

CORPORATE GOVERNANCE REPORT TO SHAREHOLDERS – 2020

Corporate Governance Framework

Bahrain Islamic Bank B.S.C. (“BisB” or the “Bank”) is committed to upholding the highest standards of corporate governance by way of balancing entrepreneurship, regulatory compliance, and industry best practices, while creating value for all stakeholders. It also involves having the right checks and balances in place throughout the organization to ensure that the Bank’s processes are within an adequate, efficient, and robust internal control and governance framework.

Statement of Responsibility

The Board of Director (the “Board”) is ultimately accountable to the shareholders for the creation and delivery of strong sustainable financial performance and long-term shareholder value through strategic initiatives. The Chairman is responsible for leading the Board, ensuring its effectiveness, monitoring the performance of the Executive Management and maintaining a dialogue with the Bank’s shareholders. The Board has established the following Committees to assist it in carrying out its responsibilities:

1. Executive Committee* (“EC”);
2. Audit Committee (“AC”);
3. Nomination, Remuneration and Governance Committee (“NRGC”); and
4. Board Risk and Compliance Committee (“BRCC”).

*The responsibilities of the Board’s Credit Committee have been enhanced and accordingly the committee has been renamed to EC during 2020. Moreover, the Board’s compliance and governance oversight responsibility were transferred to BRCC and NRGC respectively.

BisB’s corporate governance framework is built on a code of business conduct, policies, procedures, internal controls, risk management, Shari’a review and audit, internal and external audit and compliance functions. The framework is based on effective communications, transparent disclosures, performance measurement and accountability. An independent Internal Audit function is established within the Bank that reports directly functionally to the AC.

Code of Business Conduct

BisB conducts its business in accordance with the highest standards of ethical behavior. A Code of Business Conduct has been developed, based on the Central Bank of Bahrain (“CBB”) Principals of Business regulations, to govern the personal and professional conduct of the directors and employees of the Bank. The code is based on the following principals:

1. Integrity
2. Conflicts of Interest
3. Due Skill, Care and Diligence
4. Confidentiality
5. Market Conduct
6. Customer Assets
7. Customer Interests
8. Relations with Regulators
9. Adequate Resources
10. Management, System and Controls

The requirements under each of the above principals are made available to the Board and employees of the Bank. The Board monitors any exceptions to the above principals by way of reviewing formal reports issued to the Board’s AC.

Compliance

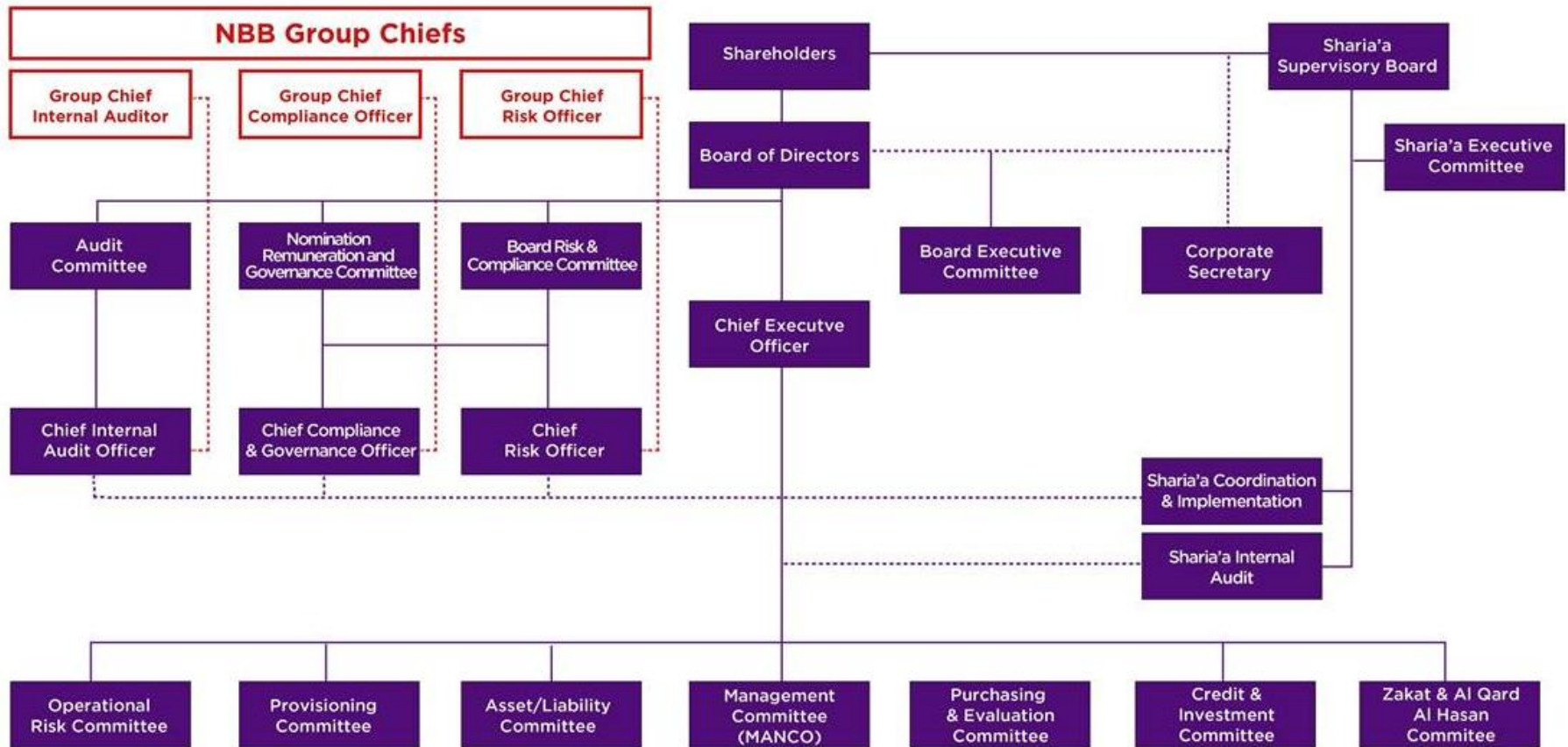
Compliance is an independent function that reports to the BRCC. The Compliance function, guided by the Board approved policies, works with various business and controlled functions of the Bank to ensure compliance with the applicable rules and regulations of the CBB.

