



## Communication on Progress

Year: 2019

### STATEMENT

MCB Ltd is committed to making a sound and sustained contribution to the ecosystems in which it evolves. In this respect, MCB Group, of which the Bank is the main subsidiary, has in 2018, launched an ambitious Corporate Sustainability Programme, which is articulated under 3 pillars: the development of a vibrant and sustainable local economy, the protection and valorisation of our cultural and environmental heritage and the promotion of individual and collective well-being.

The governance and risk management framework is well established at the Bank. A fundamental component of our operations is to ensure that engagement with its stakeholders is optimally managed, in alignment with good international practices and in adherence to regulatory rules.

Since its signature of the United Nations Global Compact in December 2007, MCB Ltd fully supports the ten principles of the Global Compact and is committed to making them part of its strategy, culture and day-to-day operations.

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**GC Principle 1:**

Businesses should support and respect the protection of internationally proclaimed human rights;

The Bank continued to work towards entrenching a balanced workforce in terms of gender, age group and experience in order to tap into a wide range of knowledge, skills and specialist competencies towards achieving its business strategies. Moreover, the Bank has laid due emphasis on the need to nurture our values as well as further strengthen the purpose and role of each employee within and vis-à-vis the organisation and society. In addition, the Bank has also sought to foster healthy and secured working environments at various levels.

**Remuneration philosophy**

With human capital viewed as critical to the sustainability of the business and in line with the Group's philosophy, the Bank lays significant emphasis on employing the right people with the right skills and behaviours while rewarding them adequately, in line with market conditions. The remuneration philosophy for employees of the Group is based on meritocracy and ensures that:

- Full protection is provided, at the lower end of the income ladder, against cost of living increases;
- Fairness and equity are promoted throughout the organisation; and
- Opportunity is given to employees to benefit from the financial results and development of the Group. Indeed, staff members of the Group receive an annual bonus based on the performance of the Group as well as an assessment of their contribution thereto.

Generally, the finalisation of remuneration packages is anchored on a range of factors including qualifications, skills scarcity, past performance, individual potential, market practices, responsibilities shouldered and experience. With a view to attaining appropriate remuneration levels, the Group is guided by the following considerations:

- General market conditions are regularly surveyed in order to ensure that remuneration packages are motivating and competitive;
- Superior team performance is stimulated and rewarded with strong incentives; and
- Remuneration practices are regularly reviewed and restructured where necessary, providing clear differentiation between individuals' contribution and team performance.

The Group provides a range of fringe benefits to its employees to help them in their personal life. Examples of such benefits at the level of MCB Ltd are as follows:

- The Bank currently contributes 18.1% of employees' basic salaries to an in-house pension scheme to provide for a retirement pension at the end of their professional career;
- The Bank also provides a medical coverage for all employees and their dependents to assist them in hard times. The Bank organises annual free health checks for its staff for an early screening of potential diseases;
- To help employees meet their endeavours, the Bank provides them with loans under preferential conditions; and
- The Bank offers its staff the flexibility of saving part of their monthly emoluments for their holidays. Employees can save the equivalent of 6% of their Basic Salary on an annual basis to cater for their holiday's expenses, be it abroad or in a resort in Mauritius. This amount is made available at the beginning of each financial year and arrangements can be made to pay directly to our preferred travel agent, or to obtain refund upon presentation of a receipt. Employees also benefit from a tax rebate on this scheme, as prescribed by the Income Tax Act

The employees of the Bank are entitled to the MCB Group Employee Share Option Scheme (GESOS), which provides them with the opportunity to partake in the growth and prosperity of the Group through the acquisition of shares in the Company at a discounted price, thereby acting as an additional lever to promote a performance culture alongside upholding motivation and commitment across the organisation. Under the scheme, employees are granted non-transferable options to buy MCB Group Ltd shares with up to a maximum of 25% of their annual performance bonus.

## Promotion of staff welfare and safety

In line with legal and regulatory requirements, the Bank is committed to providing the highest standards of safety and health throughout its business activities as far as it is reasonable. The Occupational Health and Safety (OHS) Policy of MCB Ltd aims to ensure a safe and healthy working environment, system of work and equipment for employees.

