

Corporate governance report

The Bank takes pride in ensuring that exceptional standards of corporate governance are met according to international standards of best practice. Sound corporate governance is central to achieving BBK's objectives and fundamental in maintaining a leading position within the local and regional banking sectors.

Corporate governance vision

BBK and its wholly owned subsidiaries shall continue to enhance shareholders' value, protect their interests, and defend their rights by practising the pursuit of excellence in corporate life. The Bank shall not only comply with all statutory requirements – including the High-Level Controls module of the CBB RuleBook – but also formulate and adhere to strong corporate governance practices. BBK and its wholly owned subsidiaries shall also continuously strive to best serve the interests of all other stakeholders, including clients, employees, regulators and the public at large.

The adoption and implementation of corporate governance is the direct responsibility of the Board of Directors, and this endeavour is in line with the policies of regulatory authorities and statutory requirements in the Kingdom of Bahrain and other countries where BBK operates.

Compliance with Corporate Governance regulatory requirements:

The Bank ensures compliance with the Corporate Governance Code of the Kingdom of Bahrain, the CBB requirements in this regard and has ensured full compliance with the same during 2021.

Initiatives 2021

BBK implemented a number of initiatives during the year ended to fulfil its corporate governance strategy and other requirements emerging during the year.

- The evaluation process for the Board and its committees was successfully completed and recommendations were made for improvement. The main recommendations made are mentioned under Board and Committee evaluation section of this report.
- The Board also reviewed the recommendations of past years' evaluations to see the stage of completion from the previous years' evaluations.
- The Board adopted the new Sustainability framework and a Management Committee and sub-committees were formed to develop/review the relevant policies and statements. The Nomination, Remuneration and Governable Committee was delegated to follow up on the issues.
- The Board reviewed the independence of Directors through an annual exercise, taking into consideration the regulatory requirements, Board determination as well as best practice.
- Three layers of compliance with the regulatory corporate governance requirements, were done to ensure full compliance, by the Internal Audit Department, the Compliance Department and Corporate Secretariat Department. The following few non-compliance issues were observed and the same were addressed during the year:
 1. Procedural matters related to disclosures related to the elections of the Board of Directors, which should be clearer in the call of elections.
 2. Minor amendments to the terms of reference of some committees, although even if the terms of reference were not amended the Bank was committed to the regulatory requirements.
 3. The formation of a risk committee to be adjusted to increase the number of independent members to have at least 3 independent, majority independent Directors and the Chairman to be independent.
- Enhanced the use of technology by having fully paperless functions for the Board and Board Committees including adopting electronic signatures on Board minutes and other documents for the Bank and its wholly owned subsidiaries using the cloud-based solution.

- It was ensured that the Management committees adopt paperless meetings, which were developed in-house.
- An Investors Relations (IR) Unit within the Corporate Secretariat was developed and the Bank launched a revamped IR platform taking into consideration international best practice to keep all Investors abreast of all relevant disclosures.
- The Directors Development Program was enhanced to be distributed over the year with a focus on the issues relevant to the Bank's strategy, Risk Management and sustainability. A list of all sessions covered during the year is included in the report.
- A session was arranged by the Head of Group Corporate Secretariat for the lady Directors and Lady Executive Managers entitled: "The Board and the fundamentals of Corporate Governance" as part of the women empowerment program at the Bank.
- The Board had a special meeting regarding formation of the new strategy to know what has been achieved from the current strategy and exchange views between the Board of Directors and Executive Management regarding the general directions for the new strategy. The strategy session for the next cycle 2022-2024 was held in November 2021.

Risk appetite statement

The Bank's risk appetite is set annually by the Board of Directors with the goal of aligning risk-taking with statutory requirements, strategic business objectives and capital planning. The Board of Directors has a key role in the implementation of the Bank's risk appetite by steering utilization of different forms of financing, the Bank's geographical operating areas and markets, funding and liquidity management, amongst other risk management requirements. The Board of Directors also monitors BBK's adherence to the Risk Appetite Statement and makes necessary modifications to capture changes in the Bank's strategic priorities, operating environment, and risk profile.

The vision documents annual and three-year strategy, along with the Bank's internal policies, mandated framework, rules and guidelines which create the overall framework for the Bank's risk-taking. The Risk Appetite Statement complements these key documents by outlining the main considerations in the Bank's risk-taking, risk mitigation and risk avoidance.

The purpose of the Risk Appetite Statement is to state clearly the general principles for the Bank's risk-taking, to raise risk awareness across the organisation, and to guide the staff accordingly. The Risk Appetite Statement is implemented through the Bank's risk policies and procedures, monitoring metrics, limit system, Key Performance / Risk Indicators (KPIs / KRIs) and internal controls. The Risk Appetite Statement is thus embedded in the Bank's core processes and impacts affects the operations of the Bank in a holistic way.

BBK is subject to banking supervision and prudential regulations. The Bank's risk management systems and policies / procedures are reviewed and refined on an ongoing basis in order to comply strictly with regulations in all jurisdictions it operates in; as well as with what the Bank identifies as the relevant market standards, recommendations and best practices. This principle also applies to the Bank's risk appetite framework.

The basic objectives of the Risk Appetite Statement are the following:

- To provide a clear articulation of the Bank's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level. The Risk Appetite Statement creates a foundation for effective communication of risk among internal and external stakeholders;
- To increase understanding of BBK's material risk exposures and raise risk awareness across the organisation; and
- To positively impact the defined risk culture of the Bank.

The Bank's risk-taking is primarily in its core activity of lending. BBK primarily finances its activities through retail, corporate deposits, issuing bonds on the international capital markets, market borrowings and through equity. The funding base is diversified across currencies, maturities and geographic areas. BBK's operating model is supported by the ability to obtain funding at a favorable cost, which enables lending, on attractive terms, to its clients. BBK's funding advantage builds on its sound financial profile and strong shareholder support.

To support its lending and funding operations, the Bank maintains a portfolio of liquid assets. The primary objective of the liquid portfolio is to ensure that the Bank is able to operate and continue its core activities, even during stressed market conditions. The composition and maturity profile of the liquidity portfolio are aligned with this objective, in addition to a liquidity buffer through holding High-Quality Liquid Assets (HQLA).