Given the digital business strategy of the Bank, as well as the expanding regulatory scrutiny and enforcement, the Compliance & Governance Department of the Bank is keeping up with the digital advancements by also taking on an active role in directly participating in the risk management process.

Communications

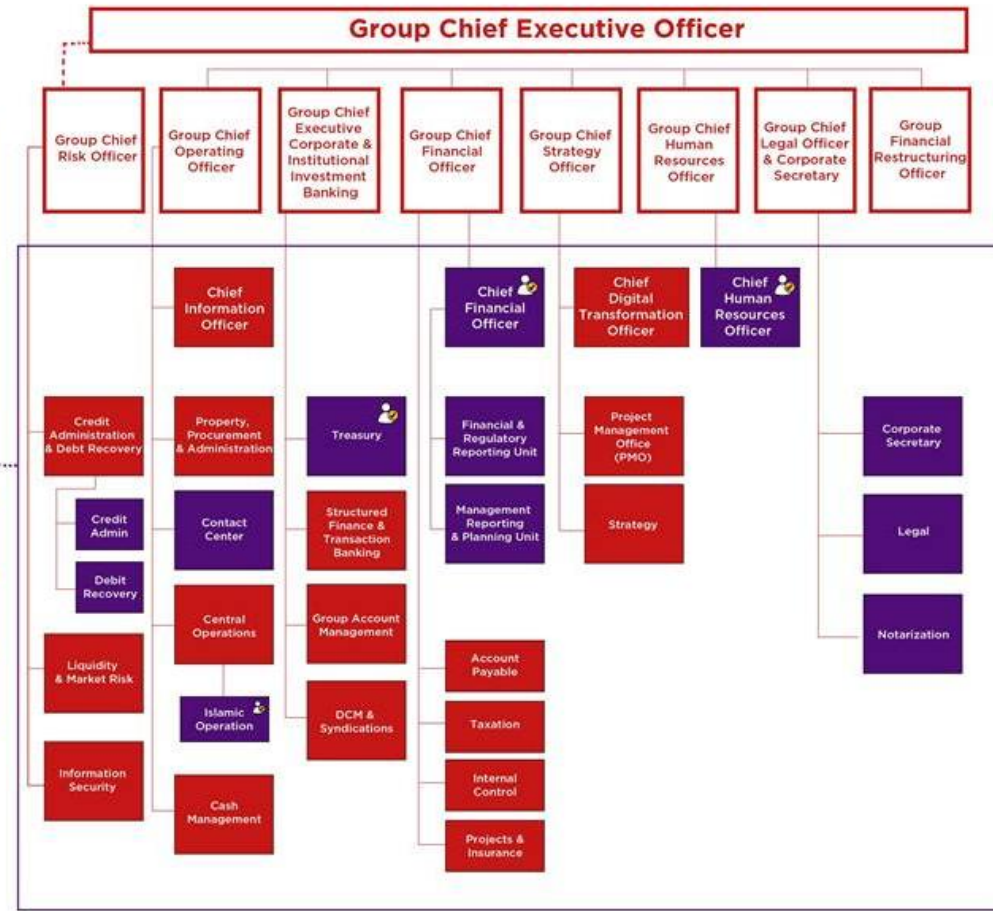
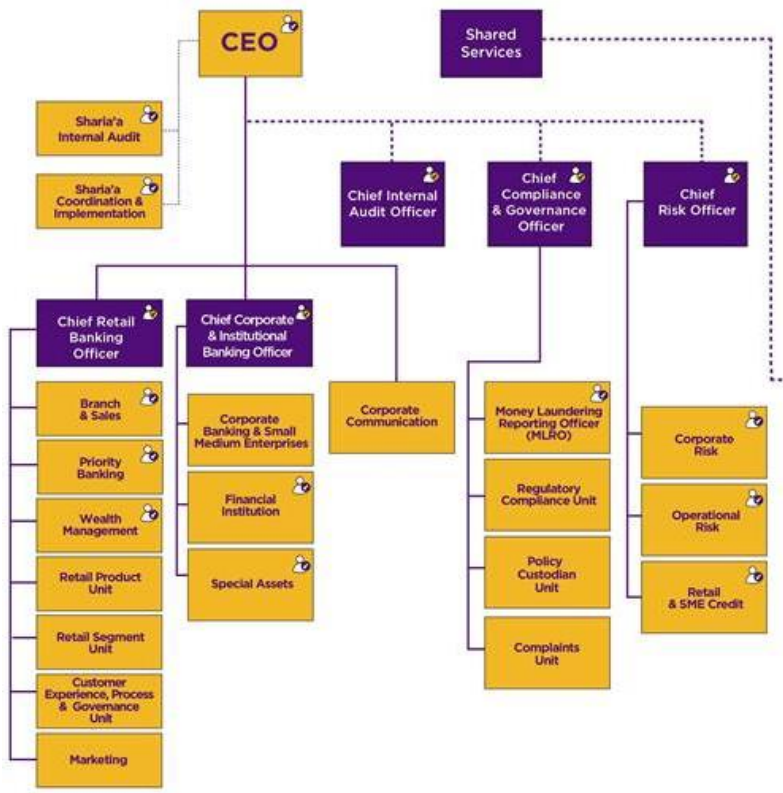
BisB conducts all communications with its stakeholders in a professional, honest, transparent, understandable, accurate and timely manner. Main communication channels include the annual report, website, and regular announcements in the appropriate local media.

