

**Board of Directors Report
For the Year Ended 31 December 2022
Khaleeji Commercial Bank BSC**

*In the name of Allah, the beneficent, the merciful,
Prayers and peace upon the last apostle and messenger, our prophet Muhammad.*

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you the annual financial statements of Khaleeji Commercial Bank (the "Bank") for the year ended 31st December 2022.

KHCB has achieved positive financial results in overall performance, as well as an increase in profits and revenues over the past year through our firm commitment to achieving the best returns for our valued shareholders. At the end of 2022, the Bank has achieved Net Profit attributable to the Shareholders of BD 14.01 million, realized through our reliance on operational plans that keep pace with modern trends and global changes at various levels, especially in light of the economic transformations that necessitated a steady pace forward to be a leading force in various aspects of our banking operations, as well as adherence to our innovative strategy of developing banking activities and accelerating digital transformation, which contributed to enhancing client satisfaction with our new and leading products and services. Furthermore, we proudly continue to embrace our role as a national banking institution that is keen on supporting government endeavours, especially considering the economic recovery plan's positive results.

Throughout 2022, the bank strived to consolidate its leading position in the local market by continuing to evolve and expand its range of innovative retail banking services for individuals, particularly relative to digital transformation by offering a package of distinguished and innovative digital products and services through the "Khaleeji Mobile App", self-service kiosks, and branches, all of which left a clear impact in enhancing our banking experience to valued clients. The bank has also strived to unveil a range of banking services that offer individuals exceptional privileges, which were well received by our valued clients.

Furthermore, KHCB has also continued to enter into fruitful partnerships with a number of public and private institutions with the aim of achieving mutual gains and benefits, which strengthened our close cooperation with important sectors in the Kingdom, resulting in successes that were reflected in our financial performance. The bank will continue to follow this approach in 2023, as developing products and services, enhancing client experiences, and establishing new strategic partnerships are among the priorities of the bank's business model.

On behalf of the Board of Directors, the Executive Management, and employees of Khaleeji Commercial Bank, I would like to take this opportunity to express profound gratitude and appreciation to His Majesty King Hamad bin Isa Al Khalifa, King of Bahrain, may God protect him, and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister, may God protect him, for their support and backing of all economic sectors in the Kingdom, especially the banking sector.

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I would also like to express my great appreciation and gratitude to the Central Bank of Bahrain for its fruitful cooperation, and my extended thanks to all the ministries, government bodies, and Bahrain Bourse for their continuous support and assistance.

I would also like to commend the dedicated efforts made by the Khaleeji Commercial Bank staff and management in consolidating the bank's leadership in pursuit of broader horizons of success and development through following the innovative approach that we have developed to achieve the best results, in addition to providing a banking experience that meets the aspirations of our valued clients. I would also like to thank our shareholders and valued clients for their limitless loyalty and trust in Khaleeji Commercial Bank as one of the leading financial institutions in the Islamic banking sector.

Within our commitment to the provisions of the Commercial Companies Law No. (21) of 2001 and its amendments, and pursuant to the provisions of Article No. (188) of the Commercial Companies Law and Article No. (125) of the Executive Regulations of Resolution No. (3) for the year 2022, and as part of the Bank's obligation to maintain utmost transparency with our valued shareholders, we are pleased to attach the table below that shows the remuneration of members of the Board of Directors and the Executive Management for the fiscal year ending 31st December 2022.

• **First: Board of Directors' Remuneration Details:**

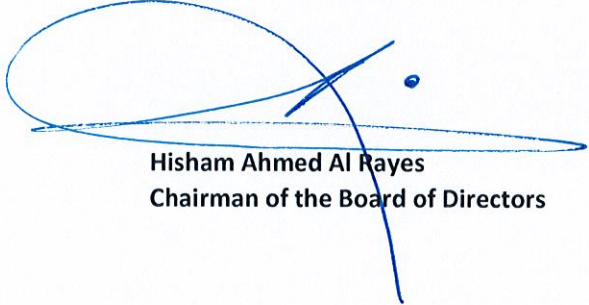
Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Others*	Total	Remunerations of the chairman and BOD	Incentive plans	Others**	Total			
First: Independent Directors:											
1- Sh. Ahmed Bin Isa Al Khalifa	30,000	21,500	-	51,500	-	-	-	-	-	51,500	-
2- Hussain Sayed Ali Al Hussaini	30,000	26,000	-	56,000	-	-	-	-	-	56,000	-
3- Reyadh Eid Al Yaqoob	30,000	21,500	-	51,500	-	-	-	-	-	51,500	-
4- Isa Abdulla Zainal	15,000	21,500	-	36,500	-	-	-	-	-	36,500	-
5- Mazen Ibrahim Abdulkarim	15,000	30,500	-	45,500	-	-	-	-	-	45,500	-
Second: Non-Executive Directors:											
1- Mosaboh Saif Al Mutairy	15,000	21,500	-	36,500	-	-	-	-	-	36,500	-
2- Ali Murad	11,250	16,500	-	27,750	-	-	-	-	-	27,750	-

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Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Others*	Total	Remunerations of the chairman and BOD	Incentive plans	Others**	Total			
Third: Executive Directors:											
1- Hisham Ahmed Al Rayes	30,000	15,500	-	45,500	-	-	-	-	-	45,500	-
2-Salah Abdulla Sharif	15,000	26,000	-	41,000	-	-	-	-	-	41,000	-
Total	191,250	200,500	-	391,750	-	-	-	-	-	391,750	-
<p>Note: All amounts are stated in Bahraini Dinars.</p> <p>Other remunerations: * It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any). ** It includes the board member's share of the profits - Granted shares (insert the value) (if any).</p> <p>Notes: 1. The Bank does not have any variable remuneration payments, end of service benefits, or expense allowances paid to its directors. 2. Board remuneration represents payments proposed for the year 2022 which are subject to the approval of the shareholders in upcoming Annual General Meeting dated 22nd March 2023.</p>											

• **Second: Executive Management Remuneration Details for Top 6 Executives:**

Executive management	Total paid salaries and allowances	Total remuneration (Bonus)	Any other cash/ in kind remuneration for 2022	Aggregate Amount
Remuneration of top 6 executives, including CEO and Head of Finance & Administration	905,365	508,298	-	1,413,663
<p>Note: All amounts are stated in Bahraini Dinars.</p> <p>Notes: 1. The total bonus included BD 258,524 as cash based remuneration and BD 249,774 as shares based remuneration. 2. Remuneration details include Board remuneration earned by executive management from their role in investee companies or other subsidiaries.</p>				



Hisham Ahmed Al Rayes
Chairman of the Board of Directors