

Corporate Governance Report

BBK Group takes pride in ensuring that exceptional standards of corporate governance are met according to international standards of best practice. Sound corporate governance is central to achieving BBK's objectives and fundamental in maintaining a leading position within the local and regional banking sectors.

Group's Corporate governance vision

BBK and its wholly owned subsidiaries shall continue to enhance shareholders' value, protect their interests, and defend their rights by practising the pursuit of excellence in corporate life. The Bank shall not only comply with all statutory requirements – including the High-Level Controls module of the Central Bank of Bahrain (CBB) RuleBook – but also formulate and adhere to strong corporate governance practices. BBK and its wholly owned subsidiaries shall also continuously strive to best serve the interests of all other stakeholders, including clients, employees, regulators and the public at large.

The adoption and implementation of corporate governance is the direct responsibility of the Board of Directors, and this endeavour is in line with the policies of regulatory authorities and statutory requirements in the Kingdom of Bahrain and other countries where BBK operates.

Compliance with Corporate Governance regulatory requirements:

The Bank ensures compliance with the CBB requirements and has ensured full compliance with the same during 2022 with minor exceptions addressed during the year as follow:

1. Reviewing the governance framework on an annual basis instead of every three years and this was immediately addressed so that the review becomes every year
2. Non-attendance of all Board members at the General Assembly meeting due to circumstances arising from the pandemic and other work commitments. The Bank will work to ensure this requirement is implemented.
3. Obtaining the approval of the regulatory authority to appoint the External Auditor before the annual general assembly meeting. Indeed, internal procedures have been changed to achieve this.

Initiatives in 2022

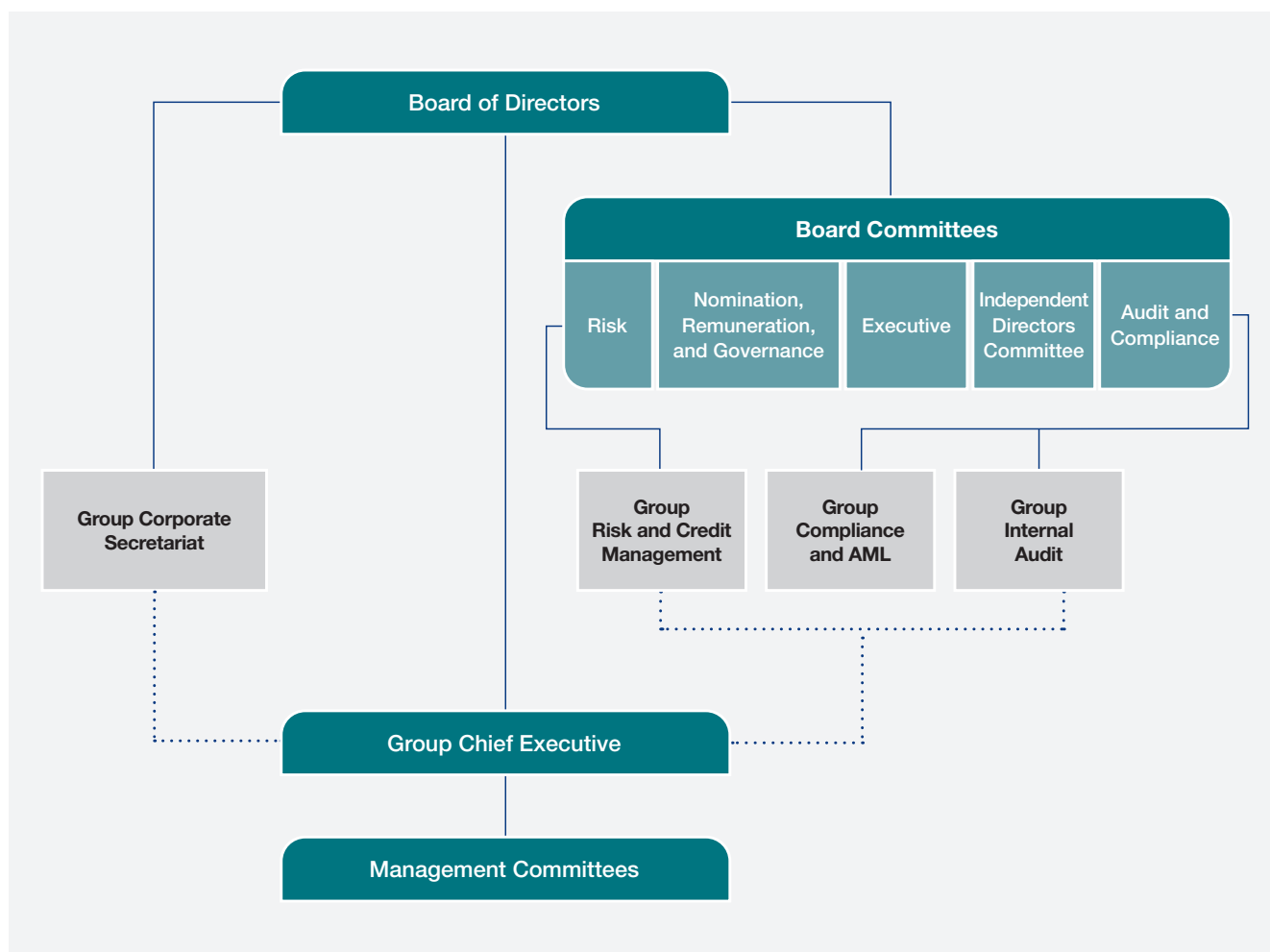
BBK Group implemented a range of initiatives in 2022 in furtherance of its corporate governance vision and other requirements. They are as follows:

- The process of evaluating the Board and its committees was successfully completed digitally using the smart application of the Board of Directors. Some recommendations for the development of the work of the Board and its committees were noted. The main recommendations under evaluation of the Board and the Committees are presented in this report.
- The Board reviewed the independence of a number of Board members.
- The Nomination, Remuneration and Governance Committee reviewed the sustainability report, which was issued independently from the Bank's annual report, and was one of the Bank's main initiatives during 2022.
- The Compliance and Group Secretariat Departments performed and completed all necessary deliverables to ensure compliance with corporate governance regulatory requirements. These were delivered in two phases. Issues related to non-compliance were noted and are mentioned in this report.
- The use of technology for the Board and its Committees has been further enhanced in the Bank and its wholly owned subsidiaries using the electronic system.
- The Bank appointed 7 women Directors in the Bank's subsidiaries and other shareholding companies.
- The role of the Investor Relations unit within the Group Corporate Secretariat department has been developed and the platform for shareholders and investor relations has been improved, taking into consideration international best practices to keep all investors informed of all relevant disclosures and the latest developments in the Bank.
- The unit has participated in the quarterly financial results analysts' meetings.
- The Board's directives regarding the strategy for the years 2022 to 2024 were reviewed to ensure that they were implemented.
- The Executive Committee of the Board of Directors visited the Bank's branch in the State of Kuwait to meet with its management and be briefed on the branch's business plans.
- The Bank started to prepare a female team member for the succession of the position of the Group Secretary, due to the Bank's belief in the importance of the women's role and succession alike, and on the other hand, due to the importance of the corporate governance aspect.
- The Bank established a temporary committee to study opportunities for mergers and acquisitions to grow the Group's business and provide additional value to shareholders and all other stakeholders.
- The Group Corporate Secretary held a training session for members of the Group's Board of Directors and the Bank's Executives, entitled: 'The Board of Directors and the Fundamentals of Corporate Governance.'
- The Board held a special meeting to study the activities of the overseas branches and to make the best use of the Bank's presence abroad.
- During the year 2022, compliance with regulatory requirements were aligned with remuneration of employees.

