

Corporate Governance Report 2024



REGULATION

Al Baraka Group (ABG) was established and registered on June 27, 2002, under a license from the Central Bank of Bahrain (CBB). Its first financial year began in 2003, consolidating the financial results of all subsidiary banks according to AAOIFI accounting standards. The Group issued its first consolidated report as of December 31, 2003, in USD. During this stage, control over the subsidiaries was maintained through ownership and management agreements, supported by legal departments and consultants.

In 2006, the Group launched an IPO, raising over \$630 million USD and becoming publicly listed on the Bahrain Bourse (formerly Bahrain Stock Exchange) and Nasdaq Dubai (formerly DIFX). Trading on both markets began in September 2006, with founders retaining a 55% stake while 45% was floated on the markets.

In 2017, the Group successfully issued \$400 million in Tier-1 Islamic Sukuk, which was subsequently listed on the Irish Stock Exchange for trading. In 2022, the Group transitioned from a "Wholesale Bank" to an "Investment Business Firm – Category 1 (Islamic Principles)" under the regulation of the CBB. Following this, the Group delisted from both markets, based on shareholder resolutions at an Extraordinary General Meeting (EGM), and became a private company with a diversified shareholder portfolio in 2024.

Despite these changes, the Group continues to serve its customers through a network of banks operating in 13 countries with over 600 branches, providing trusted financial services tailored to meet their needs.

ABG views a disciplined corporate governance and risk management culture as a fundamental prerequisite to effective management of the Group to achieve strong yet sustainable financial returns and build consistent shareholder value. The adoption and maintenance, through continual and vigilant review, of the highest standards of corporate governance and risk management have thus been key to building a strong, ethical, responsible organisation. This has been essential for establishing a strong governance structure under which the functions, roles, and responsibilities are clearly delineated between the Board of Directors, Board Committees and Executive Management, officers, and staff of the organisation.

THE BOARD OF DIRECTORS

The Board of Directors (the "Board") is responsible for the establishment and oversight of the Group's business strategy and priorities, for setting its high-level policies and for overall management; and is accountable to the shareholders for the financial and operational performance of the Group. It is responsible for raising and allocating capital, monitoring the Executive Management and its conduct of the Group's operations, making critical business decisions, and building long-term shareholder value. The Board, through approving and monitoring the Group's risk appetite, and identifying and guarding against the longer-term strategic threats to the business, ensures that the Group manages risk effectively.

The Board is also responsible, inter alia, for:

- setting and reassessing periodically the Group's corporate goals and objectives;
- establishing policies to further the achievement of the Group's corporate goals and objectives;
- establishing and regularly reviewing the management structure and responsibilities, and monitoring the effectiveness of the Executive Management, including its ability to plan and execute strategies;

- establishing, along with senior management and the chief risk officer, the Group's risk appetite, considering the Group's strategy, competitive and regulatory landscape, the Group's long-term interests, risk exposure and ability to manage risk effectively, and overseeing the Group's adherence to the risk appetite statement, risk policy and risk limits;
- engaging actively in the affairs of the Group, keeping up with material changes in the Group's business and the external environment and acting in a timely manner to protect the long-term interests of the Group;
- holding the Executive Management accountable for results;
- putting in place adequate policies and processes for approving budgets, and reviewing performance against those budgets and against key performance indicators;
- ensuring that an adequate, effective, comprehensive and transparent corporate governance framework is in place;
- establishing and approving policies and procedures designed to ensure ethical behaviour and compliance with laws and regulations, auditing and accounting standards and the Group's own corporate governance policy;
- ensuring that ABG and its subsidiaries' operations are supported by an appropriate control environment, i.e. that internal audit, compliance, risk management and finance and reporting functions, are well resourced and structured;
- ensuring that the Group's operations are supported by a reliable, sufficient and well-integrated information system;
- recognising and communicating to the Executive Management the importance of the internal audit function at ABG and its subsidiaries, periodically reviewing internal control procedures, and taking measures to enhance the function of internal audit and to act in a timely and effective manner on its findings;
- approving the writing off of credit facilities and investments where appropriate, in accordance with the Group's policies and procedures;
- ensuring that an Anti-Money Laundering framework is in place to manage money laundering risk throughout the Group;
- approving, and overseeing the implementation of the Group's governance framework, risk management framework and all policies, and reviewing the relevant parts of these as well as reviewing key controls in case a new business activity is considered, or in case of material changes to the Group's size, complexity, business strategy, markets or regulatory requirements, or the occurrence of a major failure of controls;
- ensuring that the Anti-bribery and Corruption programme is implemented throughout the Group;
- approving strategic investments by ABG and its subsidiaries;
- monitoring potential conflicts of interest and preventing abusive related party transactions;
- approving material transactions outside the normal course of business or in excess of the limits of approval authority delegated to the Executive Management;
- ensuring the preparation of financial statements, which accurately disclose the Group's financial position, on a regular and consistent basis, and for reviewing and approving for dissemination its periodic financial statements and annual reports;

THE BOARD OF DIRECTORS (continued)

