



***Khaleeji Commercial Bank BSC
Corporate Governance Report
for the year ended 31 December 2021***

CORPORATE GOVERNANCE & OTHER DISCLOSURES

1. Corporate governance structure

The Bank is governed by the Bahrain Commercial Companies Law No. 21 of 2001 and its amendments (the “Companies Law”), the Kingdom of Bahrain Corporate Governance Code (the “CGC”), volume 2 and volume 6 of the Rulebook of the CBB (and in particular the High-Level Controls (“HC Module”)), and the Bahrain Stock Exchange Law of 1987 (collectively, the “Regulations”).

The Bank acknowledges its responsibility to all of its stakeholders and is committed to the highest standards of corporate governance. The Bank believes good corporate governance enhances stakeholder value and provides an appropriate guidance to the Board, its committees, and the Bank’s Executive Management to carry out their duties in the best interest of the Bank and its stakeholders. The Bank maintains the highest levels of transparency, accountability and good management, through the adoption the highest standards of corporate governance, and monitoring of corporate strategies, goals and policies to comply with its regulatory and ethical responsibilities.

2. Code of conduct

The Board has approved a code of conduct for all staff of the Bank and the Board members. The Code includes the process of dealing with conflict of interests. It also binds the Directors, Executive Management and staff to the highest standard of professionalism and diligence on discharging their duties. All Board members and senior management of the Bank have affirmed compliance with the Code of Conduct. A declaration is made by the Board members prior to each Board meeting confirming that they have disclosed all external appointments and notified the Chairman if there have been any changes to their external appointments since the previous meeting. Board members are excluded from dealings in matters related to an external entity where they hold an appointment at that entity.

3. Compliance with regulations

The Bank ensures compliance with the regulations applicable to an Islamic licensed bank at all times. It would report any non-compliance with the guidelines should there be any. The Bank’s obligations to comply with the Regulations have been addressed through following a Corporate Governance Handbook in accordance with the corporate governance (“CG”) and the High-Level Controls Module of the CBB Rulebook. The CG Handbook was developed to manage the Board and committees Charter, Management Committee Charters, Board and Management Code of Conduct, Conflict of Interest Policy, Whistle Blowing Policy, Corporate Governance Guidelines, Social Responsibility, Directors’ Appointment Agreement, Board and Directors’ Evaluation, and a Key Persons’ Dealing Policy.

The Bank is committed to continuously review and develop its corporate governance policies to ensure compliance with the changing requirements of the Regulations and to ensure compliance with the international corporate governance best practice. The Bank, through its Board and Board Committees, endeavors to deliver the highest standards of governance for the benefit of its stakeholders.

4. Board of directors

As at 31 December 2021, the Bank’s Board of Directors comprise of nine members. Members of the Board were elected/ appointed for a three year renewable term during the Ordinary General Meeting (“OGM”) meeting held on 23 September 2020. The current composition of the Board complies with the requirements of the Regulations, except for the requirements stated in paragraph 16 below.

The Board Nominations, Remunerations and Governance Committee (“BNRGC”) reviews the skills and qualifications required of directors on periodic basis for potential nominee director. A nominee director may be elected by the shareholders upon receiving majority of votes during the election process. Positions at the Board are filled in compliance with the Bank’s Articles of Association and the Commercial Companies Law. A Director’s membership to the Board shall terminate in the cases provided for by the Companies Law and the Articles of Association of the Bank.

The Chairman of the Board of Directors is charged with regular supervision and assessment of executive management and is responsible for leading the Board, ensuring its effectiveness, monitoring the performance of the CEO and maintaining a dialogue with the Bank’s stakeholders. The Board has constituted certain committees with specific delegated authorities to oversee and guide the management in specific areas of the Bank’s operations and decision-making. The Board, either directly or through its various committees, will oversee the management of the Bank.

The Board has formalized the division of work responsibilities between the Board and the Bank’s management. Working in consultation with the Bank’s management team, the Board provides oversight for the overall management of the Bank’s business. The Board reviews and approves the corporate strategy for the Bank and has overall responsibility for risk management, financial reporting and corporate governance issues. Matters that specifically require Board approval include, amongst other things, the financial statements and the acquisition and disposal of companies. The Board also ensures that the Bank upholds the Bank’s core values including the values set out in the Bank’s internal policies.

The Board Audit and Risk Management Committee (“BARMC”) in addition to the functions of control, ensures that all policies prescribed are reviewed and updated on annual basis. The Risk management department in conjunction with the Internal Audit and Control unit ensures the policies and procedures are updated and adhered to under the oversight of the related management committees. The Board is also responsible for approving any related party transaction as per the Bank’s authority matrix. In addition, any material transaction defined by the Bank (10% of the Banks’ capital) should be approved by the Board. The preparation of the consolidated financial statements of the Bank and the Group’s undertaking to operate in accordance with Islamic Sharia rules and principles is the responsibility of the Board of Directors. The duties, functions, and responsibilities are detailed in the Bank’s Corporate Governance Framework.

In compliance with the CBB requirements, the position of the Chairman and that of the Chief Executive Officer are segregated and there is no amalgamation of responsibilities in these two positions.

Members of the Board have access to the Bank’s management at all times. The CEO together with the Bank’s senior management monitors the Bank’s performance against pre-set corporate objectives and manages the Bank’s day-to-day affairs based upon the policies, objectives, strategies and guidelines lay down and approved by the Board from time to time.

The Board of Directors of the Bank comprises of Executive and Non-Executive Directors. The Board has five independent members (out of a total of nine Directors).

Upon appointment, each Director is provided with a comprehensive, formal and tailored induction which includes, amongst other things, a review of the Board’s role and duties and the relevant Director’s roles and duties to the Bank; meetings with the bank’s senior management; visits to the Bank’s branches and other sites if needed; presentations to explain the Bank’s strategic plans and significant financial, accounting, risk and legal issues

and compliance programs; and meetings with internal and external auditors and legal counsel. In accordance with paragraph 1.9.1 of the HC module of CBB Rulebook, the Board and its committees are also individually evaluated and assessed for their performance effectiveness. The Board has conducted an evaluation of its performance and the performance of each committee and each individual director during the year 2021.

Each independent Director of the Bank is a professional in their field and possesses a background in the financial and banking field.

The Board of Directors and its committees receive regular reports on various aspects of the Bank's business from senior management as well as from Internal Audit, Risk Management, Financial Control, Compliance & AML, Sharia Coordination and Implementation Department, Internal Sharia Audit, and Operations Departments.

The Chairman, the Board of Directors, and the Board Committees have direct access to the Corporate Secretary, Heads of Internal Audit, Risk Management, Regulatory Compliance, Internal Sharia Audit, and Shari'a Sharia Coordination and Implementation.

