and does not hold a valid visa / trade license in the UAE) Iran, Cuba, North Korea, Myanmar (Burma), Russia, Ukraine (Crimea and Donetsk and Luhansk), Syria, and any other as and when added.
- Soliciting, accepting, or continuing with an existing relationship with any sanctioned individuals or entities or parties related, but not limited to, the following:
 - Islamic State in Iraq and the Levant (ISIS / Da'esh), Al-Qaida, and associated individuals, groups, undertakings, and entities.
 - The Taliban, and associated individuals, groups, undertakings, and entities.
 - Any individual or entity included (current /future) in the Local Terrorist List, according to UNSCR 1373.
 - Al-Shabaab, Hamas, Hizballah, Houthi, Iran's Islamic Revolutionary Guard Corps, Zimbabwe African National Union / Patriotic Front, and other related groups .

Mbank FATCA and CRS details are as follows:

Tax Act / Standard	Model	Tax Identification Number
FATCA	Reporting Model 1 IGA FFI	EQW81B 99999 SL 784
CRS	Depository or Custodial Institution, or Specified Insurance Company (including Non-reporting FI)	N/A Reason A: UAE in which the Account Holder is Tax Resident doesn't issue TINs

Undertaking

Mbank is committed to maintaining a robust AML, CTF, CPF, and Sanctions compliance framework that aligns with applicable laws, regulations, and international standards. By applying a risk-based approach, supported by strong governance and rigorous oversight, the Bank ensures the effective detection, prevention, and mitigation of financial crime risks.

The Bank undertakes to uphold these standards in all its dealings with counterparties and third-party financial institutions and will continue to strengthen its compliance program in line with regulatory developments and best practices, reinforcing its dedication to safeguarding the integrity of the financial system.



Wael Al Halabi
Chief Compliance Officer
(MLRO)




Mohammed Wassim Khayata
Chief Executive Officer