The Leadership team is responsible to ensure the protection of workers' safety and health by setting up strategies to effectively manage matters encountered. The Management has a critical role in providing adequate resources to achieve standards and practices required for OHS, risk management and compliance with legal obligations. Each Head of Strategic Business Unit (SBU) and Business Unit (BU) manager is responsible for ensuring that operations do not constitute a hazard to the safety and health of employees. The Human Resource SBU is responsible for the coordination of initiatives undertaken to achieve health and safety objectives. MCB employees benefit from a medical scheme and a 24-hour insurance cover for personal accidents, as well as an assurance catastrophe cover and the bank is in the process of implementing an infirmary at its 2 main operating sites, the head office and the campus with an on-call medical assistant.

The organisation has further deployed its wellness programme with the aim of promoting a healthy balance of the mind, body and spirit among its employees. The main activities that were conducted locally and across the Group's foreign subsidiaries include counselling, Zumba, Football, Squash, nature hikes and Body Combat, Kung Fu and Self-Defence, Yoga and Tai chi, as well as off-premises fun day experiences.

## Talent management and employee engagement

The Bank has conducted dedicated programmes to step up the quality of its human capital, including the conduct of training courses and lectures held by international experts at its Learning and Development Centre. Employees benefit from training courses to develop both their technical and soft skills. The learning facilities can be in terms of in-class deliveries or on-line.

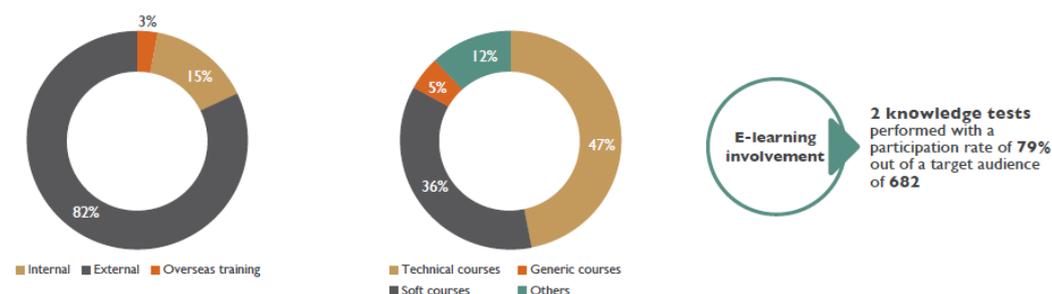
Moreover, the Bank has pursued its Management Development Programme in partnership with the University of Stellenbosch Executive Education (USB-ED). Four batches with a total of 136 participants have completed the programme so far. In addition, a programme for supervisors was also developed.

### Our learning engagement for FY 2017/18

#### Key statistics



#### Types of training courses

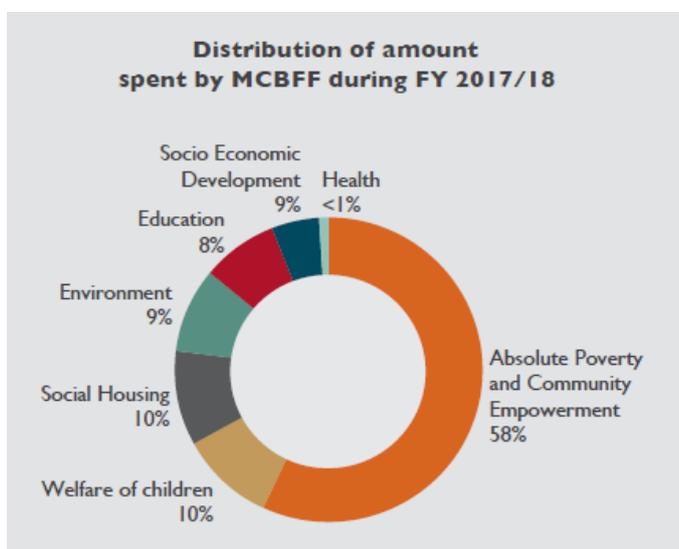


## Sustainable socio-economic development

The Bank continued to live up to its engagement as a socially responsible organisation. We partnered with the relevant stakeholders to promote societal well-being. Our corporate social responsibility activities are channelled via the MCB Forward Foundation (see below for details of projects undertaken by the latter). We also provide funding in earmarked fields through our dedicated sponsorship, while our staff offer a meaningful contribution to help realise our initiatives. Overall, the organisation provides extensive support in key focus areas, notably community empowerment and preservation of the natural environment, arts and culture, youth development and sports, as well as education.

