



***Khaleeji Bank BSC  
Corporate Governance Report  
for the year ended 31 December 2023***

## **CORPORATE GOVERNANCE & OTHER DISCLOSURES**

### **1. Corporate governance structure**

Khaleeji Bank B.S.C. (“the Bank” or “Khaleeji”) 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 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 always ensures compliance with the regulations applicable to an Islamic licensed bank. 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 2022, 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, with an absence of women representation. 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 Chief Executive Officer ("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 CEO are segregated and there is no amalgamation of responsibilities in these two positions.

Members of the Board always have access to the Bank's management. 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 2022.

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:**

**Hisham Ahmed Al Rayes**  
**Chairman**

**Experience:**

- Director since June 2012 (Non-Independent and Executive).
- Over 25 years of experience in the financial and banking sector.
- Chief Executive Officer and Board Member of GFH Financial Group – Bahrain.
- Chairman of Infracorp B.S.C.c – Bahrain.
- Chairman of GBCOROB.S.C. (Closed). Kingdom of Bahrain
- Chairman of Esterad Investment Company BSC – Kingdom of Bahrain.
- Chairman of GFH Partners Ltd. – UAE
- Chairman of GFH Capital S.A.
- Board Member Of Bahrain Real Estate Investment (Edamah) B.S.C. (Closed)
- Board Member of Supreme Council for Youth & Sports.

**Qualification:**

- Master in Business Administration from University of DePaul – USA
- Bachelor of Science in Electrical / Electronic Engineering from University of Bahrain
- He has also served as a noted lecturer at the Abu Dhabi-based The Petroleum Institute.
- Honored by His Majesty King Hamad bin Isa Al Khalifa with the National Action Pioneers Medal (first degree) for being among Bahrain's pioneers for their dedication in serving the nation.

**Sh. Ahmed Bin Isa Al Khalifa**  
**Vice Chairman**

**Experience:**

- Director since March 2017 (Independent and Non-Executive)
- Over 34 years of experience in governance and Project & information management

**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 37 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 33 Years of experience in many fields in the Banking Sector.
- COO of GFH Financial Group – Bahrain.
- Chairman of Roebuck Asset Management – UK
- Chairman of Student Quarters – USA
- Chairman of Big Sky Asset Management – USA
- Board Member in several Projects and Operating Companies that fall under the GFH Financial Group Brand.
- Board Member of Infracorp B.S.C.c - Bahrain

**Qualification:**

- MBA with Distinction from Glamorgan University – Wales.

**Reyadh Eid Al Yaqoob**  
**Board Member**

**Experience:**

- Director since October 2018 (Independent and Non-Executive).
- 34 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 39 Years of experience in the fields of Audit, Business Advisory and Islamic Investment Banking
- Chairman of Health 360° Ancillary Services W.L.L
- Chairman of Bahrain Bay Utilities Company BSC – Bahrain.
- Vice Chairman of Global Banking Corporation BSC – Bahrain.
- Board Member of Nuyu (Women Fitness Company) – KSA.
- Board Member of Eskan Bank – 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 29 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.
- Board Member of Sayacorp Aqar W.L.L. – Kingdom of Bahrain

**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 30 Years of experience in the fields of Administration, Accounting, and Investment.
- Chairman of Green Valley Farms LLC – Oman.
- Board Member of Hotel. Management Company (Chedi).
- Board Member of Oman National Investment Development Company SAOC – Tanmia.
- Board 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.

**Ali Murad Ali Murad**  
**Board Member**

**Experience:**

- Director since April 2022
- (Non-Independent and Non-Executive).
- Over 22 years of experience in the Banking and Private Sectors, as well as the fields of Credit Analysis, Treasury, Private Banking, and Investment
- Managing Director and Co-Founder of Pinnacle W.L.L. – Bahrain
- Board Member of GFH Financial Group
- Board Member in several companies such as GFH Capital SA, GFH Partners Ltd. Dubai, Al Areen Holding Company, and EAT app

**Qualification:**

- BSc and BA in Marketing from Suffolk University, Boston, Massachusetts – USA.

