

CORPORATE GOVERNANCE REPORT TO SHAREHOLDERS – 2021

Corporate Governance Framework

Bahrain Islamic Bank B.S.C. (“BisB” or the “Bank”) is committed to upholding the highest standards of corporate governance by way of balancing entrepreneurship, regulatory compliance, and industry best practices, while creating value for all stakeholders. It also involves having the right checks and balances in place throughout the organization to ensure that the Bank’s processes are within an adequate, efficient, and robust internal control and governance framework.

Statement of Responsibility

The Board of Director (the “Board”) is ultimately accountable to the shareholders for the creation and delivery of strong sustainable financial performance and long-term shareholder value through strategic initiatives. 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 established the following Committees to assist it in carrying out its responsibilities:

1. Executive Committee (“EC”);
2. Audit Committee (“AC”);
3. Nomination, Remuneration, Governance, and Sustainability Committee (“NRGSC”);
4. Board Risk and Compliance Committee (“BRCC”); and
5. Board Independent Committee* (BIC).

* The Board Independent Committee was formed to supervise the acquisition of BisB’s shares. The Board Independent Committee has been reactivated to handle an advisory role and provide advice and recommendations to the Board of Directors on issues related to integration and synergies between National Bank of Bahrain (NBB) and Bahrain Islamic Bank (BisB). BisB’s corporate governance framework is built on a code of business conduct, policies, procedures, internal controls, risk management, Shari’a review and audit, internal and external audit and compliance functions. The framework is based on effective communications, transparent disclosures, performance measurement and accountability. An independent Internal Audit function is established within the Bank that reports directly functionally to the AC.

Code of Business Conduct

BisB conducts its business in accordance with the highest standards of ethical behavior. A Code of Business Conduct has been developed, based on the Central Bank of Bahrain (“CBB”) Principles of Business regulations, to govern the personal and professional conduct of the directors and employees of the Bank. The code is based on the following principals:

1. Integrity
2. Conflicts of Interest
3. Due Skill, Care and Diligence
4. Confidentiality
5. Market Conduct
6. Customer Assets
7. Customer Interests
8. Relations with Regulators
9. Adequate Resources
10. Management, System and Controls

The requirements under each of the above principles are made available to the Board and employees of the Bank. The Board monitors any exceptions to the above principles by way of reviewing formal reports issued to the Board’s AC.