The Risk Appetite Statement sets the tolerance for risk-taking in BBK's operations within the Bank's Risk capacity. Risk limits and risk profile assessment are other key elements in the implementation of the Bank's risk appetite framework.

Risk capacity is limited by the financial and non-financial resources that the Bank has at its disposal. The risk appetite is set to a level within the risk capacity to ensure that the Bank's risk exposure remains sustainable.

Financial resources mainly consist of the Bank's paid-in capital and retained earnings, together with customer deposits, funds raised through bonds, borrowings from Central Bank and other Financial Institutions. Non-financial resources are the skills and competences of the employees, IT systems, internal procedures and control systems. The Bank's risk-bearing capacity builds on a careful customer selection process, individual credit mandate reviews and a thorough credit-granting process. Therefore, financial resources and robust governance contribute both to maintaining the Bank's competitive position and its strong capital and liquidity position.

Risk limits are used to allocate the aggregate risk-taking mandate to business lines and portfolios. The main risk limits are established in the Bank's risk management policies and approved by the Board of Directors. The limit system sets boundaries for the accepted level of credit, market, liquidity, earnings, capital and operational risk within the established risk appetite. The actual position through the risk limits are reviewed at various levels (Board Risk Committee, Risk Management Committee 'RMC', Asset Liability Management Committee 'ALMC', Country Risk Committee 'CRC', Senior Management, etc.) depending on the nature of limits and as specified in the relevant Risk Policies. The Board and Senior Management have overall responsibility for determining the Risk Appetite of the Bank, which will be measured and monitored by the Business verticals in their operational activities.

Risk profile assessment aims to ascertain that the Bank's risk profile is within Risk limits and consequently within the Risk Appetite and Risk Capacity. Risk profile assessment is a point-in-time evaluation of the level and types of the Bank's risk exposures. The assessment includes an evaluation of the Bank's material risks, such as, credit, market, liquidity, earnings, capital and operational risk.

Credit Risk

BBK is exposed to risk primarily in its core activity of lending to individuals, corporations, small/medium enterprises, governments, public sector entities, financial institutions, etc. Lending exposes the Bank to credit and concentration risks and to variations in the business cycle. Each lending is thoroughly analysed from several perspectives (for example: default risk, financial risks, customer due diligence, legal risk, currency risks, etc.) to ensure that financing decisions have sound foundations. The overall target of the credit risk management is to maintain high portfolio quality with appropriate risk diversification in order to avoid excessive risk concentrations. Account grade rating, industry concentration limits, risk pricing, etc. are set and monitored.

Market Risk and Treasury

Funding, asset and liability management and management of the portfolio of liquid assets are an integral part of the Bank's business operations.

The funding base of BBK is diversified across currencies, maturities and geographic areas. The Bank effectively manages the risk exposures arising mainly through maturity mismatches between assets (loans and treasury investments) and liabilities (deposits, borrowings and equity). The Bank maintains a robust liquidity portfolio to ensure that the Bank is able to operate and continue its core activities, even during stressed market conditions.

BBK manages its interest rate risk by financing/investing in a combination of fixed or floating-rate assets, and this allows the Bank to generate stable earnings and to preserve its capital base in the long term. BBK's liquidity portfolio is invested in high quality assets and in doing so, BBK takes limited credit risk (credit default and spread risk).

BBK mitigates its currency risk and most of interest rate risk arising from funding and lending operations by hedging with derivatives. The use of derivatives exposes BBK to counterparty credit risk, liquidity risk, currency basis risk and operational risks. BBK uses netting and collateral agreements to manage its risk towards derivatives counterparties.

Triggers/policy limits are set as per the Bank's internal risk policies and procedures. This includes FX Net Open Position and VAR, Market Risk VAR, Interest Rate Risk (Gap, Stop Loss & VAR), Earnings at Risk, Economic Value of Equity, amongst others.

Earnings

Banking involves well-judged risk-taking, where all transactions should provide a reasonable margin to compensate for the risk taken. BBK offers financing on competitive market terms and aims for stable earnings, enabling the formation of capital reserves, organic growth, and reasonable return on capital in the long term.

Lending operations, the primary source of credit risk, should provide appropriate return for the level of risk assumed.

Treasury operations, through cost-effective funding and prudent asset and liability management, should contribute to the Bank's overall returns in line with the defined business objectives and the core objective of safeguarding the Bank's liquidity.

Earning targets are set and monitored at global, division and business unit level.

Capital

An adequate capital management framework, with an Internal Capital Adequacy Assessment Process (ICAAP), is an essential part of BBK's operations. BBK is committed to maintaining a strong risk-based capital position.

The Bank complements risk-based capital adequacy measures with a volume-based leverage ratio measure. It protects the Bank from risks that relate to excessive growth of the balance sheet.

BBK aims to maintain a strong capital position in relation to the aggregate risk exposure at all times. The Bank uses risk-based approaches to assess the capital needs, including stress testing, and the Bank holds robust capital buffers on top of the minimum capital requirement.

The growth of the Bank's balance sheet should be stable in the long run, while some variation is accepted in the medium term to account for natural changes in the business cycles.

Liquidity

The Bank maintains a robust liquidity portfolio. The primary objective of the liquidity portfolio is to ensure that the Bank is able to operate and continue its core activities without disruption, even during stressed market conditions. BBK maintains a liquidity portfolio where a large majority of the assets are of high quality to support the Bank's operations and liquidity position. Having a strong liquidity position enables the Bank to carry out our core activities under severely stressed market conditions without access to new funding.

BBK diversifies funding in terms of currencies, maturities, instruments and investor types in order to avoid excessive reliance on individual markets and funding sources.

Liquidity parameters are set to maintain minimum levels as per regulatory guidelines.

Implementation and Review

The primary responsibility for the correct implementation of the Risk Appetite Statement remains with the Risk Management Division.

This Risk Appetite Statement is reviewed at least annually.

Shareholder information

BBK's shares are listed on the Bahrain Bourse. The Bank has issued 1,497,909,965 equity shares, each with a face value of 100 fils. All shares are fully paid.

During 2021, BBK distributed bonus shares to its shareholders at 10% of the paid-up capital, equivalent to 10 shares for every 100 shares held, for a total of BD 13,617,363. Therefore, the Bank's paid-up capital after the distribution increased to BD 149,790,997 divided into 1,497,909,965 shares.