\* 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.

## 6. Refraining from voting on any decision or anything subject to a possible conflict of interest.

A Board member shall notify the Board about any personal interest he/she may have in the activities and contracts that are undergone for the Company's account. Such notification shall be included in the minutes of the meeting. A Board member who has an interest shall not be entitled to vote on the resolution to be adopted in this regard.

## 7. Board of directors' interests

As of the year ended 31 December 2023, the members of the Board collectively held zero shares in the Bank.

Director's name	No. of Shares As of Dec. 2022	No. of Shares As of Dec. 2023	Movement During the Year	% of SubTotal Shares
Hisham Ahmed Al-Rayes	-	-	-	-
Sh. Ahmed Bin Isa Al Khalifa	-	-	-	-
Husain Alhusaini	-	-	-	-
Reyadh Eid Al Yaqoob	-	-	-	-
Salah Abdulla Sharif	-	-	-	-
Isa Abdulla Zainal	-	-	-	-
Mosobah Saif Almotairy	-	-	-	-
Mazen Ibrahim Abdulkarim	-	-	-	-
Ali Murad Ali Murad	-	-	-	-
<b>Total</b>	-	-	-	-

## 8. 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"> <li>Reyadh Eid Al Yaqoob (Independent and Non-Executive)</li> <li>Mazen Ibrahim Abdulkarim (Independent and Non-Executive)</li> <li>Mosobah Saif Al Mutairy (Non-Independent and Non-Executive)</li> <li>Sh. Dr. Fareed Yaqoob Al Muftah (Chairman of SSB)</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources.</li> <li>Compensation and incentives.</li> <li>Administration.</li> <li>Corporate Governance.</li> <li>ESG.</li> </ul>
Board Audit and Risk Management Committee (BARMC)	<ul style="list-style-type: none"> <li>Sh. Ahmed Bin Isa Al Khalifa (Independent and Non-Executive)</li> <li>Isa Abdulla Zainal (Independent and Non-Executive)</li> <li>Mazen Ibrahim Abdulkarim (Independent and Non-Executive)</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit.</li> <li>External Audit.</li> <li>Compliance.</li> <li>Anti-Money Laundering.</li> <li>Risk management.</li> <li>Policies related to risk management.</li> </ul>
Board Investment and Credit Committee (BICC)	<ul style="list-style-type: none"> <li>Hisham Ahmed Al-Rayes (Non-Independent and Executive)</li> <li>Husain Alhusaini (Independent and Non-Executive)</li> <li>Ali Murad Ali Murad (Non-Independent and Non-Executive)</li> <li>Salah Abdulla Sharif (Non-Independent and Executive)</li> <li>Sattam Sulaiman Algozaibi (non-voting member)</li> </ul>	<ul style="list-style-type: none"> <li>Investment &amp; credit approval.</li> <li>Setting limits.</li> <li>Investment policies.</li> <li>Asset Liability Management.</li> <li>Banking relationship.</li> <li>Oversight of Off-Balance Sheet Vehicles.</li> </ul>

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 five times in 2023. The Bank held its Annual General Assembly (AGM) and the Extraordinary

General Meeting (EGM) on 22 March 2023. In addition to physical meetings, several written resolutions were circulated to the Directors during 2023 for approval by email.

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

## 9. 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 –18-20 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 21 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.

## 10. Board and Subcommittees meeting dates and attendance

### ▪ Board of Directors meetings

	Meetings dates during the year 2023					Attendance %
	7 Feb.	9-May	3 Oct..	7 Nov.	5 Dec.	
Hisham Al Rayes	✓	✓	✓	✓	✓	100%
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 Mutaairy	✓	✓	✓	✓	✓	100%
Ali Murad	✓	✓	✓	✓	✓	100%

### ▪ BNRGC meetings

	6 Feb.	15 Mar.	8 May	2 Oct.	6 Nov.
Reyadh Eid Al Yaqoob	✓	✓	✓	✓	✓
Mazen Abdulkarim	✓	✓	✓	✓	✓
Mosobah Almutairy	✓	✓	✓	✓	✓
Sh. Dr. Fareed Y. Al Mufftah	✓	-	✓	✓	✓

