

CORPORATE GOVERNANCE REVIEW

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 has been formed 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 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.

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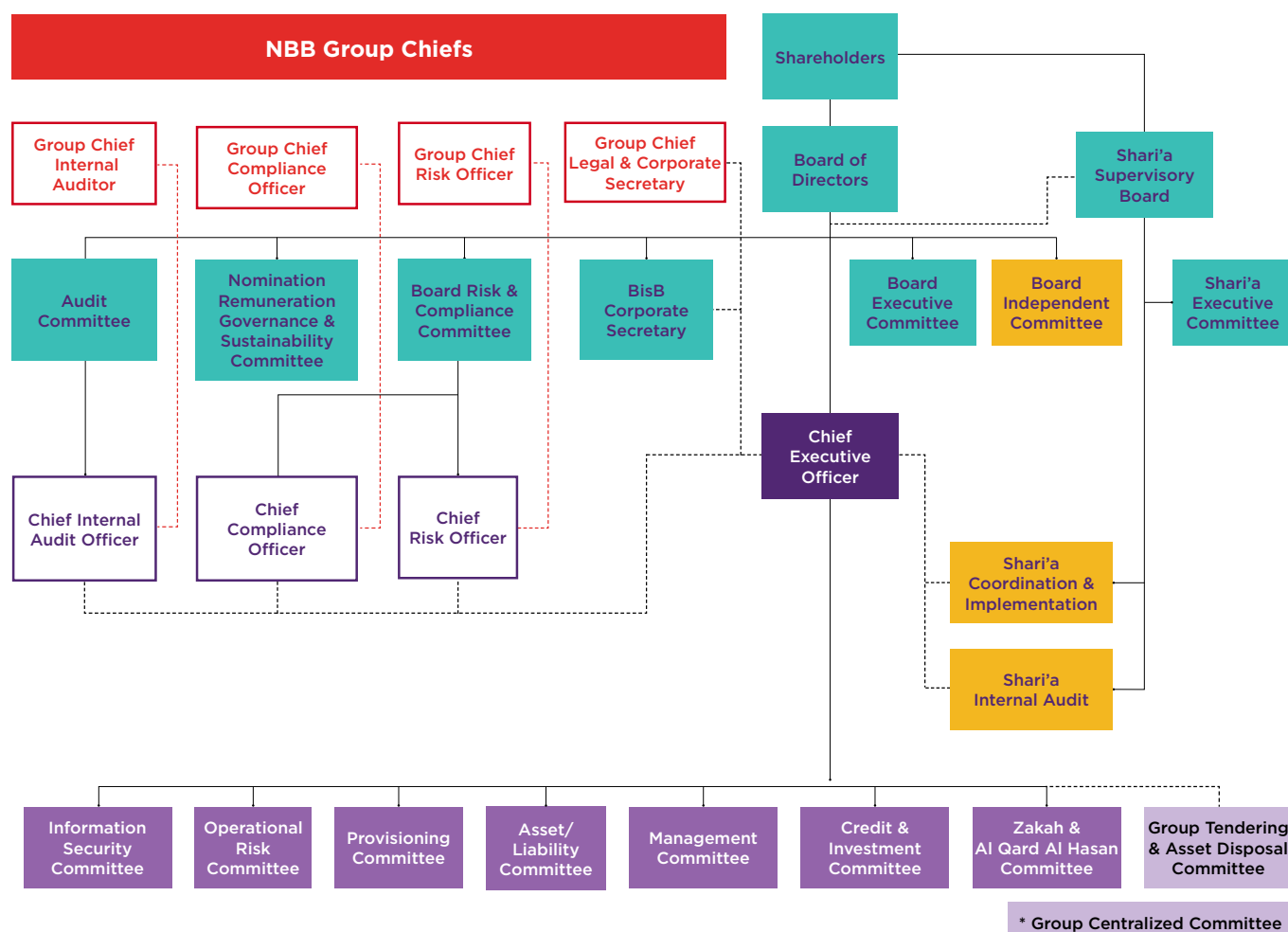
Compliance

Compliance is an independent function that reports to the BRCC. The Compliance function, guided by the Board's approved policies, works with various business and control functions of the Bank to ensure compliance with the applicable rules and regulations of the relevant regulatory authorities. 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 participating in the risk management process from regulatory compliance perspective.