The names, title, and other positions held by the Board of Directors are set out below:

Jassim Mohamed Alseddiqi
Chairman

Experience:

- Director since April 2018 (Non-Independent and Executive).
- Over 17 Years of experience in the fields of Engineering, Investment & Management.
- Group Chief Executive Officer of SHUAA Capital – UAE.
- Chairman of GFH Financial Group – Bahrain.
- Chairman of Eshraq Investments – UAE.
- Chairman of Islamic Arab Insurance Company (SALAMA) – UAE.
- Chairman of the Entertainer – UAE.
- Board Member of First Abu Dhabi Bank (FAB) – UAE.
- Board Member of Dana Gas - UAE.
- Board Member of Abu Dhabi Chamber of Commerce and Industry – UAE.

Qualification:

- MS in Electrical Engineering from Cornell University – USA.
- BS in Electrical Engineering from the University of Wisconsin-Madison – USA.
- He has also served as a noted lecturer at the Abu Dhabi-based The Petroleum Institute.

Sh. Ahmed Bin Isa Al Khalifa
Vice Chairman

Experience:

- Director since March 2017 (Independent and Non-Executive).
- Over 33 years of experience in governance and Project & information management.
- Currently hold the position of the Undersecretary for Ports and Maritime Affairs, Ministry of Transportation and Telecommunications – Bahrain.

Qualification:

- Master Certificate in Project Management from the George Washington University – USA.
- BSc in Computer Science from Saint Edwards University – USA.

Hussain Sayed Ali Al Hussaini
Board Member

Experience:

- Director since December 2020 (Independent and Non-Executive).
- Over 36 Years of experience in the financial and banking sector.
- Previously occupied many positions such as Chairman, Vice Chairman, and Member of various Boards and Committees for companies, financial institutions and investment firms.

Qualification:

- MBA in Marketing and Management from DePaul University – USA.
- BA in Economics from Concordia University – Canada.
- PMD from Harvard Business School – USA.

Salah Sharif
Board Member

Experience:

- Director since November 2020. (Non-Independent and Executive).
- Over 31 Years of experience in many fields in the Banking Sector.
- CAO of GFH Financial Group – Bahrain.
- Responsible for ensuring that the highest standards of operational excellence are achieved for GFH Financial Group's Special Purpose Vehicles and Project Companies – Bahrain.
- Board Member in several Projects and Operating Companies that fall under the GFH Financial Group Brand.

Qualification:

- MBA with Distinction from Glamorgan University – Wales

Reyadh Eid Al Yaqoob
Board Member

Experience:

- Director since October 2018 (Independent and Non-Executive).
- 33 Years of experience in the field of Leadership, Management & Project Supervision within the Government Sector

Qualification:

- MSc in Systems Management from the Naval Postgraduate School, USA
- National Diploma in Aerospace Studies from the Brunel
- Certificate in Operation Research (OR) from the Royal Military College of Science – UK

Isa Abdulla Zainal
Board Member

Experience:

- Director since September 2020 (Independent and Non-Executive)
- Over 37 Years of experience in the fields of Audit, Business Advisory and Islamic Investment Banking
- Vice Chairman of Global Banking Corporation BSC – Bahrain.
- Chairman of Bahrain Bay Utilities Company BSC – Bahrain.
- Board Member of Banque Al Baraka D'Algerie – Algeria.
- Board Member of Nuyu (Women Fitness Company) – KSA.
- Board Member of Eazy Financial Services BSC – Bahrain.

Qualification:

- BA with Honors in Accounting from University of Bahrain
- CPA from the State of Georgia – USA

Mazen Ibrahim Abdulkarim
Board Member

Experience:

- Director since September 2020 (Independent and Non-Executive).
- Over 26 Years of experience in the fields of Banking and financial Investments.
- Board Member of Esterad Investment Company BSC – Kingdom of Bahrain.
- Board Member of Gulf Investment Corporation GSC – Kuwait.

Qualification:

- BSc with Honours in Finance from Bentley University – USA.

Mosabah Saif Al Mutairy
Board Member

Experience:

- Director since September 2020 (Non-Independent and Non-Executive).
- Over 28 Years of experience in the fields of Administration, Accounting, and Investment.
- Board Member of the Royal Guard of Oman Pension Fund.
- Board Member of Hotel Management Company (Chedi).
- Board Member of Oman National Investment Development Company SAOC – Tanmia.
- Board Member of Bank Muscat Money Market Fund – Oman.
- Board Member of united Security GCC Fund – Oman.
- Board Member of Takaful Oman Insurance – Oman.
- Board Member of Bank Nizwa – Oman.
- Board Member of Oman Monition Production Company.
- Chairman of Audit Committee for Hotel Management Company (Chedi).
- Chairman of Audit Committee for Tanmia.
- Chairman of Audit Committee for Takaful Oman Insurance.
- Chairman Audit Oman Monition Production Company.
- Audit Committee Member of Bank Nizwa – Oman.

Qualification:

- MBA in Finance from the University of Lincolnshire & Humberside – UK.
- Postgraduate Qualification in Accounting from South Bank University – UK.

Hisham Ahmed Al Rayes
Board Member

Mustafa Ghazi Kheriba
Resigned his office on 25 January
2021.

Experience:

- Director since June 2012 (Non-Independent and Executive).
- Over 24 years of experience in the financial and banking sector.
- Chief Executive Officer and Board Member of GFH Financial Group – Bahrain.
- Chairman of Global Banking Corporation (GBCORP) – Bahrain.
- Chairman of Esterad Investment Company BSC – Kingdom of Bahrain.
- Director of GFH Capital Limited – UAE

Qualification:

- Master in Business Administration from University of DePaul – USA
- Bachelor of Science in Electrical / Electronic Engineering from University of Bahrain

* The qualifying criteria for 'Independent Directors' are as per the Corporate Governance guidelines of the CBB.

5. Quorum required for adoption of Board resolutions

The required quorum for the meetings of the BOD and AGM shall be in accordance with the provisions of the Articles of Association of the Bank. The BOD may pass its resolutions by post, e-mail, fax, conference calls, video calls or any other means of audio or video communication pursuant to the provisions of Article 34-(2) of the Articles of Association of the Bank.

6. Board of directors' interests

As of the year ended 31 December 2021, the members of the Board collectively held zero shares in the Bank.

Director's name	No. of Shares As of Dec. 2020	No. of Shares As of Dec. 2021	Movement During the Year	% of SubTotal Shares
Jassim Mohamed Alseddiqi	-	-	-	-
Sh. Ahmed Bin Isa Al Khalifa	-	-	-	-
Husain Alhusaini	-	-	-	-
Reyadh Eid Al Yaqoob	-	-	-	-
Salah Abdulla Sharif	-	-	-	-
Isa Abdulla Zainal	-	-	-	-
Mosobah Saif Almotairy	-	-	-	-
Mazen Ibrahim Abdulkarim	-	-	-	-
Hisham Ahmed Al-Rayes	-	-	-	-
Total	-	-	-	-

7. Board committees

The Board of Directors has constituted three Committees with specific delegated authorities.