### ▪ BARMC meetings

	24 Jan.	6 Feb.	8 May.	6 Aug.	2 Oct.	6 Nov.
Sh. Ahmed Bin Isa Al Khalifa	✓	✓	✓	✓	✓	✓
Mazen Ibrahim Abdulkarim	✓	✓	✓	✓	✓	✓
Isa Abdulla Zainal	✓	✓	✓	✓	✓	✓

▪ **BICC meetings**

	11 Jan.	7 Feb.	14 Apr.	9 May	20 Jun.	4 Sep.	3 Oct.	7 Nov.	19 Nov.
Hisham Al Rayes*	-	-	-	-	-	-	-	-	✓
Husain Alhusaini	✓	✓	✓	✓	✓	✓	✓	✓	✓
Salah Sharif	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ali Murad Ali Murad	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sattam Algozaibi	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* Joined the Committee on November 2023

**11. 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. 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.

**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. Ph.D. in Islamic Studies.

## 12. 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

## 13. Executive management & other senior management

Some of the most significant changes that occurred at the executive management level during 2023 were the resignation of Mr. Subah Abdulrahman Al Zayani, Head of Marketing & Corporate Communications, and on the other hand, the appointment of Mr. Maitham Abdulhameed Abbas as a head of Business Development.

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

### **Sattam Sulaiman Algozaibi** **Chief Executive Officer**

- **Experience:**
  - Over 25 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** **AGM- Treasury & Investments**

- **Experience:**
  - Over 34 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**  
**AGM - Legal, Compliance and**  
**Corporate Secretary**

- **Experience:**
  - Over 21 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.

**Mohamed Ebrahim Al Hashimi**  
**Head of Operations**

- **Experience:**
  - Over 21 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.

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

- **Experience:**
  - Over 33 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 28 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).

**Osama Ali Hasan**  
**Chief Technology Officer**

- **Experience:**
  - Over 25 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.

**Abdulkarim Mohamed Al Zakari**  
**Chief Risk Officer**

- **Experience:**
  - Over 16 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.

**Fatima Ahmed Al Bin Ali**  
**Head of Human Resources**

- **Experience:**
  - Over 23 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”.

**Ameera Ahmed Alabbasi**  
**Head of Retail Banking**

- **Experience:**
  - Over 19 years of experience in Corporate and Retail 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.

**Mohammed Hamad Fakhri**  
**Head of Internal Audit**

- **Experience:**
  - Over 17 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**

- **Experience:**
  - Over 15 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 18 years of experience in Audit, Consultancy, and Islamic Banking.
  - Joined the Bank in 2018.
- **Qualification:**
  - BSc in Commerce from University of Karachi - Republic of Pakistan.
  - Chartered Financial Analyst “CFA” from the Chartered Financial Analyst “CFA” 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).

**Ahmed Mohamed Burashid**  
**Head of Corporate Banking & Debt Capital Markets**

- **Experience:**
  - Over 17 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.

**Maitham Abdulhameed Ghulam  
Head of Business Development**

- **Experience:**
  - Over 19 years of experience in Business Development, Corporate Banking, Credit Risk, and Investment
  - Joined the Bank in 2023.
  
- **Qualification:**
  - BA in Economics and Physics from McGill University - Canada.
  - ACCA Diploma in Financial Management.
  - Certified Professional Risk Manager (PRM) – USA.