- approving all significant changes in the Group's accounting and reporting policies;
- ensuring compliance at all times with all relevant requirements of Shari'a ("Sharia" or "Shari'a") and Islamic Accounting Standards, issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI);
- ensuring that the Group establishes and maintains an approved employee Code of Conduct and is in compliance with it;
- ensuring that the control environment maintains necessary client confidentiality, and that clients' rights and assets are properly safeguarded;
- ensuring that the Group's Social and Sustainable Finance objectives are attained;
- ensuring that the Senior Management maintains an effective and transparent relationship with the CBB;
- convening and preparing the agenda for shareholder meetings;
- ensuring equitable treatment of all shareholders including minority shareholders;
- considering the legitimate interests of shareholders and other relevant stakeholders in their decision-making process;
- ensuring that there is representation of women on the Group's Board of Directors in accordance with the directives of the Ministry of Industry & Commerce and disclosure in the Corporate Governance report for each fiscal year the percentage component of the Board membership duly classified according to gender (and the lack of or under-representation of any single gender), and non-compliance of the directives in any manner whatsoever;
- performing any other functions required by the Board of Directors under applicable laws and regulations;
- ensuring that no individual or group of directors dominates the Board's decision-making and no individual or group has unfettered powers of decision;
- at minimum, approving the selection and overseeing the performance of the chief executive officer (CEO), chief financial officer and heads of the risk management, compliance and internal audit functions; and
- Actively overseeing the remuneration system's design and operation for approved persons and monitoring and reviewing executive compensation and assessing whether it is aligned with the Group's remuneration policy, risk culture and risk appetite.

In its regular review of the Group's strategy, the Board reviews the Group's business plans and the inherent level of risk in those plans. It also assesses the adequacy of capital to support the business risks of the Group; sets performance objectives; and oversees major capital expenditures, divestitures, and acquisitions.

The Board of Directors is responsible for the Group's internal control system, its effectiveness, and defining standards of accountability to help Executive Management achieve corporate objectives. The Board ensures that senior management implements the systems, controls, processes, and procedures framework in line with board policies and the Group's organisational structure. It also regularly assesses this framework to ensure it aligns with the Group's business needs and associated risks.

Established procedures for identifying, evaluating, and managing significant risks are regularly reviewed by the Board. The Group's internal control system ensures accountability through a documented and auditable trail. This system supports effective and efficient operations, compliance with applicable laws and regulations, and risk management to minimise material errors, losses, and fraud. organisationIn meeting its responsibility to ensure efficient governance in all matters related to ABG, the Board has established a written compliance policy governing the Group's compliance with all laws and regulations; in particular those enunciated by the Central Bank of Bahrain (CBB) and other local regulators.

The Board is also responsible for upholding the highest ethical standards in the conduct of business activities and expects all employees, directors, and associated persons of the Group to abide by the policies and laws including those stipulated by the Bahrain Penal Code. The Board has delegated responsibility for monitoring compliance to the Group Chief Executive Officer in coordination with the Board Compliance & Governance Committee.

This responsibility is carried out through a dedicated Compliance Department, with a mandate to cover all aspects of compliance including: formulation of effective policies and processes for the management of the Group's compliance risk; assisting Executive Management and staff in managing risk; advising on laws and regulations and applicable compliance standards; disseminating compliance policies and providing guidelines to ABG staff members; ensuring an effective compliance methodology; providing periodical reports to the Board in connection with compliance controls; and establishing operational controls and a robust Know Your Customer (KYC), Anti-Money Laundering (AML) and Anti-bribery and Corruption programme ("ABC Programme") frameworks. ABG is continuously enhancing its compliance framework and that of each of its subsidiaries.

The CBB has issued revised requirements of Module HC of its Rulebook under Volume 4, which are met by ABG with respect to corporate governance principles. These requirements are in line with the principles relating to the Corporate Governance Code issued by the Ministry of Industry & Commerce of the Kingdom of Bahrain, international best practice corporate governance standards set by bodies such as the Basel Committee for Banking Supervision, and related high-level controls and policies. ABG conducts annually detailed internal assessments to ensure compliance with these requirements and, in the event that any shortfall is identified, sets specific milestones for implementation of measures to address the shortfall. The CBB, ABG's shareholders, the Board of Directors and the Executive Management are all kept fully aware of such shortfalls, if any, and the measures taken.

ABG continuously ensures that the Group's minority shareholders are well represented on the Board of Directors through the independent directors (who constitute the majority of the Board of Directors), who have additional responsibility to protect of the rights of minority shareholders.

The Board of Directors meets regularly (at least four times a year) and has a formal schedule of matters reserved for it, considering key aspects of the Group's affairs referred to it for decision. The Board reviews the Group's strategy and financial plans, all proposed material changes to the Group's policies, structure and organisation, reports provided to it on the operations of the Group (with emphasis on organisational, risk management and information technology development) and the performance of the Executive Management.