Committee	Members	Primary responsibilities
Board Nominations, Remunerations and Governance Committee (BNRGC)	<ul style="list-style-type: none"> Reyadh Eid Al Yaqoob (Independent and Non-Executive) Mazen Ibrahim Abdulkarim (Independent and Non-Executive) Mosobah Saif Al Mutairy (Non-Independent and Non-Executive) Sh. Dr. Fareed Yaqoob Al Muftah (Chairman of SSB) 	<ul style="list-style-type: none"> Human Resources. Compensation and incentives. Administration. Corporate Governance.
Board Audit and Risk Management Committee (BARMC)	<ul style="list-style-type: none"> Sh. Ahmed Bin Isa Al Khalifa (Independent and Non-Executive) Isa Abdulla Zainal (Independent and Non-Executive) Mazen Ibrahim Abdulkarim (Independent and Non-Executive) 	<ul style="list-style-type: none"> Internal Audit. External Audit. Compliance. Anti-Money Laundering. Risk management. Policies related to risk management.
Board Investment and Credit Committee (BICC)	<ul style="list-style-type: none"> Hisham Ahmed Al Rayes (Non-Independent and Executive) Husain Alhusaini (Independent and Non-Executive) Salah Abdulla Sharif (Non-Independent and Executive) Sattam Sulaiman Algosaibi (non-voting member) 	<ul style="list-style-type: none"> Investment & credit approval. Setting limits. Investment policies. Asset Liability Management. Banking relationship. Oversight of Off-Balance Sheet Vehicles.
Board Independent Committee (IBC). Ad hoc Committee.	<ul style="list-style-type: none"> Mazen Ibrahim Abdulkarim (Independent and Non-Executive) Reyadh Eid Al Yaqoob (Independent and Non-Executive) Husain Alhusaini (Independent and Non-Executive). 	<ul style="list-style-type: none"> Consideration of the voluntary takeover offer received from GFH Financial Group B.S.C. To advise KHCB Shareholders as to whether the offer is, or is not, fair and reasonable and to recommend whether to accept or reject the offer.

Meetings of the Board and its committees are held as and when required but in accordance with the Regulations the Board meets at least once a quarter. The Board of Directors met six times in 2021. The Bank held its Annual General Assembly (AGM) on 24 March 2021. In addition to physical meetings, several written resolutions were circulated to the Directors during 2021 for approval by email.

During the year, the Board Audit and Risk Management Committee (BARMC) held six meetings (minimum per year 4), the Board Investment and Credit Committee (BICC) held four meetings (minimum per year 4), the Board Nominations, Remunerations and Governance Committee (BNRGC) held five meetings (minimum per year 2), and the Board Independent Committee (IBC) held six meetings.

8. Election system of directors and any termination arrangements

The system for the election and termination of Directors is governed by the Companies Law and Articles 24 - 28 of the Bank's AOA. Also, Articles 28 and 29 of the AOA define the cases in which the Bank may terminate the Director's membership. Furthermore, in line with the Article 179 of Companies Law and Articles 30 the of AOA, in case of vacancy for one or more Board members, the Board shall elect by a secret ballot or otherwise, a substitute amongst certain number of candidates, proposed by at least two Board members until the first General Meeting is held.

9. Board and Subcommittees meeting dates and attendance

▪ Board of Directors meetings

	Meetings dates during the year 2021						Attendance %
	9 Feb.	6 May.	10 Aug.	22 Sep.	11 Nov.	7 Dec.	
Jassim Alseddiqi	-	✓	-	✓	✓	-	50%
Sh. Ahmed Bin Isa Al Khalifa	✓	✓	✓	✓	✓	✓	100%
Husain Alhusaini	✓	✓	✓	✓	✓	✓	100%
Reyadh Al Yaqoob	✓	✓	✓	✓	✓	✓	100%
Salah Sharif	✓	✓	✓	✓	✓	✓	100%
Isa Zainal	✓	✓	✓	✓	✓	✓	100%
Mazen Abdulkarim	✓	✓	✓	✓	✓	✓	100%
Mosobah Al Mutairy	✓	✓	✓	✓	✓	✓	100%
Hisham Al Rayes	✓	✓	✓	✓	✓	✓	100%

▪ BNRGC meetings

	8 Feb.	5 May.	12 May.	21 Sep.	10 Nov.
Reyadh Eid Al Yaqoob	✓	✓	✓	✓	✓
Mazen Abdulkarim	✓	✓	✓	✓	✓
Mosobah Almutairy	✓	✓	✓	✓	✓
Sh. Dr. Fareed Y. Al Muftah	✓	✓	✓	✓	✓

▪ BARMC meetings

	31 Jan.	9 Feb.	5 May.	5 Aug.	22 Sep.	10 Nov.
Sh. Ahmed Bin Isa Al Khalifa	✓	✓	✓	✓	✓	✓
Mazen Ibrahim Abdulkarim	✓	✓	✓	✓	✓	✓
Isa Abdulla Zainal	✓	✓	✓	✓	✓	✓

▪ BICC meetings

	10 Feb.	6 May.	22 Sep.	11 Nov.
Hisham Al Rayes	✓	✓	✓	✓
Husain Alhusaini	✓	✓	✓	✓
Salah Sharif	✓	✓	✓	✓
Sattam Algozaibi	✓	✓	✓	✓

▪ IBC meetings

	17 Jun.	30 Jun.	12 Jul.	23 Sep.	21 Oct.	28 Nov.
Mazen Ibrahim Abdulkarim	✓	✓	✓	✓	✓	✓
Reyadh Eid Al Yaqoob	✓	✓	✓	✓	✓	✓
Husain Alhusaini	✓	✓	✓	✓	✓	✓

10. Shari'a Supervisory Board (SSB)

The Bank's Shari'a Supervisory Board consists of three Islamic scholars who review the Bank's compliance with general Shari'a principles and specific fatwas, rulings and guidelines issued. Their review includes examination of evidence relating to the documentation and procedures adopted by the Bank to ensure that its activities are conducted in accordance with Islamic Shari'a principles.

Sh. Dr. Fareed Yaqoob Al-Miftah **Chairman**

- **Experience:**
 - Member of the Supreme Council of Islamic Affairs.
 - Undersecretary – Court of Cassation, Supreme Judicial Council – Bahrain.
 - Member, International Islamic Fiqh Academy.
 - Former judge of the high Shari'a Court.
 - Former Lecturer at the University of Bahrain.
- **Qualification:**
 - BA & Master degree from Imam Muhammad ibn Saud University – KSA.
 - Ph.D. from the University of Edinburgh – United Kingdom.

Sh. Dr. Fareed Mohammed Hadi **Vice Chairman and Executive Member**

- **Experience:**
 - Assistant Professor at the College of Business Administration, University of Bahrain.
 - Founder of Islamic Banking and Finance B.Sc. and Master Programs, University of Bahrain.
 - Member – Board of Directors BCC Waqf Fund, Central Bank of Bahrain.
 - Chairperson and member of a number of Shari'a Supervisory Board in Islamic banks & insurance companies.
- **Qualification:**
 - BA & Master degree from Imam Muhammad ibn Saud University – KSA
 - Ph.D. in Ibn Hazm's Methodology of Jahala, University of Edinburgh – UK.
 - Ph.D. in Al-Bukhari's Methodology, University of Mohammed V – Morocco.

