

4 Corporate Governance and Transparency

The Bank has established a strong corporate governance framework that is designed to protect the interests of all stakeholders, ensure compliance with regulatory requirements, and enhance organisational efficiency. The Bank has also established a robust organisational structure that clearly segregates functions and responsibilities, and reflects a division of roles and responsibilities of the Board of Directors and Management. Clear mandates exist for the Board, Chairman of the Board, Board Committees, Managing Director and Chief Executive Officer, the Management, and Senior Management Committees.

Board of Directors & Board Committees

The Bank's Board of Director (Board) comprises of eight directors, including the Chairman of the Board and the Managing Director and the Chief Executive Officer ("MD & CEO"). The Board periodically assesses its composition and size, and where appropriate re-constitutes itself and its committees. Appointment and termination of board members are in accordance with the Articles of Association of the Bank. While deciding upon the composition of the Board, the Bank will ensure compliance with the requirements of the High Level Controls Module, Volume 2 issued by the CBB.

The Board is accountable to the shareholders for the creation and delivery of strong and sustainable financial performance and long-term sustainable shareholder value by providing effective governance over the Bank's affairs. It determines the strategic objectives and policies of the Bank to deliver such long term value, providing overall strategic direction to the Bank within a framework of rewards, incentives and controls. Detailed responsibilities of the Board are provided in their respective terms of references.

With regard to the procedures relating to conflict of Interest, the Board charter states that all transactions of the Bank shall be carried out on an arm's length basis. Any decision to enter into a transaction, under which Board members or any member of the management have conflicts of interest that are material, shall be formally and unanimously approved by the entire Board.

The Chairman is responsible for leading the Board, ensuring its effectiveness, monitoring the performance of the Executive Management, and maintaining a dialogue with the Bank's shareholders.

The Board has the following committees:

- 1- Audit & Compliance Committee
- 2- Governance Committee
- 3- Nomination & Remuneration Committee
- 4- Risk Committee
- 5- Credit & Investment Committee

Each committee has specific terms of references that define its responsibilities, scope and powers. Detailed responsibilities of the Board and its committees are provided in the Bank's Corporate Governance Charters.

The Nomination and Remuneration Committee of the Bank is charged to recommend performance based incentives for the senior management including the MD & CEO. Such recommendations are also subject to the Board approval.

The remuneration of Fatwa & Sharia Supervisory Board and the Board is subject to the AGM Approval.



Corporate Governance Charters

The Bank has developed Corporate Governance Charters that provide the basis for promoting high standards of corporate governance in the Bank. It sets out high level guidelines and lays the foundation for the overall corporate governance system in the Bank. It outlines the key elements of an effective corporate governance framework and describes the roles and responsibilities of the Board of Directors which outlines the role of the Board in its review, approval and monitoring of the Bank's strategy and financial performance within a framework of sound corporate governance. It also contains the terms of references for all the Board and Senior Management Committees.



Remuneration Policy

The HR Department of the Bank engaged an external consultant to assist them in appropriately adopting a variable remuneration policy applicable to KFHB Bahrain and its banking subsidiaries (if any) which was also discussed with the NRC. The NRC reviews the remuneration policy on an annual basis and, when needed, appropriate changes are made.

KFHB's objectives are to maintain a Remuneration Policy that:

- Enables KFHB to attract and retain employees, and motivate them to achieve results with integrity and fairness;
- Encourages a performance culture that is based on merit, and rewards excellent performance, both in the short and long term aligned to the core values of KFHB;
- Balances the mix of Fixed Compensation and Variable Compensation in such a way that reflects KFHB's values and risk appetite;
- Is consistent with, and promotes effective risk management practices, compliance and control culture of KFHB;
- Fosters teamwork and collaboration across KFHB;
- Control and Support functions that report independently of the lines of business are compensated independently of the lines of business by:
 - a) Setting total remuneration to ensure that variable pay is not significant enough to encourage inappropriate behaviours while remaining competitive with the market;
 - b) The remuneration decisions are based on their respective functions and not the business units they support;
 - c) Performance measures and targets are aligned to the unit and individual objectives that are specific to the function;
- Considers long term growth and shareholder value alignment; and
- Is approved by the shareholders and the Board of Directors and regularly monitored in terms of implementation by the Nomination and Remuneration Committee (NRC).