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.

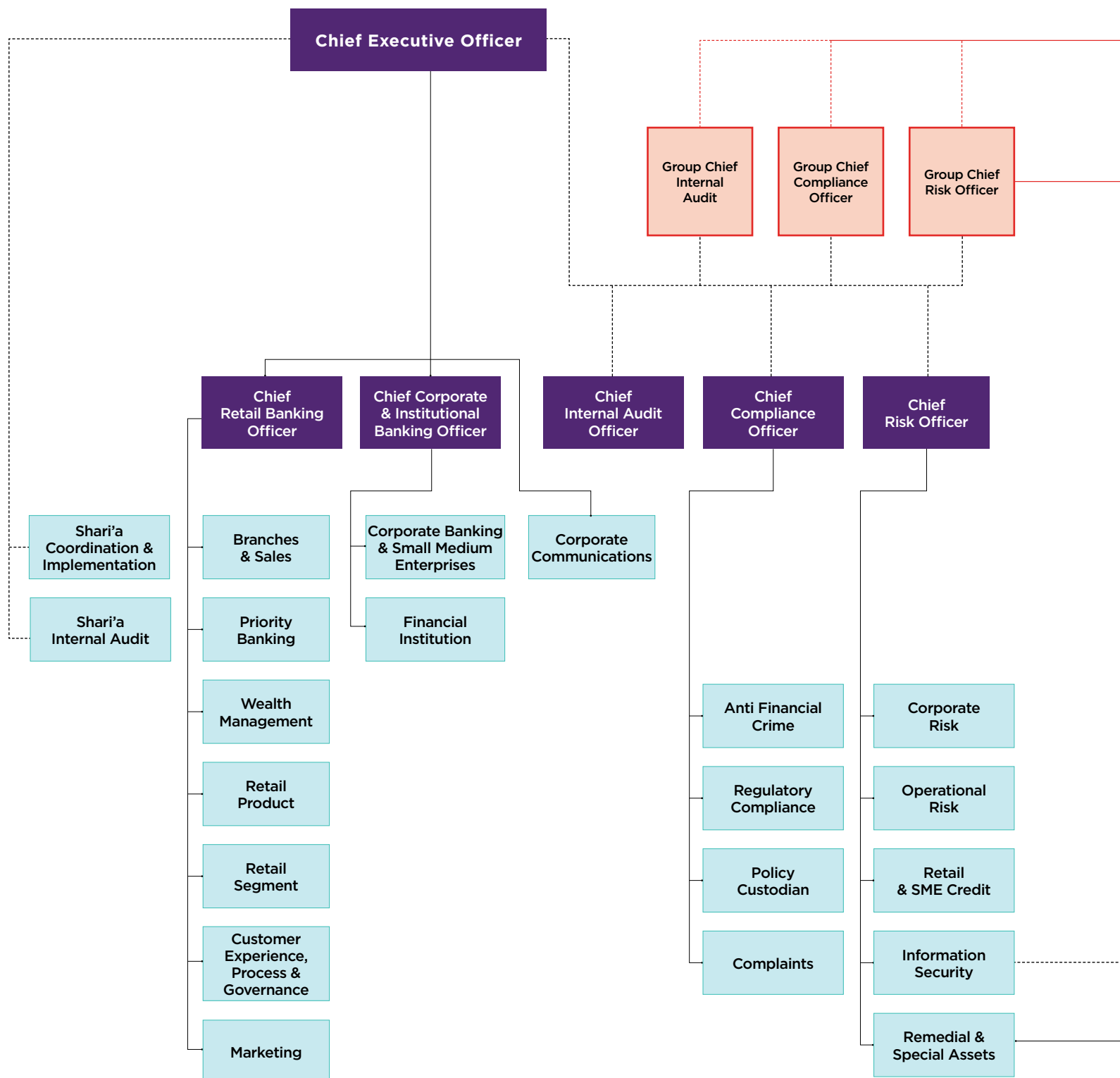
Governance Structure



CORPORATE GOVERNANCE REVIEW

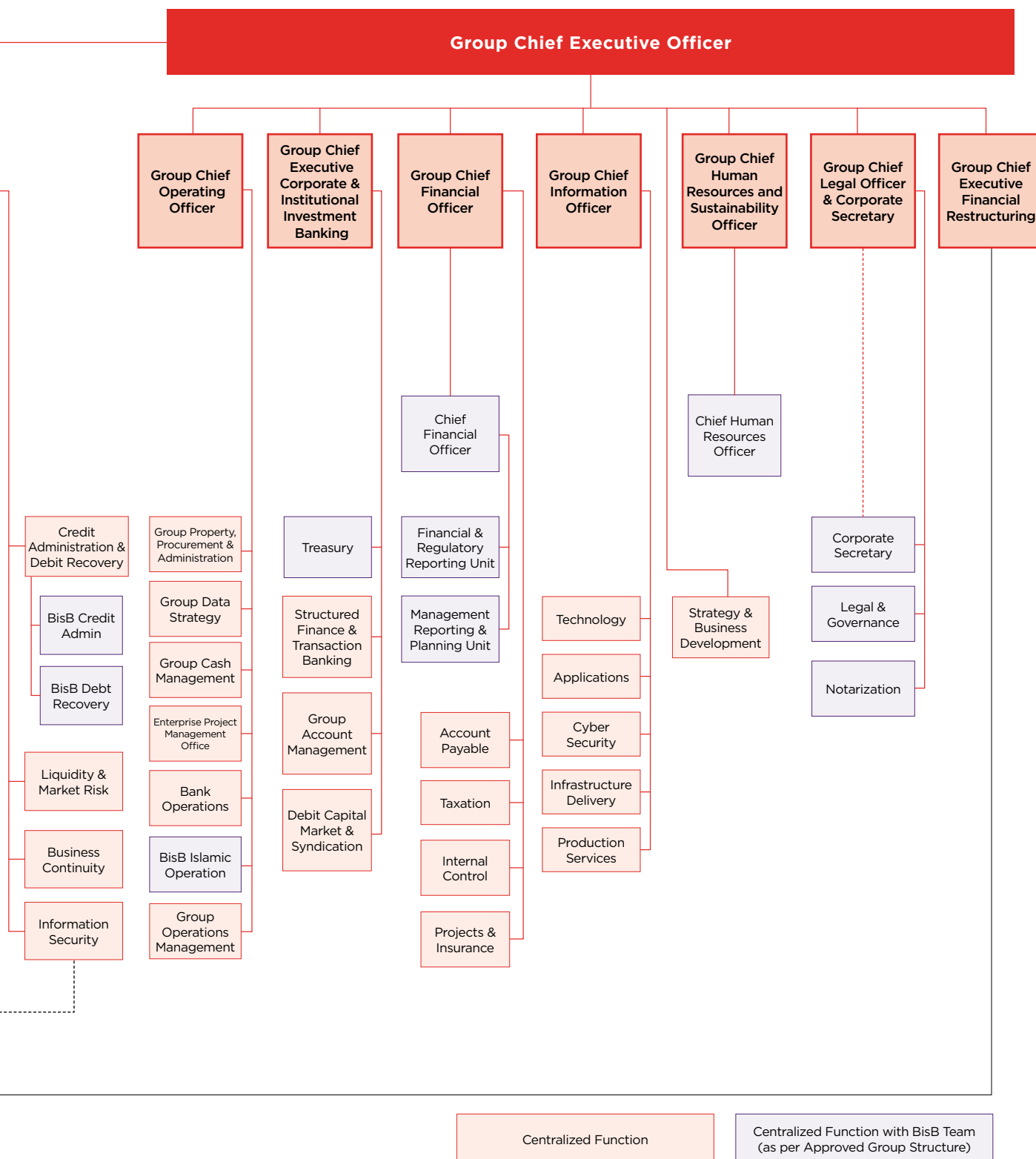
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Bank's Structure



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Board of Directors Composition*