Annual Ordinary General Meeting, Extraordinary General Meeting

The Annual Ordinary General Meeting (AGM) and an Extraordinary General Meeting (EGM) were held on 24 March 2021 under high level precautionary measures as required by the relevant authorities due to the COVID-19 pandemic outbreak and in meeting halls connected via video and a maximum of 20 persons, taking into consideration social distancing and other measures to keep all participants safe.

Apart from normal AGM discussions, the AGM discussed and took decisions regarding the below mentioned items:

1. Disclosing any transactions during the year ended 31 December 2020 with related parties as per note No.26 of the financial statements and in line with Article 189 of the CCL.
2. Discussing the Bank's Corporate Governance report for the year 2020 and the compliance to the requirements of the Central Bank of Bahrain (CBB).
3. Approving the Board's recommendation of allocating BD 552,500 as Board membership remunerations for 2020.
4. Appointing External Auditors for the Bank for the financial year 2021 upon receiving the approval of the CBB and delegate the Board to determine their fees.
5. Absolving the Board Members of liability for any of their actions during the year ended 31 December 2020.

The EGM held on 24 March 2021 approved the following:

- The Board's recommendation to the EGM by increasing the issued and paid-up capital from BD 136,173,633 divided into 1,361,736,332 shares to BD 149,790,997 divided into 1,497,909,965 shares as a result of distributing bonus shares.

The full set of the AGM and EGM minutes and the decisions made at the meeting are published in this annual report.

Annual disclosures at the AGM:

The Bank submits a Corporate Governance Report to the AGM annually, covering the status of compliance with the related regulatory requirements and international best practice.

At the AGM, the Bank discloses and reports to shareholders the details under the Public Disclosure module of the CBB's rulebook. These disclosures include the total remuneration paid to the Directors, Executive Management, and external auditors and other important disclosures as elaborated hereunder. The total amount paid to Directors and Executive Management is also included in this annual report.

Shareholder's composition

Name	Country of origin	Number of shares	% holding
Citizens of the Kingdom of Bahrain and Others	–	326,165,850	21.77%
Ithmaar Holding B.S.C.	Kingdom of Bahrain	390,316,394	26.06%
Social Insurance Organisation (SIO)			
– Formerly Pension Fund Commission	Kingdom of Bahrain	288,685,463	19.27%
– Formerly General Organisation for Social insurance (GOSI)	Kingdom of Bahrain	205,180,563	13.70%
Kuwait Investment Authority	State of Kuwait	287,561,695	19.20%

Distribution schedule of each class of equity

Category	Number of shares	Number of shareholders	% of outstanding shares
Less than 1%	328,446,705	2,574	21.93%
1% to less than 5%	–	–	–
5% to less than 10%	97,293,575	1	6.50%
10% to less than 20%	681,853,291	3	45.52%
20% to less than 50%	390,316,394	1	26.06%
50% and above	–	–	–

Board of Directors' information

Board composition

The Board's composition is based on the Bank's Memorandum of Association and Articles of Association, and comprises 12 members. The Board represents a mix of high-level professional skills and expertise. Furthermore, in compliance with corporate governance requirements, the Board Committees consist of members with the appropriate professional experience. Consequently, the Board has five independent Directors. The independence requirements are reviewed on an annual basis taking into consideration the CBB criteria and Board of Directors determination of the same. The Board periodically reviews its composition and the contribution of Directors and Committees.

The appointment of Directors is subject to the CBB approval. The classification of Executive Directors, Non-executive Directors, and Independent Non-executive Directors follows the definitions stipulated by the CBB. The current term of the Board began in March 2020 and ends in March 2023. Directors are elected/appointed by the shareholders at the AGM.

The election or re-election of a Director at the AGM is accompanied by a recommendation from the Board based on a recommendation from the Nomination, Remuneration and Governance Committee, with specific information such as biographical and professional qualifications and other directorships.

Group Corporate Secretary

The Board is supported by the Group Corporate Secretary, who provides professional and administrative support to the General Assembly, the Board, its Committees, and members. The Group Corporate Secretary also assumes the responsibilities of Group Corporate Governance Officer and in this context supports the processes of performance evaluation for the Board, Board Committees, and individual Directors as well as the process of access to independent advice and other relevant issues on a Group level. The appointment of the Group Corporate Secretary is subject to approval of the Board.

BBK's Group Corporate Secretary is Ahmed A. Qudoos Ahmed, who joined the Bank in 2009. His qualifications include a Bachelor of Science in Commerce in Engineering from the University of Bahrain in 1996. He is qualified in Board Secretarial practices from George Washington University. He has attended many advance training programmes in corporate governance both in Bahrain and abroad, accumulating over 25 years of experience in the financial sector.

Directors' roles and responsibilities

The Board of Directors approves and oversees the implementation of the Bank's strategic initiatives and its functioning within the agreed framework, in accordance with relevant statutory and regulatory structures. The Board ensures the adequacy of financial and operational systems and internal controls, as well as the implementation of corporate ethics and the Code of Conduct.

The Board has a schedule of matters for its decision to ensure that the direction and control of the Bank rest with the Board. This includes strategic issues and planning, performance reviews, material acquisition and disposal of assets, capital expenditure, authority levels, determine remuneration of auditors subject to AGM approval and review of financial statements, financing and borrowing activities including the annual operating plan and budget, ensuring regulatory compliance, and reviewing the adequacy and integrity of internal controls.

The Board exercises its judgment in establishing and revising the delegation of authority for Board Committees and the Executive Management. This delegation may be for authorisation of expenditure, approval of credit facilities, or for other corporate actions. Such delegation may be approved and expressed under various policies of the Bank. The thresholds for the identified authorities depend upon the operating requirements of the Bank.

The issues of major capital expenditure, divestitures, mergers and acquisitions, and certain strategic investments are within the Board's authority.

Each Director holds the position for three years, after which he must present himself to the AGM for re-appointment. The majority of BBK Directors (including the Chairman and/or Deputy Chairman) are required to attend Board meetings to ensure a quorum. The Board Charter is published on the Bank's website.

Material transactions that need Board approval

Lending transactions to Directors, at a certain level of exposure, require Board approval. Credit and investment applications exceeding certain pre-defined exposure levels also require Board approval.