Corporate Governance Report (Continued)

Corporate Governance Structure

The Board forms the necessary Board and Management Committees to assist the Board in providing effective oversight of the Bank's operations. The Board reviews the structure periodically and modifies it if necessary. Additional committees may be formed from time to time and/ or the existing Committees could be assigned additional responsibilities. The Executive Management is an important part of the Corporate Governance structure, shown below:



The role of the Group Corporate Secretary is to assist the Board and its Committees in maintenance of relation between Executive Management and the Board, and between the Board and shareholders and vice versa. The financial control function is independent of the business lines. The Audit function is independent and reports to the Audit & Compliance Committee of the Board. The Risk Management is independent and reports to the Risk Committee of the Board.

BBK Corporate Governance model

The standard Corporate Governance model interconnects the dynamic relation between the three main stakeholders namely Shareholders, the Board and the Management. The roles of shareholders, the Board and the Management are distinctly different but complimentary to the core objectives and functioning of the institution. BBK's CG model is based on an Anglo-American model expanded to include a variety of stakeholders who have interest in the Bank and its success.

BBK's Corporate Governance practices ensure a healthy relationship with all the stakeholders while achieving core objectives of the institution.

Risk appetite statement

The Bank's risk appetite is set annually by the Board of Directors with the goal of aligning risk-taking with statutory requirements, strategic business objectives and capital planning. The Board of Directors plays a key role in the implementation of the Bank's risk appetite by steering utilization of different forms of financing, the Bank's geographical operating areas and markets, funding and liquidity management, amongst other risk management requirements. The Board of Directors also monitors BBK's adherence to the Risk Appetite Statement and makes necessary modifications to capture changes in the Bank's strategic priorities, operating environment, and risk profile.

The vision documents annual and three-year strategy, along with the Bank's internal policies, mandated framework, rules and guidelines which create the overall framework for the Bank's risk-taking. The Risk Appetite Statement complements these key documents by outlining the main considerations in the Bank's risk-taking, risk mitigation and risk avoidance.

The purpose of the Risk Appetite Statement is to state clearly the general principles for the Bank's risk-taking, to raise risk awareness across the organisation, and to guide the staff accordingly. The Risk Appetite Statement is implemented through the Bank's risk policies and procedures, monitoring metrics, limit system, Key Performance / Risk Indicators (KPIs / KRIs) and internal controls. The Risk Appetite Statement is thus embedded in the Bank's core processes and impacts affects the operations of the Bank in a holistic way.

BBK is subject to banking supervision and prudential regulations. The Bank's risk management systems and policies / procedures are reviewed and refined on an ongoing basis in order to comply strictly with regulations in all jurisdictions it operates in; as well as with what the Bank identifies as the relevant market standards, recommendations and best practices. This principle also applies to the Bank's risk appetite framework.

The basic objectives of the Risk Appetite Statement are:

- To provide a clear articulation of the Bank's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level. The Risk Appetite Statement creates a foundation for effective communication of risk among internal and external stakeholders;
- To increase understanding of BBK's material risk exposures and raise risk awareness across the organisation; and
- To positively impact the defined risk culture of the Bank.

The Bank's risk-taking is primarily in its core activity of lending. BBK primarily finances its activities through retail, corporate deposits, issuing bonds on the international capital markets, the market borrowings and through equity. The funding base

is diversified across currencies, maturities and geographic areas. BBK's operating model is supported by the ability to obtain funding at a favorable cost, which enables lending, on attractive terms, to its clients. BBK's funding advantage builds on its sound financial profile and strong shareholder support.

To support its lending and funding operations, the Bank maintains a portfolio of liquid assets. The primary objective of the liquid portfolio is to ensure that the Bank is able to operate and continue its core activities, even during stressed market conditions. The composition and maturity profile of the liquidity portfolio are aligned with this objective, in addition to a liquidity buffer through holding High-Quality Liquid Assets (HQLA). The Risk Appetite Statement sets the tolerance for risk-taking in BBK's operations within the Bank's Risk capacity. Risk limits and risk profile assessment are other key elements in the implementation of the Bank's risk appetite framework.

Risk capacity is limited by the financial and non-financial resources that the Bank has at its disposal. The risk appetite is set to a level within the risk capacity to ensure that the Bank's risk exposure remains sustainable.

Financial resources mainly consist of the Bank's paid-in capital and retained earnings, together with customer deposits, funds raised through bonds, borrowings from Central Bank and other Financial Institutions. Non-financial resources are the skills and competences of the employees, IT systems, internal procedures and control systems. The Bank's risk-bearing capacity builds on a careful customer selection process, individual credit mandate reviews and a thorough credit-granting process. Therefore, financial resources and robust governance contribute both to maintaining the Bank's competitive position and its strong capital and liquidity position.

Risk limits are used to allocate the aggregate risk-taking mandate to business lines and portfolios. The main risk limits are established in the Bank's risk management policies and approved by the Board of Directors. The limit system sets boundaries for the accepted level of credit, market, liquidity, earnings, capital and operational risk within the established risk appetite. The actual position through the risk limits are reviewed at various levels (Board Risk Committee, Risk Management Committee 'RMC', Asset Liability Management Committee 'ALMC', Country Risk Committee 'CRC', Senior Management, etc.) depending on the nature of limits and as specified in the relevant Risk Policies. The Board and Senior Management have overall responsibility for determining the Risk Appetite of the Bank, which will be measured and monitored by the Business verticals in their operational activities.

Risk profile assessment aims to ascertain that the Bank's risk profile is within Risk limits and consequently within the Risk Appetite and Risk Capacity. Risk profile assessment is a point-in-time evaluation of the level and types of the Bank's risk exposures. The assessment includes an evaluation of the Bank's material risks, such as, credit, market, liquidity, earnings, capital and operational risk.

Corporate Governance Report (Continued)

Credit Risk

BBK is exposed to risk primarily in its core activity of lending to individuals, corporations, small/medium enterprises, governments, public sector entities, financial institutions, etc. Lending exposes the Bank to credit and concentration risks and to variations in the business cycle. Each lending is thoroughly analysed from several perspectives (for example: default risk, financial risks, customer due diligence, legal risk, currency risks, etc.) to ensure that financing decisions have sound foundations. The overall target of the credit risk management is to maintain high portfolio quality with appropriate risk diversification in order to avoid excessive risk concentrations. Account grade rating, industry concentration limits, risk pricing, etc. are set and monitored.

Market Risk and Treasury

Funding, asset and liability management, and management of the portfolio of liquid assets are an integral part of the Bank's business operations.

The funding base of BBK is diversified across currencies, maturities and geographic areas. The Bank effectively manages the risk exposures arising mainly through maturity mismatches between assets (loans and treasury investments) and liabilities (deposits, borrowings and equity). The Bank maintains a robust liquidity portfolio to ensure that it is able to operate and continue its core activities, even during stressed market conditions.

BBK manages its interest rate risk by financing/investing in a combination of fixed or floating-rate assets, and this allows the Bank to generate stable earnings and preserve its capital base in the long-term. BBK's liquidity portfolio is invested in high quality assets and in doing so, BBK takes limited credit risk (credit default and spread risk).