Governance Structure



Bank's Structure

BisB Management Organization Structure Group Shared Services



Centralized Function
Centralized Function with BisB Team (as per Approved Group Structure)
BisB Approved Person

Board of Directors

Composition

No.	Director	Designation	Start Date	Term
1.	Dr. Esam Abdulla Fakhro	Non-Executive & Non-Independent	23 rd March 2016	Second
2.	Mr. Khaled Yusuf AbdulRahman	Non-Executive & Non-Independent	23 rd March 2016	Second
3.	Mr. Jean Christophe Durand	Executive Director	05 th February 2020	First
4.	Mr. Khalid Abdulaziz Al Jassim	Non-Executive & Independent	21 st March 2019	First
5.	Mr. Mohammed Abdulla Al Jalahama	Non-Executive & Independent	21 st March 2019	First
6.	Mr. Marwan Khaled Tabbara	Non-Executive & Independent	21 st March 2019	First
7.	Mr. Mohammed Abdulla Nooruddin	Non-Executive & Independent	21 st March 2019	First
8.	Mr. Yaser Abduljalil Alsharifi	Executive Director	05 th February 2020	First
9.	Ms. Dana Abdulla Buheji	Executive Director	05 th February 2020	First
10.	Mr. Isa Hasan Maseeh	Executive Director	19 th April 2020	First
11.	<i>Gen. Ebrahim Abdulla Al Mahmood (27th January 2020)</i>	Non-Executive & Non-Independent	28 th May 2017	-
12.	<i>Muhammad Zarrug Rajab (Until 27th January 2020)</i>	Non-Executive & Non-Independent	23 rd March 2016	-
13.	<i>Abdulla Ahmed Kamal (Until 27th January 2020)</i>	Non-Executive & Non-Independent	21 st March 2019	-

The detailed profiles of the Board members are available on the Bank's website.

Board of Directors' Responsibilities

The primary responsibility of the Board of Directors is to provide effective governance over the Bank's affairs for the benefit of its stakeholders and to balance the interests of its diverse constituencies, including associated concerns, employees, and other stakeholders. In all actions taken by the Board, the Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Bank.

The Board will approve and oversee the implementation of the Bank's strategies and will review and approve the Bank's strategic plan. As part of its strategic review process the Board will review major action and business plans, set performance objectives, and oversee major investments, divestitures, and acquisitions. The Board is also ultimately responsible to ensure effective risk management function, regulatory compliance, adequate internal controls as well as compliance with Sharia rulings. Every year, at an annual Board strategy session, the Board will formally reassess the Bank's objectives, strategies and plans.

One of the Board's most important responsibilities is identifying, evaluating and selecting candidates for the Board of

Directors. The Board will seek members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have had experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated and be selected based upon the contributions they can make to the Board.

The Board may not necessarily carry out all these responsibilities but should ensure that these have been delegated to various board committees or executive management committees to act on their behalf and communicate periodic reports to the Board for their review.

Induction of New Directors

The Bank provides an orientation program for new Directors which includes presentations by senior management on the Bank's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its operations, its Code of Conduct, its management structure and executive officers and its internal and external auditors.

Code of Conduct

The Bank adopts a Code of Conduct and other internal policies and guidelines to comply with the laws, rules and regulations that govern the Bank's business operations. The Code of Conduct applies to all employees of the Bank as well as to Directors.

Review of Internal Control Processes and Procedures

The Audit Committee assists the Board in fulfilling its oversight responsibility relating to the performance of the internal audit function, which regularly reviews and ensures adherence to internal control processes and procedures.

Board Membership

The Board of Directors' membership term is three years, subject to renewal. Shareholders owning 10% or more of the share capital must nominate a representative on the Board of Directors in proportion to the number of Board members. A secret ballot is held at the Ordinary General Meeting for the remaining Board members. The Board of Directors elect, by a secret ballot, a Chairman and Vice Chairman for a renewable term of three years.