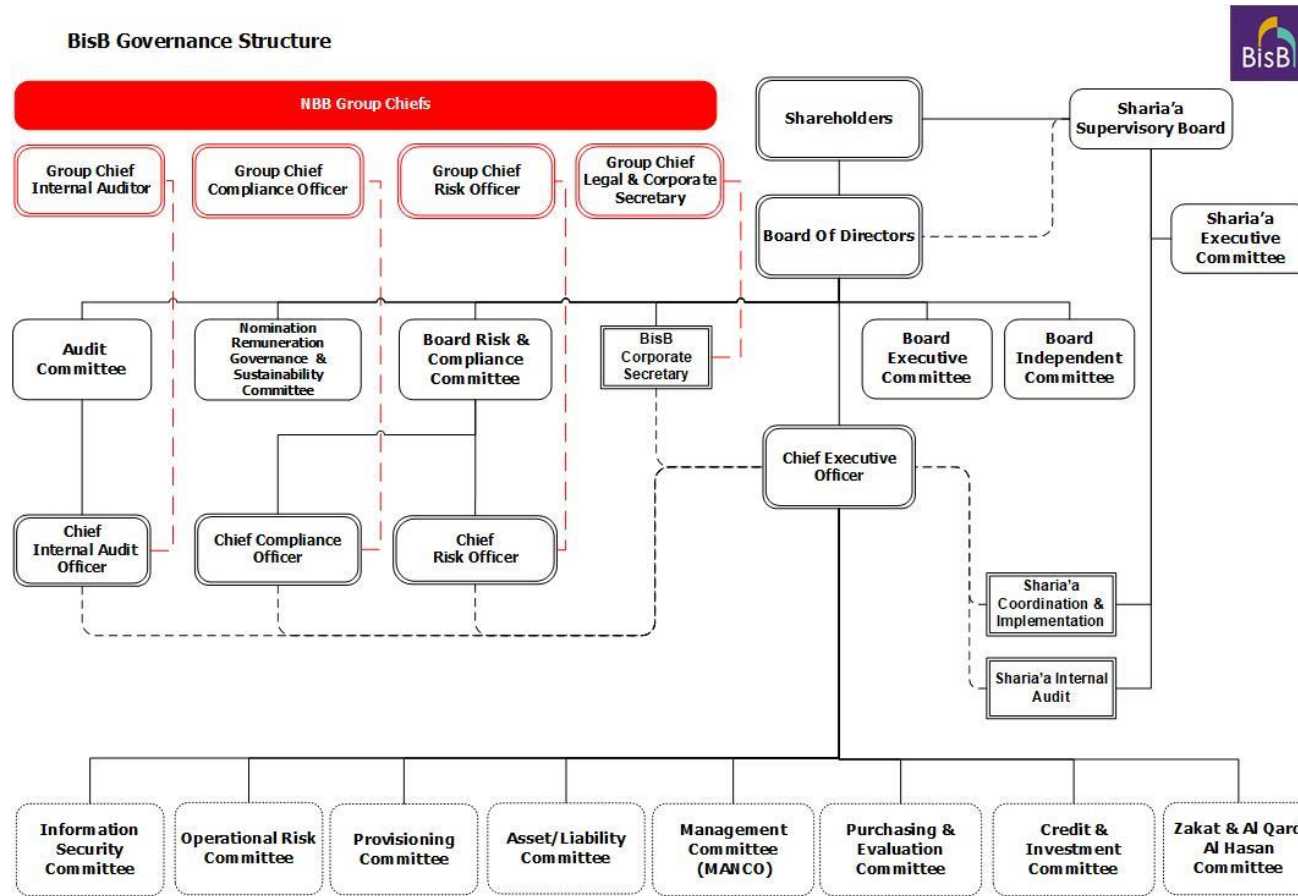
Compliance

Compliance is an independent function that reports to the BRCC. The Compliance function, guided by the Board approved policies, works with various business and controlled functions of the Bank to ensure compliance with the applicable rules and regulations of the CBB. Given the digital business strategy of the Bank, as well as the expanding regulatory scrutiny and enforcement, the Compliance Department of the Bank is keeping up with the digital advancements by also taking on an active role in directly participating in the risk management process.

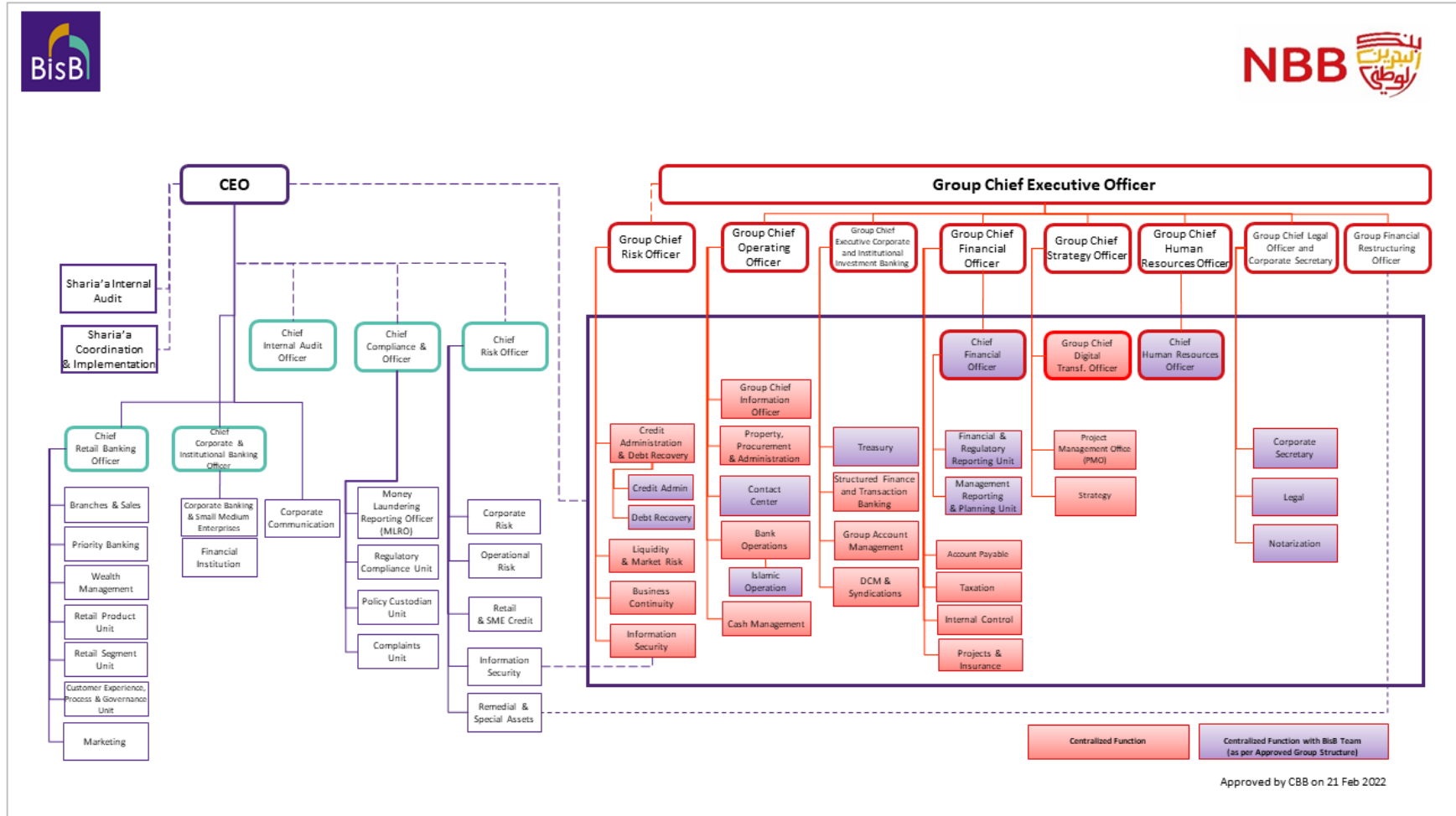
Communications

BisB conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate and timely manner. Main communication channels include the annual report, website, and regular announcements in the appropriate local media.