During FY 2017/18, the MCB Forward Foundation financed projects, encompassing absolute poverty and community empowerment, social housing, socio-economic development, welfare of children, education and health. The 6 largest projects financed by the MCB Forward Foundation in FY 2017/18 related to:

- An Integrated housing project;
- The MCB Football Academy to support the personal development of children of underprivileged areas;
- Scholarships for tertiary education;
- Services dedicated to children suffering from mental health disorders;
- The support to primary school children out of mainstream system of education; and
- The recycling of Glass Bottles.



With respect to sustainability practices, it is worth noting that the ultimate holding company of MCB Ltd, i.e. MCB Group Ltd, is one of the constituents of SEMSI. This sustainability index of the Stock Exchange of Mauritius, launched in September 2015, tracks the price-performance of listed companies which demonstrate strong sustainability practices.

### Global Compact Principle 2:

Businesses should make sure that they are not complicit in human rights abuses.

The Bank is committed to conducting business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations. As such, it adheres to the 'Code of Ethics' of MCB Group Ltd, which has been devised to provide directors and employees with the required information to understand their ethical responsibilities and on how to always conduct business with the highest levels of integrity. As such, the Bank ensures that business operations do not violate human rights principles. Where the Bank deems it appropriate, disciplinary or preventive actions may be taken to address existing or potential violations of the 'Code of Ethics'.

The Bank has a Leaves Policy whereby all employees are entitled to annual leaves (including local, sick, examination, wedding, maternity, paternity, injury etc...).

The Bank has a Flexible Working Arrangements (FWA) Policy, in line with MCB's commitment to promote staff welfare and work-life balance, as well as the need to adapt to the constantly evolving business requirements. Employees are offered the flexibility of the start and end hours of work, provided that they adhere to the rules of the FWA policy.

Even though flexible working arrangements are offered to the organisation at large, its implementation depends to some extent on the business needs of each business unit and the particularities of each position within the organisation. Work from home practice being implemented, currently run on a Pilot basis.

**Global Compact Principle 3:**

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Any employee can join the MCB Employees' Association, which currently comprises 1,335 members, and whose objectives are to:

- regulate relations and settle disputes by conciliatory methods whenever possible between MCB employees and their employer and, whenever necessary, between the members and other workers;
- protect the interests of its members as set out in the Procedure Agreement entered between the Union and MCB;
- maintain funds for these purposes and for the purpose of protecting the rights of members in relation to their contract of employment; and
- co-operate with other trade unions having for one of their objects the promotion of the interests of employees within the scope of the Employment Relations Act 2008.

In FY 2017/18, the Employees' Association negotiated successfully with the Leadership Team for, amongst others, the appointment of a legal advisor / negotiator, update of the disciplinary & grievance policies with regards to protest and reviews, the negotiation of remuneration and related benefits for special Saturday opening, more transparent communication on job adverts and staff movement.

The MCB Manual Workers Association which regroups workers in technical occupations including manual workers, messengers, IT technicians, cooks and waiters comprises of 365 members and is also well entrenched and has established a very good line of communication with the HR and the Leadership Team of the Bank.

MCB has established a Grievance Policy, in accordance with the Code of Practice set out in the Employment Relations Act 2008. The employee is entitled to make use of the policy to resolve any matter with his line manager and, in case the outcome is deemed unsatisfactory, further escalate the matter and solicit the assistance of a representative of the Employee Association or Union of which he is a member.

**Global Compact Principle 4:**

the elimination of all forms of forced and compulsory labour;

All individuals who are proposed a job are presented with an employment contract. The contract stipulates the conditions of employment relating to the job proposed. All the conditions are read through by the HR representative and agreed to, by the individual, by signing the documents. Moreover, the Bank ensures that business operations do not violate any human rights principles, as stipulated in the Group's 'Code of Ethics' to which the Bank adheres.

**Global Compact Principle 5:**  
the effective abolition of child labour;

In accordance with the existing labour laws in Mauritius, no employee below 18 years is employed.

The following tables depict the gender distribution by age groups and by level of hierarchy (professional bands) of all the employees of the Bank. Figures below shows employees working on a permanent basis as well as on short and long-term contracts, as at December 2018.