No.	Director	Designation	Start Date	Term
1.	Dr. Esam Abdulla Fakhro	Non-Executive & Non-Independent	23 Mar 2016	Third
2.	Mr. Khaled Yusuf AbdulRahman	Non-Executive & Non-Independent	23 Mar 2016	Third
3.	Mr. Jean Christophe Durand	Executive Director	05 Feb 2020	Second
4.	Mr. Khalid Abdulaziz Al Jassim	Non-Executive & Independent	21 Mar 2019	Second
5.	Mr. Marwan Khaled Tabbara	Non-Executive & Independent	21 Mar 2019	Second
6.	Mr. Mohammed Abdulla Nooruddin	Non-Executive & Independent	21 Mar 2019	Second
7.	Mr. Saqer Abdulmohsin Alsijari	Non-Executive & Independent	25 Mar 2019	First
8.	Mr. Yaser Abduljalil Alsharifi**	Executive Director	05 Feb 2020	Second
9.	Ms. Dana Abdulla Buheji	Executive Director	05 Feb 2020	Second
10.	Mr. Isa Hasan Maseeh	Executive Director	19 Apr 2020	Second

* 10% of the Board Members is represented by women.

** Resigned from BisB Board on 13 Sep 2022.

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 Shari'a 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. A guideline for new board members were created under codified document called the "New Board Member Onboarding Guidelines". This document is 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.

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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 in March 2022 and is expected to end in March 2025. 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:

1. If a member fails to attend at-least 75% of the meetings without a reasonable excuse;
2. If he/she tenders his resignation in writing;
3. If he/she fails to fulfil any related conditions referred to the Bank's Articles of Association;
4. If he/she is appointed or elected in violation of the provisions of the CBB Law and/or Bahrain Commercial Companies Law;
5. If he/she abuses his/her membership for carrying on other business that competes with or is detrimental to the Bank's business;
6. If the shareholder who nominated him/her applies for his/her removal; or
7. 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 22	28 Mar 22	25 Apr 22	27 Jul 22	24 Oct 22	28 Nov 22	27 Dec 22	Attendance Percentage
Dr. Esam Abdulla Fakhro	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Khalid Yousif Abdul Rahman	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Jean Christophe Durand	✓	✓	✓	✓	✓	✓	–	86%
Mr. Mohamed Abdulla Nooruddin	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Khalid Abdulaziz Al Jassim	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Saqer Abdulmohsin Al Sijari*	–	–	✓	✓	✓	✓	✓	83%
Mr. Yaser Abduljalil Alsharifi**	✓	–	✓	✓	–	–	–	75%
Ms. Dana Abdulla Buheji	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Isa Hasan Maseeh	✓	✓	✓	✓	✓	✓	✓	100%

* Inducted as a new elected director on 28 Mar 2022 post "the Annual General Meeting" (AGM)

** Mr. Yaser Alsharifi resigned from BisB Board on 13 Sep 2022.

✓ Participated physically

✓ Participated via phone/video link

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Board Members Committee

Board Committee	Members	Objectives
Executive Committee (EC)	Mr. Jean Christophe Durand (Chairperson) Members: 1. Mr. Khalid Yousif Abdul Rahman 2. Mr. Yaser Abduljalil Alsharifi* 3. Mr. Hassan Amin Jarrar (non-voting member) ** * Resigned from BisB Board on 13 Sep 2022. ** Retired from BisB on 30 Sep 2022.	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)	Mr. Khalid Abdulaziz Al Jassim (Chairperson) Members: 1. Mr. Saqer Abdulmohsin Al Sijari 2. 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 (Chairperson) Members: 1. Mr. Mohamed Abdulla Nooruddin 2. Mr. Marwan Khaled Tabbara 3. 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 Environmental, Social, and Governance (ESG) and sustainability areas.
Board Risk and Compliance Committee (BRCC)	Mr. Marwan Khaled Tabbara (Chairperson) Members: 1. Mr. Mohamed Abdulla Nooruddin 2. Mr. Khalid Abdulaziz Al Jassim 3. Mr. 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)	Mr. Mohamed Abdulla Nooruddin (Chairperson) Members: 1. Mr. Khalid Abdulaziz Al Jassim 2. Mr. Marwan Khaled Tabbara 3. Mr. Saqer Abdulmohsin Al Sijari	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).

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Executive Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	24 Jan 2022	20 Feb 2022	21 Mar 2022	12 Jun 2022	20 Jun 2022	12 Sep 2022	07 th Nov 2022	Percentage
Mr. Jean Christophe Durand	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Khalid Yousif Abdul Rahman	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Yaser Abduljalil Alsharifi *	✓	✓	✓	✓	✓	✓	-	100%
Mr. Hassan Amin Jarrar ** (non-voting member)	✓	✓	✓	✓	✓	✓	-	100%

* Resigned as a member and appointed as a CEO.