BBK mitigates its currency risk and most of its interest rate risk arising from funding and lending operations by hedging with derivatives. The use of derivatives exposes BBK to counterparty credit risk, liquidity risk, currency basis risk, and operational risks. BBK uses netting and collateral agreements to manage its risk towards derivatives counterparties.

Triggers/policy limits are set as per the Bank's internal risk policies and procedures. This includes FX Net Open Position and VAR, Market Risk VAR, Interest Rate Risk (Gap, Stop Loss & VAR), Earnings at Risk, and Economic Value of Equity, amongst others.

Operational Risk

In order to manage operational risk, BBK has put in place a framework that consists of tools such as Risk Events reporting, Risk and Control Self-Assessment and Key Risk Indicators. This framework ensures that operational risk is managed within the established risk appetite of the Bank. The framework is effected through appropriate governance documentation including suitable policy and procedures. The framework was established with a view to help the business and support areas of the Bank in maintaining a strong process of validating and addressing control deficiencies, and having in place corrective measures to avoid recurrence of key issues, as the related tools help in identifying the risks and reviewing the effectiveness of the controls in all areas of the Bank's operations. The implementation of the framework is carried out by an independent Operational

Risk Management department reporting to the Group Chief Risk Officer and is separately governed by the Operational Risk Management Committee (ORMC). Key risks are also escalated to the Risk Management Committee (RMC) of the Bank (consisting of the Bank's Executive Senior Management) and to the Risk Committee of the Board.

Earnings

Banking involves well-judged risk-taking, where all transactions should provide a reasonable margin to compensate for the risk taken. BBK offers financing on competitive market terms and aims for stable earnings, enabling the formation of capital reserves, organic growth, and reasonable return on capital in the long-term. Lending operations, the primary source of credit risk, should provide appropriate return for the level of risk assumed.

Treasury operations, through cost-effective funding and prudent asset and liability management, should contribute to the Bank's overall returns in line with the defined business objectives and the core objective of safeguarding the Bank's liquidity.

Earning targets are set and monitored at global, division and business unit level.

Capital

An adequate capital management framework, with an Internal Capital Adequacy Assessment Process (ICAAP), is an essential part of BBK's operations. BBK is committed to maintaining a strong risk-based capital position.

The Bank complements risk-based capital adequacy measures with a volume-based leverage ratio measure. It protects the Bank from risks that relate to excessive growth of the balance sheet.

BBK aims to maintain a strong capital position in relation to the aggregate risk exposure at all times. The Bank uses risk-based approaches to assess the capital needs, including stress testing, and the Bank holds robust capital buffers on top of the minimum capital requirement.

The growth of the Bank's balance sheet should be stable in the long run, while some variation is accepted in the medium term to account for natural changes in the business cycles.

Liquidity

The Bank maintains a robust liquidity portfolio. The primary objective of the liquidity portfolio is to ensure that the Bank is able to operate and continue its core activities without disruption, even during stressed market conditions. BBK maintains a liquidity portfolio where a large majority of the assets are of high quality to support the Bank's operations and liquidity position. Having a strong liquidity position enables the Bank to carry out our core activities under severely stressed market conditions without access to new funding.

BBK diversifies funding in terms of currencies, maturities, instruments and investor types in order to avoid excessive reliance on individual markets and funding sources.

Liquidity parameters are set to maintain minimum levels as per regulatory guidelines.

Implementation and Review

The primary responsibility for the correct implementation of the Risk Appetite Statement remains with the Risk Management Division.

This Risk Appetite Statement is reviewed at least annually.

Internal Audit

The Internal Audit Department (“IAD”) is an essential part of the overall corporate governance at the Bank, established by the Board of Directors to independently examine and evaluate the activities of the BBK Group. The Internal Audit function is headed by the Group Chief Internal Auditor, who reports directly to the Board Audit & Compliance Committee on functional matters, and with day-to-day administrative reporting to the Group Chief Executive.

Guided by the approved IA Procedural Manual, IA Charter and applicable regulatory directives, IA assignments are conducted across all functions in the Group towards the accomplishment of its objectives - reviewing the reliability, adequacy and effectiveness of the respective governance, risk management, and internal control systems. Final Audit Reports are issued to the Audit & Compliance Committee and relevant Senior Management members. On a quarterly basis, the internal audit activity report is compiled along with follow up status updates of previously reported audit observations, and is submitted as a regular agenda item at the quarterly Audit & Compliance committee meeting.

IAD adopts a risk based methodology for each assignment, including the preparation of its annual risk-based audit plan that is approved by the Board’s Audit and Compliance Committee. Such audit plan is developed by identifying the total population of audit entities and evaluating associated business and control risks parameters amongst others, to objectively determine the respective audit cycle; while also prioritizing regulatory audits at all times.

IAD is subject to periodic internal and external quality assurance reviews in its pursuit of continuous enhancement. Majority of IAD staff hold at least one professional qualification from well-known professional associations such as CIA, CRMA, CA, ACCA, CISA, and CFA. Internal audit staff periodically acknowledge adherence with the Bank’s code of conduct & IIA Code of Ethics.

Compliance and anti-money laundering

Compliance with regulatory and statutory requirements is an ongoing process. The Bank is conscious of its responsibilities in observing all regulatory provisions and best international practices in its functioning. The Bank has established an independent compliance function in keeping with Basel and CBB guidelines. The Compliance and AML Department at BBK consists of four primary functional areas, including; (a) Financial Crime; (b) Fraud Management; (c) Regulatory Compliance and Advisory, part of which is the responsibilities of Data Privacy and Protection; and (d) Compliance Assurance. The function performs its duties and responsibilities in accordance to the established Annual Risk Based Plan approved by the Audit and Compliance Committee of the Board. The Compliance and AML Function is independent from the other functions of the Bank. It has sufficient seniority and authority and reports directly to the Board of Directors through the Board’s Audit and Compliance Committee.

The Compliance and AML function acts as a focal point for all regulatory compliance and for adapting other best practice compliance principles. The Bank continuously strives to improve the level of compliance in all its activities. The Bank’s adopted corporate philosophy is: ‘BBK shall continue its endeavour to enhance shareholders’ value, protect their interests, and defend their rights by practising pursuit of excellence in corporate life.’ Anti-money laundering measures form an important area of the compliance function, in addition to corporate governance, disclosure standards, insiders’/key persons’ trading, conflict of interest, and adherence to best practices.

Starting in 2014, BBK implemented an automated compliance system for the monitoring and management of regulatory requirements across the Bank. This system facilitates the prompt reporting of any compliance concerns or non-compliance incidents as and when they arise, as well as monitoring the status of compliance with CBB Rulebook requirements as applicable to BBK.

The Bank is committed to combating money-laundering and, towards this end, implements all ‘Prevention of Money Laundering Regulations’ as stipulated in the Financial Crimes Module of the CBB Rulebook and other guidelines issued by the CBB. These regulations and guidelines are consistent with the revised FATF recommendations, ‘Customer Due Diligence for Banks’ paper of the Basel Committee, and best international practices.

The Bank has a documented anti-money laundering programme, including periodic awareness training for employees, record-keeping, and a designated Money Laundering Reporting Officer (MLRO). The AML policy and procedures are updated annually and were last approved by the Board of Directors in October 2022.

The Bank’s anti-money laundering measures are regularly audited by internal auditors, who report to the Audit and Compliance Committee of the Board. The Central Bank performs periodic inspections of the Bank’s compliance with anti-money laundering regulations. Additionally, the Bank’s anti-money laundering measures are reviewed by independent external auditors every year. The respective Group external review reports have been issued and submitted to the CBB in June 2022, and included a review of BBK, its subsidiary and overseas branches. Furthermore, as a Domestic Systemically Important Bank, BBK is subject to annual inspections by the CBB.