Sh. Dr. Nizam Mohammed Saleh Yaqoobi **Member**

- **Experience:**
 - Member of the Shari'a Council of AAOIFI, Bahrain.
 - Member of Centralized Shari'a Supervisory Board of the Central Bank of Bahrain.
 - Chairperson and member of a number of Shari'a Supervisory Board in Islamic banks & insurance companies.
- **Qualification:**
 - BA in Economics and Comparative Religion from the McGill University – Canada.
 - Ph.D. in Islamic Studies.

11. Executive management committees

The Board of Directors delegates the authority for day-to-day management of the business to the Chief Executive Officer (CEO) who is responsible for implementing the Bank's strategic plan. The CEO manage the Bank through the following management committees:

Committee	Primary responsibilities
Management Committee	Strategy, Performance review, Budget, Administration
Asset Liability Management Committee	Balance sheet management, Funding, Liquidity, Banking Relationships
Executive Credit & Investment Committee	Review of Credit proposal, Review of investments, Exit and credit proposals, Monitoring of investments, Risk Management policies, Risk review, Provisions and impairment.
Executive Risk Management Committee	Risk Management policies, Risk review, and Compliance.
Human Resources Committee	Approving the policies and strategy of human resources

12. Executive management & other senior management

Some of the most significant changes that occurred at the executive management level during 2021 were the resignation of Mr. Mazen Salman Sater, the Assistant General Manager – Digital Banking, and on the other hand, the appointment of Mr. Osama Ali Hassan as a Chief Technology Officer.

The names and title of each member of executive and other Senior Management are set out below:

Sattam Sulaiman Algosaibi **Chief Executive Officer**

- **Experience:**
 - Over 23 years of experience in the Islamic Banking industry.
 - Joined the Bank in 2018.
- **Qualification:**
 - Masters in Business Administration from DePaul University – USA.
 - BSc in Accounting Science from King Fahad University of Petroleum & Minerals – KSA.

Husam Ghanem Saif **Assistant General Manager – Treasury & Investment**

- **Experience:**
 - Over 32 years of experience in Treasury and Islamic Banking.
 - Joined the Bank in 2007.
- **Qualification:**
 - BSc in Business Administration and Management from Western International University, London – UK.

Mohammed Abdulla Saleh
Assistant General Manager – Legal & Compliance

- **Experience:**
 - Over 19 years of experience in Management, Islamic Banking, Law, Corporate Governance, Compliance, Anti-Money Laundering, and Human Resources.
 - Joined the Bank in 2009.
- **Qualifications:**
 - Masters in IT, Media, and eCommerce Law from the University of Essex – UK.
 - BSc in Law from Dubai Police Academy – UAE.
 - Advanced Diploma in Islamic Finance from Bahrain Institute of Banking and Finance “BIBF”.
 - Diploma in Business Management from the University of Bahrain.
 - Diploma in Police Sciences from Dubai Police Academy – UAE.
 - ICA International Diploma in Compliance from the International Compliance Association “ICA”.
 - Attended the Waqf Fund - Leadership Grooming Program for Islamic Banks at Ivey Business School in Western University (Canada & Hong Kong).
 - Certified Board Secretary.

Osama Ali Hasan
Chief Technology Officer

- **Experience:**
 - Over 23 years of experience in the field of Information Technology and Banking.
 - Joined the Bank in 2021.
- **Qualification:**
 - Master of Science in Information Systems Management from the University of Liverpool – UK.
 - B.Sc. in Computer Science from Isra University – Hashemite Kingdom of Jordan.

Abdulnasser Omar Al Mahmood
Head of Shari’a Coordination & Implementation

- **Experience:**
 - Over 31 years of experience in Shari’a Audit and Islamic Banking.
 - Joined the Bank in 2008.
- **Qualification:**
 - Masters in Business Administration with thesis in Shari’a Control and Review in Islamic Banks from Gulf University – Kingdom of Bahrain.
 - BSc in Shari’a and Islamic Studies from Qatar University.
 - Associate Diploma in Shari’a Control from Cambridge University of Training – UK.
 - Advanced Diploma in Islamic Commercial Jurisprudence “ADICJ” from Bahrain Institute of Banking and Finance “BIBF”.

Muna Ghuloom Al Bastaki
Head of Credit Management

- **Experience:**
 - Over 25 years of experience in Banking Credit and Risk.
 - Joined the Bank in 2005.
- **Qualification:**
 - National Diploma in Computer Studies from Bahrain Training institute.
 - Advanced Diploma in Banking Studies from Bahrain Institute of Banking and Finance “BIBF”.
 - Associate Professional Risk Manager “APRM” from Professional Risk Managers’ International Association “PRMIA” – USA.
 - IFS Accredited Credit Program (Level I, II and III).

Mohamed Ebrahim Al Hashimi
Head of Operations

- **Experience:**
 - Over 19 years of experience in Islamic Banking Operations.
 - Joined the Bank in 2006.
- **Qualification:**
 - BSc in Business Information System from the University of Bahrain.
 - Certified Islamic Professional Accountant Program "CIPA".
 - Attended Executive Leadership Development Program at Darden School of Business in the University of Virginia – USA.

Fatima Ahmed Al Bin Ali
Head of Human Resources

- **Experience:**
 - Over 21 years of experience in Human Recourse Management
 - Joined the Bank in 2008
- **Qualification:**
 - Masters in Business Administration specialized in Management from AMA International University – Bahrain.
 - BSc in Office Management from University of Bahrain.
 - Chartered Membership of the Chartered Institute of Personnel and Development "CIPD".
 - Advance Diploma in Islamic Finance "ADIF" from Bahrain Institute of Banking and Finance "BIBF".

Abdulkarim Mohamed Al Zakari
Chief Risk Officer

- **Experience:**
 - Over 14 years of experience in Risk Management, Quantitative Modeling & Analytics, and Credit Review Management in Islamic Banking.
 - Joined the Bank in 2020.
- **Qualifications:**
 - BSc in Investment and Financial Risk Management from City University, CASS Business School – UK.
 - Chartered Financial Analyst "CFA" from the CFA Institute – USA.
 - Certificate in Quantitative Finance "CQF" from the CQF Institute – UK.
 - Holder of the Professional Risk Manager "PRM" certificate from the PRMIA Institute – USA.
 - Attended a Transformational Leadership Program at Harvard Business School – USA.
 - Attended an Executive Program at INSEAD University – France.

Abdulnasser Ahmed Al Rayes
Head of Retail Banking

- **Experience:**
 - Over 20 years of experience in Marketing, Product Development, and Islamic Banking.
 - Joined the Bank in 2006.
- **Qualification:**
 - Masters in Business Administration from University of Strathclyde – UK.
 - BSc in International Business Administration from University of Northumbria – UK.
 - Attended the Waqf Fund - Leadership Grooming Program for Islamic Banks at Ivey Business School in Western University (Canada & Hong Kong).