Membership of the Board of Directors can be terminated in the following cases:

- If a member fails to attend at-least 75% of the meetings without a reasonable excuse;
- If he/she tenders his resignation in writing;
- If he/she fails to fulfill any related conditions referred to the Bank's Articles of Association;
- If he/she is appointed or elected in violation of the provisions of the CBB Law and/or Bahrain Commercial Companies Law;
- If he/she abuses his membership for carrying on other business that competes with or is detrimental to the Bank's business; or
- If the shareholder who nominates himself/herself applied for his/her removal.

Board Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	11-Feb-20	20-Apr-20	21-May-20	20-Jul-20	25-Oct-20	26-Nov-20
Dr. Esam Abdulla Fakhro	✓	✓	✓	✓	✓	✓
Mr. Khalid Yousif Abdul Rahman	✓	✓	✓	✓	✓	✓
Mr. Jean Christophe Durand	✓	✓	✓	✓	✓	✓
Mr. Mohamed Abdulla Nooruddin	✓	✓	✓	✓	✓	✓
Mr. Khalid Abdulaziz Al Jassim	✓	✓	✓	✓	✓	✓
Mr. Mohammed Abdulla Al Jalahma	✓	✓	✓	✓	✓	✓
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	✓
Mr. Yaser Abduljalil Alsharifi	✓	✓	✓	✓	✓	✓
Ms. Dana Abdulla Buheji	✓	✓	✓	✓	✓	✓
Mr. Isa Hasan Maseeh (Elected on April 19 th , 2020)	-	✓	✓	✓	✓	✓

✓ Participated via phone/video link

Board Committees' Members

Board Committee	Members	Objectives
Executive Committee (EC)	Mr. Jean Christophe Durand Chairman Members • Khalid Yousif Abdul Rahman • Mr. Yaser Abduljalil Alsharifi • Mr. Hassan Amin Jarrar (<i>non-voting member</i>)	The EC assist the Board of Directors in fulfilling their responsibilities with regards to financing and investments activities, as well as any other matters not delegated to a specific Board Committee. Accordingly, the EC is empowered to approve specific credit and investment proposals, review budgets, plans and major initiatives for eventual submission to the Board for approval, and to monitor the Bank's performance against business plan objectives.
Audit Committee (AC)	Khalid Abdulaziz Al Jassim Chairman Members • Mohammed Abdulla Al Jalahma • Mr. Isa Hasan Maseeh	The AC oversees the integrity and reporting of the Bank's quarterly and annual financial statements. It also covers review of audit findings, provisions, and impairments.
Nomination, Remuneration and Governance Committee (NRGC)	Dr. Esam Abdulla Fakhro Chairman Members • Mohamed Abdulla Nooruddin • Marwan Khaled Tabbara • Ms. Dana Abdulla Buheji	The NRGC is responsible for developing and recommending changes from time to time in the Bank's nomination and remuneration policy, including the variable payment policy. It is also entrusted to identify and recommend persons occupying senior positions including board members. Furthermore, the committee also oversee Bank's governance related matters.
Board Risk and Compliance Committee (BRCC)	Marwan Khaled Tabbara Chairman • Mohamed Abdulla Nooruddin • Khalid Abdulaziz Al Jassim	The BRCC is formed to assist the Board of Directors in fulfilling their regulatory as well as fiduciary responsibilities towards the stakeholders. Furthermore, the Committee also oversee compliance with legal and regulatory requirements.

Executive Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	01-Apr-20	23-Jun-20	29-Sep-20	22-Nov-20
Mr. Jean Christophe Durand	✓	✓	✓	✓
Mr. Khalid Yousif Abdul Rahman	✓	✓	✓	✓
Mr. Yaser Abduljalil Alsharifi	✓	✓	✓	✓
Mr. Hassan Amin Jarrar (<i>non-voting member</i>)	✓	✓	✓	✓

✓ Participated via phone/video link

Audit Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	11-Feb-20	01-Mar-20	09-Mar-20	11-May-20	14-May-20	19-Jul-20	17-Sep-20	22-Oct-20	20-Dec-20
Mr. Khalid Abdulaziz Al Jassim	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohammed Abdulla Al Jalahma	✓	✓	✓	✓	✓	✓	✓	✓	x
Mr. Marwan Khaled Tabbara*	✓	-	-	-	-	-	-	-	-
Mr. Mohammed Abdulla Nooruddin*	-	✓	✓	-	-	-	-	-	-
Mr. Isa Hasan Maseeh	-	-	-	✓	✓	✓	✓	✓	✓

✓ Participated via phone/video link

*Due to the end of Mr. Abdulla Ahmed Kamal's membership, Mr. Marwan Khaled Tabbara and Mr. Mohammed Abdulla Nooruddin were temporarily inducted to meet the minimum quorum requirement.

