

## **Anti-Corruption Position Statement**

### **1. Our Commitment**

The Bank of Bahrain and Kuwait (herein referred to as “the Bank” or “BBK”) is committed to the highest standards of ethical business practices, transparency, and compliance with all applicable anti-bribery and anti-corruption laws and regulations in all countries of business operation. BBK has zero-tolerance for corruption, unethical behavior, and fraudulent acts and the Bank’s policy is to conduct all business with a high-level of integrity, ethical standards, respect, professionalism, and to prevent situations where conflict of interest and bribery may arise.

Consistent with the local legal framework in the Kingdom of Bahrain and the international anti-corruption and anti-bribery regulatory and legal requirements and standards, including the recommendations of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the UK Bribery Act and Guidance Notes, the US Foreign Corrupt Practices Act (FCPA) and DOJ/SEC Resource Guide and the Wolfsberg Anti-Bribery and Corruption (ABC) Compliance Programme Guidance, the Bank commits to the highest standards of good governance, openness, transparency, honesty, integrity, and accountability, as reflected in the Bank’s Code of Conduct for employees and the Bank’s Code of Ethics for Directors.

### **2. Purpose & Scope**

The purpose of this Position Statement is to ensure strict compliance with the anti-corruption and anti-bribery laws and regulations, as well as the universal ethical principles and guidelines valid in all the countries where the Bank operates. The Kingdom of Bahrain has set up a legal anti-corruption framework and the Penal Code criminalizes corruption and bribery offenses in both the public and private sector.

The Bank has a responsibility towards its customers, shareholders, and regulators to protect their interests and prevent the Bank from being used to facilitate the movement of criminal proceeds, transfer of funds intended for the financing of terrorism or money laundering activities, and to avoid any unethical/illegal act and/or abuse of authority. Therefore, the Bank has established the Compliance and Anti-Money Laundering function to act as a focal point for all issues related to AML/CFT, anti-fraud and regulatory compliance and to work implementing effective controls, measures, and standards consistent with global best practice to combat financial crimes.

The Bank has also established well-documented and transparent policies and procedures covering all aspects of its Human Resources to ensure strict compliance with all standards and regulatory requirements. Furthermore, the Bank has established the corporate governance framework to ensure the highest level of good governance standards across the organization, starting from the Board of Directors and cascading down to all remaining levels.

This Position Statement is supported by the Bank’s senior management.

### **3. Fulfilling Our Commitment**

The Bank performs all of its operations in accordance with all applicable national and international laws and regulations of anti-corruption and anti-bribery. The Bank ensures adequate practices and procedures are in place to identify and understand the potential corruption risks in order to

proactively apply preventive measures and controls. These anti-corruption procedures include, and are not limited to, the following:

- Setting a clear understanding of the bribery and corruption risks facing the Bank and developing effective processes and controls to minimize or mitigate risk exposure.
- Promoting internal awareness and training on preventing and combatting corruption, bribery, money laundering, and financial crime.
- Undertaking sufficient risk-based and enhanced due diligence and Know Your Customer (KYC) procedures to validate beneficial ownership, associated persons/entities, and to identify potential conflicts of interest or reputational risks.
- Providing practical tools to employees and other related parties to help them conduct business with integrity, such as clear policies and procedures on conflict of interest declaration.
- Encouraging communication of concerns regarding non-compliance and suspected corruption incidents via the Bank's whistleblowing procedures.
- Performing periodic independent review and assessment of the anti-corruption framework and programme by an independent party such as internal or external audit.

The Bank prohibits the following practices, at all times and in any form, directly/actively and indirectly/passively:

- Bribery and corruption, including embezzlement, kickbacks and similar practices.
- Facilitation payments.
- Political donations and donations to unauthorized parties.
- Charitable donations made towards illicit causes or to unregistered/unlicensed entities.
- Benefits (gifts, events, entertainment, travel, etc.) or goods and services of value provided or accepted and intended for business advantage or reward or to change a course of action.
- Unethical conduct.
- Abuse of authority and office.
- Non-compliance with local laws, regulations, and code of conduct.
- Tax evasion.
- Fraud and extortion.

#### **4. Compliance & Reporting**

The Bank will establish suitable mechanisms to confirm and test compliance with the requirements under this Position Statement on an ongoing basis, including periodic audit reviews. Non-compliance should be immediately reported, investigated, and remediated.

The Bank guarantees that employees are provided with the appropriate tools, anonymity, and training to report suspicions or violations in confidence (i.e. whistleblowing and STR procedures).

#### **5. Independent Review**

The adequacy of the Anti-Corruption Programme will be tested and verified periodically by an independent function. Consideration will also be given to having the adequacy of the program tested and verified by external organizations.