** Retired.

✓ Participated physically

✓ Participated via phone/video link

Audit Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	08 Feb 2022	13 Mar 2022	24 Apr 2022	15 May 2022	21 Jun 2022	26 Jul 2022	20 Sep 2022	23 Oct 2022	27 Nov 2022	Percentage
Mr. Khalid Abdulaziz Aljassim	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Saqer Abdulmohsin Alsijari *	-	-	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Isa Hasan Maseeh	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

* Inducted as a new elected director on 28 Mar 2022 post AGM

✓ Participated physically

✓ Participated via phone/video link

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

Minimum Number of Meetings Required = 2

Members	31 Jan 2022	10 Feb 2022	27 Jun 2022	07 Jul 2022	14 Nov 2022	20 Dec 2022	Percentages
Dr. Esam Abdulla Fakhro	✓	✓	✓	✓	✓	✓	100%
Mr. Mohammed Abdulla Nooruddin	✓	✓	✓	✓	✓	✓	100%
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	✓	100%
Ms. Dana Abdulla Buheji	✓	✓	✓	✓	✓	✓	100%

✓ Participated physically

✓ Participated via phone/video link

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Board Risk and Compliance Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	25 Jan 2022	16 Mar 2022	22 May 2022	23 Jun 2022	29 Jun 2022	22 Sep 2022	1 Nov 2022	27 Nov 2022	Percentage
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Mohammed Abdulla Nooruddin	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Khalid Abdulaziz Aljassim	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Isa Hasan Maseeh	✓	✓	✓	✓	✓	✓	✓	✓	100%

✓ Participated physically

✓ Participated via phone/video link

Board Independent Committee Meetings and Attendance

Minimum Number of Meetings Required = Upon Request

Members	30 Jan 2022	16 May 2022	03 Oct 2022	Percentage
Mr. Mohammed Abdulla Nooruddin	✓	✓	✓	100%
Mr. Khalid Abdulaziz Aljassim	✓	✓	✓	100%
Mr. Marwan Khaled Tabbara	✓	✓	✓	100%
Mr. Saqer Abdulmohsin Alsijari*	-	✓	✓	100%

* Inducted as a new elected director on 28 Mar 2022 post AGM.

✓ Participated physically

✓ Participated via phone/video link

Evaluation of the Board and Each Committee

An enhanced Board performance evaluation has been conducted electronically for the year 2022 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 Nomination, Remuneration, Governance, Sustainability Committee (NRGSC) carried out an evaluation of the Board, its committees and all board members through the distribution of questionnaires to each Board member. The NRGSC expressed its satisfaction with the positive results of the evaluation. The Board considers this as a beneficial exercise that can maintain the highest standards of governance to comply with the CBB rules and regulations.

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 financial and sustainability report.

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Shari'a Supervisory Board Objective

The main objective of Shari'a Supervisory Board (SSB) 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 Accounting and Auditing Organization for Islamic Financial Institutions (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 Shari'a compliance of the Bank and performance of supervision and reviewer from the Shari'a point of view, in addition to the secretariat of the Shari'a Supervisory Board. The Shari'a 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 2022	12 Jun 2022	02 Oct 2022	28 Nov 2022*	04 Dec 2022	Attendance Percentage
Sh. Dr. Abdul Latif Al Mahmood	✓	✓	-	✓	✓	80%
Sh. Dr. Nedham Yacoubi	✓	✓	✓	✓	✓	100%
Sh. Adnan Al Qattan	✓	✓	✓	✓	✓	100%
Sh. Mohammed Al Juffairi	✓	✓	✓	-	✓	80%

✓ Participated physically

✓ Participated via phone/video link

- Did not attend.