Similarly, related party transactions involving members of the Board require Board approval.

Independent professional assistance

The Bank has procedures approved by the Board for allowing Board members to obtain independent professional advice related to the affairs of the Bank or to their individual responsibilities as members, subject to approval by the Board.

Directors' induction

The Board is required to be up to date with current business, industry, regulatory, and legislative developments and trends that affect the Bank's business operations. Immediately after appointment, the Bank provides formal induction for a full day. Meetings are also arranged with the Executive Management.

Directors' professional development

A continuing awareness programme is essential and may take many forms, through the distribution of publications, workshops, presentations at Board meetings, and attendance at conferences encompassing topics on directorship, business, industry, and regulatory developments. In terms of the Training and Competency module of the CBB rulebook, each approved person (including members of the Board) is required to complete 15 hours of continued professional development. The full list of programs prepared for the Board of Directors of the Bank and its wholly owned subsidiaries during 2021 is disclosed in this report.

Board and Committee evaluation

The Board performs a self-evaluation process annually. The Board annually reviews its Charter and its own effectiveness, initiating suitable steps for any amendments. The Board will also review self-evaluations of individual Board members and the Board Committees and consider any recommendations arising out of such evaluation. The relevant policy is published on the Bank's website.

The recommendation emanating from the evaluation process during 2021 were as follows:

- Relying more on technology and digitization for the work of the Board of Directors and its committees
- Reconstitute the Board committees periodically to benefit all members and gain experience in other committees
- Consider holding more meetings of the Independent Members Committee
- Consider reducing the time period for Board meetings to focus on priority issues
- Enhancing the Video Conferencing technology

Remuneration of Directors

The Bank has adopted a policy approved by the Board of Directors to apply to the Directors' remunerations and compensation for their involvement in the activities of the Board of Directors and its ad hoc, temporary and permanent committees. For details please refer to the remuneration report.

Insurance coverage

The Bank provides personal accident insurance coverage for Board Members during travel on Bank assignments. The Bank also has a Directors and Officers liability insurance policy for Directors.

Whistle-blowing policy

The Bank has a whistle-blowing policy with designated officials that employees can approach. The policy provides protection to employees for any reports made in good faith. The Board’s Audit and Compliance Committee oversees this policy. The whistle-blowing policy is published on the Bank’s website.

Key persons (KP) policy

The Bank has established a KP policy to ensure that KP are aware of the legal and administrative requirements regarding the holding and trading of BBK shares, with the objective of preventing abuse of inside information. KP are defined to include the Directors, Executive Management, designated employees, and persons under guardianship or control of KP. The KP policy is entrusted to the Board’s Audit Committee. The KP policy is posted on the Bank’s website.

Code of Conduct

The Board has approved a Code of Conduct for BBK Directors and a Code of Ethics for the Executive Management and employees. These codes outline areas of conflict of interest, confidentiality, and the responsibilities of signatories to adhere to best practices. The high-level responsibility for monitoring the codes lies with the Board of Directors. The Directors’ Code of Conduct is published on the Bank’s website.

Relative recruitment/appointment policy

The Bank has in place policies that govern the recruitment and appointment of relatives to the Bank and across its wholly-owned subsidiaries. The policies are:

1. Employment of relatives of first and second degrees are prohibited, whereas employment of relatives of third and fourth degree may be approved by the Executive Management provided it does not lead to a conflict of interest.
2. Employment of relatives at the Bank’s wholly-owned subsidiaries of first and second degree are prohibited for senior managers and above. Any exception must be approved by the Group Chief Executive.
3. As part of the annual reporting, the Group Chief Executive must disclose to the Board those individuals who are occupying controlled functions and who are relatives of any other approved persons within the Bank and its wholly-owned subsidiaries.

Conflict of interest

The Bank has clear policies based on domestic laws and regulations and international best practices to deal with issues related to conflict of interest. This is also stipulated in the Directors Appointment Letters signed between the Board members and the Bank. These policies are posted on the Bank’s website and reviewed periodically or whenever needed.

During Board meetings or Board committees and during discussions on topics related to credit applications, investment or other transactions where there may be conflict of interest, the concerned Board member is required to leave the meeting room and any correspondence or documents related to the application will not be sent to him/her. Decisions are made by the Board of Directors or its Committees without the presence of the member concerned and such transactions are recorded in the minutes of the Board meeting or its committees.

In addition, it is the responsibility of the member of the Board and he/she must immediately disclose to the Board that there is a conflict of interest related to his / her activities and obligations with other parties and not to participate in the discussion and voting, and these disclosures include documents relating to contracts or transactions related to the member concerned.

During 2021, the Executive Committee discussed a number of credit and investment applications relating to accounts of some major shareholders. The Board also discussed some projects related to Aegila Capital Management Limited, a joint venture with Osool, and also held a number of Board meetings to discuss the opportunity to acquire some of the assets of Ithmaar Holding, which is a major shareholder of the Bank, and in all these cases this policy has been implemented without exception.

Development programmes arranged for board members during 2021

- 1) Early Warning Signals, COVID-19 14/02/2021
- 2) Sustainable Banking 14/02/2021
- 3) Enhanced use of Diligent Boards application 24/06/2021
- 4) Branches Strategy 06/09/2021
- 5) Digital Currencies 04/10/2021
- 6) Post COVID-19 03/11/2021

Number of development programme hours attended by board members, arranged by the Bank or otherwise:

Board members	Total no. of hours
Murad Ali Murad	34
Sh. Abdulla bin Khalifa bin Salman Al-Khalifa	27
Mohamed Abdulrahman Hussain	19
Hani Ali Al Maskati	25
Jassem Hasan Ali Zainal	15
Sh. Khalifa bin Duaij Al Khalifa	15
Edrees MUSAED Ahmad	15
Ashraf Adnan Bseisu	20
Mishal Ali Al Hellow	19
Naser Khalid Al Raee	19.5
Nour Nael Al jassim	17
Ghaneya Al Derazi	36

Environmental, Social and Governance (ESG)

The Board is active in making decisions to broaden the role of BBK regarding Sustainability and ESG. The Bank began the implementation of new Sustainability and ESG management in 2021. For details, please refer to the sustainability review section in part 1.