Regulatory Alignment

The remuneration policy which includes the variable pay has been re-designed to promote sound risk management. The linkage between risk and remuneration has been taken care of through the governance process, target setting process for the bank and business units, the performance evaluation measures, introduction of both deferral over a 3 year period, share linked component and with introduction of clawback and malus provisions.

The mix of salary allowances, benefits and variable pay is aligned to the nature of job and the position. Accordingly for the MD & CEO, executive management in Business units and the business unit positions, the pay mix is structured as lesser fixed pay and more of variable pay subject to achieving the targets. For staff in Control and Support functions, the pay mix is structured as more fixed and lesser variable pay. Further, the variable pay, for staff in Control and Support Functions, is based on their units target and individual performance and not linked to Bank's performance.



Deferral and share linked instruments

The Bonus for the MD & CEO, his deputies, Material Risk Takers and Approved persons whose total remuneration exceeds the regulatory threshold has a deferral element and share linked payment. The deferral arrangements are as follows:

MD & CEO, his deputies and top 5 Executive Management members (in terms of total remuneration) in Business units:

- 40% of the variable pay will be paid in cash at the end of the performance period; and
- The balance 60% will be deferred over a period of 3 years with 10% being cash deferral and 50% being shares and the entire deferred variable pay will vest equally over a 3 year period. (Year 1, Year 2 and Year 3)

For all other employees in Business and Approved persons in Control and Support Functions and whose total remuneration exceeds the regulatory threshold:

- 50% of the variable pay will be paid in cash at the end of the performance period; and
- 10% will be paid in the form of shares at the end of the performance period which has to be retained by the employee for 6 months from the date of award.
- The balance 40% will be deferred over a period of 3 years and paid in the form of shares and vests equally over the 3 year period.

Claw back and Malus

The Bank has introduced claw back and malus clauses whereby the NRC has the right to invoke these clauses under certain pre-defined circumstances wherein the Bank can clawback the vested as well as the unvested bonus paid or payable to a staff.

Key Remuneration Components

The Bank will try, at all times, to maintain pay scale and benefits appropriate to the local job market and allow for changes in the cost of living. The compensation package shall comprise of basic salary, allowances and benefits and discretionary variable pay. The following table summarises the total remuneration:

The Bonus pool is determined based on the bottom up approach i.e. by setting base multiples of monthly salary per level and aggregating the multiples per unit and then on to the bank level.

The basis of payment of bonus would be as follows:

- CEO and Executive management: not aligned to a specific Business Unit Base multiple*Bank score*Individual score
- Business units: base multiple * Bank score*Unit score*Individual score
- Control & Support units: Base multiple*Unit score*Individual score



Computation of Variable Pay – Business Units

Beginning of the performance period (financial year):

Targets are set for the Business units and is aggregated to the Bank level target. In setting targets, all Bank wide risk parameters and unit specific KPIs shall be considered.

For achieving the target, total Bonus pool is set based on multiples of base salary across the Bank. The key feature is that bonus is part of the target set (i.e. the overall target includes the bonus element as well). The different levels of targets are not just % increase in profits but profits adjusted for additional bonus.

The Summary of the Variable pay process is:

- Links reward to Bank, business unit and individual performance.
- Target setting process considers risk parameters which are both quantitative and qualitative such as reputation.
- Bonus can be lesser or nil if the Bank or business units do not achieve the risk adjusted targets or make losses.
- Post risk assessment is carried out to ensure that in case of material losses or realisation of less than expected income which can be attributed to employees actions the claw back or malus as appropriate is invoked.

Bonus Pool Evaluation

The actual results are evaluated against targets, considering the risk parameters matrix and adjustments if any to the unit score or the Bank's score as appropriate are made and the bonus pool is revised accordingly. The actual bonus pool is approved by the NRC and the individual Bonus payments are as per the scoring matrix.



Remuneration Details

Table – 48

Amount in BD '000

Members of the Board of Directors			
Total remuneration	Unrestricted		
	2021	2020	
Fixed remuneration	292	304	
· Sitting Fees	113	115	
· Annual Remuneration	179	189	

Table – 49

Amount in BD '000

Members of the Fatwa and Shari'a Supervisory Board			
Total remuneration	Unrestricted		
	2021	2020	
Aggregate remuneration	28	28	

Table – 50

Amount in BD '000

Approved Persons in Business Lines				
Total remuneration	Unrestricted		Deferred	
	2021	2020	2021	2020
Fixed remuneration				
· Cash-based	1,265	1,645		
· Shares and shares-linked instruments				
· Others	101			
Variable remuneration				
· Cash-based	177	132	36	21
· Shares and shares-linked instruments			190	107
· Others				

* The approved persons in business lines are 10 as of 31 December 2021.