Age Distribution	Gender		Grand Total
	Female	Male	
18-29	532	316	848
30-39	519	480	999
40-49	180	365	545
50-60	96	274	370
>60	4	16	20
<b>Grand Total</b>	<b>1,331</b>	<b>1,451</b>	<b>2,782</b>

Grade	Gender		Grand Total
	Female	Male	
Ungraded	167	82	249
Technical	4	251	255
Business Support	656	387	1043
Business Associate	268	349	617
Business Professional	30	80	110
Business Manager	200	279	479
Business Executive		6	6
Business Leader	6	17	23
<b>Grand Total</b>	<b>1,331</b>	<b>1,451</b>	<b>2,782</b>

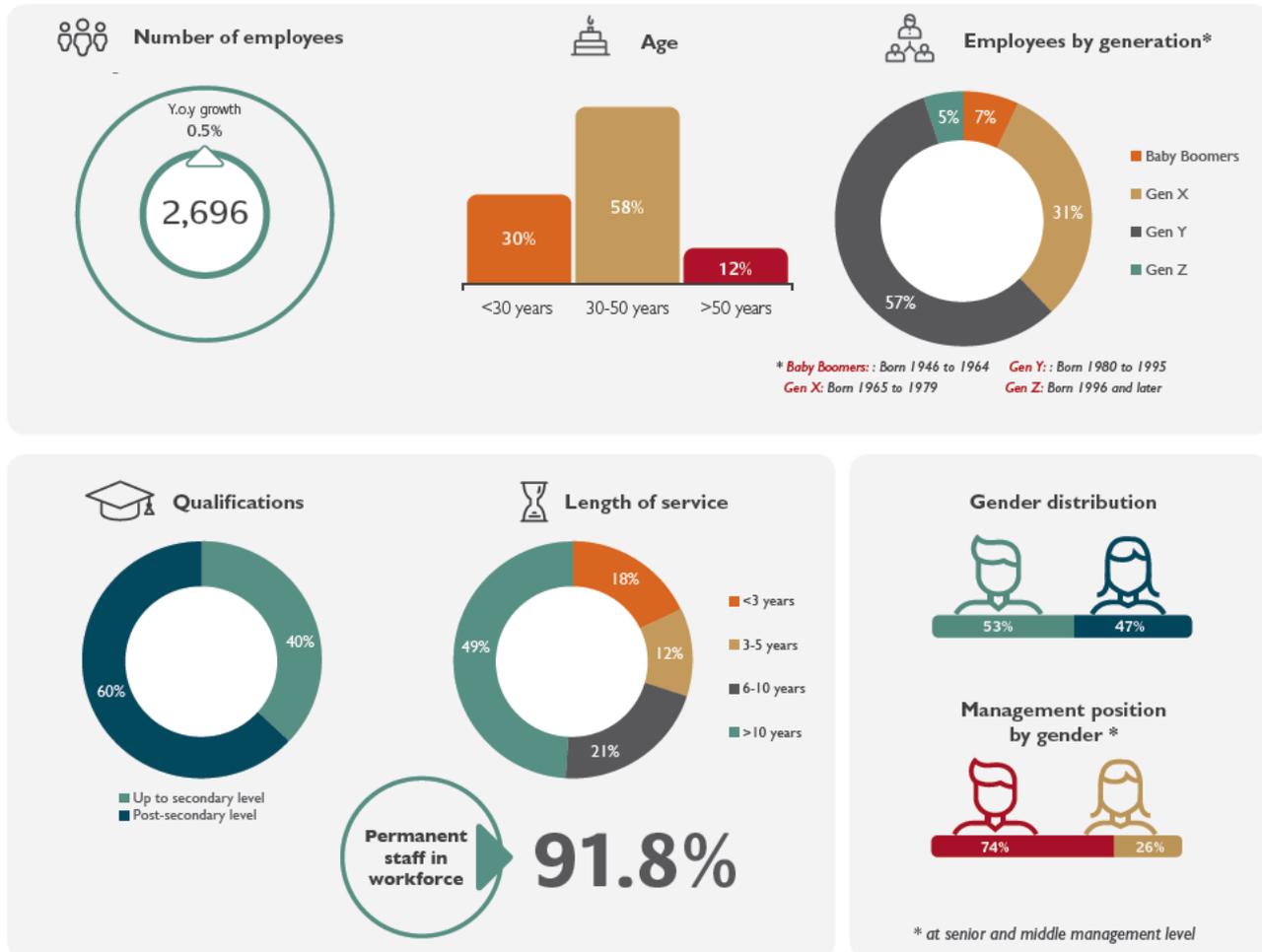
The demographic analysis confirms how well the organisation makes good use of experience and diversity at different levels of hierarchy.