Governance Structure



Bank's Structure



Board of Directors

Composition

No.	Director	Designation	Start Date	Term
1.	Dr. Esam Abdulla Fakhro	Non-Executive & Non-Independent	23 rd March 2016	Second
2.	Mr. Khaled Yusuf AbdulRahman	Non-Executive & Non-Independent	23 rd March 2016	Second
3.	Mr. Jean Christophe Durand	Executive Director	05 th February 2020	First
4.	Mr. Khalid Abdulaziz Al Jassim	Non-Executive & Independent	21 st March 2019	First
5.	Mr. Mohammed Abdulla Al Jalahama	Non-Executive & Independent	21 st March 2019	First
6.	Mr. Marwan Khaled Tabbara	Non-Executive & Independent	21 st March 2019	First
7.	Mr. Mohammed Abdulla Nooruddin	Non-Executive & Independent	21 st March 2019	First
8.	Mr. Yaser Abduljalil Alsharifi	Executive Director	05 th February 2020	First
9.	Ms. Dana Abdulla Buheji	Executive Director	05 th February 2020	First
10.	Mr. Isa Hasan Maseeh	Executive Director	19 th April 2020	First

The detailed profiles of the Board members are available on the Bank's website.

Board of Directors' Responsibilities

The primary responsibility of the Board of Directors is to provide effective governance over the Bank's affairs for the benefit of its stakeholders and to balance the interests of its diverse constituencies, including associated concerns, employees, and other stakeholders. In all actions taken by the Board, the Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Bank.

The Board will approve and oversee the implementation of the Bank's strategies and will review and approve the Bank's strategic plan. As part of its strategic review process the Board will review major action and business plans, set performance objectives, and oversee major investments, divestitures, and acquisitions. The Board is also ultimately responsible to ensure effective risk management function, regulatory compliance, adequate internal controls, preparation of financial statements as well as compliance with Sharia rulings. Every year, at an annual Board strategy session, the Board will formally reassess the Bank's objectives, strategies and plans.

One of the Board's most important responsibilities is identifying, evaluating and selecting candidates for the Board of Directors. The Board will seek members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have had experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon the contributions they can make to the Board.

The Board may not necessarily carry out all these responsibilities but should ensure that these have been delegated to various board committees or executive management committees to act on their behalf and communicate periodic reports to the Board for their review.

Induction of New Directors

The Bank provides an orientation program for new Directors which includes presentations by senior management on the Bank's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its operations, its Code of Conduct, its management structure and executive officers and its internal and external auditors. New guidelines for new board members were created under codified document called the "New Board Member Onboarding Guidelines". This document was put in place to ensure that new board members are able to fulfil their governance responsibilities and director duties, and most importantly adjust to the Bank as soon as possible.

Code of Conduct

The Bank adopts a Code of Conduct and other internal policies and guidelines to comply with the laws, rules and regulations that govern the Bank's business operations. The Code of Conduct applies to all employees of the Bank as well as to Directors.

Review of Internal Control Processes and Procedures

The Audit Committee assists the Board in fulfilling its oversight responsibility relating to the performance of the internal audit function, which regularly reviews and ensures adherence to internal control processes and procedures.

Board Membership

The Board of Directors' membership term is three years, subject to renewal. The current term started March 2019 and is expected to end March 2022. Shareholders owning 10% or more of the share capital have the right to nominate a representative on the Board of Directors in proportion to the number of Board members. A secret ballot is held at the Ordinary General Meeting for electing the remaining Board members. The Board of Directors elect, by a secret ballot, a Chairman and Vice Chairman for a renewable term of three years.

Membership of the Board of Directors can be terminated in the following cases:

- If a member fails to attend at-least 75% of the meetings without a reasonable excuse;
 - If he/she tenders his resignation in writing;
 - If he/she fails to fulfill any related conditions referred to the Bank's Articles of Association;
 - If he/she is appointed or elected in violation of the provisions of the CBB Law and/or Bahrain Commercial Companies Law;
 - If he/she abuses his/her membership for carrying on other business that competes with or is detrimental to the Bank's business; or
 - If the shareholder who nominated him/her applies for his/her removal.
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- If the shareholder who nominated him/her is no longer a shareholder or loses its eligibility to nominate a representative on the board of directors.

Board Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	15-Feb-21	26-Apr-21	02-Aug-21	25-Oct-21	29-Nov-21	Attendance Percentage
Dr. Esam Abdulla Fakhro	✓	✓	✓	✓	✓	100%
Mr. Khalid Yousif Abdul Rahman	✓	✓	✓	✓	✓	100%
Mr. Jean Christophe Durand	✓	✓	✓	✓	✓	100%
Mr. Mohamed Abdulla Nooruddin	✓	✓	✓	✓	✓	100%
Mr. Khalid Abdulaziz Al Jassim	✓	✓	✓	✓	✓	100%
Mr. Mohammed Abdulla Al Jalahma	✓	✓	✓	✓	✓	100%
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	100%
Mr. Yaser Abduljalil Alsharifi	✓	✓	✓	✓	✓	100%
Ms. Dana Abdulla Buheji	✓	✓	✓	✓	✓	100%
Mr. Isa Hasan Maseeh	-	✓	✓	✓	✓	100%