THE BOARD OF DIRECTORS (continued)

All Directors attend all Board meetings whenever possible and, in any event, not less than 75% of meetings in any year, and they maintain informal contact among themselves between meetings. The Chairman is responsible for leadership of the Board and for its efficient functioning. He ensures that all members receive an agenda, minutes of prior meetings, and background information in writing before each Board meeting and between meetings when necessary. The Board and its Committees are supplied with full and timely information to enable them to discharge their responsibilities. In this respect, the Board, its Committees, and all Directors individually have access to the Executive Management, external legal or other professional consultants and advisors at the Group's expense, and to the Board Secretary, who is responsible for ensuring that the Board procedures and applicable rules and regulations are observed. The Board encourages participation by members of the Executive Management at Board meetings, if appropriate, regarding matters, which the Board is considering and where the Group Chief Executive Officer believes management should have exposure to the Board.

Under ABG's Articles of Association, the Board of Directors shall consist of no fewer than five and no more than 13 members. Members of the Board of Directors hold office for a three-year renewable term, although the term of office may be extended at the request of the Board for a period not exceeding six months with the approval of the Minister of Industry & Commerce of the Kingdom of Bahrain.

There is no maximum age limit at which a Director must retire from the Board of Directors. Each Director's membership of the Board shall terminate upon the expiry of his/her term, or upon the resolution of the shareholders in General Meeting, or as a result of one of a number of specified events or circumstances, including:

- The original appointment being found to be contrary to the provisions of the Commercial Companies Law (CCL) or ABG's Articles of Association;
- If the member loses any of the qualifying conditions referred to in Article 240 of the CCL;
- If the member abuses his position in carrying on a business that is in competition with ABG or if he causes actual damage to it;
- If the member fails to attend three consecutive Board meetings without presenting a lawfully excused notification in writing to the Board, and the Board shall resolve on this matter as it may deem fit;
- If the member resigns or withdraws from his/her office, provided the foregoing shall be done in an opportune time, otherwise he shall be liable to pay damages to ABG;
- Death of the member; and
- If the member occupies any other office at ABG for which he/she would receive remuneration other than that which the Board of Directors may decide from time to time to remunerate its occupier because of the executive nature of his/her duties.

When an announcement is made requesting nominations for the position of membership of the Board of Directors to replace those members whose three-year term is due to expire, such nominations must be submitted to the Chairman of the Board, within the time frame provided in the announcement, then to the Board Nomination and Remuneration Committee for it to make its recommendations to the Board. As part of the nomination process, each nomination must comply with local rules and regulations, and must be submitted for approval to the CBB in order to ensure compliance with the CBB's "Fit and Proper" criteria. The names of all nominated individuals approved by the CBB are then submitted to the shareholders at the next AGM for consideration and election. Election of ABG Directors takes place in accordance with the rules and procedures set out in the CCL and ABG's Articles of Association.

In line with corporate governance best practice, there is a succession plan for the Executive Management. This is reviewed annually and submitted to the CBB.

Each new Director elected to the Board receives a written appointment letter, detailing the powers, duties, responsibilities and obligations of that Director, and other relevant terms and conditions of his appointment.

As of December 31st 2024, there were 12 Directors on the Board. They have varied backgrounds and experiences and are, individually and collectively, responsible for performing the responsibilities of the Board, and for exercising independent and objective judgement. No individual Director or group of Directors has unfettered powers of decision making or dominates the Board's decision making. The majority of the Directors are non-executive and fully independent of management, and are individually responsible for scrutinizing and challenging management decisions and performance. The posts of Chairman, Vice Chairman and Group Chief Executive Officer are held by different Directors, and the Group Chief Executive Officer has separate, clearly defined responsibilities. The size and composition of the Board and its Committees are regularly assessed, while the effectiveness, contribution and independence of individual Directors are assessed annually in light of interests disclosed and conduct. The independence or non-independence of Directors is, likewise, reviewed annually.

All Directors are remunerated solely by means of an annual retainer fee and sitting fees paid for each meeting attended. Their travel expenses are also reimbursed as appropriate.

The Board of Directors has adopted a formal Code of Business Conduct and Ethics applicable to Directors and Executive Management, officers, employees and agents, consultants and others representing or acting for the Group. Details of the Code are provided in the Additional Public Disclosures section of this report. In line with international best practice and the CBB Rulebook, the Board has instituted corporate governance measures to ensure that the interests of the shareholders are protected, including the appointment to the Board of more than one third of Directors as independent Directors, as defined in the CBB Rulebook.