Mohammed Hamad Fakhri
Head of Internal Audit

- **Experience:**
 - Over 15 years of experience in Internal Audit, Risk Management, Governance, and controls both in Islamic Retail and Investment Banking.
 - Joined the Bank in 2012.
- **Qualification:**
 - BSc in Accounting from University of Bahrain.
 - Chartered Financial Analyst “CFA” from the Chartered Financial Analyst Institute “CFA” – USA.
 - Certified Internal Auditor “CIA” from the Institute of Internal Auditors – USA.

Nawaf Abdulsalam Al Hosani
Head of Internal Shari’a Audit and Shari’s Board Secretary

- **Experience:**
 - Over 13 years of experience in Shari’a Audit, Compliance, and Governance of Islamic Banks and Investment Structures.
 - Joined the Bank in 2008.
- **Qualification:**
 - Master in Business Administration with concentration on Islamic Finance from University College of Bahrain.
 - BA in Islamic Studies “Shari’a” from the University of Bahrain.
 - Certified Shari’a Advisor & Auditor “CSAA” from Accounting & Auditing Organization for Islamic Financial Institution “AAOIFI”.
 - Certified Islamic Professional Accountant “CIPA” from Accounting and Auditing Organization for Islamic Financial Institution “AAOIFI”.
 - Advanced Diploma in Islamic Commercial Jurisprudence “ADICJ” from Bahrain Institute of Banking and Finance “BIBF”.

Aman Ullah Khan
Head of Finance & Administration

- **Experience:**
 - Over 16 years of experience in Audit, Consultancy, and Islamic Banking.
 - Joined the Bank in 2018.
- **Qualification:**
 - B.Sc in Commerce from University of Karachi - Republic of Pakistan.
 - Chartered Financial Analyst “CFA” from the Chartered Financial Analyst Institute – USA.
 - Fellow Member “FCCA” of Association of Chartered Certified Accountants “ACCA” – UK.
 - Associate Member “ACA” of Institute of Chartered Accountants of Pakistan “ICAP” – Republic of Pakistan.
 - Certified Islamic Professional Accountant (CIPA) from Accounting & Auditing Organization for Islamic Finance Institutions (AAOIFI).

Subah Abdulrahman Al Zayani
Head of Marketing & Corporate Communications

- **Experience:**
 - Over 17 years of experience in Media, Public Relations, and Corporate Communications.
 - Joined the Bank in 2016.
- **Qualification:**
 - Masters with Honours in Business Administration from Ahlia University – Bahrain.
 - BSc in Management Information System from University of Bahrain.

Ahmed Mohamed Burashid
Head of Corporate Banking & Debt
Capital Markets

- **Experience:**
 - Over 15 years of experience in Corporate Banking, Treasury, and Investment Portfolio Management
 - Joined the Bank in 2018.
- **Qualification:**
 - Masters in Finance from DePaul University – USA.
 - BSc in Commerce with Honours from DePaul University – USA.

Ameera Ahmed Alabbasi
Head of Business Banking

- **Experience:**
 - Over 17 years of experience in Corporate Banking.
 - Joined the Bank in 2008.
- **Qualification:**
 - BSc in Marketing from the University of Bahrain.
 - Associate Professional Risk Manager “APRM” from Professional Risk Managers’ International Association “PRMIA” – USA.
 - Attended Islamic Finance Management Development Program at Coventry University – UK.

13. Executive and senior management interests

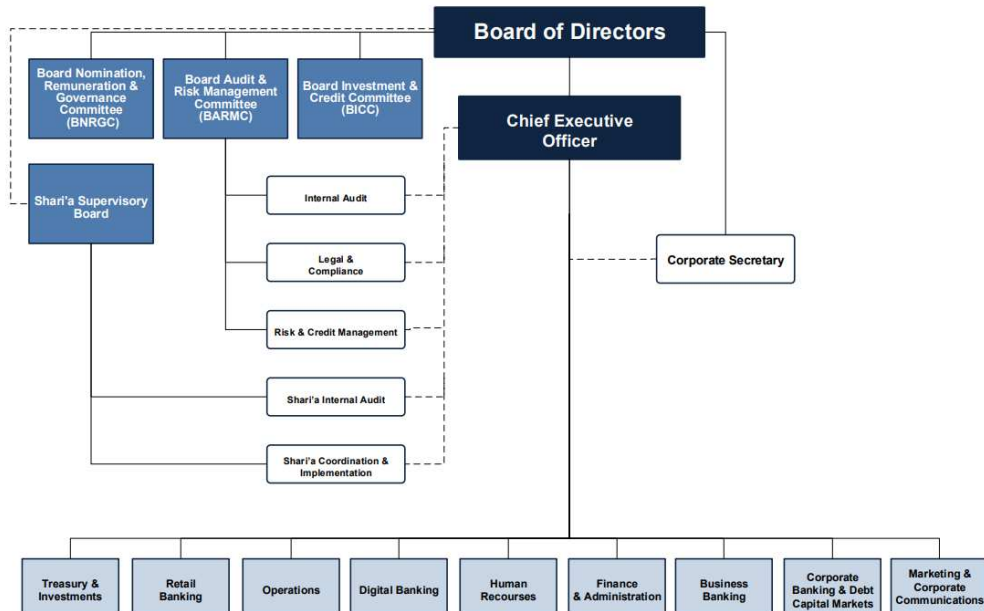
The following table indicates the executive and senior management shareholding as 31 December 2021:

Executive and senior management	Number of outstanding shares at 31 December 2021	Number of outstanding shares at 31 December 2020
Sattam Sulaiman Algosaibi	3,188,850	76,484
Hussam Ghanem Saif	857,741	373,035
Mohammed Abdulla Saleh	318,928	-
Abdul-Nasser Omar Al-Mahmood	46,257	-
Muna Ghuloom Al Bastaki	369,196	270,562
Mohamed Ebrahim Alhashimi	123,862	38,147
Fatima Ahmed Al Bin Ali	242,782	49,492
Abdulkarim Mohamed Alzakri	-	-
Osama Ali Hassan	-	-
Abdulnaser Ahmed Alrayes	247,740	31,899
Mohamed Hamad Fakhri	4,318	4,318
Aman Ullah Khan	-	-
Nawaf Abdulsalam Al Hosani	-	-
Ahmed Mohamed Burashid	341,085	10,199
Ameera Ahmed Al Abbasi	-	-
Subah Abdulrahman Alzayani	-	-
Total	5,740,759	854,136

14.

14. Organizational chart

Set out below is the Bank's organization chart, which outlines the different committees and the lines of reporting, as of 31 December 2021.



15. Board of Directors & Executive Management compensation

The Bank has both a short-term and long-term compensation structure for its executive management which has been developed based on current market surveys and industry norms. The Bank also had an incentive scheme where in eligible employees were awarded a combination of shares and cash incentives on achievement of pre-determined performance targets. During 2021, the total remuneration of top 6 executives, including CEO and Head of Finance & Administration including other allowances and benefits was BD 1,064,962.