In 2021, BBK has successfully implemented fraud monitoring systems for scrutiny of customers’ payments and card transactions in order to proactively and effectively protect our customers against fraud. A 24/7 fraud monitoring team is established to monitor and promptly handle any fraud suspicions.

The overseas branches in India and Kuwait and the subsidiary, CrediMax, have designated compliance and MLRO functions to ensure implementation of applicable regulatory requirements.

Penalties paid during the year to Regulators

On Dec 19th 2022, The Reserve Bank of India (RBI) advised 21 financial institutions of fines, for various reasons. BBK received

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an advice of a INR 26.6 million fine (approximately BHD 121 thousand) in relation to historical omissions in the cyber security framework of the bank's Indian operations. While the majority of issues have been closed, the RBI highlighted delays in some instances. Over the past months, BBK India, supported by BBK's Head Office, has implemented a comprehensive IT and IT Information Security programme with capital and recurrent investment in excess of INR 37 million (approximately BHD 168K), has appointed two new senior leaders (Head of IT and the Chief Information Security Officer) and has implemented advanced 24/7 monitoring and detection solutions to protect against cyber security threats, together with enhanced infrastructure across the four branches in India.

Shareholder information

In 2022, the ownership of Ithmaar Holding Company in BBK was acquired by Al Salam International, a subsidiary of Al Salam Bank.

BBK's shares are listed on the Bahrain Bourse. The Bank has issued 1,647,700,962 equity shares, each with a face value of 100 fils. All shares are fully paid.

During 2022, BBK distributed bonus shares to its shareholders at 10% of the paid-up capital, equivalent to 1 share for every 10 share held, for a total of BD 14,979,100. Therefore, the Bank's paid-up capital after the distribution increased to BD 164,770,096.200 divided into 1,647,700,962 shares.

External Auditors

The Audit and Compliance Committee of the Board has continued to oversee the work carried out by external auditors. On an annual basis, the management conducts an annual assessment of the work and services provided by external auditors, taking into consideration:

1. Quality of audit services;
2. Required skills, experience and adequacy of resources;
3. Communication and interaction with Audit and Compliance Committee, Management and internal audit;
4. Independence, objectivity, and professional skepticism; and
5. Audit firm's reputation.

Hence, the management will share the results of the assessment and recommend to the Audit and Compliance Committee of the Board the appointment or the re-appointment of the external auditors in which the committee will submit its recommendations to the Board of Directors and accordingly to the annual general meeting (AGM) to appoint / re-appoint the external auditors subject to regulatory approvals.

In 2022, annual audit and quarterly review services amounted to BD 158 thousand and other attestation services amounted to BD 122 thousand.

Annual Ordinary General Meeting, Extraordinary General Meeting

The Annual Ordinary General Meeting (AGM) and an Extraordinary General Meeting (EGM) were held virtually on 28 March 2022 under high level precautionary measures as required by the relevant authorities due to the COVID-19 pandemic.

Apart from normal AGM discussions, the AGM discussed and took decisions regarding the below mentioned items:

1. Disclosing any transactions during the year ended 31 December 2021 with related parties as per note No.26 of the financial statements and in line with Article 189 of the CCL.
2. Discussing the Bank's Corporate Governance report for the year 2021 and the compliance to the requirements of the Central Bank of Bahrain (CBB).
3. Approving the Board's recommendation of allocating BD 552,500 as Board membership remunerations for 2021.
4. Appointing External Auditors for the Bank for the financial year 2022 upon receiving the approval of the CBB and delegating the Board to determine their fees.
5. Absolving the Board Members of liability for any of their actions during the year ended 31 December 2021.

The EGM held on 28 March 2022 approved the following:

The Board's recommendation to the EGM of increasing the issued and paid-up capital from BD 149,790,996.500 divided into 1,497,909,965 shares to BD 164,770,096.200 divided into 1,647,700,962 shares as a result of distributing bonus shares.

The Board's recommendation to the EGM by increasing the Bank's authorized capital from BD 150,000,000 to BD 250,000,000 based on the increase in issued and paid up due to the distribution of bonus shares and the Bank's need for the same in the future.

The Board's recommendation to amend a number of articles in the Bank's articles of association to comply with the recent amendments to the Commercial Companies Law (21) of 2001. The full set of the AGM and EGM minutes and the decisions made at the meeting are published in this annual report.

Annual disclosures at the AGM:

The Bank submits a Corporate Governance Report to the AGM annually, covering the status of compliance with the related regulatory requirements and international best practice.

At the AGM, the Bank discloses and reports to shareholders the details under the Public Disclosure module of the CBB's rulebook. These disclosures include the total remuneration paid to the Directors, Executive Management, and the External Auditor and other important disclosures as elaborated hereunder. The individual remuneration amount paid to each Director and the top 6 Executive Management is also included in the annual report.

Shareholder's composition

Name	Country of origin	Number of shares	% holding
Al Salam International W.L.L	Kingdom of Bahrain	431,550,793	26.19
Social Insurance Organisation (SIO) (GOSI, Civil Pension Fund and Military Pension Fund)	Kingdom of Bahrain	543,252,627	32.97
Kuwait Investment Authority	State of Kuwait	316,317,864	19.20
Public		356,579,678	21.64

Distribution schedule of each class of equity

Category	Number of shares	Number of shareholders	% of outstanding shares
Less than 1%	359088618	2666	21.79
1% to less than 5%	–	–	–
5% to less than 10%	107022932	1	6.50
10% to less than 20%	750038619	3	45.52
20% to less than 50%	431550793	1	26.19
50% and above	–	–	–

Board of Directors' information

Board composition

The Board's composition is based on the Bank's Memorandum of Association and Articles of Association, and comprises 12 members. The Board represents a mix of high-level professional skills and expertise.

The representation of women on the Board is taken into consideration. There are currently two women directors as follows:

	Men Members	Women Members
Number	10	2
Percentage	83.3%	16.7%

Furthermore, in compliance with corporate governance requirements, the Board Committees consist of members with the appropriate professional experience. Consequently, the Board has five Independent Directors. The independence requirements are reviewed on an annual basis taking into consideration the CBB criteria and Board of Directors determination of the same. The Board periodically reviews its composition and the contribution of Directors and Committees.

The appointment of Directors is subject to CBB approval. The classification of Executive Directors, Non-executive Directors, and Independent Non-executive Directors follows the definitions stipulated by the CBB. The current term of the Board began in March 2020 and ends in March 2023. Directors are elected/appointed by the shareholders at the AGM. The election or re-election of a Director at the AGM is accompanied by a recommendation from the Board based on a recommendation from the Nomination, Remuneration and Governance Committee, with specific information such as biographical and professional qualifications and other directorships.

During 2022 a new director Mr. Aref Rahimi was inducted to replace Mr. Hani Al Maskati due to a change in one of the Bank controllers from Ithmaar Holding to Al Salam International.

Group Corporate Secretary

The Board is supported by the Group Corporate Secretary, who provides professional and administrative support to the General Assembly, the Board, its Committees, and members. The Group Corporate Secretary also assumes the responsibilities of the Group Corporate Governance Officer and in this context, supports the processes of performance evaluation for the Board, Board Committees, and individual Directors as well as the process of access to independent advice and other relevant issues on a Group level. The appointment of the Group Corporate Secretary is subject to the approval of the Board.