Corporate Governance (continued)

THE BOARD OF DIRECTORS (continued)

As of December 31st 2024 ABG had the following Board Composition, including classification for gender in accordance with the directives of the Ministry of Commerce & Industry (for more details regarding the Board Composition please refer to page No 25 of this report):

		Male	Female
Non-Executive Directors			
1. Shaikh Abdullah Saleh Kamel	Chairman	✓	
2. Mr. Tawfig Shaker Mufti		✓	
3. Mr. Saud Saleh Al Saleh		✓	
4. Mr. Musa Abdel-Aziz Shihadeh*		✓	
Independent Directors			
1. Mr. Mohamed Ebrahim Alshroogi	Vice Chairman	✓	
2. Dr. Khaled Abdulla Ateeq		✓	
3. Mrs. Dalia Hazem Khorshid			✓
4. Dr. Ziad Ahmed Bahaa-Eldin		✓	
5. Mr. Fahd bin Ibrahim Al Mufarrij		✓	
6. Mr. Masood Ahmed Al Bastaki		✓	
7. Mr. Naser Mohamed Al Nuwais		✓	
Executive Directors			
1. Mr. Housseem Ben Haj Amor	Group Chief Executive Officer	✓	
2. Mr. Abdul Elah Abdul Rahim Sabbahi		✓	
Total representation of genders on the Board of Directors	December 31 st , 2024	92%	8%
	December 31 st , 2023	92%	8%

* Mr. Musa Abdel-Aziz Shihadeh, a former member of the ABG Board of Directors, deceased on July 4, 2024

BOARD COMMITTEES

The Board has put in place a number of Board committees, membership of which is drawn from the Board membership and to which it has delegated specific responsibilities. The principal Board committees are (as of December 31st 2024):

Board Executive Committee

The Board Executive Committee is chaired by Shaikh Abdullah Saleh Kamel (Non-Executive Director), and the other members are Mr. Mohamed Ebrahim Alshroogi (Vice Chairman, Independent Director), Mrs. Dalia Hazem Khorshid (Independent Director), Dr. Ziad Ahmed Bahaa-Eldin (Independent Director), Mr. Abdul Elah Abdul Rahim Sabbahi (Executive Director), and Mr. Housseem Ben Haj Amor - Group Chief Executive Officer (Executive Director). The Board Executive Committee comprises of a minimum of four Directors and meets at least four times a year. The Board has delegated to the Board Executive Committee, under a formal written charter adopted by it, the responsibility to make recommendations to the Board, for the Board's approval, concerning the Group's overall strategies and business plan, or any significant change to them, or any major change to its capital or organisation structure, assets or investments.

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee is chaired by Mr. Mohamed Ebrahim Alshroogi (Independent Director), and its other members are Mrs. Dalia Hazem Khorshid (Independent Director) and Mr. Saud Saleh Al Saleh (Non-Executive Director). The Committee operates in accordance with a formal written charter adopted by it and meets at least twice a year and considers all material elements

relating to remuneration policy, including, inter alia, the approval of the remuneration of the Directors, based on their attendance at Board and Committee meetings. It also recommends to the Board the level of remuneration of the Executive Management members and other ABG employees under an approved performance-linked incentive structure.

The Committee conducts an annual evaluation of the performance of the Board, Board Committees, and the Group Chief Executive Officer. When an issue relating to the personal interest of a Director is discussed in the Committee, the interested Director withdraws from the meeting and abstains from voting. The Committee is responsible for identifying persons qualified to become members of the Board or the Group Chief Executive Officer, the Chief Financial Officer, the Board Secretary, and other executive officers considered appropriate (except for the Head of the Internal Audit Department), and for making recommendations accordingly. It is also responsible for inducting, educating and orientating new Directors, and for conducting seminars and other training programmes from time to time for members of the Board.

Board Audit Committee

The Board Audit Committee is chaired by Mr. Fahd bin Ibrahim Al Mufarrij (Independent Director). Other members are Mr. Naser Mohamed Al Nuwais (Independent Director), and Mr. Tawfig Shaker Mufti (Non-Executive Director). The Committee is governed by a formal written Charter, adopted by it and approved by the Board. The Committee meets formally at least four times a year. External auditors attend at least one meeting annually; Moreover, external auditors have unrestricted access to the Committee and its Chairman throughout the year.

Corporate Governance (continued)

BOARD COMMITTEES (continued)

The Board of Directors has delegated to the Board Audit Committee the responsibility for ensuring that an effective internal auditing and continuous internal controls monitoring environment, and a sound system of accounting and financial control are in place. The Committee achieves this through regular review of internal audit reporting, external auditors' management letters, central banks' inspection reports, and the Group's accounting and financial policies and practices, financial reporting and disclosure controls and procedures, and the adequacy and effectiveness of the internal control procedures at the Head Office and at ABG's subsidiaries. The Committee considers all matters relating to financial control and reporting, internal and external audits and their scope and results, risk management and compliance with regulatory and legal requirements and accounting standards. It also considers and approves the annual audit plans, ensures coordination between the internal and external auditors, monitors the independence, qualifications, effectiveness and performance of the external auditors, and makes recommendations to the Board regarding the appointment, retirement and remuneration of the external auditors and the appointment of the Head of the Group's Internal Audit Department.

The Committee reviews the Group's annual and interim financial statements to recommend their approval to the Board of Directors, the adequacy of provisions and any reports by external consultants on specific investigative or advisory engagements.