The Bank's board remuneration is determined in line with the provisions of Article 188 of the Companies Law, and their annual remuneration is subject to the approval of the shareholders during the AGM at the end of each year. The Board of Directors is also entitled to sitting fees. The table below illustrates a full account of everything paid to the members of the board of directors during the financial year in the form of salaries, dividends, allowance for attendance (sitting fees), allowance for representation and other expenses:

Name	Fixed remunerations				
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total
First: Independent Directors:					
1- Sh. Ahmed Al Khalifa	10,560	24,000	-	-	34,560
2- Hussain Al Hussaini	880	28,500	-	-	29,380
3- Reyadh Al Yaqoob	10,560	30,000	-	-	40,560
4- Isa Abdulla Zainal	3,520	24,000	-	-	27,520
5- Mazen Abdulkarim	3,520	39,000	-	-	42,520
6- Abdulla Showaiter *	2,640	-	-	-	2,640
7- Dr. Khalid Al Khazraj*	2,640	-	-	-	2,640
8- Yousef Al Ghanim *	7,920	-	-	-	7,920
Name	Fixed remunerations				
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total
Second: Non-Executive Directors:					
1- Mosaboh Al Mutairy	3,520	22,500	-	-	26,020
2- Mohamad AlRashed *	7,920	-	-	-	7,920
Third: Executive Directors:					
1- Jassim Alseddiqi	10,560	7,500	-	-	18,060
2- Hisham Al Rayes	10,560	21,000	-	-	31,560
3- Salah Sharif	1,760	21,000	-	-	22,760

4- Mustafa Ghazi Kheriba **	10,560	-	-	-	10,560
5- Fawad Tariq Khan *	9,680	-	-	-	9,680
Total	96,800	217,500	-	-	314,300

Note: All amounts must be stated in Bahraini Dinars.

* *These directors either resigned or their term ended during the year 2020. The remuneration they received during the year 2021 relates to the year 2020.*

** *This director resigned during the year 2021. The remuneration he received during the year 2021 relates to the year 2020.*

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 made during the year 2021 based on approval of the Annual General Meeting dated 24th March 2021.*

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2021	Aggregate Amount
Remunerations of top 6 executives, including CEO and Head of Finance & Administration	857,128	207,834 ¹	-	1,064,962

Note: All amounts must be stated in Bahraini Dinars.

Notes:

1. *The total bonus included BD 114,084 as cash based remuneration and BD 93,750 as shares based remuneration.*
2. *Remuneration details exclude any Board remuneration earned by executive management from their role in investee companies or other subsidiaries.*

16. Shari'a compliance, Regulatory compliance and Anti-Money Laundering

Compliance with Shari'a laws, regulatory and statutory requirements is an ongoing process and the Bank is conscious of its responsibilities in observing all applicable provisions and best international practices in its functioning. The Bank has established the Shari'a Compliance Function and the Regulatory Compliance Function in keeping with Basel and CBB guidelines. The respective units act as a focal point for all Shari'a and regulatory compliance and for adapting other best practice compliance principles.

Anti-Money Laundering measures form an important area of the Compliance Function. The Bank has an Anti-Money Laundering and Combating Terrorist Financing Policy and Procedure approved by the Board, which contains sound Customer due diligence measures, procedure for identifying and reporting suspicious transactions, a program for periodic awareness training to staff, record-keeping, and a designated Money Laundering Reporting Officer (MLRO). The Bank's Anti-Money Laundering measures are reviewed by independent external auditors every year and their report is submitted to the CBB. The Bank is committed to combating money laundering and is in compliance with the guidelines issued by the CBB in relation to Anti-Money Laundering requirements.

As per rule HC-A.1.8 and HC-8.2.1 (c) of the HC Module with reference to the disclosure of the noncompliance events (Comply or Explain Principle), which stipulates the need to

elucidate the non-compliance cases and provide clarification on the same in event non-compliance with the rules and guidelines of the HC Module, the Bank wishes to clarify the following:

- The Chairman of the Board, Mr. Jassim Alseddiqi is an Executive Director, hence he is not an Independent Director as per rules HC-1.4.6 and HC-1.4.8. An exemption was granted from the CBB in this regard.
- Contrary to guidance note HC-7.2.2, which requires all Board Members to attend the meeting, Mr. Hisham Alrayes, Board member, the Chairman of Board Credit and Investment Committee (BICC), Mr. Husain Alhusaini, Board member, the CEO, and other members of the Executive Management, have attended the annual shareholders meetings held on 24 March 2021. They were delegated by the Board to attend the meeting, due to the pandemic circumstances, and to comply with the efforts and precautionary measures taken by the Kingdom of Bahrain to prevent and limit the spread of Corona Virus (Covid-9).
- It shall be noted that that one of the Board members, Mr. Jassim AlSeddiqi, was unable to attend 75% of the Board of Directors' meetings for the year 2021, as stipulated in Paragraph HC-1.3.4 of the Central Bank of Bahrain Rulebook, due to urgent personal reasons that required his presence outside the country during the time of the Board meetings. The Bank has notified the Central Bank of Bahrain of the same in line with the rules and regulations.

17. Audit fees charged by the external auditor and other non-audit services provided by the external auditor and fees paid

The audit fees charged and non-audit services provided by external auditors will be made available to the shareholders as and when requested. Such details will be made available to the Bank's shareholders as per their specific request provided that these disclosures would not negatively impact the Bank's interest and its competition in the market.

18. Penalties paid to the Central Bank of Bahrain

During 2021, the Bank was subject to one penalty of BD 50, imposed by the CBB. This was for failure to clean up one erroneously open account in Bahrain Credit Reference Bureau system.

19. Related party Transactions

For detailed discussion on the related party transactions, kindly refer to notes (no. 29) on the consolidated financial statement for the year ended 31 December 2021. All related party transactions are approved by the Board of Directors and disclosed to the shareholders in the Annual General Meeting.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the parent company, other significant shareholders and entities over which the Group and the shareholders exercises significant influence, directors, sharia board members and executive management of the Group. The transactions with these parties were made on agreed commercial terms.

Details of Directors' interests in the Bank's ordinary shares as at the end of the year were nil (2020: Nil).

