

## NATIONAL BANK OF YEMEN ANTI-FRAUD POLICY

Date	Version	Created by	Reviewed by	Approved by
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Anti Fraud policy is part of the national bank of Yemen programme, this policy will be reviewed at least two years and updated as necessary in response to changes in bank's operations.

This policy applies to all bank products, services operations, employees, vendors and contractors, services providers and bank's consultants.

Internal frauds carried out by bank employees are huge and dangerous problem than external frauds.

### ❖ Responsibilities :

- NBY management is responsible for the detection and prevention of fraud.
- NBY management is responsible to reports potential instance of fraud to the compliance unit.
- NBY Management is responsible for taking appropriate corrective actions to ensure adequate controls.
- NBY employees are responsible to ensure that they know the identity of the customer what business they do with the bank.
- NBY employees must report concerns they have information about fraudulent or corrupt activity of any employees.

- All employees of all units as 1<sup>st</sup> line, 2<sup>nd</sup> line and 3<sup>rd</sup> line of defense shall identify fraud in the bank business activities.
- NBY Compliance Unit is responsible for overseeing and investigating any fraud activity including suspicious activity report SAR.
- NBY Internal Audit is responsible to report the findings and conclusions to the senior management.

❖ **Fraud Can Take A Number Of Different Forms Such As :**

- Teller accepts a deposit from a customer and then reverses the deposit and pockets the funds.
- Employees steal personal data from customers and then they open accounts or apply for loans in their names.
- Two or more employees work together to bypass internal controls and steal money from the bank and this kind is known as an internal collusion.

❖ **Some Signs Of Fraud:**

If the bank sees any of the below signs it may need to investigate to determine if fraud is occurring.

- Receive an increased volume of customer complaints about issues such as incorrect balances or deposits not being credited an employee may be the culprit.
- Unusual invoices, duplicate invoices may be fraudulent, and amateur embezzlers often draft invoices with even numbers.
- If the banks know that an employee is under financial pressure should keep an eye on them, they may rationalize the idea of stealing from the bank and take any opportunity that presents itself.
- If the banks see any signs that internal controls are being bypassed the bank will be the victim of internal fraud.

- Employees may be tempted to steal funds from dormant account.
- The bank in this case shall not rely on the customer complaining due that they may never notice the losses, the onus fall on the bank to monitor activity on dormant accounts continuously.

❖ **Preventing Fraud:**

The bank has established Fraud policy and procedures to prevent and detect fraud and corruption.

❖ **Verification Of New Employees :**

NBY shall verifying new employees before on boarding them, this can be done by ID cards, address, education checks court record etc.

❖ **Report Obligation Of NBY Staff:**

NBY whistle blowing policy required all employees to report any suspected incidents of illegal behavior in the activities of the bank.

All NBY employees suspected prohibited conduct ML / TF, suspicious activity and fraud and should under this policy be reported to the compliance unit and a report can be made by:

- Letter
- Telephone (+967 2 256077)
- Fax (+967 2 292162)
- All reports will be treated as confidential to the extent possible.
- Each report will be investigated by liaisons officers or head of compliance unit.

❖ **Confidentiality And Recordkeeping :**





NBY will maintain any reports and supporting documentations as confidential to the extent possible in accordance with applicable law.

❖ **Holding Period :**

All reports will be maintained for (5) years.

❖ **Training Programme :**

Liaisons officers and all bank employees will receive ongoing training about signs of fraud to effectuate full compliance with laws and AML regulations.

❖ **Disciplinary Actions :**

All employees throughout the bank is responsible to prevent detect and report of fraud and the failure or covert to report suspicious and concerns may result in disciplinary action being taken.