The Committee ensures that there are control systems in place which are appropriate to the business of the Group and the information needs of the Board. These include systems and functions for identifying and monitoring risk, the financial position of the Group and compliance with applicable laws, regulations and best banking practice. The Committee ensures that all such information is produced on a timely basis. The various internal controls and processes are subject to independent review by the Group's Internal Audit Department, which reports directly to the Committee, as stated above, and external auditors and regulators as appropriate. Management letters and other issues of importance raised by external auditors, and inspection reports issued by the CBB's inspectors, or inspectors of any other applicable authorities where ABG or its subsidiaries operate, are reviewed by the Committee once issued. Acting on behalf of the Board, the Committee ensures that appropriate corrective action is taken.

The Board has adopted a 'whistleblower' programme, allowing employees to confidentially raise concerns about possible improprieties in financial or legal matters. Under the programme, concerns may be communicated directly to any member of the Board Audit Committee or, alternatively, to an identified officer or employee who, in turn, reports the matter to the Committee.

Board Risk Committee

The Board Risk Committee is chaired by Dr. Khaled Abdulla Ateeq (Independent Director), with its other members being Mr. Masood Ahmed Al Bastaki (Independent Director) and Mr. Tawfig Shaker Mufti (Non-Executive Director)*.

The Board Risk Committee meets formally at least twice a year but may meet more frequently at the request of the Chairman of the Committee. It can call for the attendance of the Group Chief Executive Officer, Chief Risk Officer and other senior executives of the Group at any of its meetings.

The Group's risk appetite is determined by the Board, based on the recommendations of the Board Risk Committee. The Board Risk Committee is responsible for setting acceptable levels of risks to which the Group may be exposed, for approving management's strategy for the managing of risk and for ensuring that all necessary steps are taken by management to identify, measure, monitor and control risk. The Committee's objective is to oversee the Group's risk management systems, practices and procedures, as well as to ensure effective risk identification, management and compliance with internal guidelines and external requirements. The Committee reviews issues identified by the Internal Audit and Compliance departments of ABG and/or any of its subsidiaries, such as weaknesses or breakdowns in controls.

Board Compliance & Governance Committee

The Board Compliance & Governance Committee is chaired by Dr. Khaled Abdulla Ateeq (Independent Director) and its other members are Mr. Masood Ahmed Al Bastaki (Independent Director) and Dr. Ziad Ahmed Bahaa-Eldin (Independent Director) in addition to Mr. Yousif Hassan Khalawi, who represents the Unified Shari'a Supervisory Board. The Committee meets at least 4 times a year but may meet more frequently at the request of the Chairman.

The Committee's role is to ensure a robust compliance, AML and corporate governance framework and a strong compliance culture across the Group, including ensuring efficient procedures, processes and controls for Anti-money Laundering, Countering Financing of Terrorism, International Sanctions and Foreign Account Tax Compliance Act and Common Reporting Standards. It periodically reviews the governance controls and systems to uncover any weakness, if any, which can be addressed. As the Group is present in many countries, the Committee ensures that the respective local legal legislation and regulatory norms are well-abided with so that compliance standards are maintained at a high level and are compatible with those enunciated by international standards.

Board Social & Sustainable Finance Committee

The Board Social & Sustainable Finance Committee is chaired by Mr. Naser Mohamed Al Nuwais (Independent Director) and the other members are Mr. Abdul Elah Abdul Rahim Sabbahi (Executive Director) and Mr. Saud Saleh Al Saleh (Non-Executive Director).

The Committee leads the Al Baraka Social & Sustainable Finance Programme. It oversees the formulation of policies and strategies by the Executive Management, intended to make ABG and its subsidiaries a model Islamic banking group, offering banking and financial services in a sustainable and socially responsible manner and in conformity with the objectives of Shari'a.

The Committee aims to adhere to the spirit of Islamic finance that identifies Social & Sustainable Finance as a principal feature of Islamic banking and finance. The Committee demonstrates its commitment to the spirit of Social & Sustainable Finance inherent in Islamic finance by setting various quarterly and annual targets for the Executive Management.

All minutes and reports of meetings of the Committee are disseminated to all members of the Board of Directors.

* Mr. Tawfig Shaker Mufti started as a committee member on 21.07.2024, replacing Mr. Musa Abdel Shihadeh

Corporate Governance (continued)

BOARD COMMITTEES (continued)

Directors' Attendance of Meetings of the Board of Directors and its Committees Meetings in 2024