In 2022, BBK will further develop its Sustainability and ESG strategy to meet pressing community needs, support inclusive SME development, boost job creation, enhance customer services, support and develop our employees, and apply relevant corporate governance protocols.

BBK has aligned its priorities with the goals of Bahrain National Vision 2030 to build a robust economy and a motivated and innovative society. We have also aligned our priorities with the United Nations Sustainable Development Goals (SDGs), a set of 17 areas spearheaded by the UN to end poverty, fight inequality, and tackle climate change.

Disclosures relating to the Board of Directors

Directors' external appointments

Murad Ali Murad		
Chairman of the Board	Bahrain Kuwait Insurance Company B.S.C.	Kingdom of Bahrain
Chairman of the Committee	Nomination Remuneration and Governance Committee – Bahrain Kuwait Insurance Company B.S.C.	Kingdom of Bahrain
Deputy Chairman	Bahrain Institute of Banking and Finance (BIBF)	Kingdom of Bahrain
Chairman of the Committee	Audit and Risk Committee – Bahrain Institute of Banking and Finance (BIBF)	Kingdom of Bahrain
Chairman of the Board	Al Janabeya Company W.L.L. (Family company)	Kingdom of Bahrain
Sh. Abdulla bin Khalifa bin Salman Al Khalifa		
Chief Executive Officer	Osool Asset Management B.S.C.	Kingdom of Bahrain
Chairman	Securities and Investment Company (SICO) B.S.C.	Kingdom of Bahrain
Chairman	Bahrain Telecommunication Company (Batelco)	Kingdom of Bahrain
Board Member	Supreme Council for Youth and Sports	Kingdom of Bahrain
Mohamed Abdulrahman Hussain		
Vice-Chairman and Chairman of Executive Committee	Eskan Bank B.S.C.	Kingdom of Bahrain
Independent Board Member	A.M. Yateem Brothers W.L.L.	Kingdom of Bahrain
Hani Ali Al Maskati		
Co-Founder and Managing Partner	Cash Management Matters (CMM)	Kingdom of Bahrain
Board Member	Blu Solution Ltd	British Virgin Islands
Jassem Hasan Ali Zainal		
Vice Chairman and CEO	Arzan Financial Group for Financing and Investment	State of Kuwait
Chairman and CEO	Addax B.S.C. Closed	Kingdom of Bahrain
Board Member	Kuwait International Bank	State of Kuwait
Board Member	Miami International Securities Exchange L.L.C. (MIAX)	United States of America
Sh. Khalifa bin Duajj Al Khalifa		
President Adviser	Court of HRH the Crown Prince , the Prime Minister	Kingdom of Bahrain
Board Member	Crown Prince's International Scholarship Programme	Kingdom of Bahrain
Board Member	Isa Bin Salman Educational Charitable Trusts	Kingdom of Bahrain
Board Member	Palm Capital Company W.L.L.	Kingdom of Bahrain
Board Member	Arab Thought Foundation	Republic of Lebanon
Chairman	Bahrain Financial Markets Associations (ACI)	Kingdom of Bahrain
Chairman	Bahrain Middle East Bank	Kingdom of Bahrain
Edrees Musaed Ahmad		
Division Manager, European Equities Marketable Securities Sector	Kuwait Investment Authority (KIA)	State of Kuwait
Ashraf Adnan Bseisu		
Group Chief Executive	Solidarity Group Holding Company B.S.C. (c)	Kingdom of Bahrain
Chairman	Solidarity First Insurance Company (P.L.C.)	Hashemite Kingdom of Jordan
Vice Chairman	Solidarity Bahrain Company (B.S.C.)	Kingdom of Bahrain
Board Member	Aljazira Takaful Taawuni Co.	Kingdom of Saudi Arabia
Board Member	Bahrain Institute of Banking & Finance (BIBF)	Kingdom of Bahrain
Board Member	United Insurance Company B.S.C. (c)	Kingdom of Bahrain
Mishal Ali Al Hellow		
Board Member	Social Insurance Organization (SIO)	Kingdom of Bahrain
Board Member	Osool Asset Management B.S.C.	Kingdom of Bahrain
Director	Arcapita Group	Kingdom of Bahrain
Chairman	Technology and Business Society	Kingdom of Bahrain
Naser Khalid Al Raee		
Head of Internal Audit	Osool Asset Management B.S.C.	Kingdom of Bahrain
Nour Nael Al Jassim		
Investment Manager	Kuwait Investment Authority (KIA)	State of Kuwait

Directors and related parties' interests

The number of securities held by Directors was as follows:

Name of Director	Type of shares	31 December 2020	31 December 2021
Murad Ali Murad	Ordinary	1,415,843	1,557,427
Sh. Abdulla bin Khalifa bin Salman Al Khalifa	Ordinary	6,352	6,987
Jassem Hasan Ali Zainal	Ordinary	278,550	306,405
Mohamed Abdulrahman Hussain	Ordinary	187,322	206,054
Sh. Khalifa bin Duaij Al Khalifa	Ordinary	145,242	159,766
Ashraf Adnan Bseisu	Ordinary	44,004	-

Related parties

1. Al Janabeya Company W.L.L. (a family company owned by Mr Murad Ali Murad and his family) owns 1,404,641 shares, and is related to the Chairman of the Board.

Approval process for related parties' transactions

The Bank has a due process for dealing with transactions involving Directors and related parties. Any such transaction will require the approval of the Board of Directors.

Nature and extent of transactions with related parties

None.

Material contracts and loans involving Directors

Name of the Director	Relationship with Director	Purpose of loan	Amount of loan	Interest rate	Terms of payment of interest	Repayment of the principal	Security
Murad Ali Murad	Chairman	Personal banking needs	BD 400,000	Fixed deposit rate over 1% p.a.	On demand	On demand	100% cash collateral
Jassem Hasan Ali Zainal	Board Member	Personal banking needs	USD 66,000	LIBOR + 3%	On demand	On demand	Shares worth of BD 42M + FD of BD 3M (32% coverage)
			BD 115,000	BIBOR + 3%			

Notes: 1. The materiality amount for such disclosures is considered above BD 100,000.