Table – 51

Amount in BD '000

Approved persons in Support Units and Controlled Functions				
Total remuneration	Unrestricted		Deferred	
	2021	2020	2021	2020
Fixed remuneration				
· Cash-based	1,408	1,078		
· Shares and shares-linked instruments				
· Others	31			
Variable remuneration				
· Cash-based	231	90		
· Shares and shares-linked instruments			122	60
· Others				

* The approved persons in support units and controlled functions are 18 as of 31 December 2021.

Table – 52

PD-1.3.10B (n) Number of meetings held by the NRC and aggregate remuneration paid to its		
	2021	2020
Number of meetings	2	2
Aggregate remuneration paid to its members (amount in BD '000)	23	19

Table –53. Corporate Governance

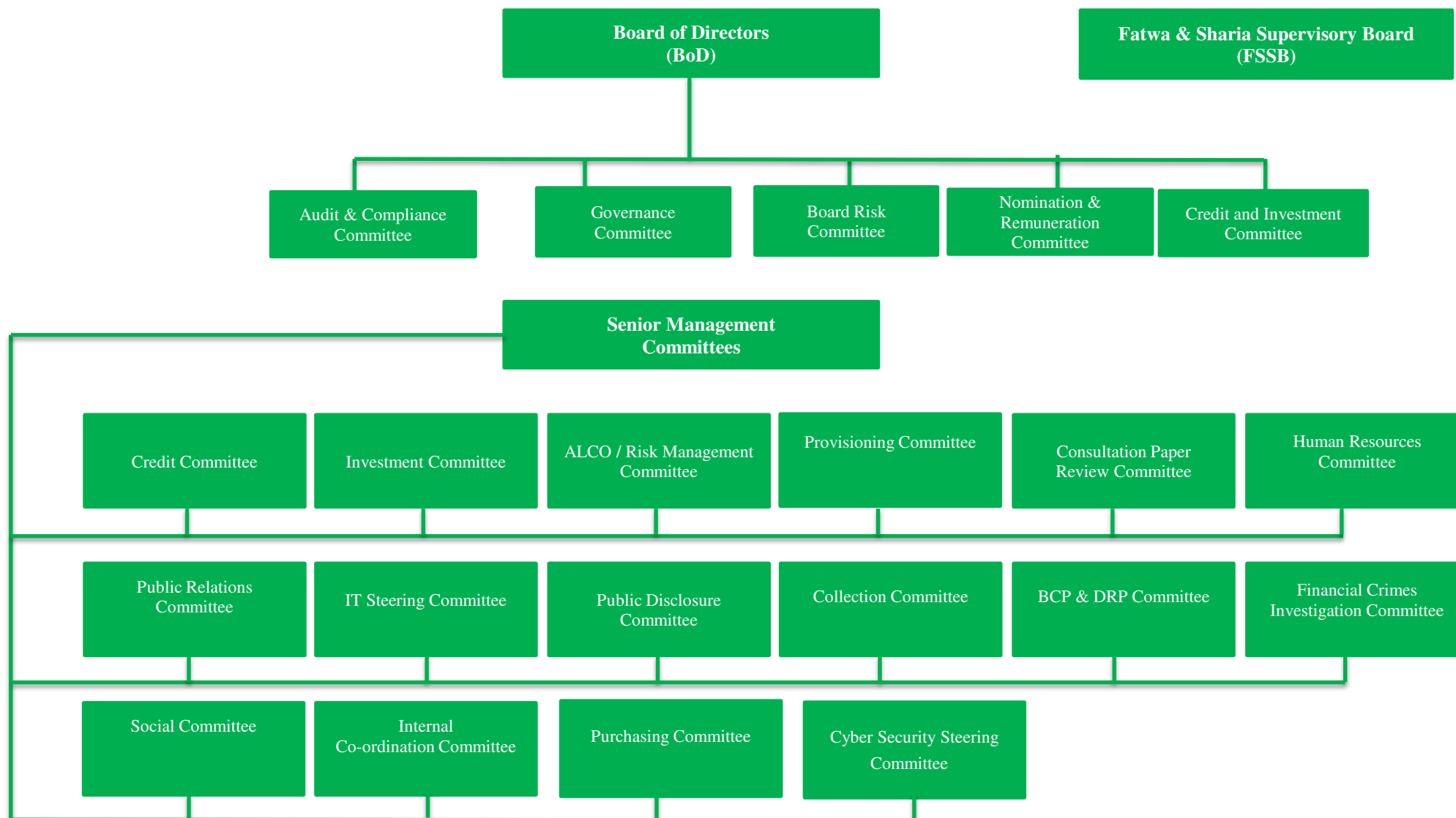
Corporate Governance and Transparency							
(PD-1.3.10(b))							
Name of Board Member	Independence Status	Profession	Business Title	Experience in Years	Qualification	Director Since	Appointment / Reappointment Date
Hamad Abdulmohsen Almarzouq	Independent Non-Executive Director & Chairman	Business	Businessman	More than 34 years	MBA	May-15	March-20
Mohammed Al Fouzan	Independent Non-Executive Director & Vice Chairman	Banker	Consultant Group Chief Executive Officer	More than 33 years	Bachelor of Commerce and Business Administration	July-12	March-20
Abdulwahab Issa Al-Rushood	Executive Director	Banker (Chief Treasurer)	General Manager – Kuwait Treasury	More than 31 years	Bachelors in Science, Mathematics	May-14	March-20
Yousif Taqi	Independent Non-Executive Director	Chartered Accountant	Businessman	More than 36 years	CPA , Bachelors in Accounting Huston University	May-18	May-20
Shadi Ahmed Zahran	Executive Director	Banker	Group Chief Financial Officer	More than 24 years	Master in Business Administration, CPA, CIPA, CBA, Jordain CPA.	Sept.-14	March-20
Abdulla A.Hammed Al Marzooq	Executive Director	Banker	Deputy General Manager - Group Financial Institution	More than 24 years	Master in Business Administration	April-14	March-20
Abdulhakeem Yaqoob Alkhayat	Managing Director and CEO	Banker	MD & CEO - KFH Bahrain	More than 24 years	CPA , BBA and Bachelors in Accounting	March-08	March-20
Khalid Al Saad	Independent Non-Executive Director	professor	associate professor	More than 35 years	Ph.D FINANCE	Feb.-16	March-20