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 <i>Retired on 30 Sept 2022</i>	Banking & Finance	33	BSc. in Finance from California State University, San Jose
Yaser Abduljalil Alsharifi Chief Executive Officer <i>From 1st October 2022</i>	Business Administration	28	BSc. of Business Administration Accounting Major, University of Massachusetts at Amherst. CPA from New Hampshire Board of Accountancy.
Jawad Abdulhadi Humaidan Chief Corporate & Institutional Banking	Economics & Finance	17	MSc in Finance from DePaul University, Chicago, USA
Ali Yousif Al Aradi Acting Head of Retail Banking, and Head of Branches and Sales <i>Resigned on 13 Oct 2022</i>	Business Administration	19	MBA in Business Administration from Swiss Business School
Faisal Hamed Al Abdullah Acting Head of Retail Banking and Head of Priority Banking <i>From 24 Oct 2022</i>	Banking & Finance	18	BSc. in Banking & Finance from Ahlia University in Bahrain Series 7
Ameer Abdul Ghani Dairi Chief Financial Officer	Accounting	22	CPA, New Hampshire Board of Accountancy
Fahim Ahmed Shafiqi Chief Risk Officer <i>Resigned on 18 Aug 2022</i>	Banking & Finance	23	Diploma in Islamic Finance (CDIF) MBA, University of Warwick, UK

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Executive Management (Continued)

Name & Designation	Profession	Experience in years	Qualification
Siddharth Kumar Acting Chief Risk Officer and Head of Corporate & Liquidity Risk <i>From 6 Sep 2022</i>	Finance	18	Post Graduate in IT, Mumbai University Chartered Financial Analyst (CFA), CFA Institute, USA Professional Risk Manager (PRM) Certified Islamic Banker, CIBAFI
Hussain Ebrahim Al Banna Head of Treasury	Banking & Finance	18	BSc. in Banking & Finance, University of Bahrain Treasury and Capital Markets Diploma, BIBF
Afnan Ahmed Saleh Chief Human Resources Officer	Business Administration	22	BSc. In Business Administration, University of Bahrain MBA, University of Strathclyde
Naeema Taheri Chief Compliance Officer	Banking and Financial Services	30	BSc. in Business Administration, University of Bahrain International Diploma in Compliance, International Compliance Association (ICA), UK Certified Anti-Money Laundering Specialist (CAMS), USA Master Compliance Professional (MCP), USA Certified Compliance Officer (CCO), USA Professional Certificate in Capital Markets, Regulation and Compliance, USA
Andrew Mario Stefan Corera Chief Application Officer	IT Professional in Banking & Finance	33	Chartered Information Technology Practitioner (MBCS CITP), British Chartered Institute for IT Graduate in Management Information Systems and Design, National Institute of Business Management Sri Lanka PMP in Project Management
Maisa Jawdat Shunnar Group Chief Digital Transformation <i>Resigned on 31 Dec 2022</i>	Strategy Implementation & Transformation	22	BSc. in Business Administration majoring in Computer Information Systems, University of Houston, Texas, USA Masters of Business Communication & Leadership, Jones International University, Colorado, USA
Hamad Farooq Al- Shaikh Head of Shari'a Coordination & Implementation	Shari'a	17	Masters of Shari'a, ALEmam ALAWzaie University, Lebanon Chartered Islamic Finance Professional (CIFP) Advanced Diploma in Islamic Commercial Jurisprudence (ADICJ), BIBF Certified Shari'a Adviser and Auditor (CSAA), AAOIFI Certified Islamic Banker (CIB), CIBAFI Bachelors Degree in law and Shari'a, Qatar University
Eman Mohammed AlBinghadeer Head of Internal Shari'a Audit	Shari'a	17	Professional Diploma in Shari'a Auditing, CIBAFI Certified Specialist in Islamic Accounting (CSIA) Certified Islamic Banker (CIB), CIBAFI Certified Shari'a Adviser and Auditor (CSAA), AAOIFI Diploma in Computing and Business Studies, Bournemouth University and Technology Centre, UK
Khaled Waheeb Al Naser Chief Internal Audit Officer <i>Resigned on 11 Dec 2022</i>	Auditing and Banking	13	Certified Public Accountant (CPA) Certified Internal Auditor (CIA) Certified Islamic Professional Accountant (CIPA) BSC Managerial Accounting, NYIT COSO Internal Control (COSO)