Compensation of key management personnel

Key management personnel of the Group comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The key management personnel compensation during the year is as follows:

	2021 BD '000	2020 BD '000
Board member fees and allowances	468	236
Salaries and other short-term benefits	767	1,452

The key management personnel balances as of the end the year is as follows:

	31 December 2021 BD '000	31 December 2020 BD '000
Balances due to key management as compensation	234	228

The related party balances and transactions (except for compensation of key managerial personnel) included in these consolidated financial statements are as follows:

31 December 2021	Associates	Directors / Key management personnel and shari'a board members	Parent company / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Assets					
Financing assets	-	3,227	6,061	-	9,288
Investment securities	-	-	2,284	4,754	7,038
Equity accounted investees	25,828	-	-	-	25,828
Investment in real estate	60,000	-	-	-	60,000
Assets held-for-sale	55,620	-	-	-	55,620
Other assets	117	-	-	30	147
Liabilities					
Placement from financial institutions, Non-FIs and individuals	-	1,666	-	-	1,666
Customers' current accounts	866	340	5,952	24	7,182
Equity of investment account holders	409	102	138,833	292	139,636
Other liabilities	-	-	-	-	-

31 December 2020

	Associates	Directors / Key management personnel and shari'a board members	Parent company / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Assets					
Financing assets	-	3,576	6,671	-	10,247
Investment securities	-	-	2,284	18,537	20,821
Equity accounted investees	31,963	-	-	-	31,963
Investment in real estate	60,000	-	-	-	60,000
Assets held-for-sale	-	-	-	-	-
Other assets	117	-	-	825	942
Liabilities					
Placement from financial institutions, Non-FIs and individuals	-	2,105	42,438	-	44,543
Customers' current accounts	135	85	6,784	1,211	8,215
Equity of investment account holders	413	241	79,846	327	80,827
Other liabilities	-	-	1,030	-	1,030

During 2020, the Group entered into a swap transaction with its Parent at agreed terms by transferring assets of BD 46.4 million comprising financing assets of BD 27.7 million, Sukuk of BD 7.5 million and equity investment of BD 11.2 million in exchange for a 86% stake in HH Hospitality SPC, a Bahraini company incorporated solely to own a hotel under construction in the Kingdom of Bahrain. The transaction was assessed as an asset acquisition and did not result in any gain or loss for the Bank. The property under development was recognised at the fair value on the transfer date.

31 December 2020

	Associates BD '000	Significant shareholders / entities in which directors are interested BD '000	Total BD '000
<i>Transactions with related parties</i>			
Underwriting fee on Subordinated Mudaraba	-	12,100	12,100
Subordinated Mudaraba	-	60,000	60,000
Cash injection of AT1 Capital	-	23,600	23,600
Investment in associates	24,500	-	24,500
Acquisition of development property	-	60,000	60,000
Sale of financial assets	-	46,376	46,376
Transfer of financial assets	-	18,433	18,433
Profit distribution on AT 1 Capital	-	2,834	2,834

2021

	Associates	Directors / Key management personnel and shari'a board members	Parent company / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Income					
Income from financing assets and ijarah assets	-	1,133	1,143	96	2,372
Income from investment securities	-	-	-	263	263
Share of loss from equity accounted investees	(1,133)	-	-	-	(1,133)
Fees and other income	-	-	-	-	-
Expenses					
Finance expense on placements from financial institutions, non-financial institutions and individuals	-	24	-	-	24
Return to investment account holders	12	1	3,797	7	3,817
Staff cost	-	767	-	-	767
Other expenses	-	468	-	102	570

2020	Associates	Directors / Key management personnel and shari'a board members	Parent company / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Income					
Income from financing assets and ijarah assets	-	100	987	-	1,087
Income from investment securities					
Share of loss from equity accounted investees	(320)	-	-	-	(320)
Fees and other income	-	-	2	-	2
Expenses					
Finance expense on placements from financial institutions, non-financial institutions and individuals	-	100	1,937	-	2,037
Return to investment account holders	14	2	1,820	9	1,845
Staff cost	-	1,452	-	-	1,452
Other expenses	-	-	-	25	25

20. Board approved policy on the employment of relatives of approved persons

The Bank does not permit the employment of immediate relatives of current employees. Employment of other relatives is permitted. However, employees who are relatives shall not be placed within the same department or same direct line of supervision. In case of marriage, the Bank reserves the right to terminate the employment of one of the spouses. The HR will disclose to the board of directors on an annual basis relatives of any approved persons (including SSB members) occupying controlled functions within the Bank up to the 4th degree of kinship.

21. Board Evaluation

During 2021, the Board conducted an evaluation of its performance and the performance of each committee and each individual director. The evaluation process included assessing how the Board operates, evaluating the performance of each committee in light of its specific purposes and responsibilities, reviewing each director's work, his attendance at Board and committee meetings, and his constructive involvement in discussions and decision making, and reviewing the Board's current composition against its desired composition with a view toward maintaining an appropriate balance of skills and experience and a view toward planned and progressive refreshing of the Board.

22. Share Capital and distribution of ownership of shares

	31 December 2021 BD '000	31 December 2020 BD '000
Authorised: 3,000,000,000 ordinary shares of BD 0.100 each	300,000	300,000
Issued and fully paid up: 892,119,480 ordinary shares (2020: 892,119,480 shares) of BD 0.100 each	89,212	89,212

In their Extra -ordinary meeting held on 25 March 2020, the shareholders resolved to write-off losses of BD 15,788 thousand against paid up capital by reducing the number of shares. The Group has only one class of equity shares and the holders of these shares have equal voting rights. At 31 December 2021, the Group holds 88,473,159 as treasury shares (2020: 92,048,004 shares).

Distribution schedule of equity shares, setting out the number of holders and percentage in the following categories:

The Bank's Register of Shareholders as at 31 December 2021 indicates a total of **506** shareholders who collectively owned 892,119,480 (Eight Hundred Ninety-Two Million One Hundred Nineteen Thousand Four Hundred Eighty) share with a nominal value of BD 0.100 (One Hundred Fils) each. None of the Bank's shares were held by the Government of the Kingdom of Bahrain. The breakdown of shareholders in the Bank by nationality is as follows:

Nationality	No. of equity shares held	% of shareholders
Bahraini	760,525,096	85.25
Non-Bahraini	131,594,384	14.75
Total	892,119,480	100.00

31 December 2021

Categories*	Number of Shares	Number of Shareholders	% of total outstanding shares
Less than 1%	108,434,519	498	12.15%
1% up to less than 5%	79,154,515	5	8.87%
5% up to less than 10% **	88,473,159	1	9.92%
50% and above	616,057,287	1	69.06%
	892,119,480	505	100.00%

* Expressed as a percentage of total outstanding shares of the Bank.

** Includes treasury shares.

31 December 2020

Categories*	Number of Shares	Number of Shareholders	% of total outstanding shares
Less than 1%	117,417,814	541	13.16%
1% up to less than 5%	104,880,910	5	11.76%
5% up to less than 10% **	175,490,264	2	19.67%
50% and above	494,330,492	1	55.41%
	892,119,480	549	100.00%

* Expressed as a percentage of total outstanding shares of the Bank.

** Includes treasury shares.

Names and nationalities of the major shareholders and the number of equity shares held in which they have an interest of 5% or more of outstanding shares:

31 December 2021

	Nationality	Number of shares	% of total outstanding shares
GFH Financial Group*	Bahrain	616,057,287	69.06%
Khaleeji Commercial Bank B.S.C	Bahrain	88,473,159	9.92%

* These shares are held by KHCB Asset Company on behalf of GFH Financial Group, the Parent.