The Board term is for a period of three years.



Table – 54. Corporate Governance

Information on the key directorships held by the directors on other boards is as follows:	
Name of Board Member	Directorships on other companies
Hamad Abdulmohsen Almarzouq	Chairman - KFH Kuwait Chairman - Kuveyt Türk
Mohammed Al Fouzan	Director - Sharjah Islamic Bank Director - Kuwait Finance House (Malaysia) Director - Kuwait Finance House (Kuwait)
Shadi Ahmed Zahran	Vice Chairman - KFH Capital Vice Chairman - Kuwait Finance House (Kuveyt Turk) Member in Board of Trustees of AAOIFI (non-profit organization) Member in Board of Trustees of CIBAFI (non-profit organization)
Abdulla A.Hammed Al Marzooq	Director - Hayat Investment Company (Kuwait)
Abdulwahab Issa Al-Rushood	Chairman - KFH Capital Council for Islamic Banks and Financial Institutions (CIBAFI - Bahrain) - Consultative Group Member
Abdulhakeem Yaqoob Alkhayyat	Chairman - Diyar Al Muharraq W.L.L. Chairman - Durrat Al Bahrain Chairman - P.K. Vice Chairman - Eagle Hills Board Member - Bahrain Institute for Banking and Finance (BIBF) Board Member - Supreme Council for Youth and Sport
Yousi Taqi	Director - Eskan Bank Director - Aluminium Bahrain (ALBA) Director - Osool Asset Management Director - Bahrain Petroleum Company (Bapco) Director - Bahrain Middle East Bank
Khalid Al Saad	Director - Institute of Banking Studies



Board committees with their respective objectives and members are as follows:

Table – 55. Board Committee's objectives

Board Committee	Membership	Objective
Credit and Investment Committee (CIC)	1. Shadi Ahmed Zahran 2. Abdulwahab Al-Rushood	The CIC is a Board appointed committee which is comprised of three executive director. The general objective of the CIC is to provide an independent and objective view (approve or disapprove) of credit, treasury and investment proposals, approved by the management level Credit or Investment Committees.
Audit and Compliance Committee (ACC)	1. Yousif Taqi 2. Khalid Al Saad 3. Abdulla Al Marzooq	The ACC is a Board appointed committee which is comprised of two independent directors and an executive director. The Chairman of the Committee is also an independent director. For audit related matters, the committee assists the Board of Directors in carrying out its responsibilities with respect to assessing the quality and integrity of financial reporting, the audit thereof and the soundness of the internal controls of the Bank. For compliance related matters, the committee assists the Board of Directors in the assessment of compliance with law, regulations and other requirements imposed on the Bank from time to time. The committee also oversees and manages the compliance and anti financial crime requirements of the Bank and legal related matters.
Risk Committee (RC)	1. Yousif Taqi 2. Khalid Al Saad 3. Mohammed AlFouzan 4. Abdulla Al Marzooq	The RC is a Board appointed committee which is comprised of three independent directors and an executive director. The Chairman of the Committee is also an independent director. The committee is a reviewing and recommending body appointed by the Board of Directors to assist the Board in discharging its oversight duties relating to: <ul style="list-style-type: none"> - Recommendation of the risk charter of the bank to the Board, highlighting the key risks from identified business strategies, the risk appetite, the risk governance models including strategies, policies, processes, roles and responsibilities relating to various departments and various levels of risk management within the Bank; and - Establishing appropriate policies and procedures to mitigate the applicable risks on the overall operations of the Bank.
Governance Committee (GC)	1. Khalid Al Saad 2. Hamad Abdulmohsen Almarzouq 3. Yousif Taqi	The GC is a Board appointed committee which is comprised of three independent directors including the Chairman. The committee is a reviewing and recommending body appointed by the Board of Directors to assist the Board in discharging its oversight duties relating to: <ul style="list-style-type: none"> - Establishing appropriate Corporate Governance structures, delegation of authority and reporting protocols; - Ensure potential measure and improvements in corporate governance are implemented.
Nomination and Remuneration Committee (NRC)	1. Khalid Al Saad 2. Mohammed AlFouzan 3. Yousif Taqi	The NRC is a Board appointed committee which is comprised of three independent director. The primary objective of the NRC is to assist the Board in identifying and nominating individuals qualified to serve as Board member, MD & CEO, senior management and sub-committee members as well as the assessment of such appointees. The NRC is also responsible to make specific recommendations to both remuneration policy and remuneration packages of individual approved persons and material risk takers.



Table – 56. Board Meetings and Attendance

	Hamad Abdulmohsen Almarzouq	Mohammed Al Fouzan	Yousif Taqi	Shadi Zahran	Khalid Al Saad	Abdulla Al Marzouq	Abdulwahab Al-Rushood	Abdulhakeem Alkhayyat
Board of Directors								
26th January 2021	✓	✓	✓	✓	✓	✓	✓	✓
20th April 2021	✓	✓	✓	✓	✓	✓	✓	✓
25th May 2021	✓	✓	✓	✓	✓	✓	✓	✓
26th July 2021	✓	✓	✓	✓	✓	✓	✓	✓
28th October 2021	✓	✓	✓	✓	✓	✓	✓	✓
8th December 2021	✓	✓	✓	✓	✓	✓	✓	✓
Credit & Investment Committee								
21st January 2021		✓		✓			✓	
19th May 2021		✓		✓			✓	
3rd October 2021		✓		✓			✓	
Audit & Compliance Committee								
25th January 2021			✓		✓	✓		
19th April 2021			✓		✓	✓		
15th July 2021			✓		✓	✓		
17th October 2021			✓		✓	✓		
Board Risk Committee								
25th January 2021		✓	✓		✓	✓		
19th April 2021		✓	✓		✓	✓		
15th July 2021		✓	✓		✓	✓		
17th October 2021		✓	✓		✓	✓		
Nomination & Remuneration Committee								
25th March 2021		✓	✓		✓			
8th December 2021		✓	✓		✓			
Governance Committee								
25th May 2021	✓		✓		✓			
8th December 2021	✓		✓		✓			



Fatwa and Shari'a Supervisory Board

The Fatwa and Shair'a Supervisory Board (FSSB) is an independent body, entrusted with the duty of directing, reviewing and supervising the activities of the Bank in order to ensure the compliance with Islamic Shari'a rules and principles. The fatawa and rulings of the FSSB are binding. Before launching any new products or services, the related policies and agreements shall be verified by the FSSB in coordination with the senior management. The Fatwa and Shari'a Supervisory Board provides guidelines, assists in formulating policies and conducts annual Shari'a audit in order to assure the Bank's compliance with all Shari'a principles. The responsibilities of the Fatwa and Shari'a Supervisory Board are outlined in the respective terms of references.