**Global Compact Principle 6:**  
the elimination of discrimination in respect of employment and occupation.

The Bank is an equal opportunity employer and has in place an Equal Opportunity Policy, aimed at minimising the risk of any form of discrimination against an employee. The Bank ensures that no employee receives less favourable treatment and that opportunities for employment, training and promotion are accessible to all candidates irrespective of their status (i.e. age, caste, colour, creed, ethnic origin, impairment, marital status, place of origin, political opinion, race, sex or sexual orientation). In addition, the Bank ensures that selection for employment, promotion, transfer and training and access to benefits, facilities and services are fair and equitable and are based on merit.

In interviews, no question relating to the age, marital status, religion, ethnicity and physical impairment are asked and, as such, these factors are not determinant in the selection process. Complaints based on discrimination, if any, are escalated to the Head of Human Resources. They are investigated and appropriate actions are taken wherever possible.

Our diversified and competent workforce (as at 30 June 2018)



**Global Compact Principle 7:**

Businesses should support a precautionary approach to environmental challenges;

One of the missions of the Bank is 'We will do what we can to make the world a better, greener place'.

**Adoption of environment-conscious and energy-saving practices in our operations and activities**

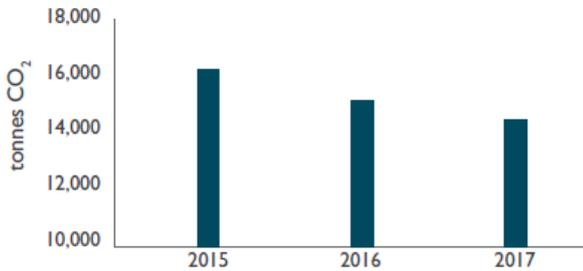
Since 15 May 2012, the Bank has adopted the Equator Principles, which is a voluntary and internationally recognised risk management framework, espoused by many financial institutions worldwide, for determining, appraising and managing environmental and social risks in project financing. This framework stands as the foundation and guiding principle of the Bank's Environmental and Social Policy, articulating the principles, policies, roles and responsibilities through which the Bank ensures the environmental and social risks management of its lending activities, in particular regarding any project or undertaking entailing loans of an aggregate amount greater than or equal to USD 2 million and with a maturity of at least 24 months.

As a key strategic thrust, the Bank has set out to monitor and assess its direct environment footprint in order to minimise the impact of its activities on the environment. The Bank is committed to influence and engage with its employees and external stakeholders towards managing its direct carbon footprint, driving eco-efficiency performance, and greening the supply chain. On this note, the Bank seeks to ensure that all suppliers comply with sustainable procurement standards. We define sustainable procurement as encompassing the social and environmental aspects of the products that the Bank procures as well as the attitude of the supplier towards sustainability. Also, we have set forward to contribute to the development of the circular economy, which we view as a key future model of procurement.

To date, appreciable progress has been made, as described below, in respect of the set objectives, principally a result of efficiency initiatives delivered across property sites and branches.

### Managing the environmental impact of our operations and activities (MCB Ltd)

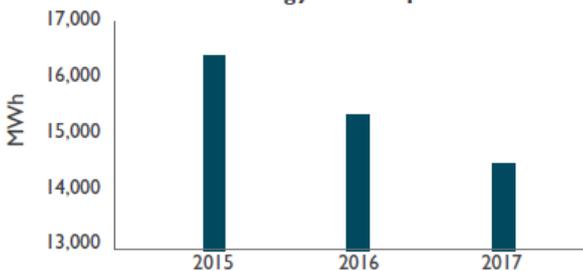
#### Carbon emissions



#### Managing our carbon footprint

In 2017, the Bank has successfully renewed its Blue Carbon Footprint certification received from Rexizon Consulting Ltd by all its branches and sites, after passing the relevant validation and mitigation assessments. Reflecting its commitment to minimise its operational environmental impact, total emissions of carbon dioxide of MCB were reduced by 4.7%.

