

Financial Institution Name	The International Banking Corporation B.S.C. ©
Location	3 rd Floor, Bahrain Commercial Complex Government Avenue, Manama Kingdom of Bahrain
Name of Stock Exchange Listed on	N/A
Name of Regulating Authority	Central Bank of Bahrain (CBB)
Does your AML Policies apply to your foreign branches & subsidiaries	Yes
Name of person completing questionnaire	S. Shanmugathaas
Title	Money Laundering Reporting Officer
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Date	14 th May 2008

Anti-Money Laundering Questionnaire

I. General AML Policies, Practices and Procedures:		
1. Does the FI have a legal and regulatory compliance program that requires approval of the FI's Board or a senior committee thereof?	Y ●	N ○
2. Does the FI have a legal and regulatory compliance program that includes a designated Compliance officer that is responsible for coordinating and overseeing the AML program on a day-to-day basis, which has been approved by senior management of the FI?	Y ●	N ○
3. Has the FI developed written policies documenting the processes that they have in place to prevent, detect and report suspicious transactions that has been approved by senior management?	Y ●	N ○
4. Does the FI have self-assessment procedures as part of its internal control environment to assure compliance with applicable laws and internal policies?	Y ●	N ○
5. In addition to inspections by the government supervisors/regulators, does the FI client have an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?	Y ●	N ○
6. Does the FI have a policy prohibiting accounts/relationships with shell banks? (A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group.)?	Y ●	N ○
7. Does the FI have policies covering relationships with politically exposed persons consistent with industry best practices?	Y ●	N ○
8. Does the FI have appropriate record retention procedures pursuant to applicable law?	Y ●	N ○
9. Does the FI have a Code of Conduct and representations by their employees of their understanding and agreement to abide by the Code of Conduct including AML provisions?	Y ●	N ○
10. Does the FI require that its AML policies and practices be applied to all branches and subsidiaries of the FI both in the home country and in locations outside of the home country?	Y ●	N ○

II. Risk Assessment		
11. Does the FI have a risk focused assessment of its customer base?	Y ●	N ○
12. Does the FI identify the categories of customers whose transactions and banking activities are routine and usual?	Y ●	N ○
13. Does the FI determine the appropriate level of enhanced due diligence necessary for those categories of customers that the FI has reason to believe pose a heightened risk of illicit activities at or through the FI?	Y ●	N ○
III. Know Your Customer, Due Diligence and Enhanced Due Diligence		
14. Has the FI implemented systems for the identification of its customers, including customer information in the case of recorded transactions, account opening, etc. (for example; name, nationality, street address, telephone number, occupation, age/ date of birth, number and type of valid official identification, as well as the name of the country/state that issued it)?	Y ●	N ○
15. Does the FI have a requirement to collect information regarding its customers' business activities?	Y ●	N ○
16. Does the FI collect information and assess its FI customers' AML policies or practices?	Y ●	N ○
17. Does the FI have procedures to establish a record for each customer noting their respective identification documents and Know Your Customer Information collected at account opening?	Y ●	N ○
18. Does the FI take steps to understand the normal and expected transactions of its customers based on its risk assessment of its customers?	Y ●	N ○
19. For legal entities, does the FI obtain copies of the constitutive documents of their customers?	Y ●	N ○
IV. Reportable Transactions and Prevention and Detection of Transactions with Illegally Obtained Funds		
20. Does the FI have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?	Y ●	N ○
21. Does the FI have procedures to identify transactions structured to avoid large cash reporting requirements?	Y ●	N ○
22. Does the FI have automated systems to screen all transactions (originators and beneficiaries) against lists issued by government/international agencies of known or suspected terrorists and narcotics traffickers prior to conducting a transaction?	Y ●	N ○
23. Does the FI have policies to reasonably ensure that transactions are not conducted with countries that appear as sanctioned entities on lists provided by government/international bodies?	Y ●	N ○
24. Does the FI have a process to ensure that they do not conduct transactions with or on behalf of shell banks through any of its accounts or products?	Y ●	N ○
25. Does the FI have policies to ensure that it only operates with correspondent banks that possess licenses to operate in their countries of origin?	Y ●	N ○
26. Does the FI have policies to ensure that it will not conduct transactions with or provide downstream products and services to other FIs that do not comply with industry best practices? (Downstream products are	Y ●	N ○

defined as a And correspondent banking client who receives correspondent banking services from an institution and itself provides correspondent banking services to other financial institutions in the same currency as the account it maintains with the institution).		
V. Transaction Monitoring		
27. Does the FI have a monitoring program covering incoming and outgoing funds transfers for suspicious or unusual activities?	Y ●	N o
28. Does the FI have a monitoring program covering the purchases and redemptions of monetary instruments for suspicious or unusual activities?	Y ●	N o
VI. AML Training		
29. Does the FI provide AML awareness training to its employees and agents that includes identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving the FIs products and services, internal policies to prevent money laundering as well as the process to report suspicious transactions?	Y ●	N o
30. Does the FI retain records of its training sessions including attendance records and relevant training materials used?	Y ●	N o
31. Does the FI have policies to communicate new laws or changes to existing policies or practices to its employees and agents?	Y ●	N o
32. Does the FI employ agents to carry out some of the functions of the FI and if so does the FI provide AML training to relevant agents that includes identification and reporting of transactions that must be reported to government authorities, examples of different forms of money laundering involving the FI's products and services and internal policies to prevent money laundering?	Y ●	N o
33. Has the FI participated in /attended industry/government AML seminars?	Y ●	N o