Deposit Protection Scheme

Subject to the provisions thereof, deposits held with the Bahrain office of Kuwait Finance House are covered by the Deposit Protection Scheme established by the Central Bank of Bahrain regulation concerning the establishment of a Deposit Protection Scheme and a Deposit Protection Board.

Training and Evaluation of Board Members

The Compliance Department of the Bank prepares an annual orientation program for the members of Board of Directors.

The Board of Directors and Board committees are subject to an annual evaluation which is initiated by the Nomination & Remuneration Committee and presented to the entire Board for their review and appropriate action, where required.

Compliance with High Level Controls (HC) Rulebook of CBB

The following are the exceptions to guidance provided in the High Level Controls Rulebook of the CBB:

Governance Committee (GC)

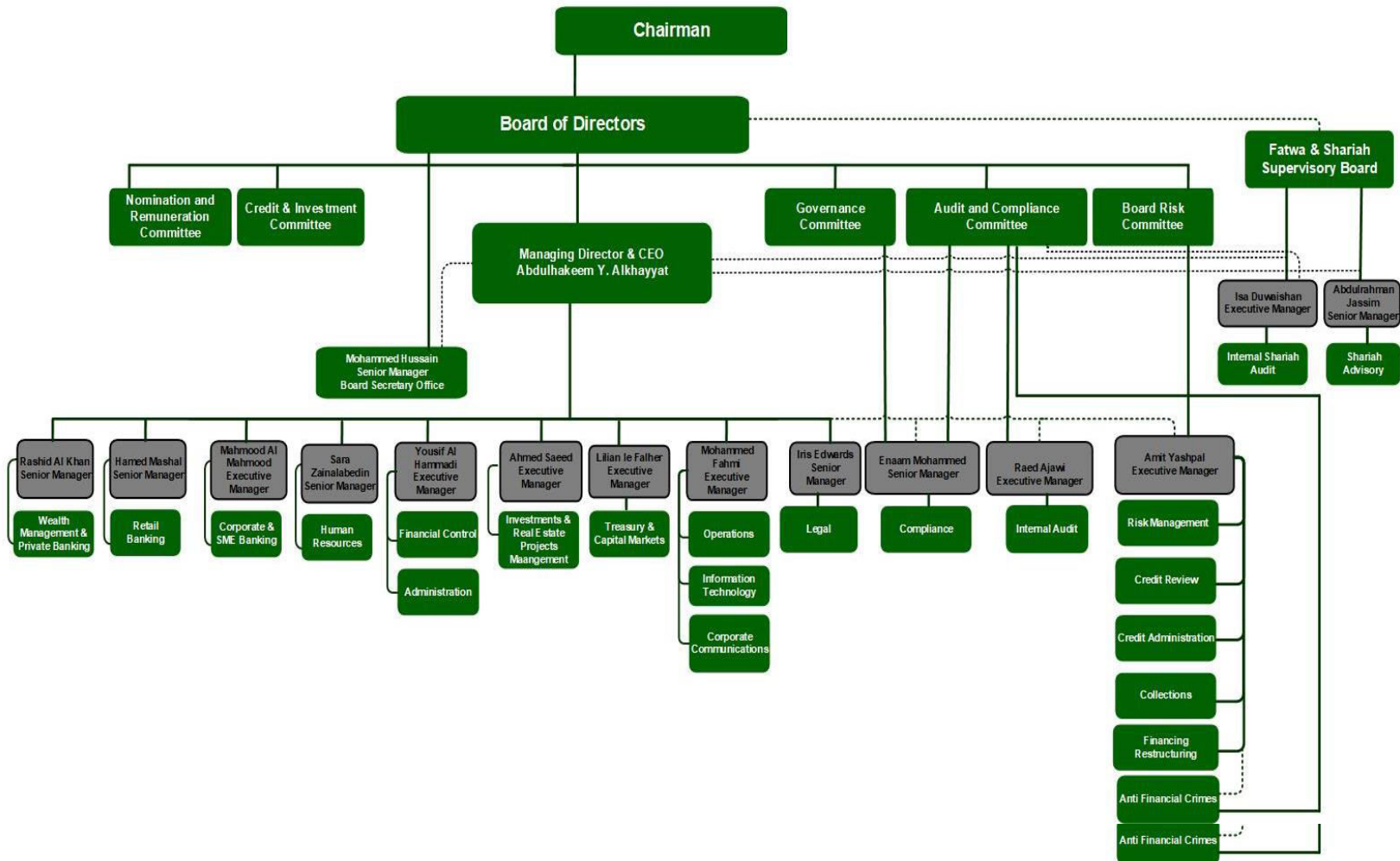
The GC shall include a Shari'a scholar who is a member of the Fatwa & Shari'a Supervisory Board (FSSB) for the purpose of leading the GC on Shari'a related governance issues (if any), and also to coordinate and link the complementary roles and functions of the GC and FSSB. The current composition of the GC does not include a Shari'a scholar as the Audit & Compliance Committee of the Bank reviews Shari'a reports issued by the Shari'a Advisor of the Bank at least twice a year or more frequently, as appropriate. Moreover, the GC invites a representative from the Shari'a department to discuss any Shari'a related matter.

