Annual Report on Compliance with Due Diligence Obligations Pursuant to Article 7 of the Conflict Minerals Regulation (EU) 2017/821

Reporting Period: 2025
Company: KT Bank AG

1. Company Profile and Supply Chain Policy

KT Bank AG, headquartered in Frankfurt am Main, is a licensed credit institution. It offers ethical and Sharia-compliant financial solutions that reliably support individuals and businesses in Germany. We combine modern technology with genuine personal connection to create a banking experience that makes trust tangible. Our offerings are sustainable, transparent, and tailored to customers who make conscious decisions about how to shape their financial future. KT Bank AG offers the option to open a KT Gold Account. With this account, customers can purchase gold in euros on a weight or value basis, which is physically stored in special high-security vaults in Germany. Upon request, the customers' gold can also be delivered to them. Due to this business model, KT Bank AG imported more than 100 kg of gold in the form of bars from a so-called third country in the 2025 fiscal year and thus falls within the scope of the aforementioned Conflict Minerals Regulation.

The bank unconditionally adheres to the principle of responsible sourcing of raw materials, and has therefore committed to preventing conflict financing, human rights violations, corruption, and the financing of illegal armed groups in the international raw materials supply chain.

KT Bank AG has implemented a binding guideline for a responsible gold supply chain, which is based on the OECD Guidelines (Annex II).

2. Management Systems and Complaint Procedures

Management is directly responsible for compliance with due diligence obligations and for monitoring gold imported into Germany. From an operational perspective, compliance is verified by the Compliance Department.

KT Bank AG uses a system to record every gold batch (weight, origin, supplier). Complete customs and origin documents are available for the imported gold.

KT Bank AG works exclusively with suppliers and refineries that trade in LBMA-approved gold (London Bullion Market Association). The imported gold, in the form of 24-karat gold bars with a fineness of 999.99 from non-EU countries, therefore never originated from conflict regions outside the EU.

KT Bank AG undertakes to verify compliance with the LBMA Good Delivery Standards for every gold import by regularly cross-checking the refineries from which the gold originates against the LBMA Good Delivery Current List (available on the website Good Delivery Current List | LBMA) to ensure they are up to date.

KT Bank AG integrates its gold business into its existing whistleblowing system. External reports of risks in the supply chain can also be submitted via our email address beschwerdemanagement@kt-bank.de.

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3. Risk Identification and Assessment

KT Bank AG has analyzed the supply chain for imported gold. During the reporting period, the imported gold originated from Switzerland.

A further comparison of the regions of origin with the EU list of CAHRAs (conflict-affected and high-risk areas) is not necessary due to the prior verification of the validity of the LBMA certificate, as the LBMA itself requires all certified gold refineries to strictly comply with its “Responsible Gold Guidance” and thus ensures transparent supply chain verification. Furthermore, Switzerland itself is not a conflict or high-risk area as defined by the CAHRAs list.

Since the gold in the import year 2025 originates from an LBMA-certified refinery, the risk was therefore classified as extremely low (“Low Risk”).

4. Risk Mitigation Measures

In cases of low risk, gold imports are subject to continuous monitoring. Should any uncertainties regarding the origin arise, KT Bank AG requests additional proof of origin as well as certificates. The verification process consists of regularly cross-checking supplier data against the relevant sanctions lists.

5. Report on the Audit by Independent Third Parties

With regard to the audit pursuant to Article 6 of the Conflict Minerals Regulation, we refer, in accordance with the LBMA certificate, to the independent audit conducted by the London Bullion Market Association. Under LBMA standards, a refinery receives the official LBMA certificate as soon as the audit documents (including the Refiner’s Compliance Report and the Independent Assurance Report) have been submitted to the LBMA and reviewed by it within three months of the end of the refinery’s fiscal year. The LBMA reviews the documents and subsequently updates the so-called Good Delivery List (GDL), which we can access at any time as part of our ongoing monitoring, especially since both the LBMA and the EU Conflict Minerals Regulation are based, in terms of both legal framework and content, on the OECD Guidelines under international law.