31 December 2020

	Nationality	Number of shares	% of total outstanding shares
GFH Financial Group*	Bahrain	494,330,492	55.41%
Khaleeji Commercial Bank B.S.C	Bahrain	88,411,540	9.91%
Goldilocks Investment Company Limited	UAE	87,078,724	9.76%

* These shares are held by KHCB Asset Company on behalf of GFH Financial Group, the Parent.

Subsequent to the year end, on 5 January 2022 GFH Financial Group has announced completion of acquisition of KHCB Shares through a buy-back comprising 108,046,105 shares representing 12.11% thereby increasing their shareholding to 81.17%.

23.

23. Earnings prohibited by Shari'a and the annual Zakah contribution

For detailed discussion on how non-Shari'a-compliant earnings and expenditure occur and the manner in which they are disposed of; and the annual zakah contributions of the bank, kindly refer to notes (no. 5) on the consolidated financial statement for the year ended 31 December 2021.

24. Review of internal control processes and procedures

Internal Controls are systems designed, introduced and maintained by the Bank's management and top-level executives, to provide a substantial degree of assurance in achieving business objective, while complying with the policies and regulations, safeguarding the assets, maintaining efficiency and effectiveness in regular operations and reliability of financial statements.

All KHCB staff members share responsibility of implementing adequate internal controls measures within their respective work context.

Further, Internal Audit conducts risk based reviews to ensure the existence of sound implementation of internal controls across Bank's various activities and operations.

Board Audit Risk Management Committee (BARMC) assists the Board of Directors in fulfilling its oversight responsibilities by reviewing the systems of internal controls which are established by Management and approved by the Board of Directors.

25. Governance Arrangements to Ensure Shari'a Compliance

Effective implementation of Shari'a Governance is pivotal basis for controlling and drafting the Shari'a compliance in KHCB. The Bank endeavors to continually update and adopt best practices in the areas of Sharia governance and compliance with Islamic Shari'a rules and principles in its activities. This adherence is embodied in KHCB by adopting an effective framework for Sharia Governance that commensurate and proportionate to the size and nature of the Banks business in accordance with the Rulebook, V-2 issued by the Central Bank of Bahrain.

KHCB has adopted four main components that formed its Sharia Governance framework and is considered as the highest degree of commitment to the Shari'a Governance Framework issued by the Central Bank of Bahrain. These components are:

1. Shari'a Supervisory Board;
2. Internal Shari'a Audit function;
3. Shari'a Coordination and Implementation Function; and
4. Independent External Shari'a Compliance Audit.

This Shari'a Governance framework and arrangements ensure that the Bank is in compliance with Shari'a rules and principles, SSB's Fatwas and decisions, Shari'a related policies and procedures, AAOIFI's Shari'a standards, relevant rulings of the CSSB and the regulations, resolutions and directives issued by the CBB.

26. Dealing with the Complaints

KHCB takes its customer complaints very seriously. The customers Investment Account Holders may provide their feedback, suggestion or complaint through different channels, such as call center, branches, or through email Complaints@khcbonline.com.

If the complaints team is unable to resolve the matter immediately; the complaints team will send a written acknowledgment of the complaints to the client within 5 working days. Complaints are addressed promptly in accordance with their urgency, in equitable, objective and efficient manner. The complaint team will investigate independently the matter, and will provide the client with an update on her/his complaints through contacting them on the contact numbers, written letters or emails. The customer is also outlined with the options that are open to pursue the matter further.

27. Consumer awareness programmes for information on new products and services

KHCB relied on a clear strategy during the year 2021 that was based on utilising innovative means to reach the local audience and raise clients' awareness about its products and services, especially with the appointment of talented Bahraini youth to announce the winners of Al Waffer account's grand prizes. This had a great impact on the attraction of additional followers to the Bank's social media channels.

Additionally, KHCB continued to rely on daily newspapers and branch marketing to announce its new products and services, in addition to focusing on the Bank's smartphone application "Khaleeji Mobile App", its public website, eStatements, SMSs, and other channels to promote its offers and services. This resulted in creating more awareness about the Bank's Products and Services, while also taking into consideration bolstering KHCB's image as a leading Islamic banking institution whose approach is based on creativity and innovation, and to provide the finest services to clients.

28. Social functions and charitable contributions of the bank

In 2021, KHCB was dedicated to contributing to the Kingdom of Bahrain's efforts to achieve sustainable development and the objectives of Bahrain Economic Vision 2030, to cement the kingdom's achievements and gains at various levels and fields. The focus was on four vital sectors: Education, Environment, Youth, and Sports.

Stemming from its solid belief in the key role played by the Educational sector in building the Kingdom's present and future, KHCB has provided financial support to the Bahrain Institute for Banking and Finance (BIBF) by sponsoring one of the floors in the Institute's new building. This contribution will be in favour of supporting the Institute's efforts to provide the banking sector with qualified cadres to continue its leadership and progress, as it is one of the essential fields that support the national economy.

The Bank has also cooperated with INJAZ Bahrain, the leading youth empowerment institution, in launching an electronic platform during 2021 in light of the unprecedented circumstances caused by the COVID-19 Pandemic, to ensure the continuity of INJAZ Bahrain's important contributions to embracing young Bahraini energies and developing their capabilities and skills, enabling them to be integrated into the labour market. The platform has contributed to enhancing communication with Bahraini youths during the pandemic, as well as continued to provide training programs and workshops for them. Through its membership in the Board of Directors of this influential institution, KHCB has also had a hand

in INJAZ Bahrain's successes last year, as it introduced many unique ideas that positively affected the institution's relentless efforts to raise the youth.

Furthermore, KHCB joined as a member in the Bahrain Association of Banks's Board of Directors. This step embodies the Bank's keenness to continue its prominent role in the growth and development of the Banking sector, as the Association has notable contributions in many initiatives concerned with opening broader horizons for the Banking sector. This will contribute to granting KHCB the opportunity to participate in the Association's development of distinguished strategies and plans, which will certainly enrich the banking movement in the Kingdom of Bahrain.

As for the Environmental sector, an area that is receiving strong attention from the esteemed government on top of the private sector for its important link to achieving sustainable development goals, the Bank was one of many institutions who supported the "Forever Green" initiative, which portrays the Kingdom's efforts to protect the environment and upgrade its basic components as it is one of the essential ingredients in reaching national goals. Meanwhile, KHCB maintained its role as an important supporter of sports activities by sponsoring a number of competitions, based on the Bank's belief in the importance of consolidating the distinguished position of Bahraini sports, due to the achievements and titles attained on a regional, continental, and global level.

29. KHCB's Shareholders' rights

The Bank has a public disclosure on its website in shareholders' rights. Basic KHCB's shareholders rights include but are not limited to:

- a) Secure methods of ownership registration;
- b) The transfer of shares;
- c) Obtaining relevant and material information on the corporation on a timely and regular basis;
- d) Participating and voting in general shareholder meetings;
- e) Electing and removing members of the board;
- f) Sharing in the profits of the corporation;
- g) Presentations by independent advisers; and
- h) Participating in corporate events.