Nomination, Remuneration and Governance Committee Meetings and Attendance

Minimum Number of Meetings Required = 2

Members	11-Feb-20	23-Feb-20	06-Jul-20	09-Nov-20
Dr. Esam Abdulla Fakhro	✓	✓	✓	✓
Mr. Mohamed Abdulla Nooruddin	✓	✓	✓	✓
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓
Ms. Dana Abdulla Buheji (inducted in the 3 rd meeting)	-	-	✓	✓

✓ Participated via phone/video link

Board Risk and Compliance Committee Meetings and Attendance

Minimum Number of Meetings Required = 4

Members	23-Jan-20	05-Feb-20	27-Feb-20	30-Mar-20	07-May-20	25-Jun-20	23-Jul-20	16-Aug-20	13-Sep-20	05-Nov-20	10-Dec-20
Mr. Marwan Khaled Tabbara	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mohamed Abdulla Nooruddin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Khalid Abdulaziz Al Jassim	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Isa Hasan Maseeh	-	-	-	-	✓	✓	✓	✓	✓	✓	✓

✓ Participated via phone/video link

Evaluation of the Board and Each Committee

The NRCG carried out an evaluation of the Board and its Committees through the distribution of questionnaires to each Board member, followed by an assessment of the Committees and Members. The Committee expressed its satisfaction with the positive results.

Board of Directors Remuneration and Sitting Fees

The Board of Directors are paid an annual remuneration as approved by the shareholders at the Ordinary General Meeting. While the amount of the remuneration is not directly linked to the performance of the Bank, factors such as the Bank's performance, industry comparison and the time and effort committed by the Directors to the Bank, are considered for determining the total remuneration. In addition, Directors are paid sitting fees for attending the various subcommittees of the Board of Directors. Non-resident directors are also entitled to travel expenses. Further details on the remunerations paid to Board as well as Senior Management are available under the remuneration disclosures of the annual report.

Shari'a Supervisory Board

Objective

The main objective of Shari'a Supervisory Board is to advise the Bank on any Shari'a matter and to ensure compliance with the Shari'a tenets and requirements in their operations. The Shari'a Supervisory Board is entrusted with the duty of directing, reviewing, and supervising the activities of the Bank in order to ensure that the Bank is in compliance with Shari'a rules and AAOIFI. The profiles of the Shari'a Supervisory Board are available on the Bank's website.

The Shari'a Supervisory Board has established a Shari'a Coordination & Implementation function to assist the Bank in its day to day management of business. The Sharia Supervisory Board has also established an independent Internal Shari'a Audit function that reports any exceptions to the Shari'a fatwas and guidelines.

Shari'a Board Meetings

Members	04-Mar-20	17-Jun-20	14-Sep-20	23-Nov-20	26-Nov-20*
Sh. Dr. Abdul Latif Al Mahmood	✓	✓	✓	✓	✓
Sh. Mohammed Al Juffairi	✓	✓	✓	✓	✓
Sh. Adnan Al Qattan	✓	✓	✓	✓	✓
Sh. Dr. Nedham Yacoubi	✓	✓	✓	✓	✓
Sh. Dr. Essam Al Enizi	✓	✓	✓	✓	✓

* With Board of Directors

Executive Management

The management structure that clearly defines roles, responsibilities, and reporting lines, is available in the annual report of the Bank. Within the management structure there are separate committees responsible to meet on a regular basis to discuss and decide on the various strategic and tactical issues within their respective areas.

Name & Designation	Profession	Experience in years	Qualification
Hassan Amin Jarrar Chief Executive Officer	Banking	32	BSc in Finance from California State University, San Jose.
Wesam A.Aziz Baqer Chief Corporate & Institutional Banking Officer	Banking	19	MSc (Economics) in Finance and Investment Management from the University of Aberdeen, Scotland. BS in Business Administration from the University of Bahrain. Certified Financial Adviser (CeFA).
Dalal Ahmed Al Qais Chief Retail Banking Officer	Banking	19	MBA in Finance from AMA University. BSc in Business Management from the University of Bahrain.
Ameer Abdul Ghani Dairi Chief Financial Officer	Accounting	21	CPA from New Hampshire Board of Accountancy. Certified Management Accountant (CMA) licensed by the Chartered Institute of Management Accountants, USA. BSc in Accounting from University of Bahrain.
Fahim Ahmed Shafiqi Chief Risk Officer	Banking	22	Diploma in Islamic Finance (CDIF). MBA from University of Warwick, UK.
Eman Ali Abdulla Ebrahim Head of Central Operations	Banking	24	Associate Diploma in Accounting, University of Bahrain
Hussain Ebrahim Al Banna Head of Treasury	Banking	17	BSc in Banking & Finance from the University of Bahrain. Treasury and Capital Markets Diploma, BIBF.
Afnan Ahmed Saleh Chief HR & Administration Officer	Human Resources	20	SHRM Senior Certified Professional (SHRM-SCP) in 2015 MBA University of Strathclyde in 2006
Mahmood Qannati Chief Marketing & Corporate Communication Officer (Resigned in November-2020)	Marketing	20	MSc in Computer Based Information Systems from the University of Sunderland. BSc in Marketing from the University of Bahrain.
Osama Ali Nasr Chief Information Officer	Information Technology	23	MSc in Information Systems Management from the University of Liverpool. BSc in Computer Science from Al-Isra University, Jordan.
Mazar Rashed Jalal Chief Compliance & Governance Officer	Banking	20	BSc in Accounting from the University of Bahrain. International Compliance Associate Diploma from UK. Diploma in Islamic Banking and Insurance from UK, Wales.
Mohammed Ayada Mattar Money Laundering Reporting Officer	Banking	16	Masters in Finance from AMA International University. Certified Anti-Money Laundering Specialist. Diploma in Governance, Risk & Compliance from International Compliance Association.
Maisa Jawdat Shunnar Chief Strategy Implementation & Transformation Officer	Strategy Implementation & Transformation	21	BSc in Business Administration majoring in Computer Information Systems from University of Houston (Texas, USA).