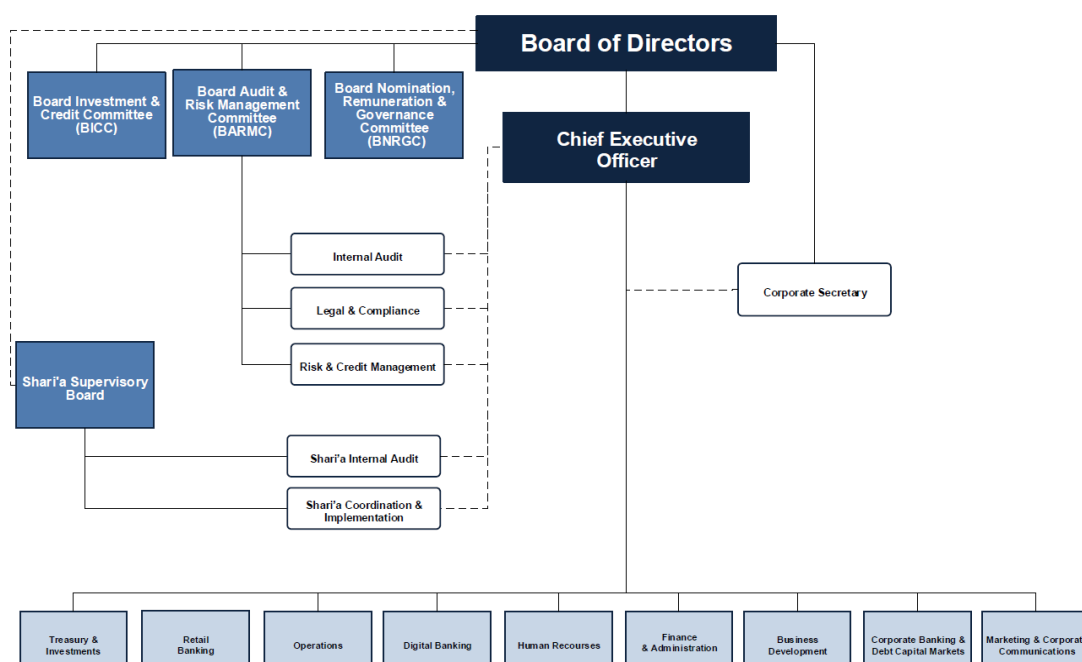
**14. Executive and senior management interests**

The following table indicates the executive and senior management shareholding as 31 December 2023:

<b>Executive and senior management</b>	<b>Number of outstanding shares at 31 December 2023</b>	<b>Number of outstanding shares at 31 December 2022</b>
Sattam Sulaiman Algosaibi	-	-
Hussam Ghanem Saif	-	-
Mohammed Abdulla Saleh	-	-
Abdul-Nasser Omar Al-Mahmood	-	-
Muna Ghuloom Al Bastaki	-	-
Mohamed Ebrahim Alhashimi	-	-
Fatima Ahmed Al Bin Ali	-	-
Abdulkarim Mohamed Alzakri	-	-
Osama Ali Hassan	-	-
Mohamed Hamad Fakhri	-	-
Aman Ullah Khan	-	-
Nawaf Abdulsalam Al Hosani	-	-
Ahmed Mohamed Burashid	-	-
Ameera Ahmed Al Abbasi	-	-
Maitham Abdulhameed Ghulam	-	-
<b>Total</b>	<b>0</b>	<b>0</b>

**15. 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 2023.



## 16. 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 2023, the total remuneration of top 6 executives, including CEO and Head of Finance & Administration including other allowances and benefits was BD 1,203,403.

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:

- First: Executive Management Remuneration Details for Top 6 Executives:**

Executive management	Fixed paid salaries and allowances	Variable remuneration (Bonus)	Any other cash/ in kind remuneration for 2023	Aggregate Amount
Remuneration of top 6 executives, including CEO and Head of Finance & Administration	974,576	179,827	49,000	1,203,403

Note: All amounts are stated in Bahraini Dinars.

**Notes:**

- The total bonus included BD 89,914 as cash based remuneration and BD 89,913 as shares based remuneration.
- Remuneration details include Board remuneration earned by executive management from their role in investee companies or other subsidiaries.