BBK's Group Corporate Secretary is Ahmed A. Qudoos Ahmed, who joined the Bank in 2009. His qualifications include a Bachelor of Science in Commerce in Engineering from the University of Bahrain in 1996. He is qualified in Board Secretarial practices from George Washington University. He has attended many advance training programmes in corporate governance both in Bahrain and abroad, accumulating over 26 years of experience in the financial sector.

Directors' roles and responsibilities

The Board of Directors approves and oversees the implementation of the Bank's strategic initiatives and its functioning within the agreed framework, in accordance with relevant statutory and regulatory structures. The Board ensures the adequacy of financial and operational systems and internal controls, as well as the implementation of corporate ethics and the Code of Conduct.

Corporate Governance Report (Continued)

The Board exercises its judgment in establishing and revising the delegation of authority for Board Committees and the Executive Management. This delegation may be for authorisation of expenditure, approval of credit facilities, or for other corporate actions. Such delegation may be approved and expressed under various policies of the Bank. The thresholds for the identified authorities depend upon the operating requirements of the Bank.

The issues of major capital expenditure, divestitures, mergers and acquisitions, and certain strategic investments are within the Board's authority.

Each Director holds the position for three years, after which he must present himself to the AGM for re-appointment. The majority of BBK Directors (including the Chairman and/or Deputy Chairman) are required to attend Board meetings to ensure a quorum. The Board Charter is published on the Bank's website.

Material transactions that need Board approval

Lending transactions to Directors, at a certain level of exposure, require Board approval. Credit and investment applications exceeding certain pre-defined exposure levels also require Board approval.

Similarly, related party transactions involving members of the Board require Board approval.

Independent professional assistance

The Bank has procedures approved by the Board for allowing Board members to obtain independent professional advice related to the affairs of the Bank or to their individual responsibilities as members, subject to approval by the Board.

Directors' induction

The Board is required to be up to date with current business, industry, regulatory, and legislative developments and trends that affect the Bank's business operations. Immediately after appointment, the Bank provides formal induction for a full day. Meetings are also arranged with the Executive Management.

Directors' professional development

A continuing awareness programme is essential and may take many forms, through the distribution of publications, workshops, presentations at Board meetings, and attendance at conferences encompassing topics on directorship, business, industry, and regulatory developments. In terms of the Training and Competency module of the CBB rulebook, each approved person (including members of the Board) is required to complete 15 hours of continued professional development. The full list of programs prepared for the Board of Directors of the Bank and its wholly owned subsidiaries during 2022 is disclosed in this report.

Board and Committee evaluation

The Board performs a self-evaluation process annually. The Board annually reviews its Charter and its own effectiveness, initiating suitable steps for any amendments. The Board will also review self-evaluations of individual Board members and the Board Committees and consider any recommendations arising out of such evaluation. The relevant policy is published on the Bank's website.

The recommendation emanating from the evaluation process during 2022 were as follows:

- Developing a follow-up process to what has been achieved in the strategy, and after discussion, the Board agreed to continue discussing the matter on a semi-annual basis, and the Management should present any important developments to the Board at any time.
- The Board emphasized on the importance of protecting the interests of minority shareholders and discussing matters that may concern them in the meeting of the Independent Directors Committee.
- The Board proposed to the major shareholders to nominate women for membership of the Board in the upcoming sessions in line with the Bank's framework for sustainability and the Bank's continued appointment of women who have proven their competence in the boards of directors of the Bank's subsidiaries and associates.
- Work on developing the Department of Compliance and Anti-Money Laundering and strengthening the team entrusted with this task due to the importance of this for the Bank.

Remuneration of Directors

The Bank has adopted a policy approved by the Board of Directors to apply to the Directors' remunerations and compensation for their involvement in the activities of the Board of Directors and its ad hoc, temporary and permanent committees. For details, please refer to the remuneration report.

Insurance coverage

The Bank provides personal accident insurance coverage for Board Members during travel on Bank assignments. The Bank also has a Directors and Officers liability insurance policy for Directors.

Whistle-blowing policy

The Bank has a whistle-blowing policy with designated officials that employees can approach. The policy provides protection to employees for any reports made in good faith. The Board's Audit and Compliance Committee oversees this policy. The whistle-blowing policy is published on the Bank's website.

Key persons (KP) policy

The Bank has established a KP policy to ensure that KP are aware of the legal and administrative requirements regarding the holding and trading of BBK shares, with the objective of preventing abuse of inside information. KP are defined to include the Directors, Executive Management, designated employees, and persons under guardianship or control of KP. The KP policy is entrusted to the Board's Audit Committee and posted on the Bank's website.

Code of Conduct

The Board has approved a Code of Conduct for BBK Directors and a Code of Ethics for the Executive Management and employees. These codes outline areas of conflict of interest, confidentiality, and the responsibilities of signatories to adhere to best practices. The high-level responsibility for monitoring the codes lies with the Board of Directors. The Directors' Code of Conduct is published on the Bank's website.

Relative recruitment/appointment policy

BBK has in place policies that govern the recruitment and appointment of relatives to the Bank and across its wholly-owned subsidiaries. The policies are:

1. Employment of relatives of first and second degrees are prohibited, whereas employment of relatives of third and fourth degree may be approved by the Executive Management provided it does not lead to a conflict of interest.
2. Employment of relatives at the Bank's wholly-owned subsidiaries of first and second degree are prohibited for senior managers and above. Any exception must be approved by the Group Chief Executive.
3. As part of the annual reporting, the Group Chief Executive must disclose to the Board those individuals who are occupying controlled functions and who are relatives of any other approved persons within the Bank and its wholly-owned subsidiaries.

Conflict of interest

The Bank has clear policies based on domestic laws and regulations and international best practices to deal with issues related to conflict of interest. This is also stipulated in the Directors Appointment Letters signed between the Board members and the Bank. These policies are posted on the Bank's website and reviewed periodically or whenever needed.

During Board meetings or Board committees and during discussions on topics related to credit applications, investment or other transactions where there may be conflict of interest, the concerned Board member is required to leave the meeting room and any correspondence or documents related to the application will not be sent to him/her. Decisions are made by the Board of Directors or its Committees without the presence of the member concerned and such transactions are recorded in the minutes of the Board meeting or its committees.

In addition, it is the responsibility of the member of the Board and he/she must immediately disclose to the Board that there is a conflict of interest related to his / her activities

and obligations with other parties and not to participate in the discussion and voting, and these disclosures include documents relating to contracts or transactions related to the member concerned.

Development programmes arranged for board members during 2022

1. Mergers and Acquisitions dated 30/01/2022
2. Cyber Resilience dated 22/02/2022
3. The Future of Decentralized Finance, dated 06/06/2022
4. Global Economic Outlook dated 28/07/2022
5. Managing climate related risks dated 11/09/2022
6. Operational Risk Management for Board and Senior Management dated 25/10/2022
7. Sustainable Banking and Financial Technology dated 06/12/2022

Number of development programme hours attended by board members, arranged by the Bank or otherwise:

Board members	Total no. of hours
Murad Ali Murad	20.5
Sh. Abdulla bin Khalifa bin Salman Al-Khalifa	34
Mohamed Abdulrahman Hussain	17.5
Aref Haider Rahimi	15
Jassem Hasan Ali Zainal	17.5
Sh. Khalifa bin Duaij Al Khalifa	17.5
Edrees Musaed Ahmad	20.5
Ashraf Adnan Bseisu	23
Mishal Ali Al Hellow	26.5
Naser Khaled Al Raee	27.5
Nour Nael Al Jassim	20.5
Ghaneya Mohsen Al Durazi	20.5

Environmental, Social and Governance (ESG)

With the global push towards broader sustainability, the Bank prioritises ESG initiatives according to identifiable and measurable targets to promote sustainable development within the Bank and throughout the Kingdom of Bahrain. For details, please refer to the sustainability review section in part 1.