Name & Designation	Profession	Experience in years	Qualification
			Masters of Business Communication & Leadership, Jones International University, Colorado, USA.
Hamad Farooq Al- Shaikh Head of Sharia Coordination & Implementation	Banking	16	Masters of Sharia at ALEmam ALAwzaie University in Lebanon Chartered Islamic Finance Professional Advanced Diploma in Islamic Commercial Jurisprudence Bachelors Degree in law and Sharia from Qatar University
Eman Mohammed AlBinghadeer Head of Internal Sharia Audit	Banking	16	Professional Diploma in Sharia Auditing – CIBAFI. CSIA – Certified Specialist in Islamic Accounting – CIBAFI. CIB – Certified Islamic Banker – CIBAFI. CSAA – Certified Sharia Adviser and Auditor – AAOIFI. Diploma in Computing and Business Studies – Bournemouth University and Technology Centre – UK.
Khaled Waheeb Al Naser Chief Internal Audit Officer	Auditing and Banking	14	Certified Public Accountant - CPA Certified Internal Auditor - CIA Certified Islamic Professional Accountant - CIPA BSC Managerial Accounting – NYIT CGMA – AICPA/ CIMA COSO Internal Control - COSO

Management Committees

Committee(s)	Members	Objectives
Management Committee (MANCO)	Hassan Amin Jarrar Chairman Members • Wesam A. Aziz Baqer • Dalal Ahmed Al Qais • Ameer Abdul Ghani Dairi • Fahim Ahmed Shafiqi • Eman Ali Abdulla Ebrahim • Afnan Ahmed Saleh • Osama Ali Nasr • Mazar Rashed Jalal • Maisa Jawdat Shunnar	MANCO is the highest management body that reviews the Bank's strategy implementation. In addition, the committee also plays a significant role in establishing the policies, procedures and frameworks covering risk management, compliance, retail and corporate banking. The Committee also monitors the performance of business, support and control functions of the Bank.
Asset & Liability Committee (ALCO)	Ameer Abdul Ghani Dairi Chairman Members • Hassan Amin Jarrar • Dalal Ahmed Al Qais • Fahim Ahmed Shafiqi • Hussain Ebrahim Al Banna • Wesam A. Aziz Baqer	The purpose of Asset & Liability Committee is to act as a decision-making body and guiding force responsible for balance sheet planning from risk return perspective, including strategic management of yield and liquidity risks.
Credit & Investment Committee (C&I)	Hassan Amin Jarrar Chairman Members • Ameer Abdul Ghani Dairi • Wesam A. Aziz Baqer • Dalal Ahmed Al Qais	C&I determines the Credit & Investment Policy of the Bank, identified possible risks assumed by the Bank for different types of transactions. The C&I has the authority to make a decision on

	<ul style="list-style-type: none"> Fahim Ahmed Shafiqi (Dissenting Vote) 	approval or rejection or proposed transactions within its authority as well as to monitor the performance and quality of the Bank's credit & Investment portfolios.
Qard Al Hassan, Donation & Zakah Committee	<p>Hamad Farooq AlShaikh Chairman</p> <p>Members</p> <ul style="list-style-type: none"> Khaled Waheeb AlNasser Nada Ishaq Abdul Karim Hamad Al Bassam 	The main objective of Qard Al Hassan, Donation and Zakah Committee is to discharge the Group's social responsibilities toward its society through distributing zakah, charity funds, donations & good faith Qard for marriage, medical treatments, etc.
Provisioning Committee (PC)	<p>Fahim Ahmed Shafiqi Chairman</p> <p>Members</p> <ul style="list-style-type: none"> Ameer Abdul Ghani Dairi Khalid Waheeb AlNasser (Observer) Saleh Al Mehri 	Provisioning Committee reviews the Bank's provisions as well as formulates policies with a view to maintain the strategic risk level objectives.
Operational Risk Committee (ORC)	<p>Fahim Ahmed Shafiqi Chairman</p> <p>Members</p> <ul style="list-style-type: none"> Sohail Kabeer Wesam A. Aziz Baqer Dalal Ahmed Al Qais Ameer Abdul Ghani Dairi Eman Ali Abdulla Ebrahim Afnan Ahmed Saleh Osama Ali Nasr Mazar Rashed Jalal 	The purpose of the Operational Risk Committee is to: <ul style="list-style-type: none"> a) Oversee and review the Bank's operational risk framework. b) Assist the management in fulfilling its operational risk management responsibilities as defined by applicable laws and regulations.
Purchasing & Evaluation Committee	<p>Hamad Mohammed Al Bassam Chairman</p> <ul style="list-style-type: none"> Maitha Abdulla Saad Faraj Aysha Ali AlNasser Salman Mattar 	The Bank has formed a Purchasing & Evaluation that independently oversee the vendor management and procurement process.

Succession Planning

Succession planning in the Bank is driven by our Business strategy and forward-looking approach. The primary objective of the plan is to develop people to meet future demands of the Bank. On an annual basis, the Human Resources Department of the Bank reviews and consults the Board's NRGC to ensure availability of a practical and executable succession plan.