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

Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Total allowance for attending Board and committee meetings	Remunerations of the chairman and BOD	Others*	Total	Remunerations of the chairman and BOD	Incentive plans	Others**	Total			
<b>First: Independent Directors:</b>											
1- Sh. Ahmed Bin Isa Al Khalifa	20,000	22,000	-	42,000	-	-	-	-	-	42,000	-
2- Hussain Sayed Ali Al Hussaini	26,000	22,000	-	48,000	-	-	-	-	-	48,000	-
3- Reyadh Eid Al Yaqoob	20,000	22,000	-	42,000	-	-	-	-	-	42,000	-
4- Isa Abdulla Zainal	21,500	11,000	-	32,500	-	-	-	-	-	32,500	-
5- Mazen Ibrahim Abdulkarim	29,000	11,000	-	40,000	-	-	-	-	-	40,000	-
<b>Second: Non-Executive Directors:</b>											
1- Mosaboh Saif Al Mutairy	20,000	11,000	-	31,000	-	-	-	-	-	31,000	-
2- Ali Murad	21,000	11,000	-	32,000	-	-	-	-	-	32,000	-
<b>Third: Executive Directors:</b>											
1- Hisham Ahmed Al Rayes	14,000	22,000	-	36,000	-	-	-	-	-	36,000	-
2-Salah Abdulla Sharif	26,000	11,000	-	37,000	-	-	-	-	-	37,000	-
<b>Total</b>	<b>197,500</b>	<b>143,000</b>	<b>-</b>	<b>340,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,500</b>	<b>-</b>
<b>Note: All amounts are stated in Bahraini Dinars.</b>											
<b>Other remunerations:</b>											
* 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).											
<b>Notes:</b>											
1. <i>The Bank does not have any variable remuneration payments, end of service benefits, or expense allowances paid to its directors.</i>											
2. <i>Board remuneration represents payments proposed for the year 2023 which are subject to the approval of the shareholders in upcoming Annual General Meeting dated 25<sup>th</sup> March 2024.</i>											

## 17. 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. Hisham Alrayes 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.

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

The Audit fees charged to external auditors is BD 107 thousands, and non audit services provided by external auditors is BD 20 thousands.

#### **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 2023. 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 (2022: 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:

	<b>2023 BD '000</b>	<b>2022 BD '000</b>
Board member fees and allowances	445	286
Salaries and other short-term benefits	1,555	1,451
Post employment benefits	93	63

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

	<b>31 December 2023 BD '000</b>	<b>31 December 2022 BD '000</b>
Balances due to key management as compensation	480	463

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

<b>31 December 2023</b>	<b>Associates</b>	<b>Directors / Key management personnel and shari'a board members</b>	<b>Parent company / other significant shareholders / entities in which directors are interested</b>	<b>Assets under management (including special purpose entities)</b>	<b>Total</b>
	<b>BD '000</b>	<b>BD '000</b>	<b>BD '000</b>	<b>BD '000</b>	<b>BD '000</b>
<b>Assets</b>					
Financing assets	-	4,245	23,206	-	<b>27,451</b>
Investment securities	-	-	2,284	4,240	<b>6,524</b>
Equity accounted investees	24,689	-	-	-	<b>24,689</b>
Investment in sukuk	-	-	58,297	-	<b>58,297</b>
Other assets	-	-	568	108	<b>676</b>
<b>Liabilities</b>					
Placement from financial institutions, Non-FIs and individuals	-	2,112	43,541	-	<b>45,653</b>
Customers' current accounts	1,120	6	11,021	442	<b>12,589</b>
Equity of investment accountholders	335	1,895	126,520	129	<b>128,879</b>
Other liabilities	-	480	-	-	<b>480</b>

31 December 2022

	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
<b>Assets</b>					
Financing assets	-	3,171	6,902	-	10,073
Investment securities	-	-	2,284	4,461	6,745
Equity accounted investees	24,522	-	-	-	24,522
Investment in sukuk	-	-	54,171	-	54,171
Assets held-for-sale	-	-	-	-	-
Other assets	17	-	272	46	335
<b>Liabilities</b>					
Placement from financial institutions, Non-FIs and individuals	-	1,274	86,222	-	87,496
Customers' current accounts	723	69	5,572	451	6,815
Equity of investment account holders	362	1,084	226,111	219	227,776
Other liabilities	-	-	-	-	-