2. 10 Board members hold CrediMax Credit cards with a total limit of BD 179,500/- and outstanding amount at 31 December 2021 of BD 43,939.895

Directors' trading of BBK shares during 2021

As per "Directors and related parties' interests" table above.

In terms of the Board Charter, minority shareholders look to Independent Directors for representation.

Board meetings

The Board of Directors meets at the summons of the Chairman (or Deputy Chairman in the event of his absence or disability) or, if requested to do so, by at least two Directors. The Board meets at least four times a year. A meeting of the Board of Directors is deemed valid if attended by more than half of the members.

For this purpose, regular Board meetings are preceded by a meeting of Independent Directors, unless the Independent Directors decide that there are no issues to discuss.

Meetings of Independent Directors

Since 2012 the Board of Directors has held separate meetings for Independent Directors.

The agendas for these meetings are the same as those for the regular Board meetings. During these meetings the Independent Directors express their views about certain issues, especially those relating to minority shareholders. The summary of the proceedings of such meetings is recorded by the Group Corporate Secretary and shared with the Independent Directors and there is an Independent Directors' Committee.

Board meeting attendance

During 2021, 9 Board meetings were held in the Kingdom of Bahrain in the following manner:

Key: ⊕ Attended ○ Absent ⊖ was not a member during this period ⊖ did not attend due to conflict of interest.

Board meetings 2021

Members	Quarterly meetings				Other meetings				
	15 Feb	26 Apr	27 Jul	27 Oct	24 March	13 June	28 July	30 Nov	2 Dec
Murad Ali Murad	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Sh Abdulla bin Khalifa bin Salman Al Khalifa	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Mohamed Abdulrahman Hussain	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Hani Ali Al Maskati	⊕	⊕	⊕	⊕	⊕	⊖	⊕	⊕	⊕
Jassem Hasan Ali Zainal	⊕	⊕	⊕	⊕	⊕	⊕	⊕	○	○
Sh Khalifa bin Duaij Al Khalifa	⊕	⊕	⊕	⊕	○	⊕	⊕	⊕	⊕
Edrees MUSAED Ahmad	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Ashraf Adnan Bseisu	⊕	⊕	⊕	⊕	⊕	⊖	⊕	⊕	⊕
Mishal Ali Al Hellow	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Naser Khalid Al Raeed	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Yusuf Saleh Khalaf	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Marwan Mohammed Al Saleh	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Ghaneya Mohsen Al Durazi	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕
Nour Nael Al Jassim	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕

Major issues discussed by the Board during 2021

(Subjects that fall under the Board Committees' scope are recommended by the respective Committee for the Board's approval.)

Date of meeting	Subject
15 February 2021	<ol style="list-style-type: none"> 1. AGM and EGM invitation and recommendation to distribute 2020 dividends 2. Corporate Governance report to AGM 3. Quarterly Liquidity Report 4. Investment portfolio performance 5. Financial results and appropriation for 2020 6. Re-appointment of external auditors and their fees for 2021 7. Anti-money laundering annual report 2020 8. Succession plan 9. Risk policies for review 10. BBK Digital Strategy 11. Business Continuity Report 2020 12. HC Module Compliance Testing
24 March 2021	<ol style="list-style-type: none"> 1. Board Chairmanship and Board Committees' Composition 2. Proposals for the 50th anniversary of the establishment of the Bank 3. Developing the process of providing training courses to the Board of Directors 4. Board Evaluation
26 April 2021	<ol style="list-style-type: none"> 1. Financial results for first quarter of 2021 2. Review of the Board Charter 3. Cyber security 4. Investment strategy 5. Risk policies for review 6. Developing the Investor Relations Unit at the Corporate Secretariat 7. Review the Strategy 2022 – 2024 8. Branches performance report 9. Investment Portfolio performance
13 June 2021	<ol style="list-style-type: none"> 1. Acquisition of an Islamic Bank
27 July 2021	<ol style="list-style-type: none"> 1. Financial results for second quarter of 2021 2. Independent Board Member evaluations 3. Follow up BBK Digital Strategy 4. Investment strategy 5. Quarterly liquidity report 6. Risk policies for review
28 July 2021	<ol style="list-style-type: none"> 1. Discuss the achievement done from the current strategy and the directions of the upcoming strategy 2022-2024
27 October 2021	<ol style="list-style-type: none"> 1. Financial results for third quarter of 2021 2. Quarterly liquidity report 3. Risk policies for review 4. Human Resources Policy Review 5. Training & Development of National Talent Plan – Kuwait
30 November 2021	<ol style="list-style-type: none"> 1. BBK Strategy for 2022-2024
2 December 2021	<ol style="list-style-type: none"> 1. Performance of BBK – India 2. Follow up BBK Digital Strategy 3. Review of BBK Strategy 2022-2024 4. BBK Budget for the year 2022

Board committees

Board Committees are formed and their members appointed by the Board of Directors each year, after the AGM. They are considered the high-level link between the Board and the Executive Management. The objective of these Committees is to assist the Board in supervising the operations of the Bank by reviewing any issues that are submitted by the Executive Management and making recommendations to the Board for their final review.

The Board reserves the right to form temporary committees and discontinue them from time to time, as necessary.

Members of the Board are provided with copies of the meeting minutes of the committees, as required by the regulators. During 2021, the Board ad-hoc committee established by the Board to study an acquisition opportunity for the Bank raised its recommendations to the Board.

The terms of reference for the Board committees (Executive; Audit and Compliance; Nomination, Remuneration and Governance; Risk; and Independent Members) are available on the Bank's website.

