



## INTRODUCTION

This report aims to provide an overview of the structure and procedures of the Compliance Department at National Union Bank, within the framework of enhancing transparency and assessing the bank's compliance with international standards.

This includes Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) requirements and correspondent banking standards.

The bank is committed to implementing the laws and regulations issued by the Central Bank of Libya, in addition to relevant international standards.

## THE ORGANIZATIONAL STRUCTURE OF THE COMPLIANCE DEPARTMENT

The Compliance Department is an independent unit within the bank's organizational structure and reports directly to senior management (the Board of Directors) to ensure its independence in carrying out its duties:

### **The department consists of :-**

- The Compliance Manager.
- The Anti-Money Laundering and Counter-Terrorist Financing Unit.
- Compliance Officers at branches and banking agencies.
- The Due Diligence and Operations Control Unit.



# SUMMARY OF THE BANK'S FINANCIAL PERFORMANCE IN 2025

The financial performance of National Union Bank in 2025 shows significant growth across various key indicators, reflecting effective management and sound strategic direction

The following table illustrates the most prominent financial Indicators :

Percentage change in value	Percentage change in value	Financial indicator
↑ %437	37.8 million Libyan dinars	Total operating Income
↑ %48	3.91 billion Libyan dinars	Total assets
—	48.37 million Libyan dinars	Total revenue
—	%60.5	Net profit margin
↑ %28.2	2.25 billion Libyan dinars	Total deposits
—	%20.04	Capital adequacy ratio
—	%253	Cost-to-income ratio
—	%64.8	Liquidity ratio

These results highlight the bank's ability to achieve rewarding returns while maintaining strong liquidity and capital adequacy levels, which enhances its stability and ability to face future challenges.



# REGULATORY AND LEGISLATIVE FRAMEWORK

**The bank is committed to implementing the following laws and regulations**

- Central Bank of Libya instructions regulating compliance and anti- money laundering and counter-terrorism financing.
- Libyan Anti-Money Laundering and Counter-Terrorism Financing Law.
- Financial Action Task Force (FATF) Recommendations
- Libyan Economic Crimes Law
- Basel Guidelines for Banking Compliance
- International Standards for Correspondent Banking

# COMPLIANCE POLICIES AND PROCEDURES

**The bank has adopted a set of internal policies and procedures, the most important of which are**

- Anti-Money Laundering and Counter-Terrorism Financing Policy
- Anti-Corruption and Bribery Policy
- Customer Due Diligence (CDD) Policy
- Enhanced Due Diligence (EDD) Policy
- International Sanctions Policy
- Suspicious Transaction Reporting Policy
- Customer Acceptance Policy.

Please note that these policies are updated periodically in accordance with regulatory requirements.



## CUSTOMER DUE DILIGENCE PROCEDURES (KNOW YOUR CLIENT).

**The bank employs rigorous customer due diligence procedures, including:-**

- Identifying the beneficial owner.
- Understanding the nature of the customer's business.
- Risk level assessment.
- Customer data is updated regularly, and enhanced due diligence is applied to high-risk customers.
- Additional procedures and documentation are adopted to enhance the security of offshore banking operations.
- Sources of funds are assessed to ensure their legitimacy.
- Payment channels are tracked to ensure transparency and compliance.

## MONITORING OPERATIONS AND TRANSACTIONS

**The bank monitors financial transactions to detect any unusual activities through:-**

- Monitoring large or unusual transactions.
- Analyzing patterns in financial transactions.
- Reporting suspicious transactions to the relevant authorities.
- Continuously tracking financial payments.



# AUTOMATED SCREENING TOOLS RELATED TO INTERNATIONAL PAYMENTS AND SWIFT/GPI MESSAGES

- The bank's overall Financial Crime Compliance framework within the SWIFT channel.
- Updates to onboarding procedures and Know Your Customer (KYC) documentation.
- Implementation of automated screening tools and payment controls. Sanctions screening of SWIFT messages.
- Anti-Money Laundering (AML) transaction monitoring, investigations, and case management.
- Travel Rule/Payment Transparency.
- SWIFT gpi system for payment tracking and exception support.
- Security Environment (CSP/CSCF) as part of payment integrity.
- Governance and audit enhancements and corrective actions.
- Collaboration with the International Chamber of Commerce (ICC),
- The gateway implemented by the Central Bank of Libya



## REVIEWING THE SANCTIONS LISTS

**Customers and transactions are periodically checked against international sanctions lists, including:-**

- UN Security Council lists.
- Office of Foreign Assets Control (OFAC) lists.,
- European Union lists.
- United Kingdom lists.
- High-risk countries.
- High-risk ports.
- Prohibited means of transport.

Any dealings with parties listed on these lists are prohibited to ensure full compliance with international standards.

## TRAINING AND CAPACITY BUILDING

**The bank provides regular training programs for employees in the following areas :**

- Combating money laundering and terrorist financing.
- Due diligence procedures.
- Compliance with regulatory instructions.
- Detection of suspicious transactions.
- Reporting of suspicious transactions.

This is to ensure increased awareness and compliance within the bank.



## CONTROL AND AUDITING

**The compliance department is subject to periodic audits that includes :**

- Internal auditing by an independent department.
- Senior management review.
- Compliance with regulatory directives.

This is to ensure the effectiveness of the compliance system and its continuous improvement.

## CONCLUSION

National Union Bank is committed to applying the highest standards of compliance and transparency in accordance with local laws and international standards, and continuously works to develop its systems and procedures to enhance the soundness of the banking system.

The bank looks forward to building correspondent banking relationships based on trust and a shared commitment to international regulators standards.

**Compliance Unit Director  
Aziza Mohamed Al-Sanousi**

**Chairman of the Board  
Salem Arhouma**