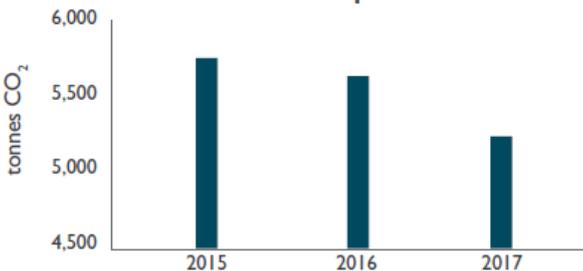
#### Energy consumption



#### Minimising our energy use and driving eco-efficiency performance

The Bank is committed to purchasing electricity from renewable sources where available, feasible and reasonably affordable. Efforts are being made to improve the energy efficiency of the offices and premises of the organisation. Equipment is replaced or upgraded regularly to support energy-efficient technologies, particularly those related to computers, air conditioning, motion sensors, lighting and printers. In 2017, MCB's total energy consumption fell by 5.5%, while 5% of its electricity consumption came from its own renewable sources.

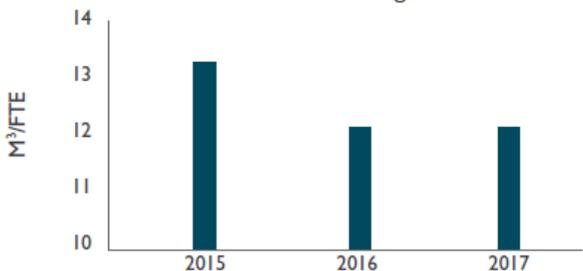
#### Transport



#### Reducing our travel carbon emissions

The Bank further leveraged its use of video and audio conferencing to reduce unnecessary business travel, costs and carbon emissions. It invested in a range of solutions from personal video units to small and large video rooms and high-end teleconferencing facilities. The Bank is committed to eliminating unnecessary travel and making necessary business travel as energy-efficient as possible. Our transport emissions figures showed a reduction of 7.1% in 2017.

#### Water usage



#### Scaling down water consumption

MCB actively monitors its water usage and seeks to reduce the consumption thereof. In 2017, its water footprint intensity stood at 12.2 m<sup>3</sup>/FTE, which is similar to the level recorded in 2016 and lower as compared to the 13.3 m<sup>3</sup>/FTE that had been registered in 2015.

Notes:

- (i) FTE stands for Full Time Employee
- (ii) GHG stands for Green House Gas

**Global Compact Principle 8:**

undertake initiatives to promote greater environmental responsibility;

**Promoting the eco-friendly awareness of our stakeholders**

The Bank is intent on raising awareness amongst its stakeholders about environment protection. Specific initiatives have been undertaken to sensitise the staff on environment issues. Courses and conferences were conducted in relation to the theme of sustainable development so as to educate new staff on the initiatives deployed in this respect and explain how employees can contribute to that effect. MCB Ltd also actively promotes the use of e-statements by customers. The total number of customers subscribing thereto increased by nearly 12% during the year ended June 2018. In the same vein, an electronic communication campaign was launched in June 2017 to encourage shareholders and bondholders to choose to receive corporate communications such as notices of meetings, credit advices, and annual reports from MCB Group by email. An appreciable response was received from shareholders and bondholders. Besides, employees are encouraged to print less, both through installed software and awareness campaigns. In a number of offices of the Bank, standalone desktop printers have been replaced with central printers. Additionally, MCB Ltd has sought sustainable disposal solutions for IT hardware at the end-of-use phase, while multiple pilot schemes have been conducted to identify the most secure and sustainable options.

**Global Compact Principle 9:**

and encourage the development and diffusion of environmentally friendly technologies.

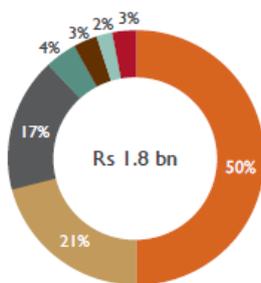
**Encouraging environment-friendly and energy-saving investments**

The Bank widened its involvement in respect of the provision of the second edition of its preferential credit facilities named as 'Green loans', pursuant to the lending facility availed from Agence Française de Développement (AFD) to stimulate the deployment of renewable energy and energy-efficient technologies, save energy and reduce carbon emissions. In this respect, an investment grant of 8% of the loan amount is offered to the client for investments in 'green' projects that can be 100% financed by the Bank. Of note, MCB has used around 76% of the second green line assigned by the AFD to banks in Mauritius and amounting to EUR 60 million, while it posted a market share of 70% as regard the first line of EUR 40 million. Our 'Green loans' have been extended to customers in some of the Group's foreign presence countries. Additionally, on the heels of the success of the previous lines, the Bank has recently signed a third line of credit with AFD.