Name the Board/Committees		Board of Directors BOD			No. of Meetings in 2024			6
No.	Member's Name	1 st Meeting 20/02/2024	2 nd Meeting 20/03/2024	3 rd Meeting 08/05/2024	4 th Meeting 07/08/2024	5 th Meeting 06/11/2024	6 th Meeting 18/12/2024	No. of Meetings Attended
1	Mr. Abdullah Saleh Kamel	✓	✓	✓	✓	✓	✓	6/6
2	Mr. Mohamed Ebrahim Alshroogi	✓	✓	✓	✓	✓	✓	6/6
3	Mr. Tawfig Shaker Mufti	✓	✓	✓	✓	✓	✓	6/6
4	Mr. Housseem Ben Haj Amor	✓	✓	✓	✓	✓	✓	6/6
5	Dr. Khalid Abdulla Ateeq	✓	✓	✓	✓	✓	✓	6/6
6	Mrs. Dalia Hazem Khorshid	✓	✓	✓	✓	✓	✓	6/6
7	Dr. Ziad Ahmed Bahaaeldin	✓	✓	✓	✓	✓	✓	6/6
8	Mr. Saud Saleh Al Saleh	✓	✓	✓	✓	✓	✓	6/6
9	Mr. Abdul Ellah Sabbahi	✓	✓	✓	✓	✓	✓	6/6
10	Mr. Fahd Ibrahim AlMufarrij	✓	✓	✓	✓	✓	✓	6/6
11	Mr. Masood Ahmed AlBastaki	✓	✓	✓	✓	✓	✓	6/6
12	Mr. Musa Abdel-Aziz Shihadeh*	✓	✓	✓	Deceased	/	/	3/6
13	Mr. Naser Mohamed Al Nuwais	✓	✓	✓	✓	✓	✓	6/6

Name the Board/Committees		Board Executive Committee (EXCOM)		No. of Meetings in 2024		2
No.	Member's Name	1 st Meeting 26/06/2024		2 nd Meeting 27/11/2024		No. of Meetings Attended
1	Mr. Abdullah Saleh Kamel	✓		✓		2/2
2	Mr. Mohamed Ebrahim Alshroogi	✓		✓		2/2
3	Mr. Housseem Ben Haj Amor	✓		✓		2/2
4	Mrs. Dalia Hazem Khorshid	✓		✓		2/2
5	Mr. Abdul Ellah Sabbahi	✓		✓		2/2
6	Dr. Ziad Ahmed Bahaaeldin	✓		✓		2/2

Name the Board/Committees		Board Audit Committee			No. of Meetings in 2024			6
No.	Member's Name	1 st Meeting 08/02/2024	2 nd Meeting 19/03/2024	3 rd Meeting 07/05/2024	4 th Meeting 06/08/2024	5 th Meeting 10/09/2024	6 th Meeting 04/11/2024	No. of Meetings Attended
1	Mr. Fahd Ibrahim Al Muffarrij	✓	✓	✓	✓	✓	✓	6/6
2	Mr. Naser Mohamed Al Nuwais	✓	✓	✓	✓	✓	✓	6/6
3	Mr. Tawfig Shaker Mufti	✓	✓	✓	✓	✓	✓	6/6

Name the Board/Committees		Board Nomination & Remuneration Committee (NRC)		No. of Meetings in 2024		2
No.	Member's Name	1 st Meeting 06/02/2024		2 nd Meeting 14/11/2024		No. of Meetings Attended
1	Mr. Mohamed Ebrahim Alshroogi	✓		✓		2/2
2	Mrs. Dalia Hazem Khorshid	✓		✓		2/2
3	Mr. Saud Saleh Al Saleh	✓		✓		2/2

Name the Board/Committees		Risk Committee (BRC)		No. of Meetings in 2024		4
No.	Member's Name	1 st Meeting 10/03/24	2 nd Meeting 22/05/2024	3 rd Meeting 29/09/2024	4 th Meeting 24/11/2024	No. of Meetings Attended
1	Dr. Khalid Abdulla Ateeq	✓	✓	✓	✓	4/4
2	Mr. Masood Ahmed AlBastaki	✓	✓	✓	✓	4/4
3	Mr. Musa Abdel-Aziz Shihadeh*	✓	✓	Deceased	Deceased	2/4
4	Mr. Tawfig Shaker Mufti**	Not a member	Not a member	✓	✓	2/4

Name the Board/Committees		Social & Sustainable Finance Committee		No. of Meetings in 2024		2
No.	Member's Name	1 st Meeting 24/04/2024		2 nd Meeting 09/12/2024		No. of Meetings Attended
1	Mr. Naser Mohamed Al Nuwais	✓		✓		2/2
2	Mr. Abdul Ellah Sabbahi	✓		✓		2/2
3	Mr. Saud Saleh Al Saleh	✓		✓		2/2

Name the Board/Committees		Compliance & Governance Committee (CGC)		No. of Meetings in 2024		4
No.	Member's Name	1 st Meeting 07/02/2024	2 nd Meeting 29/05/2024	3 rd Meeting 28/08/2024	4 th Meeting 26/11/2024	No. of Meetings Attended
1	Dr. Khalid Abdulla Ateeq	✓	✓	✓	✓	4/4
2	Mr. Masood Ahmed AlBastaki	✓	✓	✓	✓	4/4
3	Dr. Ziad Ahmed Bahaaeldin	✓	✓	✓	✓	4/4
4	Mr. Yousef Khalawi	x	✓	✓	✓	3/4

Notes:

1. Mr. Musa Abdel-Aziz Shihadeh Deceased on 04/07/2024.

2. Mr. Tawfig Shaker Mufti (Non-Executive Director) replaced Mr. Musa Abdel-Aziz Shihadeh on 21/07/2024, following his passing.