Board Committees' composition, roles and responsibilities

Executive Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
<p>Mohamed Abdulrahman Hussain Chairman (Independent)</p> <p>Sh. Abdulla bin Khalifa bin Salman Al Khalifa Deputy Chairman</p> <p>Ashraf Adnan Bseisu Member</p> <p>Mishal Ali Al Hellow Member</p> <p>Nour Al Jassim Member</p>	<ul style="list-style-type: none"> • No fewer than five members are appointed for a one- year term. • Minimum number of meetings required each year: eight (actual meetings in 2021: 12) • The Chairman and Deputy Chairman must be a Director and elected by the members of the Committee in the first meeting following the appointment of its members. • The quorum shall be more than half of the members and must include the Chairman or the Deputy Chairman; attendance by proxies is not permitted. • The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. • The Committee conducts an annual self-assessment of the performance of the Committee/members, and reports conclusions and recommendations to the Board. 	<p>Reviews, approves and directs the executive management on matters raised to the Board of Directors such as business plans, donations, credit/investment applications, and such other proposals within its authority, and the periodic review of the Bank's achievements.</p>

Audit and Compliance Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
<p>Murad Ali Murad Chairman (Independent)</p> <p>Jassem Hasan Zanial Deputy Chairman (Independent)</p> <p>Sh. Khalifa bin Duajj Al Khalifa Member (Independent)</p> <p>Edrees MUSAED Ahmad Member</p>	<ul style="list-style-type: none"> • The Board appoints no fewer than four members for a one-year term. • The Chairman must be elected by the members of the Committee, from among the Independent non-Executive Directors in its first meeting after the appointment of the members; the majority of members should also be independent. • Minimum number of meetings required each year: four (actual meetings in 2021: four). • Quorum shall be more than half of the members and must include the Chairman; attendance by proxies is not permitted. • The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. • The Committee conducts an annual self-assessment of the performance of the Committee/members, and reports conclusions and recommendations to the Board. • To review the effectiveness of the Bank's system for monitoring compliance with relevant laws and regulations and the measures taken by the Management. 	<p>Reviews the internal audit programme and internal control system; considers major findings of internal audit reviews, investigations, and management's response. Ensures coordination among internal and external auditors. Monitors trading activities of key persons and ensures prohibition of the abuse of inside information and disclosure requirements. Approves and periodically reviews the Internal Audit Charter, which defines the purpose, authority, responsibilities and other aspects of internal audit activity. The Internal Audit Charter is available to internal and external stakeholders on request addressed to the Board Secretary.</p>

Nomination, Remuneration and Governance Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
<p>Murad Ali Murad Chairman (Independent)</p> <p>Sh. Khalifa bin Duajj Al Khalifa Deputy Chairman (Independent)</p> <p>Edrees MUSAED Ahmad Member</p> <p>Mohamed Abdulrahman Hussain Member (Independent)</p>	<ul style="list-style-type: none"> • The Board appoints no fewer than three members for a one-year term. The Chairman is an Independent Director and the majority of members should also be independent. • The Chairman and the Deputy Chairman must be elected by members of the Committee in its first meeting after the appointment of the members. • Minimum number of meetings required each year: three (actual meetings in 2021: four). • Quorum shall be more than half of the members and must include the Chairman or the Deputy Chairman; attendance by proxies is not permitted. • The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. • The Committee conducts an annual self-assessment of the performance of the Committee/members, and reports conclusions and recommendations to the Board. 	<p>Assess, evaluate and advise to the Board on all matters associated with nominations and remunerations of Directors and Executive Management. Also, ensure that the Bank adopts and enhances sound corporate governance practices, which are consistent with the Corporate Governance Code of the Kingdom of Bahrain and the regulatory requirements, and which also reflect best market practices in corporate governance, and makes recommendations to the Board as appropriate.</p>

Risk Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
Jassem Hasan Ali Zainal Chairman (Independent) Hani Ali Al Maskati Deputy Chairman Ghaneya Al Derazi Member Naser Khalid Al Raee Member Sh. Khalifa Bin Duajj Al Khalifa Member (Independent)	<ul style="list-style-type: none"> At least four members are appointed for a one-year term. The Chairman and Deputy Chairman must be a Director and elected by the members of the Committee in its first meeting following the appointment of its members. Minimum number of meetings required each year: 4 (actual meetings in 2021: 4). The quorum shall be more than half of the members and must include the Chairman or the Deputy Chairman; attendance by proxies is not permitted. The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. The Committee conducts an annual self-assessment of the performance of the Committee/members and reports conclusions and recommendation to the Board. 	Reviews risk policies and recommends to the Board for approval. Also examines and monitors the risk issues to the Bank's business and operations and directs the management appropriately.

Independent Directors Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
Murad Ali Murad (Independent) Jassem Hasan Zainal Member (Independent) Sh. Khalifa bin Duajj Al Khalifa Member (Independent) Mohammed Abdulrahman Hussain Member (Independent) Ghaneya Al Derazi Member (Independent)	<ul style="list-style-type: none"> The Committee comprises Independent Directors. The Committee meets at least once a year. The meetings are attended by Independent Directors and the Group Corporate Secretary only. Attendance should be in person. The Committee discusses issues on the Board agenda according to its terms of reference. 	Provides independent views on certain issues, especially pertaining to minority shareholders.

Note: The full wording for the Board Committees' terms of reference is available on the bank's website www.bbkonline.com

Board Committee meetings and record of attendance

Key: ⊙ Attended ○ Absent ⊖ was not a member during this period ⊕ did not attend due to conflict of interest.

Executive Committee meetings in 2021

Members	10 Jan	8 Feb	7 Mar	20 Apr	3 May	30 May	15 Jul	15 Aug	5 Sep	25 Oct	21 Nov	28 Nov
Mohamed Abdulrahman Hussain	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Sh. Abdulla bin Khalifa bin Salman Al Khalifa	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Ashraf Adnan Bseisu	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Mishal Ali Al Hellow	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙
Nour Nael Al Jassim	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙

Audit and Compliance Committee meetings in 2021

Members	7 Feb	19 Apr	18 Jul	20 Oct
Murad Ali Murad	⊙	⊙	⊙	⊙
Jassem Hasan Ali Zainal	⊙	⊙	⊙	⊙
Sh. Khalifa bin Duajj Al Khalifa	⊙	⊙	⊙	⊙
Edrees Musaead Ahmad	⊙	⊙	⊙	⊙

Risk Committee meetings in 2021

Members	10 Feb	19 Apr	15 Jul	18 Oct
Jassem Hasan Ali Zainal	⊙	⊙	⊙	⊙
Hani Ali Al Maskati	⊙	⊙	⊙	⊙
Nasser Kahlid Al Raee	⊙	⊙	⊙	⊙
Ghaneya Mohsen Al Durazi	⊙	⊙	⊙	⊙
Sh. Khalifa Bin Duajj Al Khalifa	○*	○*	○*	⊙

*Was not a member during this period

Nomination, Remuneration and Governance Committee meetings in 2021

Members	7 Feb	28 Feb	12 Sept*	21 Oct
Murad Ali Murad	⊙	⊙	⊙	⊙
Mohamed Abdulrahman Hussain	⊙	⊙	⊙	⊙
Sh. Khalifa bin Duajj Al Khalifa	⊙	⊙	⊙	⊙
Edrees Musaead Ahmed	⊙	⊙	⊙	⊙

* Unscheduled meeting

Independent Directors' Committee meetings in 2021

Members	15 Feb
Murad Ali Murad	⊙
Jassem Hasan Ali Zainal	⊙
Sh. Khalifa bin Duajj Al Khalifa	⊙
Mohamed Abdulrahman Hussain	⊙
Yusuf Saleh Khalaf	⊙

Other meetings

Mr Murad Ali Murad, Chairman of the Board, attended the periodical CBB prudential meetings on 8th September 2021.