**Green loans – Encouraging environment-friendly and energy-saving investments by MCB Ltd**

**Distribution of exposures as at June 2018**

**Exposures by sector**



- Renewable Energy
- Agro-Industrial
- Retail & Commerce
- Textiles
- Industry
- Hotels & Leisure
- Others (includes Education, Real Estates Development & Services)

**Exposures by segment**

**94.6 %**  
Corporate

**5.4 %**  
Individuals  
and SMEs

**Exposures by geography**

**93 %**  
Mauritius

**7%**  
Foreign

Estimated environmental benefits of projects financed in FY 2017/18



**383,206 Kg** of Liquefied Petroleum Gas saved



**7,000 Litres** of Diesel saved



**529,903 M<sup>3</sup>** of Clean Water saved



**51.4 gWh** of Electricity saved



**3,805,551 Litres** of Heavy Fuel Oil saved



**57,600 Tonnes** of fly ash recycled



**93,607 Metric tonnes** of CO<sub>2</sub> emission reductions



**14,400 Tonnes** of grate ash recycled



**18,514 M<sup>3</sup>** of Waste water reduced



**57,000 Tonnes** of import of pozollanic construction material

### Driving eco-efficiency performance

Efforts are being continuously made to improve the energy efficiency of offices and premises of the Bank. Equipment is replaced or upgraded regularly to support energy-efficient technologies, particularly those related to computers, air-conditioning, motion sensors, lighting and printers. Additionally, the Bank's Facilities Data Centre focuses on further improving power consumption and energy efficiency, by notably leveraging features that gain green certifications.

### Global Compact Principle 10:

Businesses should work against all forms of corruption, including extortion and bribery.

### Adherence to rules and regulations

The Bank's approach to governance is underpinned by its adherence to advocated norms, rules and relevant regulatory requirements. In this respect, the Bank complies with the revised Mauritius Bankers Association's Code of Ethics and Banking Practice (2016) and the Bank of Mauritius (BoM) Guideline on Corporate Governance, revised in May 2016. In addition, the Bank subscribes to the National Code of Corporate Governance (2016) which was applicable in the last financial year and which adopts an 'apply and explain' methodology based on eight governance principles. The Board has thus satisfied itself that the Bank has complied with all of its obligations and requirements under the National Code of Corporate Governance.

Moreover, the Anti-Money Laundering (AML) Policy is a key component of Operational Risk of the Bank. In addition, there is an AML Handbook which is compulsory for every employee to read carefully. A failure to do so, or a failure to adhere to its requirements, and to the Bank's established standards regarding customer acceptance, customer identification on opening of an account, record keeping, due diligence procedures, ongoing account monitoring, investigation of unusual or suspicious transactions and the reporting of such suspicious activities, is regarded as a disciplinary matter.

The Bank has a Fraud Policy to facilitate the development of controls that will aid in the detection and prevention of fraud against MCB.

A Gift, Entertainment and Benefits policy is in place and annually updated and communicated to the employees. MCB's policy is that its employees must neither offer nor give inducements to conduct business, in particular, those that are likely to conflict with any duty that MCB owes to its clients and its shareholders, nor solicit or accept them from existing or prospective clients, intermediaries, vendors or business contacts. The policy establishes the framework for gifts that are sometimes offered in the normal course of business and do not constitute inducements, including the

approval and reporting mechanism for such events.

The Bank has a Whistleblowing Policy, whereby an alternative reporting process is established for use by all employees in confidence, without the risk of subsequent retaliation, victimisation, discrimination or disadvantage. The Whistleblowing Framework at MCB is designed to assist employees who are deemed to have discovered malpractices or impropriety. In this respect, the reporting of undesirable conduct can be made to the Anti-Money Laundering/Fraud Prevention BU (AMLFP BU) by using the Bank's whistleblowing hotline, by email or directly to either: (i) the manager of the AMLFP BU; (ii) the Head of the Compliance BU; or (iii) the Chief Executive. Depending on the nature of the concern, it will be investigated by either the AMLFP BU or the Compliance BU. The investigation team maintains the confidentiality of anyone reporting a concern, subject to no external legal action following from the disclosure, and provides reasonable feedback to the originator of the concern.

Members of the Leadership Team and employees sign the 'Oath of Confidentiality', which is a mandatory legal requirement under the Banking Act. This is their formal declaration maintaining that during and after their relationship with the Bank, they will not disclose directly or indirectly any matter or information relating to the affairs of the Bank.