Related Party Transactions and Conflict of Interest

Under the Bahrain Commercial Companies Law and the CBB's regulations are required to disclose potential conflicts as well as refrain from participating in any conflicted decisions. This includes potential conflicts that may arise when a Director takes up a position with another company or has any material transactions with the Bank. In addition, exposures to major shareholder, directors and senior management are governed by the regulations of the CBB.

Related party transactions are entered into in compliance with Article 189 of the Commercial Companies Law. All material service providers are selected following a satisfactory tendering process which is governed by the vendor management policy of the Bank. Any director or member of the senior management conflicted is excluded throughout the decision-making process. Details of related party transactions, carried out at arm's length, are disclosed in Note 26 of the financial statements.

Material Transactions Requiring Board Approval

The Board has delegated certain authorities to the Executive Management to ensure smooth and effective day to day management however, all material financing transaction, as provided in the delegation of authority matrix of the Bank, are subject to Board approval. Furthermore, major decisions such as change in strategy, changes in the organization structure, capital expenditures, amending policies and hiring executive management is subject to approval of either Board or relevant Board committees.

Exceptions to CBB's Corporate Governance Regulations

Banks are required to comply with the High Level Controls (HC) Module of the CBB Rulebook. The HC Module contains both Rules and Guidance; Rules must be complied with, but Guidance may either be complied with or non-compliance explained to the shareholders and to the CBB. Exceptions to guidance are explained as follows:

Reference	Explanation
HC1.3.13	HC-1.3.13 states that no one person should hold more than three directorships in public companies in the Kingdom of Bahrain, with the provision that no conflict of interest may exist. Dr. Essam Abdulla Fakhro, the Chairman of the Board, holds more than three directorships in public companies in the Kingdom of Bahrain. The Board is of the opinion that this does not impact the effectiveness and efficiency of the Board of Directors, as he provides adequate attention to his responsibilities and there is no conflict of interest between his other directorships and that of the Bank.
HC-1.4.6	HC 1.4.6 states that the Chairman of the Board of Directors should be an independent director. The Bank's Chairman, Dr. Essam Abdulla Fakhro is nominated by the National Bank of Bahrain (NBB) which is a Controller of the Bank. Accordingly, Dr. Fakhro is reported as a Non-Independent Director. The Board is of the view since BisB has no business transactions with NBB, there exist no conflict of interest and therefore, the chairmanship of Mr. Fakhro is appropriate.
HC-1.8.2	HC-1.8.2 states that the Board should establish a Corporate Governance Committee of at least three independent members and HC-1.8.5 allows combination of committees. The Bank has combined the responsibility of the Corporate Governance Committee with that of the NRG. The Board is of the view that this does not compromise the high standards of corporate governance as the NRG has sufficient resources and time to discharge its duties and holds sufficient number of meetings to fulfil its responsibilities.
HC-5.3.2	HC-5.3.2 states that the Remuneration Committee should include only independent directors or, alternatively, only non-executive directors of whom a majority are independent directors and the chairman is an independent director. The Remuneration Committee of the Bank is combined with the Nomination and Governance Committee as allowed under HC-1.8.5. The Chairman of the NRG, Dr. Essam Abdulla Fakhro, is treated as Non-Independent on the basis that his nomination is through NBB, a Controller of the Bank. The Board is of the view that since the remuneration of the Board is governed by the Bahrain Commercial Company Law, there exist no conflict of interest in Dr. Fakhro being the Chairman of the Board. Furthermore, the Board has also approved the appointment of Ms. Dana Buheji, an Executive Director, as an additional NRG member due to her extensive experience in HR

Employments of Relatives

The Bank has a policy in place on employment of relatives to prevent the potential conflict of interest. As a matter of policy, employment of relatives is not allowed however, in case of any exception, the approval of the Board's NRG is sought.

Remuneration of the External Auditors

KPMG Fakhro was the Bank's external auditors for the financial year ended 31st December 2020. The details of the audit fee paid to the auditors during the year 2020 as well as the details of non-audit services and fees paid are held at the Bank's premises, which is available to eligible shareholders upon specific request.

Information on Products & Services & Availability of Financial Information

New product information, announcements and information related to all stakeholders are made available in a timely manner through various channels of communication which may include publications, website, direct mailers, electronic mail and local media. In addition, the Consolidated Financial Statements of at least past 5 years in addition to all supplementary disclosures required by CBB regulations, are available in the Bank's website.

Customer Complaints

The Compliance and Governance Department is responsible for managing customer complaints. BisB customers may use the Bank's website or the call center for lodging a complaint. All complaints are logged, monitored, and reported to the CBB. A user-friendly guide is made available to customers by way of a conspicuous notice and Bank's website.

Whistleblowing Policy

The Board has adopted a Whistleblowing Policy which provides all employees an opportunity to raise any observation regarding unethical and improper practices or any other wrongful conduct of a financial or legal nature in the Bank and to prohibit managerial personnel from taking any adverse action against employees for doing so.