Corporate Governance (continued)

BOARD OF DIRECTORS' PROFILES

Shaikh Abdullah Saleh Kamel

Chairman

Shaikh Abdullah Saleh Kamel is the Chairman of Dallah Al Baraka Holding Company, and the Chairman of the Board of Trustees of Saleh Abdullah Kamel Humanitarian Foundation. He also chairs Dallah Al Baraka Investment Holding Company, Dallah Real Estate, Umm Alqura for Development & Constructions Company, Okaz Press and Publishing Corporation, the General Council for Islamic Banks and Financial Institutions, the Islamic Chamber of Commerce, Industry and Agriculture, and Makkah Chamber of Commerce and Industry. He previously served as Chairman of Aseer company and held various executive positions at Dallah Al Baraka Holding Co, leading to the position of President and Chief Executive Officer.

With over 30 years of experience in key business positions, he is also involved in public and charitable initiatives through his membership in many organisations and associations. He has served the Jeddah Chamber of Commerce Board for two terms and is a member of the Friends of Saudi Arabia Association. Shaikh Abdullah Saleh Kamel is a Saudi national.

Mr. Mohammed Ebrahim AlShroogi

Vice Chairman

Mr. Mohamed Ebrahim AlShroogi is Vice Chairman of Al Baraka Group and serves on several prominent boards, including Wisayah (Saudi Aramco's Pension Fund), The Health Insurance Fund, L'azurde Company for Jewelry (as Chairman), the GCC Board Directors Institute (as Chairman), APM Terminals for port management, and Investcorp GCC.

Previously, Mr. AlShroogi was Co-Chief Executive Officer of global investment group, Investcorp, which he joined in 2009 as President of Gulf Business. During his tenure, he played a key role in the firm's recovery from the global financial crisis. He also led the expansion of Investcorp's Corporate Investment Franchise in the GCC and Turkey and positioned the firm as one of the most active private equity investors in Saudi Arabia.

Before Investcorp, Mr. AlShroogi had a 33-year career at Citigroup, where he served as Division Executive for the Middle East and North Africa region and CEO for the UAE. Among his many achievements, he established Citibank Bahrain as a major trading hub between Asia and Europe.

Mr. AlShroogi holds a degree from Kuwait University (1971) and completed the Executive Management Programme at Harvard Business School in 1988.

Mr. Tawfig Shaker Mufti

Board Member

Mr. Tawfig Shaker Mufti has over 25 years of business experience, having held various leadership roles across multiple sectors. He served as Group Treasurer for a multinational Middle Eastern conglomerate and has been CEO and board member of several companies, both within and outside the group.

His career also includes roles as a Financial Institutions Executive in Corporate & Investment Banking and Private Banking, as well as positions such as Group Compliance Officer, Corporate Clients Relationship Officer, and Listed Equity/Relationship Officer. Additionally, Mr. Mufti worked in the big five accounting firms in the areas of Corporate Finance and Financial Planning.

Mr. Mufti has over 25 years' experience in business dynamics, overcoming significant professional challenges in several changing business environments. He holds a Bachelor of Science degree in International Business from the University of Bridgeport, Connecticut, USA.

Mr. Housseem Ben Haj Amor

Board Executive Member & Group Chief Executive Officer

Mr. Housseem Ben Haj Amor became a Board Member and Group Chief Executive Officer of Al Baraka Group (ABG) on October, 2022. He is also the Chairman of Al Baraka Bank Turkey and a Board Member of Al Baraka Bank's subsidiaries in Jordan, Egypt, Algeria and Bahrain.

With more than 25 years of experience in the finance industry across the Middle East, Europe and North Africa, Mr. Amor has held key leadership roles in banking and financial institutions. Before his current role, he served as ABG's Deputy CEO and Head of Business Development and Investments. In these roles, he developed products and business initiatives across the Group, oversaw commercial banking and treasury functions, and managed the Group's strategy department.

Dr. Khaled Abdulla Ateeq

Board Member

Dr. Khaled Abdulla Ateeq is the Chairman of Al Baraka Bank Sudan a Board member of Al Baraka Turk Participation Bank, Al Baraka Islamic Bank Bahrain, and The Family Microfinance House in Bahrain. He previously served as the Chief Executive Officer of the Family Microfinance House in Bahrain, and the Executive Director of Banking Supervision at the Central Bank of Bahrain (CBB). In this role, he was responsible for the licensing, inspection and supervision of financial institutions, ensuring compliance with CBB regulations for banks operating or incorporated in Bahrain. Additionally, he has held senior posts with various financial institutions, including Deputy CEO at Venture Capital Bank.

He has over 40 years of experience in Banking, Finance, Auditing, and Accounting. Before joining the CBB, Dr. Ateeq was an Assistant Professor at the University of Bahrain. He holds a PhD in Philosophy in Accounting from Hull University, U.K.

Mrs. Dalia Hazem Khorshid

Board Member

Mrs. Dalia Hazem Khorshid is the Chief Executive Officer and Managing Director at Beltone Financial Holding (BTFH.CA) – a leading, full-fledged investment bank in the MENA region. With over 25 years of global experience in the banking and financial sector, she has held various leadership roles and advised on landmark transactions, including private placements, investment strategies, and M&A deals in the region.