✓ Participated via phone/video link

Board Committees' Members

Board Committee	Members	Objectives
Executive Committee (EC)	Mr. Jean Christophe Durand (Chairman) Members: • Khalid Yousif Abdul Rahman • Mr. Yaser Abduljalil Alsharifi • Mr. Hassan Amin Jarrar (<i>non-voting member</i>)	The EC assists the Board of Directors in fulfilling their responsibilities with regards to financing and investments activities, as well as any other matters not delegated to a specific Board Committee. Accordingly, the EC is empowered to approve specific credit and investment proposals, review budgets, plans and major initiatives for eventual submission to the Board for approval, and to monitor the Bank's performance against business plan objectives.
Audit Committee (AC)	Khalid Abdulaziz Al Jassim (Chairman) Members • Mohammed Abdulla Al Jalahma • Mr. Isa Hasan Maseeh	The AC oversees the integrity and reporting of the Bank's quarterly and annual financial statements. It also covers review of audit findings, provisions, and impairments.
Nomination, Remuneration, Governance, and Sustainability Committee (NRGSC)	Dr. Esam Abdulla Fakhro (Chairman) Members: • Mohamed Abdulla Nooruddin • Marwan Khaled Tabbara • Ms. Dana Abdulla Buheji	The NRGSC is responsible for developing and recommending changes from time to time in the Bank's nomination and remuneration policy, including the variable payment policy. It is also entrusted to identify and recommend persons occupying senior positions including board members. Furthermore, the committee also oversees Bank's governance related matters. NRGSC is also responsible of ensuring the availability of a continuously growing awareness around ESG and sustainability areas.
Board Risk and Compliance Committee (BRCC)	Marwan Khaled Tabbara (Chairman) Members: • Mohamed Abdulla Nooruddin • Khalid Abdulaziz Al Jassim • Isa Hasan Maseeh	The BRCC is formed to assist the Board of Directors in fulfilling their regulatory as well as fiduciary responsibilities towards the stakeholders. Furthermore, the Committee also oversees compliance with legal and regulatory requirements.
Board Independent Committee (BIC)	• Mohamed Abdulla Nooruddin (Chairman) Members • Khalid Abdulaziz Al Jassim • Marwan Khaled Tabbara • Mohammed Abdulla AlJalahma	The Board Independent Committee of Bahrain Islamic Bank ("BIC") which was initially formed to supervise the acquisition of BisB's shares has been reactivated to provide advice and recommendations to the Board of Directors on issues related to integration and synergies between National Bank of Bahrain (NBB) and Bahrain Islamic Bank (BisB).

Executive Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	08-Feb-21	12-Apr-21	22-Jun-21	21-Sep-21	2-Nov-21	12-Nov-21	Attendance Percentage
Mr. Jean Christophe Durand	✓	✓	✓	✓	✓	✓	100%
Mr. Khalid Yousif Abdul Rahman	✓	✓	✓	✓	✓	✓	100%
Mr. Yaser Abduljalil Alsharifi	✓	✓	✓	✓	✓	✓	100%
Mr. Hassan Amin Jarrar (<i>non-voting member</i>)	✓	✓	✓	✓	✓	✓	100%

✓ Participated via phone/video link

Audit Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	26-Jan-21	02-Feb-21	25-Apr-21	04-July-21	01-Aug-21	06-Oct-21	24-Oct-21	24-Nov-21	29-Dec-21	Attendance Percentage
Mr. Khalid Abdulaziz Al Jassim	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Mohammed Abdulla Al Jalahma	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Isa Hasan Maseeh	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

✓ Participated via phone/video link

Nomination, Remuneration, Governance, and Sustainability Committee Meetings and Attendance

Minimum Number of Meetings Required = 2

Members	25-Jan-21	11-Feb-21	25-Apr-21	29-Jul-21	15-Nov-21	Attendance Percentage
Dr. Esam Abdulla Fakhro	✓	✓	✓	✓	✓	100%
Mr. Mohamed Abdulla Nooruddin	✓	✓	✓	✓	✓	100%
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	100%
Ms. Dana Abdulla Buheji	✓	✓	✓	✓	✓	100%

✓ Participated via phone/video link

Board Risk and Compliance Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	27-Jan-21	17-Mar-21	22-Apr-21	30-May-21	28-Jun-21	18-Jul-21	22-Sept-21	10-Nov-21	5-Dec-21	Attendance Percentage
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Mohamed Abdulla Nooruddin	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Khalid Abdulaziz Al Jassim	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Isa Hasan Maseeh	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

✓ Participated via phone/video link

Board Independent Committee Meetings and Attendance

Minimum Number of Meetings Required = Upon Request

Members	25-Oct-21	30-Nov-2021	Attendance Percentage
Mr. Marwan Khaled Tabbara	✓	✓	100%
Mr. Mohamed Abdulla Nooruddin	✓	✓	100%
Mr. Khalid Abdulaziz Al Jassim	✓	✓	100%
Mr. Mohammed Abdulla AlJalahma	✓	✓	100%

✓ Participated via phone/video link

Evaluation of the Board and Each Committee

Being known to strive for well-developed and balanced governance practices, ethical standards and fair dealings, BisB has revamped its Board performance evaluation process and enhanced its format to identify improvement opportunities to enhance the overall performance of the Board , its Committees and each board member. Therefore, the enhanced Board performance evaluation for the year 2021 has been conducted electronically through the completion of a structured performance evaluation questionnaire form against certain pre-defined criteria as per the mandate of the Board and each of its Committees on the effectiveness and contribution of the overall performance of the Board, its committees and the performance of each Board member. The NRGSC carried out an evaluation of the Board and its Committees through the distribution of questionnaires to each Board member, followed by an assessment of the Committees and Members. The Committee expressed its satisfaction with the positive results. The Board considers this as a beneficial exercise that can enhance governance and therefore deliver and unlock value to BisB and its shareholders.

Board of Directors Remuneration and Sitting Fees

The Board of Directors are paid an annual remuneration as approved by the shareholders at the Ordinary General Meeting. While the amount of the remuneration is not directly linked to the performance of the Bank, factors such as the Bank's performance, industry comparison and the time and effort committed by the Directors to the Bank, are considered for determining the total remuneration. In addition, Directors are paid sitting fees for attending the meetings of the Board and its various subcommittees. Non-resident directors are also entitled to travel expenses. Further details on the remunerations paid to Board as well as Senior Management are available under the remuneration disclosures of the annual report.