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Management Committee

Committee(s)	Members	Objectives
Management Committee (MANCO)	Yaser Abduljalil Alsharifi Chairperson Members • Ameer Abdul Ghani Dairi • Afnan Ahmed Saleh • Jawad Abdulhadi Humaidan • Faisal Hamed Al Abdulla • Naeema Hasan Taheri • Andrew Mario Stefan Corera • Salah Yasin Mohamed • Siddharth Kumar • Amal Saif Ahmed	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.
Asset & Liability Committee (ALCO)	Yaser Abduljalil Alsharifi Chairperson Members • Ameer Abdul Ghani Dairi • Siddharth Kumar • Hussain Ebrahim Al Banna • Jawad Abdulhadi Humaidan • Faisal Hamed Al Abdulla • Hisham Saeed Al Kurdi • Jaafar Mohamed Naser	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.
Credit & Investment Committee (C&IC)	Yaser Abduljalil Alsharifi Chairperson Members • Ameer Abdul Ghani Dairi • Siddharth Kumar (Dissenting Vote) • Jawad Humaidan • Faisal Hamed Al Abdulla	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.
Qard Al Hassan, Donation & Zakat	Hamad Farooq AlShaikh Chairperson Members • Nada Ishaq Abdul Karim • Hamad Al Bassam • Nayef Alnasser	The main objective of Qard Al Hassan, Donation and Zakah Committee is to discharge the Group's social responsibilities toward its society through distributing zakah, charity funds, donations & good faith Qard for marriage, medical treatments, etc.
Provisioning Committee	Yaser Abduljalil Alsharifi Chairperson Members • Siddharth Kumar • Ameer Abdul Ghani Dairi • Salah Yaseen Mohammed (Observer) • Khalid Waheeb AlNasser (Observer) (Until 11 Dec 2022)	Provisioning Committee reviews the Bank's provisions as well reviewing the progress on recovery for impaired assets and problem exposures.

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Committee(s)	Members	Objectives
Operational Risk Committee	Siddharth Kumar Chairperson Members • Sohail Kabeer • Ameer Abdul Ghani Dairi • Afnan Ahmed Saleh • Naeema Hasan Taheri • Jawad Abdulhadi Humaidan • Faisal Hamed Al Abdulla • Andrew Mario Stefan Corera • Mohammed Isa Hammad • Maisa Jawdat Shunnar • Hamad Farooq AlShaikh • Ebtisam Abdulkarim • Eman AlBinghadeer • Amal Saif Ahmed Khalid Waheeb AlNasser (Observer) (Until 11 Dec 2022)	The purpose of the Operational Risk Committee is to: a) Oversee and review the Bank's operational risk framework. b) Assist the management in fulfilling its operational risk management responsibilities as defined by applicable laws and regulations
Group Tendering & Asset Disposal Committee	Haytham Seyadi Chairperson • Russell Bennet • Rana Qamber • Abdulla Buali	As a part of the shared operating model, Tendering and Asset Disposal Committee has been centralized to have an oversight over the related activities of both NBB and BisB.
Information Security Committee (ISC)	Siddharth Kumar Chairperson Members • Yaser Abduljalil AlSharifi • Mohammed Isa Hammad • Jawad Abdulhadi Humaidan • Faisal Hamed Al Abdulla • Razi Amin • Naeema Hasan Taheri Ammar Mahdi Abdulla Almuharraqi (Observer) (Replaced Khalid Waheeb Alnaser who resigned on 11 Dec 2022)	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. 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.

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 and ensure smooth business continuity. 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 28 of the financial statements.

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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
HC-1.3.13	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 based on the previous CBB approval.
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 Chairperson 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 Chairperson 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 Chairperson of the NRGSC. The CBB was notified of such appointment based on the previous CBB approval.

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 direct relatives (1st & 2nd Degree) 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 2022. The details of the audit fee paid to the auditors during the year 2022 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.