In 2022, BBK further developed its Sustainability and ESG strategy to meet pressing community needs, support inclusive SME development, boost job creation, enhance customer services, support and develop our employees, and apply relevant corporate governance protocols.

BBK has aligned its priorities with the goals of Bahrain's National Vision 2030 to build a robust economy and a motivated and innovative society. We have also aligned our priorities with the United Nations Sustainable Development Goals (SDGs), a set of 17 areas spearheaded by the UN to end poverty, fight inequality, and tackle climate change.

Corporate Governance Report (Continued)

Disclosures relating to the Board of Directors

Directors' external appointments

Murad Ali Murad		
Chairman of the Board	Bahrain Kuwait Insurance Company B.S.C.	Kingdom of Bahrain
Chairman of the Committee	Nomination Remuneration and Governance Committee – Bahrain Kuwait Insurance Company B.S.C.	Kingdom of Bahrain
Deputy Chairman	Bahrain Institute of Banking and Finance (BIBF)	Kingdom of Bahrain
Chairman of the Committee	Audit and Risk Committee – Bahrain Institute of Banking and Finance (BIBF)	Kingdom of Bahrain
Chairman of the Board	Al Janabeya Company W.L.L. (Family company)	Kingdom of Bahrain
Sh. Abdulla bin Khalifa bin Salman Al Khalifa		
Chief Executive Officer	Osool Asset Management B.S.C.	Kingdom of Bahrain
Chairman	Securities and Investment Company (SICO) B.S.C.	Kingdom of Bahrain
Chairman	Bahrain Telecommunication Company (Batelco)	Kingdom of Bahrain
Board Member	Supreme Council for Youth and Sports	Kingdom of Bahrain
Mohamed Abdulrahman Hussain		
Vice-Chairman and Chairman of Executive Committee	Eskan Bank B.S.C.	Kingdom of Bahrain
Independent Board Member	A.M. Yateem Brothers W.L.L.	Kingdom of Bahrain
Aref Haider Ali Ismaeel Rahimi		
Chairman	Bahrain International Circuit Company W.L.L.	Kingdom of Bahrain
Chairman	BIC Holding Company B.S.C. (Closed)	Kingdom of Bahrain
Chairman, Chairman of Nomination & Remuneration Committee, Chairman of Executive Committee	Gulf Aluminium Rolling Mill Co. B.S.C. Closed (GARMCO)	Kingdom of Bahrain
Committee Member	Supreme Judicial Council – Ministry of Justice, Islamic Affairs and Waqf The Committee for Stalled Real Estate	Kingdom of Bahrain
Managing Partner	Masar Professional Services W.L.L.	Kingdom of Bahrain
Jassem Hasan Ali Zainal		
Vice Chairman and CEO	Arzan Financial Group for Financing and Investment	State of Kuwait
Chairman and CEO	Addax B.S.C. Closed	Kingdom of Bahrain
Board Member	Kuwait International Bank	State of Kuwait
Board Member	Miami International Securities Exchange L.L.C. (MIAX)	United States of America
Sh. Khalifa bin Duaij Al Khalifa		
President Adviser	Court of HRH the Crown Prince, the Prime Minister	Kingdom of Bahrain
Board Member	Crown Prince's International Scholarship Programme	Kingdom of Bahrain
Board Member	Isa Bin Salman Educational Charitable Trusts	Kingdom of Bahrain
Board Member	Palm Capital Company W.L.L.	Kingdom of Bahrain
Board Member	Arab Thought Foundation	Republic of Lebanon
Chairman	Bahrain Financial Markets Associations (ACI)	Kingdom of Bahrain
Chairman	Bahrain Middle East Bank	Kingdom of Bahrain
Edrees MUSAED Ahmad		
Manager	Marketable Securities Sector, European Equities Division Kuwait Investment Authority (KIA)	State of Kuwait

Ashraf Adnan Bseisu		
Group Chief Executive	Solidarity Group Holding Company B.S.C. (c)	Kingdom of Bahrain
Chairman	Solidarity First Insurance Company (P.L.C.)	Hashemite Kingdom of Jordan
Board Member	Solidarity Bahrain Company (B.S.C.)	Kingdom of Bahrain
Board Member	Aljazira Takaful Taawuni Co.	Kingdom of Saudi Arabia
Board Member	Bahrain Institute of Banking & Finance (BIBF)	Kingdom of Bahrain
Board Member	United Insurance Company B.S.C. (c)	Kingdom of Bahrain

Mishal Ali Al Hellow		
Board Member	Social Insurance Organization (SIO)	Kingdom of Bahrain
Board Member	Osool Asset Management B.S.C.	Kingdom of Bahrain
Chairman	Technology and Business Society	Kingdom of Bahrain

Naser Khaled Al Raee		
Executive Director-Internal Audit	Osool Asset Management B.S.C.	Kingdom of Bahrain

Nour Nael Al Jassim		
Acting Manager Fixed Income and Portfolios Division	Kuwait Investment Authority (KIA)	State of Kuwait

Dr. Ghaneya Mohsin Al Derazi		
Chief Executive Officer and founder of the company	Brands outlet village	United Arab Emirates

Directors and related parties' interests

The number of securities held by Directors was as follows:

Name of Director	Type of shares	31 December 2021	31 December 2022	Bonds*
Murad Ali Murad	Ordinary	1,557,427	1,713,169	–
Sh. Abdulla bin Khalifa bin Salman Al Khalifa	Ordinary	6,987	7,685	–
Jassem Hasan Ali Zainal	Ordinary	306,405	337,045	–
Mohamed Abdulrahman Hussain	Ordinary	206,054	226,659	–
Sh. Khalifa bin Duaij Al Khalifa	Ordinary	159,766	175,742	–

* No bonds held with other Directors.

Related parties

1. Al Janabeya Company W.L.L. (a family company owned by Mr Murad Ali Murad and his family) owns 1,545,105 shares, and is related to the Chairman of the Board.

Approval process for related parties' transactions

The Bank has a due process for dealing with transactions involving Directors and related parties. Any such transaction will require the approval of the Board of Directors.

Nature and extent of transactions with related parties

None.

Material contracts and loans involving Directors

Name of the Director	Relationship with Director	Purpose of loan	Amount of loan	Interest rate	Terms of payment of interest	Repayment of the principal	Security
Murad Ali Murad	Chairman	Personal banking needs	BD 400,000	Fixed deposit rate over 1% p.a.	On demand	On demand	100% cash collateral
Jassem Hasan Ali Zainal	Board Member	Personal banking needs	USD 66,000 BD 115,000	LIBOR + 3% BIBOR + 3%	On demand	On demand	Shares +FD is 123%

- Notes:
1. The materiality amount for such disclosures is considered above BD 100,000.
 2. 10 Board members hold CrediMax Credit cards with a total limit of BD 309,500 /- and outstanding amounts at 31 December 2022 of BD 118,886.623

Corporate Governance Report (Continued)

Directors' trading of BBK shares during 2022

There was no Directors trading of BBK shares during 2022

Board meetings

The Board of Directors meets at the summons of the Chairman (or Deputy Chairman in the event of his absence or disability) or, if requested to do so, by at least two Directors. The Board meets at least four times a year. A meeting of the Board of Directors is deemed valid if attended by more than half of the members.