Shari'a Supervisory Board

Objective

The main objective of Shari'a Supervisory Board is to advise the Bank on any Shari'a matter and to ensure compliance with the Shari'a tenets and requirements in their operations. The Shari'a Supervisory Board is entrusted with the duty of directing, reviewing, and supervising the activities of the Bank in order to ensure that the Bank is in compliance with Shari'a rules and AAOIFI. The profiles of the Shari'a Supervisory Board are available on the Bank's website.

The Shari'a Supervisory Board has established a Shari'a Coordination & Implementation function to ensure the sharia compliance of the bank and performance of supervision and reviewer from the sharia point of view, in addition to the secretariat of the Shari'a Supervisory Board. The Sharia Supervisory Board has also established an independent Internal Shari'a Audit function that reports any exceptions to the Shari'a fatwas and guidelines.

Shari'a Board Meetings

Members	03-Mar-21	06-Jun-21	22-Sep-21	11-Nov-21	29-Nov-21*	Attendance percentage
Sh. Dr. Abdul Latif Al Mahmood	✓	✓	✓	✓	✓	100%
Sh. Mohammed Al Juffairi**	✓	✓	x	✓	x	60%
Sh. Adnan Al Qattan	✓	✓	✓	✓	✓	100%
Sh. Dr. Nedham Yacoubi	✓	✓	✓	✓	✓	100%
Sh. Dr. Essam Al Enizi***	✓	x	x	x	x	20%

* With Board of Directors

** Sh. Mohammed Al Juffairi did not complete the required percentage of attendance, which is 75%, as he attended 3 out of 5 meetings, due to a health condition he had.

*** Sh. Dr. Essam Al Enizi attended one meeting and was not renewed with him by the general assembly.

Executive Management

The management structure that clearly defines roles, responsibilities, and reporting lines, is available in the annual report of the Bank. Within the management structure there are separate committees responsible to meet on a regular basis to discuss and decide on the various strategic and tactical issues within their respective areas.

Name & Designation	Profession	Experience in years	Qualification
Hassan Amin Jarrar Chief Executive Officer	Banking	32	BSc in Finance from California State University, San Jose.
Wesam A. Aziz Baqer Chief Corporate & Institutional Banking Officer <i>(until Jun 3rd, 2021)</i>	Banking	19	MSc (Economics) in Finance and Investment Management from the University of Aberdeen, Scotland. BS in Business Administration from the University of Bahrain. Certified Financial Adviser (CeFA).
Jawad Humaidan Acting Head of Corporate Banking From June – date 2021	Economics & Finance	16	MSc in Finance from DePaul University, Chicago, USA. BS in Economics from Carleton University, Ottawa, Canada. Certified Arbitrator specializing in Banking & Finance.
Dalal Ahmed Al Qais Chief Retail Banking Officer <i>(until Nov 3rd, 2021)</i>	Banking	19	MBA in Finance from AMA University. BSc in Business Management from the University of Bahrain.
Ali Al Aradi Acting Head of Retail Banking From Nov 2021 to date	Banking	18	CMI level 5 from Chartered Management Institution CIM level 6 from Chartered Institute of Marketing Banking & Finance Advanced Diploma
Ameer Abdul Ghani Dairi Chief Financial Officer	Accounting	21	CPA from New Hampshire Board of Accountancy. Certified Management Accountant (CMA) licensed by the Chartered Institute of Management Accountants, USA. BSc in Accounting from University of Bahrain.
Fahim Ahmed Shafiqi Chief Risk Officer	Banking	22	Diploma in Islamic Finance (CDIF). MBA from University of Warwick, UK.
Eman Ali Abdulla Ebrahim Head of Central Operations	Banking	24	Associate Diploma in Accounting, University of Bahrain

Name & Designation	Profession	Experience in years	Qualification
Hussain Ebrahim Al Banna Head of Treasury	Banking	17	BSc in Banking & Finance from the University of Bahrain. Treasury and Capital Markets Diploma, BIBF.
Afnan Ahmed Saleh Chief Human Resources Officer	Marketing	20	SHRM Senior Certified Professional (SHRM-SCP) in 2015 MBA University of Strathclyde in 2006
Osama Ali Nasr Chief Information Officer <i>(until Aug 31st, 2021)</i> <i>replaced with</i> Stefan Corera	Information Technology	23	MSc in Information Systems Management from the University of Liverpool. BSc in Computer Science from Al-Isra University, Jordan.
Mazar Rashed Jalal Chief Compliance & Governance Officer <i>(until May 2nd, 2021)</i> <i>replaced with</i> Mohamed Ayada Matar	Banking	20	BSc in Accounting from the University of Bahrain. International Compliance Associate Diploma from UK. Diploma in Islamic Banking and Insurance from UK, Wales.
Mohammed Ayada Mattar Acting Head of Compliance and AML, and MLRO	Banking	16	Masters in Finance from AMA International University. Certified Anti-Money Laundering Specialist. Diploma in Governance, Risk & Compliance from International Compliance Association.
Maisa Jawdat Shunnar Chief Strategy Implementation & Transformation Officer	Strategy Implementation & Transformation	21	BSc in Business Administration majoring in Computer Information Systems from University of Houston (Texas, USA). Masters of Business Communication & Leadership, Jones International University, Colorado, USA.
Hamad Farooq Al- Shaikh Head of Sharia Coordination & Implementation	Banking	16	Masters of Sharia - ALEmam ALAwzaie University - Lebanon CIFP-Chartered Islamic Finance Professional ADIC J- Advanced Diploma in Islamic Commercial Jurisprudence- BIBF CSAA – Certified Sharia Adviser and Auditor – AAOIFI. CIB – Certified Islamic Banker – CIBAFI. Bachelors Degree in law and Sharia - Qatar University
Eman Mohammed AlBinghadeer Head of Internal Sharia Audit	Banking	16	Professional Diploma in Sharia Auditing – CIBAFI. CSIA – Certified Specialist in Islamic Accounting – CIBAFI. CIB – Certified Islamic Banker – CIBAFI. CSAA – Certified Sharia Adviser and Auditor – AAOIFI. Diploma in Computing and Business Studies – Bournemouth University and Technology Centre – UK.
Khaled Waheeb Al Naser Chief Internal Audit Officer	Auditing and Banking	14	Certified Public Accountant - CPA Certified Internal Auditor - CIA Certified Islamic Professional Accountant - CIPA BSC Managerial Accounting – NYIT CGMA – AICPA/ CIMA COSO Internal Control - COSO