Annual General Meeting (AGM)

With regards to HC-7.2.2, the Bank is effectively a fully owned subsidiary of KFH Kuwait. The Board and Board Committees have considerable representation from KFH Kuwait and therefore, the shareholder is fully apprised on matters relating to audit, compliance, risk, governance, nomination and remuneration.



Organisational Structure



Senior Management

Table – 57

(PD-1.3.10(b))			
Name	Business Title	Experience in Years	Qualification
Ahmad Saeed	Executive Manager - Head of Investment and Real Estate Project Management	More than 25 years	Chartered Accountant.
Lilian Le Falher	Executive Manager - Treasury & Capital Markets	More than 25 years	Chartered Financial Analyst (Charter holder); and Masters in Management (Banking and Finance).
Amit Yashpal	Executive Manager	More than 25 years	Master of Information Management and Systems- specialization Financial Engineering, USA; MA in Economics- specialization econometrics; Chartered Financial Analyst (CFA charter holder), USA; Financial Risk Manager, FRM, GARP USA; Chartered Alternative Investment Analyst (CAIA charter holder), USA.
Yousif Al Hammadi	Executive Manager - Financial Control and Administration	More than 30 years	MBA Bachelor Degree in Accounting Certified Anti-Money Laundering Specialist (CAMS)
Mohammed Fahmi Hamad	Executive Manager - Operations, IT and Corporate Communications	More than 25 years	Chartered Financial Analyst (CFA); and Bachelor in Accounting
Mahmood Ghaleb Al Mahmood	Executive Manager, Head of Corporate & SME Banking	More than 15 years	Masters in Business Administration, Bachelor in Management Certified Credit Risk Professional
Isa Duwaishan	Executive Manager - Head of Internal Sharia Audit	More than 30 years	Masters of Islamic Banking; Bachelors of Accounting; Certified Shari'a Adviser and Auditor; Legal Accountant certificate and Advance Diploma in Islamic Commercial Jurisprudence.
Raed Ajawi	Executive Manager - Head of Internal Audit	More than 20 years	Certified Public Accountant (CPA); BSC in Accounting; and Certified Sharia Advisor and Auditor (CSAA).

Table – 57 (Continued)

(PD-1.3.10(b))			
Name	Business Title	Experience in Years	Qualification
Mohammed Hussain	Senior Manager, Board Secretary	More than 15 years	Bachelor Degree in Banking and Finance
Alya AlShakhoory	Head of Anti-Financial Crimes / MLRO	More than 20 years	Bachelor in Chemical Engineering; Certified Anti Money Laundering Specialist (CAMS); ICA International Diploma in Governance, Risk and Compliance Master Compliance Professional. Certified Fraud Examiners
Sara Zainalabedin	Senior Manager, Head of Human Resources	More than 14 years	Bachelor in Accounting;
Abdulrahman Abdulla Jassim	Senior Manager, Head of Sharia Advisory	More than 20 years	Master Certificate in Fiqh Certified Shariah Advisor and Auditor, Shariah Reviewer Development Programme, Advanced Diploma in Islamic Commercial Jurisprudence
Iris Rose Edwards	Senior Manager, Head of Legal	More than 15 years	Bachelor of law from London School of Economics and Political Science Member at Law Society of England and Wales
Ena'am Abdulla	Senior Manager, Head of Compliance	More than 13 years	Diploma in International Compliance Association (ICA) Certified Anti Money Laundering Specialist (ACAMS) Certified Islamic Professional Accountant (CIPA) Bachelor in Accounting
Hamed Mashal	Senior Manager, Head of Retail Banking	More than 15 years	Master in Business Administration Bachelor in Computer and Business Studies Project Management Professional PMP Chartered Financial Analyst CFA MRICS Designation
Rashid Al Khan	Senior Manager, Head of Wealth Management and Private Banking	More than 15 years	Master in Islamic Economics , Banking and Finance Bachelor of Commerce, Finance Chartered Alternative Investment Analyst (CAIA) Executive MBA