Major Shareholders Ownership (5% and above)

Shareholder	Nationality	Number of Shares	Percentage	Type of Ownership
National Bank of Bahrain	Bahraini	838,630,728	78.81%	Majority Sovereign
General Council of Kuwaiti Awqaf	Kuwaiti	76,366,321	7.18%	Sovereign

Distribution of Ownership of Shares by Nationality

Country	Percentage	Number of Shares
Kingdom of Bahrain	87.52%	931,246,714
Kingdom of Saudi Arabia	0.76%	8,102,338
Kuwait	8.72%	92,782,018
United Arab Emirates	2.78%	29,624,863
Qatar	0.13%	1,381,185
Others	0.09%	921,469
Total	100.00%	1,064,058,587

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

Name	Shares as of 31st Dec 2019	Sold During 2020	Acquired During 2020	Shares as of 31st Dec 2020
Directors				
Dr. Esam Abdulla Fakhro	352,500	-	-	352,500
Mr. Khaled Yusuf AbdulRahman	-	-	-	-
Mr. Jean Christophe Durand	-	-	-	-
Mr. Khalid Abdulaziz Al Jassim	-	-	-	-
Mr. Mohammed Abdulla Al Jalahama	-	-	-	-
Mr. Marwan Khaled Tabbara	-	-	-	-
Mr. Mohammed Abdulla Nooruddin	-	-	-	-
Mr. Yaser Abduljalil Alsharifi	-	-	-	-
Ms. Dana Abdulla Buheji	-	-	-	-
Mr. Isa Hasan Maseeh	-	-	-	-
*Khalid Yousif Abdulrahman owns 30.25% of shares in Yousif Abdulrahman Engineer Holding Co WLL. which owns 536,020 number of shares in BisB				

Name	Shares as of 31st Dec 2019	Sold During 2020	Acquired During 2020	Shares as of 31st Dec 2020
Shari'a Supervisory Board				
Shaikh Dr. Abdul Latif Mahmood Al Mahmood	174,426	-	-	174,426
Shaikh Dr. Nedham Mohamed Saleh Yacoubi	13,237	-	-	13,237
Shaikh Mohammed Jaffar Al Juffairi	-	-	-	-
Shaikh Adnan Abdulla Al Qattan	-	-	-	-
Shaikh Dr. Essam Khalaf Al Enizi	-	-	-	-
Approved Persons				
1. Hassan Amin Jarrar – Chief Executive Officer	943,958	943,958	-	-
2. Wesam A. Aziz Baqer – Chief Corporate & Institutional Banking Officer	168,520	-	-	168,520
3. Dalal Ahmed Al Qais – Chief Retail Banking Officer	-	-	-	-
4. Ameer Abdul Ghani Dairi – Chief Financial Officer	-	-	-	-
5. Fahim Ahmed Shafiqi – Chief Risk Officer	-	-	-	-
6. Afnan Ahmed Saleh – Chief Human Resources & Administration Officer	-	-	-	-
7. Eman Ali Abdulla - Head of Central Operations	-	-	-	-
8. Hamad Farooq AlShaikh – Head of Shari'a Supervisory Department	-	-	-	-
9. Eman Mohammed AlBinghadeer - Head of Shari'a Internal Audit	-	-	-	-
10. Hussain Ebrahim Al Banna - Head of Treasury	-	-	-	-
11. Osama Ali Nasr – Chief Information Officer	12,675	-	-	12,675
12. Maisa Jawdat Shunnar - Chief Strategy Implementation & Transformation Officer	-	-	-	-
13. Khaled Waheeb AlNasser - Chief Internal Audit Officer	-	-	10,565	10,565
14. Nayef Naser Yusuf – Acting Head of Special Assets	14,383	14,383	-	-
15. Mazar Jalal - Chief Compliance & Governance Officer	-	-	-	-
16. Mohammed Ayada Matar - Money Laundering Reporting Officer	-	-	-	-
17. Hamad Hussain Al Qattan - Deputy Money Laundering Reporting Officer	-	-	-	-
18. Ali Yousif Al Aradi - Head of Branches	-	-	-	-
19. Salman Mazen Matar – Head of Internal Control	-	-	-	-

Name	Shares as of 31st Dec 2019	Sold During 2020	Acquired During 2020	Shares as of 31st Dec 2020
20. Mohamed Jamal Aish - Deputy Money Laundering Reporting Officer	-	-	-	-
21. Ammar Fuad Alsabab - Head of Financial Institution	-	-	-	-
22. Faisal Al Abdulla - Head of Priority Banking	-	-	-	-
23. Hussain Ali Bahram - Head of Wealth Management	-	-	-	-
24. Mohammed Shawqi Albinmohammed – Head of Sales	-	-	-	-
25. Mohammed A. Rahman Alabbasi - Head of Retail Collection	-	-	-	-
26. Sohail Kabiruddin - Head of Operational Risk	-	-	-	-
27. Siddharth Kumar - Head of Corporate & Liquidity Risk	-	-	-	-
28. Salah Dawood Alansari - Head of Credit Admin	-	-	-	-
29. Saleh Isa Almeihri - Head of Retail Credit Review	-	-	-	-
30. Dalal AlRayes – Head of Human Resources	-	-	-	-
31. Mohammed Isa Hammad - Head of Information Security	-	-	-	-
32. Hamad Mohamed Albassam – Head of General Services & Properties	-	-	-	-

As of 31st December 2020, the total number of shares held by Board of Directors, Shari'a Supervisory Board members and the Approved Persons of the Bank are 731,923 which represents 0.07% of the total issued shares of the Bank. The shares held by the Approved Persons includes shares granted by the Bank under the Share Incentive Scheme.