Management Committees

Committee(s)	Members	Objectives
Management Committee (MANCO)	<p>Hassan Amin Jarrar Chairman</p> <p>Members</p> <ul style="list-style-type: none"> • Ameer Abdul Ghani Dairi • Fahim Ahmed Shafiqi • Maisa Jawdat Shunnar • Afnan Ahmed Saleh • Wesam A. Aziz Baqer (until Jun 3rd, 2021) replaced with Jawad Humaidan • Dalal Ahmed Al Qais (until Nov 3rd, 2021) replaced with Ali AlAradi • Eman Ali Abdulla Ebrahim • Osama Ali Nasr (until Aug 31st, 2021) replaced with Stefan Corera • Mazar Rashed Jalal (until May 2nd, 2021) replaced with Mohamed Ayada Matar 	<p>MANCO is the highest management body that reviews the Bank's strategy implementation. In addition, the committee also plays a significant role in establishing the policies, procedures and frameworks covering risk management, compliance, retail and corporate banking. The Committee also monitors the performance of business, support and control functions of the Bank.</p>
Asset & Liability Committee (ALCO)	<p>Ameer Abdul Ghani Dairi Chairman</p> <p>Members</p> <ul style="list-style-type: none"> • Hassan Amin Jarrar • Fahim Ahmed Shafiqi • Hussain Ebrahim Al Banna • Dalal Ahmed Al Qais (until Nov 3rd, 2021) replaced with Ali AlAradi • Wesam A. Aziz Baqer (until Jun 3rd, 2021) replaced with Jawad Humaidan 	<p>The purpose of Asset & Liability Committee is to act as a decision-making body and guiding force responsible for balance sheet planning from risk return perspective, including strategic management of yield and liquidity risks.</p>
Credit & Investment Committee (C&IC)	<p>Hassan Amin Jarrar Chairman</p> <p>Members</p> <ul style="list-style-type: none"> • Ameer Abdul Ghani Dairi • Wesam A. Aziz Baqer (until Jun 3rd, 2021) replaced with, Jawad Humaidan • Dalal Ahmed Al Qais (until Nov 3rd, 2021) Replaced with, Ali AlAradi • Fahim Ahmed Shafiqi (Dissenting Vote) 	<p>C&IC determines the Credit & Investment Policy of the Bank, identified possible risks assumed by the Bank for different types of transactions. The C&IC has the authority to make a decision on approval or rejection or proposed transactions within its authority as well as to monitor the performance and quality of the Bank's credit & Investment portfolios.</p>
Qard Al Hassan, Donation & Zakah Committee	<p>Hamad Farooq AlShaikh Chairman</p> <p>Members</p> <ul style="list-style-type: none"> • Nada Ishaq Abdul Karim • Hamad Al Bassam 	<p>The main objective of Qard Al Hassan, Donation and Zakah Committee is to discharge the Group's social responsibilities toward its society through</p>

	<ul style="list-style-type: none"> • Nayef Alnasser • Aysha Alnasser 	distributing zakah, charity funds, donations & good faith Qard for marriage, medical treatments, etc.
Provisioning Committee (PC)	<p>Hassan Amin Jarrar Chairman</p> <p>Members</p> <ul style="list-style-type: none"> • Fahim Ahmed Shafiqi • Ameer Abdul Ghani Dairi • Salah Yaseen Mohammed • Khalid Waheeb AlNasser (Observer) 	Provisioning Committee reviews the Bank's provisions as well reviewing the progress on recovery for impaired assets and problem exposures.
Operational Risk Committee (ORC)	<p>Fahim Ahmed Shafiqi Chairman</p> <p>Members</p> <ul style="list-style-type: none"> • Sohail Kabeer • Ameer Abdul Ghani Dairi • Afnan Ahmed Saleh • Mohammed Isa Hammad • Maisa Jawdat Shunnar • Hamad Farooq AlShaikh • Ibtisam Abdulkarim • Wesam A. Aziz Baqer <i>(until Jun 3rd, 2021) Replaced with,</i> Jawad Humaidan • Dalal Ahmed Al Qais <i>(until Nov 3rd, 2021) Replaced with ,</i> Ali AlAradi • Osama Ali Nasr Nasr <i>(until Aug 31st, 2021) replaced with</i> Stefan Corera • Mazar Rashed Jalal <i>(until May 2nd, 2021)</i> <i>Replaced with</i> Mohamed Ayada Matar • Khaled Waheeb Al Nasser (observer) 	<p>The purpose of the Operational Risk Committee is to:</p> <p>a) Oversee and review the Bank's operational risk framework.</p> <p>b) Assist the management in fulfilling its operational risk management responsibilities as defined by applicable laws and regulations.</p>
Purchasing & Evaluation Committee	<p>Hamad Mohammed Al Bassam Chairman</p> <ul style="list-style-type: none"> • Aysha Ali AlNasser • Salman Matar 	The Bank has formed a Purchasing & Evaluation that independently oversee the vendor management and procurement process.
Information Security Committee (ISC)	<p>Fahim Ahmed Shafiqi Chairman</p> <p>Members</p> <p>Hassan Amin Jarrar Mohammed Isa Hammad Jawad Humaidan Ali Al Aradi Razi Amin Mohammed Ayada Stefan Corera</p>	<p>The committee is responsible for overseeing the implementation of the information security strategy to protect its information assets, in line with the Bank's strategic direction and risk appetite.</p> <p>This includes providing organizational framework for the corporate governance of information security, ensuring that the information system management requirements are integrated into the organization's processes to achieve its intended outcomes.</p>