Code of Ethical Business Conduct

The Bank has developed a Code of ethical business conduct that covers the principles, policies and laws that govern the Bank's activities. The Code includes (but not limited to) the following:

i) Integrity, honest and ethical Conduct

The Board and management of the Bank shall act with honesty, integrity and in good faith with a view of best interest of the Bank, its shareholders and other stakeholders. They shall ensure that proper judgment is exercised when making business decisions.

ii) Commitment to the law and best practice standards

The Board and management shall always ensure their commitment to comply with the applicable laws and regulations. This commitment should also include adopting and adhering to the leading industry practice standards.

iii) Confidentiality

The Board and management must preserve strict confidentiality of the Bank's information even after the termination of their membership except, when disclosure is required by law.

iii) Conflict of interest

The Board and management of the Bank shall act independently and avoid any conflict of interest in their decision making process. The approved persons must declare in writing all of their interests in enterprises or activities (whether as a shareholder of above 5% of the voting capital of a Company, a manager, or other form of significant participation) to Board on an annual basis.

iv) Acceptance of gifts

The Board and management of the Bank should not accept gifts or any kind of favors and services from the Bank's major customers, suppliers or other stakeholders.

v) Cooperation with regulatory bodies

The Board and the management shall ensure co-operation with the CBB and any other relevant regulatory authorities.

vi) Employment practices

The Board and management shall encourage the establishment of and adherence to policies concerning health and safety of employees, training, prohibition on the offering and acceptance of bribes and potential misuse of the Bank's assets.



Corporate Communications Strategies

The Bank maintains an effective communications strategy by means of deploying a board approved Corporate Communication Manual that enables both the Board and Management to communicate effectively with its shareholders, stakeholders and the general public. Main communications channels include the annual report, corporate website and corporate brochure, and regular announcements in local presses.

The Communications Policy has been approved by the Board. This Policy is set to ensure the disclosure of all relevant information to stakeholders on a timely basis in a timely manner and the provision of at least the five years of financial data on the Bank's website.

The Bank has a Corporate Communications Department which is responsible for communicating new products information through various channels of communication which may include publications, website, direct mailers, electronic mail and local media.

Customers / Investor Awareness Program

The Bank employs a range of communication channels to reach the customers and investors, to create awareness of the Bank products, services and investments.

Communication channels for customers normally adopt an integrated approach, depending on the level of exposure and awareness required. This includes mass media, publishing advertisements in the press and magazine publications, billboards, lamp posts, display Boards, direct mail, SMS messaging and emails.

The external communication program is supported by in-branch communication including; roll-ups, banners, posters, leaflets, flyers, brochures and danglers and online media via the Bank's website, Call Centre and eBanking site.

Communication to investors is predominantly via Private Placement Memorandums and Investor Reports.

Complaints and Feedback

The Bank has appointed a Complaints Officer to manage customer complaints and ensure that all complaints are properly addressed and issues are resolved in a timely manner. Upon receiving a complaint, the Complaints Officer internally addresses the complaint to the concerned department for their response. After analysing the responses of the concerned department the Complaints Officer finds suitable solution and this will be communicated to the complainant. There are various channels in place to assist in receiving feedback/complaints from customers including the Bank's website and suggestion boxes that have been placed at each of the Bank's branches.

Other Disclosures

The information on the nature and extent of transactions with related parties is reported in consolidated financial statement of the Group.

The Bank is effectively a wholly owned subsidiary of Kuwait Finance House K.S.C and information pertaining to the appointment of the external auditors and the related fees is available for the perusal of the shareholders.

The Bank has put in place a general policy on the employment of relatives of employees, board members and FSSB members. Generally, the Bank avoids employing relatives of employees to avoid conflict of interest however, in exceptional cases, an employment of a relative can be considered provided that the relative does not work within the same department or section or in a position where a conflict of interest may arise.