### **Risk management principle and framework**

The Bank operates within a clearly defined governance framework that provides for delegation of authority and clear lines of responsibility while enabling the Board to retain effective control. The Board is ultimately accountable and responsible for the performance and affairs of the Bank. In this respect, the Board is supported by five Committees tasked to provide specialist guidance namely: (i) Supervisory and Monitoring Committee; (ii) Audit Committee; (iii) Risk Monitoring Committee; (iv) Nomination and Remuneration Committee; and (v) Conduct Review Committee. A reporting mechanism is in place to ensure that matters affecting the affairs and reputation of the Bank are escalated to the Board by the Chairpersons of these Committees. In this way, the Board maintains an effective oversight process within a flexible and autonomous structure.

Whilst the Risk Monitoring Committee assists the Board in setting up risk mitigation strategies and in assessing and monitoring the risk management process of the Bank, the Audit Committee is tasked for monitoring the internal control processes and ensuring compliance with relevant laws and regulations, alongside overseeing the financial reporting process. With respect to the latter, the Audit Committee ensures that Financial Statements are prepared in accordance with and comply with applicable International Financial Reporting Standards, the Mauritian Companies Act 2001 as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder.

In line with the effective delegation of authority emanating from the Board, the risk management framework of the Bank is anchored on the three lines of defence namely risk ownership, risk control and compliance and risk assurance. This approach promotes transparency, accountability and consistency through the segregation of duties as well as the clear identification and enforcement of the roles attached to different parties at the Bank.

### **Recent initiatives**

The Bank has set up a Permanent Control function. The aim is to reinforce the risk monitoring process and improve the internal control system towards assisting the Bank in pursuing its business growth in a sound way. Key focus areas are as follows: (i) supervise the permanent monitoring of internal control processes across the Bank and cater for the development of an adequate risk culture; (ii) analyse, mitigate and manage the operational, information and compliance risks, alongside ensuring that corrective measures are identified and implemented; and (iii) strengthen procedures and controls with regard to KYC, anti-money laundering and combating the financing of terrorism, along with the analysis of client transactions.

The year was also marked by the reinforcement of our capabilities and relevant frameworks to tackle emerging risks, notably cyber risks associated with the increased digitalisation of our operations. Dedicated training sessions to foster staff awareness of the matter have been conducted. A Cyber War game, involving Board members, the Leadership team and senior staff was organised. On another note, the Bank further reinforced its management of compliance risk. Notably, while compliance officers were further empowered towards more effectively discharging their

responsibilities, the dedicated function exercised appropriate oversight over the revision/ implementation of relevant processes and systems enhancements aimed at fostering the Bank's compliance with the amended Data Protection Act and advocated international standards, such as the European Union's Markets in Financial Instruments Directive (MiFID) and the Common Reporting Standards elaborated by the OECD. Besides, specific committees were established at the level of the Bank's business lines with a view to shoring up the customer onboarding process.

#### **Actions undertaken by relevant functions of the Bank towards combating corruption**

The Compliance function of the Bank is tasked to keep non-compliance incidents at bay. Its main responsibilities are as follows:

- promoting awareness of the Leadership Team and staff on requirements arising out of new or amendments to laws and regulations;
- undertaking regular reviews to ensure ongoing adherence to the principles of good corporate governance;
- shoring up processes and procedures to ensure that the Bank conducts its business in a manner that effectively mitigates the risk of money laundering and financing of terrorism;
- designing a set of policies to promote strong ethical behaviours by staff; and
- exercising close oversight over customer-related complaints.

With regard to the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) obligations of the Bank, the Compliance function is duty-bound to ensure that the Bank has adequate processes, systems and controls with a view to rendering its services inaccessible to criminals – including money launderers and terrorists or their financiers – alongside paving the way for suspicious transactions to be effectively tracked down. To that end, the function inter alia ensures that staff is given appropriate training to help them identify suspicious transactions in keeping with legal and regulatory requirements. The Bank has also invested extensively in automated systems to assist in tracking transactions that are not commensurate with the declared activities of the customer. It also automated the AML/CFT risk categorisation of its customer base. Of note as well, a separate section, namely the Anti-Money Laundering/Fraud Prevention BU (AMLFP BU), which reports to the Head of Internal Audit, seeks to promote staff awareness on fraud risks and conducts enquiries with respect to cases of suspected fraud perpetrated internally or by outsiders. The function also provides assistance to the Money Laundering Reporting Officer as regards filing of suspicious transaction reports to the Financial Intelligence Unit.