Meetings of Independent Directors

Since 2012, the Board of Directors has held separate meetings for Independent Directors. In terms of the Board Charter, minority shareholders look to Independent Directors

for representation. For this purpose, regular Board meetings are preceded by a meeting of Independent Directors, unless the Independent Directors decide that there are no issues to discuss.

The agendas for these meetings are the same as those for the regular Board meetings. During these meetings the Independent Directors express their views about certain issues, especially those relating to minority shareholders. The summary of the proceedings of such meetings is recorded by the Group Corporate Secretary and shared with the Independent Directors and there is an Independent Directors' Committee.

Board meeting attendance

During 2022, 9 Board meetings were held in the Kingdom of Bahrain in the following manner:

Key: ● Attended × Absent □ was not a member during this period ⊖ did not attend due to conflict of interest.

Board meeting 2022

Members	Quarterly meetings				Other meetings				
	23 Feb	27 Apr	27 Jul	26 Oct	24 Mar*	28 Mar*	18 May*	13 Oct*	7 Dec
Murad Ali Murad	●	●	●	●	●	●	●	●	●
Sh Abdulla bin Khalifa bin Salman Al Khalifa	●	●	●	×	●	×	●	●	●
Mohamed Abdulrahman Hussain	●	●	●	●	●	●	●	●	●
Hani Ali Al Maskati	●	●	□	□	●	●	●	□	□
Jassem Hasan Ali Zainal	●	●	●	●	●	●	●	●	●
Sh Khalifa bin Duaij Al Khalifa	●	●	×	●	●	●	●	●	●
Edrees Musaed Ahmad	●	●	●	●	●	●	●	●	●
Ashraf Adnan Bseisu	●	●	□	●	●	●	●	●	●
Mishal Ali Al Hellow	●	●	●	●	●	●	●	●	●
Naser Khaled Al Raei	●	●	●	●	●	●	●	●	●
Ghaneya Mohsen Al Durazi	●	●	●	●	●	●	●	●	●
Nour Nael Al Jassim	●	●	●	●	●	●	●	●	●
Aref Haider Ali Ismaeel Rahim	□	□	□	●	□	□	□	●	●

* Unscheduled meeting

Major issues discussed by the Board during 2022

(Subjects that fall under the Board Committees' scope are recommended by the respective Committee for the Board's approval.)

Date of meeting	Subject
23/02/2022	<ol style="list-style-type: none">1. Year end 2021 financials as announced earlier and appropriations2. Reviewing the Bank's Corporate Governance Report3. Review of Employee related matters4. Review some of Bank policies5. Business Continuity exercises reports
24/03/2022	Performance of Bank Branches in the Republic of India
28/03/2022	<ol style="list-style-type: none">1. Board and Board Committees' Composition that is done after the AGM on annual basis2. Business Continuity Report 20213. Management Objectives 2022
27/04/2022	<ol style="list-style-type: none">1. Review Of Stressed Credit Exposures2. Q1 2022 financials3. Investment strategy for 2022
18/05/2022	Discussing matters relating to the Bank's overseas branches
27/07/2022	<ol style="list-style-type: none">1. Q2 and half yearly 2022 financials2. Reviewing a number of Bank policies3. Reviewing the Bi-Annual Investment performance4. Reviewing a number of external validation reports requested by the regulatory body
13/10/2022	Follow-up on the Bank's Strategy 2022-2024
26/10/2022	<ol style="list-style-type: none">1. Q3 2022 financials2. Reviewing a number of Bank risk policies3. Reviewing a number of policies related to Human Resources
07/12/2022	<ol style="list-style-type: none">1. Operating Budget 20232. Reviewing policies related to Human Resources

Board committees

Board Committees are formed and their members appointed by the Board of Directors each year, after the AGM. They are considered the high-level link between the Board and the Executive Management. The objective of these Committees is to assist the Board in supervising the operations of the Bank by reviewing any issues that are submitted by the Executive Management and making recommendations to the Board for their final review.

The Board reserves the right to form temporary committees and discontinue them from time to time, as necessary.

Members of the Board are provided with copies of the meeting minutes of the committees, as required by the regulators. During 2022, the Board ad-hoc committee was established by the Board to study mergers and acquisitions opportunities in general. The terms of reference for the Board committees (Executive; Audit and Compliance; Nomination, Remuneration and Governance; Risk; and Independent Members) are available on the Bank's website. There were no significant issues pertaining to the work of the Board Committees during 2022.

Corporate Governance Report (Continued)

Board Committees' composition, roles and responsibilities

Executive Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
<p>Mohamed Abdulrahman Hussain Chairman (Independent)</p> <p>Sh. Abdulla bin Khalifa bin Salman Al Khalifa Deputy Chairman</p> <p>Ashraf Adnan Bseisu Member</p> <p>Mishal Ali Al Hellow Member</p> <p>Nour Nael Al Jassim Member</p>	<ul style="list-style-type: none"> No fewer than five members are appointed for a one-year term. Minimum number of meetings required each year: eight (actual meetings in 2022: 10) The Chairman and Deputy Chairman must be a Director and elected by the members of the Committee in the first meeting following the appointment of its members. The quorum shall be more than half of the members and must include the Chairman or the Deputy Chairman; attendance by proxies is not permitted. The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. The Committee conducts an annual self-assessment of the performance of the Committee/members, and reports conclusions and recommendations to the Board. 	<p>Reviews, approves and directs the executive management on matters raised to the Board of Directors such as business plans, donations, credit/investment applications, and such other proposals within its authority, and the periodic review of the Bank's achievements.</p>

Audit and Compliance Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
<p>Murad Ali Murad Chairman (Independent)</p> <p>Jassem Hasan Ali Zainal Deputy Chairman (Independent)</p> <p>Sh. Khalifa bin Duaij Al Khalifa Member (Independent)</p> <p>Edrees Musaed Ahmad Member</p>	<ul style="list-style-type: none"> The Board appoints no fewer than four members for a one-year term. The Chairman must be elected by the members of the Committee, from among the Independent non-Executive Directors in its first meeting after the appointment of the members; the majority of members should also be independent. Minimum number of meetings required each year: four (actual meetings in 2022: 5). Quorum shall be more than half of the members and must include the Chairman; attendance by proxies is not permitted. The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. The Committee conducts an annual self-assessment of the performance of the Committee/members, and reports conclusions and recommendations to the Board. To review the effectiveness of the Bank's system for monitoring compliance with relevant laws and regulations and the measures taken by the Management. 	<p>Reviews the internal audit programme and internal control system; considers major findings of internal audit reviews, investigations, and management's response. Ensures coordination among internal and external auditors. Monitors trading activities of key persons and ensures prohibition of the abuse of inside information and disclosure requirements. Approves and periodically reviews the Internal Audit Charter, which defines the purpose, authority, responsibilities and other aspects of internal audit activity. The Internal Audit Charter is available to internal and external stakeholders on request addressed to the Board Secretary.</p>