2023

	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
<b>Income</b>					
Income from financing assets and ijarah assets	-	298	3,218	-	3,516
Income from investment securities	-	-	-	422	422
Share of loss from equity accounted investees	(925)	-	-	-	(925)
Income from sukuk	-	-	2,194	-	2,194
Fees and other income, net	-	-	3,523	-	3,523
<b>Expenses</b>					
Finance expense on placements from financial institutions, non-financial institutions and individuals	-	102	4,394	-	4,496
Return to investment account holders	14	94	5,375	6	5,489
Staff cost	-	1,648	-	-	1,648
Other expenses	-	445	-	57	502

During the year, the Bank and its Parent entered into swap agreements to swap investment properties with a carrying value of BD 17,042 thousand in exchange for unquoted equity securities of BD 5,844 thousand, investment properties of BD 7,155 thousand and investment in sukuk of BD 7,566 thousand resulting in a gain of BD 3,523 thousand.

During the year, there were 2 land plots sold to a board member at their carrying value. The total carrying value for these lands was BD 558 thousand.

During the year, the Group paid profit distribution on its AT1 to the Parent for an amount of BD 5,666 thousand (2022: 5,666).

2022	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	-	198	476	-	674
Income from investment securities	-	-	-	-	-
Share of loss from equity accounted investees	(1,252)	-	-	-	(1,252)
Income from sukuk	-	-	1,083	-	1,083
Fees and other income	-	-	-	-	-
Expenses					
Finance expense on placements from financial institutions, non-financial institutions and individuals	-	34	1,504	-	1,538
Return to investment account holders	10	38	6,087	4	6,139
Staff cost	-	1,451	-	-	1,451
Other expenses	-	286	-	-	286

## 20. Penalties paid to the Central Bank of Bahrain

During 2023, no penalty was charged to the Bank by the Central Bank of Bahrain (CBB) for failure to comply with CBB requirements.

## 21. 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.

## 22. Board Evaluation

During 2023, 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.

## 23. Share Capital and distribution of ownership of shares

	<b>31 December 2023 BD '000</b>	31 December 2022 BD '000
<b>Authorised:</b> 3,000,000,000 ordinary shares of BD 0.100 each	<b>300,000</b>	300,000
<b>Issued and fully paid up:</b> 847,830,534 ordinary shares (2022: 847,830,534 shares) of BD 0.100 each	<b>84,783</b>	84,783

The shareholders in their extraordinary general meeting dated 24 March 2022, approved the cancellation of the Bank's issued and paid-up capital by BD 4,428,895 through cancellation of 44,228,946 treasury shares of BD 0.100 each and accumulated losses of BD 1,534 thousand. As at 31 December 2023 the Bank's paid capital was BD 84,783,053 (31 December 2022: BD 84,783,053) representing 847,830,534 shares (31 December 2022: 847,830,534 shares).

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

### 31 December 2023

<b>Categories*</b>	<b>Number of Shares</b>	<b>Number of Shareholders</b>	<b>% of total outstanding shares</b>
Less than 1%	53,735,841	331	6.34%
1% up to less than 5%	22,403,211	2	2.64%
5% up to less than 10% **	47,588,090	1	5.61%
50% and above	724,103,392	1	85.41%
	847,830,534	335	100.00%

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

\*\* Includes treasury shares.

31 December 2022

Categories*	Number of Shares	Number of Shareholders	% of total outstanding shares
Less than 1%	53,735,841	342	6.34%
1% up to less than 5%	22,403,211	2	2.64%
5% up to less than 10% **	47,588,090	1	5.61%
50% and above	724,103,392	1	85.41%
	847,830,534	346	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 2023**

	Nationality	Number of shares	% of total outstanding shares
GFH Financial Group*	Bahrain	724,103,392	85.41%
Khaleeji Bank B.S.C	Bahrain	47,588,090	5.61%

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

31 December 2022

	Nationality	Number of shares	% of total outstanding shares
GFH Financial Group*	Bahrain	724,103,392	85.41%
Khaleeji Bank B.S.C	Bahrain	47,588,090	5.61%

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

## **24. 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 2023.

## **25. 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 Khaleeji 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.