Succession Planning

Succession planning in the Bank is driven by our Business strategy and forward-looking approach. The primary objective of the plan is to develop people to meet future demands of the Bank. On an annual basis, the Human

Resources Department of the Bank reviews and consults the Board's NRGSC to ensure availability of a practical and executable succession plan.

Related Party Transactions and Conflict of Interest

Under the Bahrain Commercial Companies Law and the CBB's regulations, Board members are required to disclose potential conflicts as well as refrain from participating in any conflicted decisions. This includes potential conflicts that may arise when a Director takes up a position with another company or has any material transactions with the Bank. In addition, exposures to major shareholder, directors and senior management are governed by the regulations of the CBB.

Related party transactions are entered into in compliance with Article 189 of the Commercial Companies Law. All material service providers are selected following a satisfactory tendering process which is governed by the vendor management policy of the Bank. Any director or member of the senior management conflicted is excluded throughout the decision-making process. Details of related party transactions, carried out at arm's length, are disclosed in Note 29 of the financial statements.

Material Transactions Requiring Board Approval

The Board has delegated certain authorities to the Executive Management to ensure smooth and effective day to day management however, all material financing transaction, as provided in the delegation of authority matrix of the Bank, are subject to Board approval. Furthermore, major decisions such as change in strategy, changes in the organization structure, capital expenditures, amending policies and hiring executive management is subject to approval of either Board or relevant Board committees.

Exceptions to CBB's Corporate Governance Regulations

Banks are required to comply with the High Level Controls (HC) Module of the CBB Rulebook. The HC Module contains both Rules and Guidance; Rules must be complied with, but Guidance may either be complied with or non-compliance to be explained to the shareholders and to the CBB. Exceptions to guidance are explained as follows:

Reference	Explanation
HC1.3.13	HC-1.3.13 states that no one person should hold more than three directorships in public companies in the Kingdom of Bahrain, with the provision that no conflict of interest may exist. Dr. Essam Abdulla Fakhro, the Chairman of the Board, holds more than three directorships in public companies in the Kingdom of Bahrain. The Board is of the opinion that this does not impact the effectiveness and efficiency of the Board of Directors, as he provides adequate attention to his responsibilities and there is no conflict of interest between his other directorships and that of the Bank.
HC-1.4.6	HC 1.4.6 states that the Chairman of the Board of Directors should be an independent director. The Bank's Chairman, Dr. Essam Abdulla Fakhro is appointed by the National Bank of Bahrain (NBB) which is a Controller of the Bank. Accordingly, Dr. Fakhro is reported as a Non-Independent Director. The Board is of the view that given the seniority and experience of Dr. Essam Fakhro in business and leadership in addition to his ability to segregate between the interests of the bank he is representing and the interests of BisB, he has been appointed in the position of the chairman of the Board. The CBB was notified of such appointment.
HC-1.8.2	HC-1.8.2 states that the Board should establish a Corporate Governance Committee of at least three independent members and HC-1.8.5 allows combination of committees. The Bank has combined the responsibility of the Corporate Governance Committee with that of the NRGSC. The Board is of the view that this does not compromise the high standards of corporate governance as the NRGSC has sufficient resources and time to discharge its duties and holds sufficient number of meetings to fulfil its responsibilities.
HC-5.3.2	HC-5.3.2 states that the Remuneration Committee should include only independent directors or, alternatively, only non-executive directors of whom a majority are independent directors and the chairman is an independent director. The Remuneration Committee of the Bank is combined with the Nomination and Governance Committee as allowed under HC-1.8.5. The Chairman of the NRGSC, Dr. Essam Abdulla Fakhro, is treated as Non-Independent on the basis that his nomination is through NBB, a Controller of the Bank. The Board is of the view that given the seniority, leadership character and experience of Dr. Essam Fakhro, he has

	been appointed as a chairman of the NRGSC. The Central Bank of Bahrain (on the 21 st of May 2019) provided its no objection to appoint Dr. Essam Fakhro as Chairman of the NRGSC.
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Employments of Relatives

The Bank has a policy in place on employment of relatives to prevent the potential conflict of interest. As a matter of policy, employment of relatives is not allowed however, in case of any exception, the approval of the Board's NRGSC is sought.

Remuneration of the External Auditors

KPMG Fakhro was the Bank's external auditors for the financial year ended 31st December 2021. The details of the audit fee paid to the auditors during the year 2021 as well as the details of non-audit services and fees paid are held at the Bank's premises, which is available to shareholders upon specific request.

Information on Products & Services & Availability of Financial Information

New product information, announcements and information related to all stakeholders are made available in a timely manner through various channels of communication which may include publications, website, direct mailers, electronic mail and local media. In addition, the Consolidated Financial Statements of at least past 5 years in addition to all supplementary disclosures required by CBB regulations, are available in the Bank's website.