Shariah Supervisory Board disclosures

In 2016, the Bank established a Shariah Supervisory Board as the Bank conducts some of its transactions according to the Islamic Shariah and must ensure that these transactions are within Shariah standards and norms as required by the regulatory authority in the Kingdom. The AGM in its meeting on 24 March 2020 approved forming the Shariah Supervisory Board and nomination of its members for three renewable years. The Shariah Supervisory Board members and the meetings during 2021 are as follows:

Shariah Supervisory Board attendance in 2021

Members	3 Mar	4 Aug	12 Dec
Dr Osama Bahar (Chairman)	⊙	⊙	⊙
Sh. Abdunnasser Al Mahmood (Member)	⊙	⊙	⊙
Dr. Adel Al Marzooqi (Member)	⊙	⊙	⊙

Compliance and Anti-Money Laundering (AML)

Compliance with regulatory and statutory requirements is an ongoing process. The Bank is conscious of its responsibilities in observing all regulatory provisions and best international practices in its functioning. The Bank has established an independent compliance function in keeping with Basel and CBB guidelines. The Compliance and AML Department at BBK consists of four primary sections, including; (a) Financial Crime; (b) Fraud; (c) Regulatory Compliance and Advisory, part of which is the Data Privacy team; and (d) Compliance Assurance. The Function performs its duties and responsibilities in accordance to an established Annual Risk Based Plan approved by the Audit and Compliance Committee of the Board. The Compliance and AML Function is independent from the other functions of the Bank. It has sufficient seniority and authority and reports directly to the Board of Directors through the Board’s Audit and Compliance Committee.

The Compliance and AML function acts as a focal point for all regulatory compliance and for adapting other best practice compliance principles. The Bank continuously strives to improve the level of compliance in all its activities. The Bank’s adopted corporate philosophy is: ‘BBK shall continue its endeavour to enhance shareholders’ value, protect their interests, and defend their rights by practising pursuit of excellence in corporate life.’ Anti-money laundering measures form an important area of the compliance function, in addition to areas of corporate governance, disclosure standards, insiders’/KP trading, conflict of interest, and adherence to best practices.

Starting 2014, BBK implemented an automated compliance system for the monitoring and management of regulatory requirements across the Bank. This system facilitates the prompt reporting of any compliance concerns or non-compliance incidents as and when they arise, as well as monitoring the status of compliance with CBB Rulebook requirements as applicable to BBK.

The Bank has a documented anti-money laundering programme, including periodic awareness training for employees, record-keeping, and a designated Money Laundering Reporting Officer (MLRO). The AML policy and procedures are updated annually and were last approved by the Board of Directors in October 2021.

The Bank has deployed a risk-based automated transaction monitoring system in keeping with the anti-money laundering and combating financing of terrorism and proliferation regulations of the CBB. The automated AML system of the Bank was upgraded in September 2018. Further enhancements were developed in the AML system, including enhancements as related to the established AML Risk Assessment Model and behavioural/trend analysis to facilitate more effective identification of financial crime risks.

The Bank’s anti-money laundering measures are regularly audited by the internal auditors, who report to the Audit and Compliance Committee of the Board. The Central Bank performs periodic inspections of the Bank’s compliance with anti-money laundering regulations; the last AML/CFT follow-up examination by the Central Bank was concluded in June 2020, and a follow-up assessment report was submitted to the regulator in September 2021. Additionally, the Bank’s anti-money laundering measures are reviewed by independent external auditors every year. The respective Group external review reports have been issued and submitted to CBB in September 2021, which included a review of BBK, its subsidiary and overseas branches.

Furthermore, as a Domestic Systemically Important Bank, BBK is subject to annual inspections by the CBB, the most recent of which was conducted in May 2021.

In 2021, BBK has successfully implemented fraud monitoring systems for scrutiny of customers’ payments and card transactions in order to proactively and effectively protect our customers against fraud. A 24/7 fraud monitoring team is established to monitor and promptly handle any fraud suspicions.

The overseas branches in India and Kuwait and the subsidiary, CrediMax, have designated compliance and MLRO functions to ensure implementation of applicable regulatory requirements. The Bank is committed to combating money-laundering and, towards this end, implements all ‘Prevention of Money Laundering Regulations’ as stipulated in the Financial Crimes Module of the CBB Rulebook and other guidelines issued by the CBB. These regulations and guidelines are consistent with the revised Financial Action Task Force (FATF) recommendations, ‘Customer Due Diligence for Banks’ paper of the Basel Committee, and best international practices.

Communication strategy

The Bank has an open policy on communication with its stakeholders, and has adopted a communication disclosure policy consistent with Basel II requirements. Shareholders are invited by the Chairman to attend the AGM. The Chairman and other Directors attend the AGM and are available to answer any questions. The Bank is at all times mindful and conscious of its regulatory and statutory obligations regarding dissemination of information to its stakeholders.

The Bank provides information on all events that merit announcement, either on its website – www.bbkonline.com – or through other forms of publication. The Bank’s annual report and three years’ financial statements are also published on the website, as well as the Bank’s Corporate Governance Report, Corporate Governance Framework, Whistle-Blowing Policy, Board Charter, Code of Conduct, Key Persons’ Dealing Policy, and Terms of Reference of all Board Committees. Shareholders can complete an online form, which can be found on the website, to forward any queries they may have.

The Bank uses a bulletin board for communicating with its employees on general matters, and sharing information of common interest and concern.