## **26. 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 Khaleeji. 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 Khaleeji 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.

the Bank 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.

## **27. Dealing with the Complaints**

Khaleeji 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](mailto: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.

## **28. Consumer awareness programmes for information on new products and services**

Throughout the year 2023, after the successful students-driven campaign for the “Al Waffer” account, Khaleeji has initiated an ambitious strategy of collaborating with special-needs institutions in the Kingdom to announce the winners of the “Al Waffer” account’s new set of grand prizes. This campaign was warmly welcomed and widely praised by audiences, which had a great impact on attracting additional followers to the Bank’s social media channels and recording a significant increase in the number of new investors in the “Al Waffer” account.

Moreover, Khaleeji has continued to publish advertisements and media messages through print and digital channels like local newspapers, in-branch advertisements, and digital means to announce our new products & services, which included the “Khaleeji Mobile App”, Home Finance, Credit Cards, and new services like the Salary Account and Doctors Financing Scheme, the latter launched in collaboration with Tamkeen. This resulted in creating more awareness about the Bank’s products & services, while also bolstering Khaleeji’s new identity and our image as a leading Islamic Banking institution driven by innovation and an ambition to provide the finest services to our clients.

## **29. Social functions and charitable contributions of the bank**

During the year 2023, Khaleeji has continued its participation in several social events and activities in the Kingdom of Bahrain, in line with our strong commitment to consolidate its position as one of the leading national institutions and constant endeavours to realize the ambitions of this Kingdom towards itself, Sustainable Development Goals “SDGs”, and the objectives of Bahrain Economic Vision 2030. The focus was on four vital sectors: Education, Environment, Youth, and Sports.

On the Educational and Youth side, Khaleeji has continued to play a key role in cooperating with various educational organizations in the Kingdom by supporting and sponsoring a number of pioneering institutions that are dedicated to school and university students like Bahrain Institute for Banking & Finance’s “BIBF” new headquarters at Bahrain Bay, as well as Shaikh Ebrahim bin Mohammed Al Khalifa Center for Culture & Research who continue to pursue the preservation of Bahrain’s rich past and culture for future generations to see and learn from. For INJAZ Bahrain and our long and steadfast relationship together, we continued to support their programs like “It’s My Business” and events like the annual “Young Entrepreneurs Competition”, where Khaleeji has sponsored and presented the “Rising CEO Award” for the 2nd year running, in a gesture that embodied the Bank’s keenness and commitment to support Bahraini Youth by developing their competencies.

On the Environmental side, the bank has maintained its efforts in raising awareness on the importance of environmental protection and preservation through the support of various initiatives in the Kingdom, considering its major role in achieving Sustainable Development Goals “SDGs” and embracing ESG principles. This included Khaleeji’s role as Joint Lead Arranger for a Sustainability-Linked Finance of \$450 million to Bahrain Steel in partnership with a consortium of local and foreign banks in the GCC region, a finance meant to provide capital and push innovation in the development of the world’s largest structural roof equipped

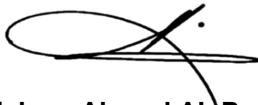
with solar panels to cover the iron ore mining area, helping to push for further emission reductions and accelerating the Kingdom's shift to lower carbon operations. This is in addition to Khaleeji's commitment to applying the highest environmental standards in its various operations, as well as encouraging efforts to protect the environment and reduce the impacts of climate change, reinforcing our role as a national establishment supporting the achievement of Bahrain Economic Vision 2030 objectives and the Kingdom's ambitious initiative to reach net zero carbon emissions by the year 2060.

On the sports side, we have continued our supportive role for sports activities through our sponsorship of associations like the Bahrain Basketball Association "BBA", activities like the 15th King Hamad Trophy Golf Championship, and individuals like the Equestrian Eyad Fareed Ahmed. This is in line with the bank's belief in the importance of consolidating the distinguished position of Bahraini sports and supporting the ambitions of its various talented players, evidenced by the achievements and titles attained on a regional and global levels.

### **30. 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.



**Hisham Ahmed AL Rayes**  
**Chairman**