Nomination, Remuneration and Governance Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
<p>Murad Ali Murad Chairman (Independent)</p> <p>Sh. Khalifa bin Duaij Al Khalifa Deputy Chairman (Independent)</p> <p>Edrees Musaed Ahmad Member</p> <p>Mohamed Abdulrahman Hussain Member (Independent)</p>	<ul style="list-style-type: none"> The Board appoints no fewer than three members for a one-year term. The Chairman is an Independent Director and the majority of members should also be independent. The Chairman and the Deputy Chairman must be elected by members of the Committee in its first meeting after the appointment of the members. Minimum number of meetings required each year: three (actual meetings in 2022: 6). Quorum shall be more than half of the members and must include the Chairman or the Deputy Chairman; attendance by proxies is not permitted. The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. The Committee conducts an annual self-assessment of the performance of the Committee/members, and reports conclusions and recommendations to the Board. 	<p>Assess, evaluate and advise to the Board on all matters associated with nominations and remunerations of Directors and Executive Management. Also, ensure that the Bank adopts and enhances sound corporate governance practices, which are consistent with the Corporate Governance Code of the Kingdom of Bahrain and the regulatory requirements, and which also reflect best market practices in corporate governance, and makes recommendations to the Board as appropriate.</p>

Risk Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
Jassem Hasan Ali Zainal Chairman (Independent) Hani Ali Al Maskati Deputy Chairman (until 7-7-2022) Ghaneya Mohsen Al Durazi Member Naser Khaled Al Raei Member Sh. Khalifa Bin Duaij Al Khalifa Member (Independent) Aref Haider Ali Ismaeel Rahim Member (since 26-10-2022)	<ul style="list-style-type: none"> At least four members are appointed for a one-year term. The Chairman and Deputy Chairman must be a Director and elected by the members of the Committee in its first meeting following the appointment of its members. Minimum number of meetings required each year: 4 (actual meetings in 2022: 4). The quorum shall be more than half of the members and must include the Chairman or the Deputy Chairman; attendance by proxies is not permitted. The Chairman or Deputy Chairman shall be available at the AGM to answer questions relating to the Committee's functions. The Committee conducts an annual self-assessment of the performance of the Committee/members and reports conclusions and recommendation to the Board. 	Reviews risk policies and recommends to the Board for approval. Also examines and monitors the risk issues to the Bank's business and operations and directs the management appropriately.

Independent Directors Committee

Members	Summary terms of reference, roles and responsibilities	Summary of responsibilities
Murad Ali Murad (Independent) Jassem Hasan Ali Zainal Member (Independent) Sh. Khalifa bin Duaij Al Khalifa Member (Independent) Mohammed Abdulrahman Hussain Member (Independent) Ghaneya Mohsen Al Durazi Member (Independent)	<ul style="list-style-type: none"> The Committee comprises Independent Directors. The Committee meets at least once a year. The meetings are attended by Independent Directors and the Group Corporate Secretary only. Attendance should be in person. The Committee discusses issues on the Board agenda according to its terms of reference. 	Provides independent views on certain issues, especially pertaining to minority shareholders.

Note: The full text for the Board Committees' terms of reference is available on the bank's website www.bbkonline.com

Board Committee meetings and record of attendance

Key: ● Attended × Absent □ was not a member during this period ⊖ did not attend due to conflict of interest.

Executive Committee meetings in 2022

	15 Feb*	13 Mar	19 Apr	29 May*	5 Jun*	19 Jul	24 Aug	4 Sep	5 Oct	27 Nov
Mohamed Abdulrahman Hussain	●	●	●	●	●	●	●	●	●	●
Sh. Abdulla bin Khalifa bin Salman Al Khalifa	●	●	●	●	●	●	●	●	●	●
Ashraf Adnan Bseisu	●	●	●	●	●	□	●	●	●	●
Mishal Ali Al Hellow	●	●	●	●	●	●	●	●	●	●
Nour Nael Al Jassim	●	×	●	●	●	●	●	●	●	●

* Unscheduled meeting

Audit and Compliance Committee meetings in 2022

Members	16 Feb	2 Mar *	20 Apr	20 Jul	19 Oct
Murad Ali Murad	●	●	●	●	●
Jassem Hasan Ali Zainal	●	●	●	●	●
Sh. Khalifa bin Duaij Al Khalifa	●	●	●	×	●
Edrees Musaед Ahmad	●	●	●	●	●

* Unscheduled meeting

Nomination, Remuneration and Governance Committee meetings in 2022

Members	2 Feb*	16 Feb	27 Feb	21 Jun*	6 Sep*	18 Oct
Murad Ali Murad	●	●	●	●	●	●
Sh. Khalifa bin Duaij Al Khalifa	●	●	●	●	×	●
Mohamed Abdulrahman Hussain	●	●	●	●	●	●
Edrees Musaед Ahmed	●	●	●	●	●	●

* Unscheduled meeting

Corporate Governance Report (Continued)

Risk Committee meetings in 2022

Key: ● Attended × Absent □ was not a member during this period ○ did not attend due to conflict of interest.

Members	15 Feb	24 Apr	20 Jul	19 Oct
Jassem Hasan Ali Zainal	●	●	●	●
Hani Ali Al Maskati	●	●	□	□
Naser Khaled Al Raee	●	●	●	●
Ghaneya Mohsen Al Durazi	●	●	●	●
Sh. Khalifa Bin Duaij Al Khalifa	●	●	×	●

Independent Directors' Committee meetings in 2022

Members	23 Feb
Murad Ali Murad	●
Jassem Hasan Ali Zainal	●
Sh. Khalifa bin Duaij Al Khalifa	●
Mohamed Abdulrahman Hussain	●
Ghaneya Mohsen Al Durazi	●

Notes: The full text of the Board Committees are published on the bank's website www.bbkonline.com.

Other meetings

Mr Murad Ali Murad, Chairman of the Board, attended the periodical CBB prudential meetings on 17 February 2022 and Mr Mohamed A. Rahman Hussain, Board Member, attended the same on 17 November 2022

Shariah Supervisory Board disclosures

In 2016, the Bank established a Shariah Supervisory Board as the Bank conducts some of its transactions according to the Islamic Shariah and must ensure that these transactions are within Shariah standards and norms as required by the regulatory authority in the Kingdom. The AGM in its meeting on 24 March 2020 approved forming the Shariah Supervisory Board and nomination of its members for three renewable years. The Shariah Supervisory Board members and the meetings during 2022 are as follows:

Shariah Supervisory Board attendance in 2022

Members	31 May	29 Nov	12 Dec
Dr. Osama Bahar (Chairman)	●	●	●
Sh. Abdunasser Al Mahmood (Member)	●	●	●
Dr. Adel Al Marzooqi (Member)	●	●	●

Communication strategy

The Bank has an open policy on communication with its stakeholders, and has adopted a communication disclosure policy consistent with Basel II requirements. Shareholders are invited by the Chairman to attend the AGM. The Chairman and other Directors attend the AGM and are available to answer any questions. The Bank is at all times mindful and conscious of its regulatory and statutory obligations regarding dissemination of information to its stakeholders.

The Bank provides information on all events that merit announcement, either on its website – www.bbkonline.com – or through other forms of publication. The Bank's annual

report and three years' financial statements are also published on the website, as well as the Bank's Corporate Governance Report, Corporate Governance Framework, Whistle-Blowing Policy, Board Charter, Code of Conduct, Key Persons' Dealing Policy, and Terms of Reference of all Board Committees. Shareholders can complete an online form, which can be found on the website, to forward any queries they may have.

The Bank uses a bulletin board for communicating with its employees on general matters, and sharing information of common interest and concern.