Customer Complaints

The Compliance Department is responsible for managing customer complaints. BisB customers may use the Bank's website or the call center for lodging a complaint. All complaints are logged, monitored, and reported to the CBB. A user-friendly guide is made available to customers by way of a conspicuous notice and Bank's website.

Whistleblowing Policy

The Board has adopted a Whistleblowing Policy (by appointing Mr. Khalid Al Jassim in his capacity as a Board member and chairman of the Audit Committee to be responsible for the Whistleblowing Policy) which provides all employees an opportunity to raise any observation regarding unethical and improper practices or any other wrongful conduct of a financial or legal nature in the Bank and to prohibit managerial personnel from taking any adverse action against employees for doing so.

Major Shareholders Ownership (5% and above)

Shareholder	Nationality	Number of Shares	Percentage	Type of Ownership
National Bank of Bahrain	Bahraini	838,630,728	78.81%	Majority Sovereign
General Council of Kuwaiti Awqaf	Kuwaiti	76,366,321	7.18%	Sovereign

Distribution of Ownership of Shares by Nationality

Country	Percentage	Number of Shares
Kingdom of Bahrain	87.51%	931,144,307
Kuwait	8.72%	92,816,310
United Arab Emirates	2.80%	29,802,637
Kingdom of Saudi Arabia	0.75%	7,966,602
Qatar	0.13%	1,382,987
Others	0.09%	945,744
Total	100.00%	1,064,058,587

Changes in Distribution of Ownership shares of Directors, Shari'a Members, Approved Persons and Related Persons

Name	Shares as of 31 st Dec 2020	Sold During 2021	Acquired During 2021	Shares as of 31 st Dec 2021
Directors				
Dr. Esam Abdulla Fakhro *	352,500	-	-	352,500
Mr. Khalid Yousif Abdul Rahman **	-	-	-	-
Mr. Jean-Christophe Durand	-	-	-	-
Mr. Khalid Abdulaziz Al Jassim	-	-	-	-
Mr. Mohammed Abdulla Al Jalahama	-	-	-	-
Mr. Marwan Khaled Tabbara	-	-	-	-
Mr. Mohamed Abdulla Nooruddin	-	-	-	-
Mr. Yaser Abduljalil Alsharifi	-	-	-	-
Ms. Dana Buheji	-	-	-	-
Mr. Isa Hasan Maseeh	-	-	-	-
*Dr. Esam Abdulla Fakhro owns 50% of shares in Kingdom Investment which owns 861,250 number of shares in BisB **Khalid Yousif Abdul Rahman owns 30.25% of shares in Yousif Abdulrahman Engineer Holding Co WLL. which owns 536,020 number of shares in BisB				
Shari'a Supervisory Board				
Shaikh Dr. Abdul Latif Mahmood Al Mahmood	174,426	-	370,733	545,159
Shaikh Dr. Nedham Mohamed Saleh Yacoubi	13,237	-	-	13,237
Shaikh Mohammed Jaffar Al Juffairi	-	-	-	-
Shaikh Adnan Abdulla Al Qattan	-	-	-	-
Approved Persons				
1. Hassan Amin Jarrar – Chief Executive Officer	943,958	943,958	-	-
2. Ameer Abdul Ghani Dairi – Chief Financial Officer	-	-	-	-
3. Fahim Ahmed Shafiqi – Chief Risk Officer	-	-	-	-
4. Afnan Ahmed Saleh – Chief Human Resources Officer	-	-	18,894	18,894
5. Hamad Farooq AlShaikh – Head of Shari'a Coordination & Implementation	-	-	-	-
6. Eman Mohammed AlBinghadeer - Head of Shari'a Internal Audit	-	-	-	-
7. Hussain Ebrahim Al Banna - Head of Treasury	-	-	-	-

Name	Shares as of 31 st Dec 2020	Sold During 2021	Acquired During 2021	Shares as of 31 st Dec 2021
8. Khaled Waheeb AlNasser - Chief Internal Audit Officer	10,565	-	20,868	31,433
9. Nayef Naser Yusuf – Acting Head of Special Assets & Remedial	-	-	-	-
10. Mohammed Ayada Matar - Acting Head of Compliance and AML, and MLRO	-	-	-	-
11. Hamad Hussain Al Qattan - Deputy Money Laundering Reporting Officer	-	-	-	-
12. Ali Yousif Al Aradi - Acting Head of Retail Banking	-	-	-	-
13. Mohamed Jamal Aish - Deputy Money Laundering Reporting Officer	-	-	-	-
14. Ammar Fuad Alsabab - Head of Financial Institutions	-	-	-	-
15. Faisal Al Abdulla - Head of Priority Banking	-	-	-	-
16. Hussain Ali Bahram - Head of Wealth Management	-	-	-	-
17. Sohail Kabiruddin - Head of Operational Risk	-	-	-	-
18. Siddharth Kumar - Head of Corporate & Liquidity Risk	-	-	-	-
19. Saleh Isa Almhri - Head of Retail Credit Review	-	-	-	-
20. Mohammed Isa Hammad - Chief Information Security Officer	-	-	-	-
21. Jawad Abdulhadi Humaidan - Head of Corporate Banking - Interim Basis	-	-	-	-

As of 31st December 2021, the total number of shares held by Board of Directors, Shari'a Supervisory Board members and the Approved Persons of the Bank are 961,223 which represents 0.09% of the total issued shares of the Bank. The shares held by the Approved Persons includes shares granted by the Bank under the Share Incentive Scheme.