CORPORATE GOVERNANCE REVIEW

Continued

Information on Products and Services, and 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 contact centre 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 Chairperson 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	87.48%	930,869,358
Kuwait	8.73%	92,929,537
United Arab Emirates	2.79%	29,708,672
Kingdom of Saudi Arabia	0.77%	8,147,488
Qatar	0.14%	1,487,478
Others	0.09%	916,054
Total	100.00%	1,064,058,587

CORPORATE GOVERNANCE REVIEW

Continued

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

Name	Shares as of 31 Dec 2021	Sold During 2022	Acquired During 2022	Shares as of 31 Dec 2022
Directors				
Dr. Esam Abdulla Fakhro *	352,500	-	-	352,500
Mr. Khalid Yousif Abdul Rahman **	-	-	-	-
Mr. Jean-Christophe Durand	-	-	-	-
Mr. Khalid Abdulaziz Al Jassim	-	-	-	-
Mr. Saqer Abdulmohsin AlSijari	-	-	-	-
Mr. Marwan Khaled Tabbara	-	-	-	-
Mr. Mohamed Abdulla Nooruddin	-	-	-	-
Ms. Dana Buheji	-	-	-	-
Mr. Isa Hasan Maseeh	-	-	-	-
Mr. Yaser Abduljalil Alsharifi	-	Resigned from BisB Board on 13 Sep 2022		

* 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	Shares as of 31 Dec 2021	Sold During 2022	Acquired During 2022	Shares as of 31 Dec 2022
Shaikh Dr. Abdul Latif Mahmood Al Mahmood	545,159	-	-	545,159
Shaikh Dr. Nedham Mohamed Saleh Yacoubi	13,237	-	-	13,237
Shaikh Mohammed Jaffar Al Juffairi	-	-	-	-
Shaikh Adnan Abdulla Al Qattan	-	-	-	-

Approved Persons	Shares as of 31 Dec 2021	Sold During 2022	Acquired During 2022	Shares as of 31 Dec 2022
1. Yaser Abduljalil Alsharifi Chief Executive Officer	-	-	-	-
2. Ameer Abdul Ghani Dairi Chief Financial Officer	-	-	-	-
3. Siddharth Kumar Acting Chief Risk Officer	-	-	-	-
4. Afnan Ahmed Saleh Chief Human Resources Officer	18,894	-	28,940	47,834
5. Jawad Abdulhadi Humaidan Chief Corporate and Institutional Banking Officer	-	-	-	-
6. Naeema Hasan Taheri Chief Compliance Officer	-	-	-	-

CORPORATE GOVERNANCE REVIEW

Continued

Approved Persons	Shares as of 31 Dec 2021	Sold During 2022	Acquired During 2022	Shares as of 31 Dec 2022
7. Hussain Ebrahim Al Banna Head of Treasury	-	-	-	-
8. Amal Saif Ahmed Acting Head of Islamic Finance Operations	-	-	-	-
9. Nayef Naser Yusuf Acting Head of Special Assets & Remedial	-	-	-	-
10. Faisal Hamed Al Abdulla Acting Head of Retail Banking	-	-	-	-
11. Mohammed Isa Hammad Chief Information Security Officer	-	-	-	-
12. Hamad Hussain Al Qattan Deputy Money Laundering Reporting Officer	-	-	-	-
13. Mohamed Jamal Aish Acting Head of Anti-Financial Crimes Unit & Money Laundering Reporting Officer	-	-	-	-
14. Ammar Fuad Alsabah Head of Financial Institutions	-	-	-	-
15. Hussain Ali Bahram Head of Wealth Management	-	-	-	-
16. Sohail Kabiruddin Head of Operational Risk	-	-	-	-
17. Saleh Isa Almhri Head of Retail Credit Review	-	-	-	-
18. Hamad Farooq AlShaikh Head of Shari'a Coordination & Imple- mentation	-	-	-	-
19. Eman Mohammed AlBinghadeer Head of Shari'a Internal Audit	-	-	-	-
20. Hassan Amin Jarrar Chief Executive Officer	-	Retired from BisB on 30 Sep 2022		
21. Fahim Ahmed Shafiqi Chief Risk Officer	-	Resigned from BisB on 18 Aug 2022		
22. Khaled Waheeb AlNasser Chief Internal Audit Officer	31,433	Resigned from BisB on 11 Dec 2022		
23. Mohammed Ayada Matar Acting Head of Compliance and AML, and MLRO	-	Resigned from BisB on 31 July 2022		
24. Ali Yousif Al Aradi Acting Head of Retail Banking	-	Resigned from BisB on 13 Oct 2022		

As of 31 Dec 2022, the total number of shares held by Board of Directors, Shari'a Supervisory Board members and the Approved Persons of the Bank are 958,730 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.