Her career spans the private and public sectors. She founded and chaired MASAR Financial Advisory and Eagle Capital for Financial Investment where she advised on fundraising, corporate finance, project finance, M&A advisory, and the management of more than 50 strategic investments and transactions worth approximately USD 44 billion. Mrs. Khorshid also served as Minister of Investment for the Government of Egypt where she spearheaded the development of the country's investment law and successfully launched Egypt's 3-5-year IPO programme.

BOARD OF DIRECTORS' PROFILES (continued)

Prior to her ministerial tenure, Mrs. Khorshid spent 11 years as Executive Vice President & Group Treasurer at Orascom Construction Limited and Head of Investment Banking and Corporate Finance at OCI NV (2008-2016) where she successfully spearheaded the groups' multi-billion-dollar fundraising initiatives. Mrs. Khorshid also served as Vice President of Corporate Finance and Investment Banking at Citibank for the MENA region (1997-2005). Mrs. Khorshid started her corporate career at Commercial International Bank (CIB) (1994- 1996).

In addition, Mrs. Khorshid has held board appointments across local and regional private and public sector organisations. She is the former Chairwoman of the General Authority for Investment and Free Zone (2016-2017), Chairwoman of Egypt's Dispute Resolutions Committee (2016-2017), Chairwoman of the Sovereign Wealth Fund Committee (2016-2017), Founder and Executive Head of the Supreme Investment Counsel (2016-2017), Board Member at the Egyptian General Petroleum Corporation EGPC (2016-2017), Board Member at New Cairo Urban Communities Authority NUCA (2016-2017), Board Member at the Industrial Development Authority (2016-2017), Board Member at the Agricultural Development Authority ADA (2016-2017), and Board Member at the General Authority for Suez Canal Economic Zone (2016-2017).

In recognition of her impact across the market, Mrs. Khorshid was recognised by Forbes Magazine as one of the most powerful Arab women in 2017. She holds a BA in Business Administration from the American University in Cairo (AUC).

Dr. Ziad Ahmed Bahaaeldin

Board Member

Dr. Ziad Ahmed Bahaaeldin is an Egyptian lawyer and expert on financial, investment and corporate law, governance, compliance, and economic legislation. He serves as the Managing Partner of Bahaa-Eldin Law Office in Cooperation with BonelliErede, and as Senior of Counsel for Thebes Consultancy. He also holds various boards positions.

He is the Non-Executive Chairman of Bank of Alexandria (the Egyptian subsidiary of the IntesaSanpaolo Group), and a non-executive member on the boards of directors of AXA Egypt, Allam Holding, MTI Egypt, Maridive Group, Samcrete for Industrial Development, , and Al Salam Hospital, in addition to the boards of advisors of Al-Futteim Group Egypt, and Arkan Group.

Dr. Bahaaeldin previously held several prominent positions in Egypt including Deputy Prime Minister for Economic Development and Minister of International Cooperation, Member of Parliament, and Chairman of the Financial Regulatory Authority and of the General Authority for Investment and Free Zones. He was also previously a member of the board of directors of the Central Bank of Egypt.

Alongside his public postings, he is a weekly economic commentator in El-Masry El-Yom newspaper. He has taught law at Cairo University and was a visiting lecturer at the Schengen School of Transnational Law in China. He is a member of the Board of Trustees of the Cairo Regional Centre for International Commercial Arbitration.

He received his Ph.D. in Financial Law from the London School of Economics and Political Sciences, an LL.M. in International Business Law from King's College London, a BA in Economics from the AUC Cairo, and a Bachelor of Law from Cairo University. He is a graduate of the Jesuites High School in Cairo.

Mr. Saud Saleh Al Saleh

Board Member

Mr. Saud Al Saleh is a Board Member of Emaar, The Economic City (ECC). He has held several prominent positions, including Head of the Board of Trustees of the Riyadh Economic Forum, Chairman of SAIB-BNP Paribas Assets Management Company, and Vice Chairman of American Express (Kingdom of Saudi Arabia) Limited (ASAL).

He has also served on the boards of Saudi Arabian General Investment Authority (SAGIA), General Organisation for Social Insurance (GOSI), Higher Education Fund, Saline Water Conversion Corporation (SWCC), Saudi Orix Leasing Company (SOLC), Boeing Industrial Technology Group L.P. (BITG), AMLAK International for Real Estate Development and Mortgage Finance and The Mediterranean & Gulf Cooperative Insurance & Reinsurance Co. (MEDGULF).

With over 33 years of banking experience, Mr. Al Saleh began his career at the Arab National Bank in Riyadh. He then held managerial positions at Saudi Investment Bank, where he eventually became General Manager. Later, he was appointed to the position of General Secretary of the Supreme Economic Council of the Kingdom of Saudi Arabia at the ministerial level.

A Saudi national, he holds a Bachelor of Science degree in Business Administration from Portland State University, Oregon, USA and an M.A. in Economics from the University of Rhode Island, USA. He has also completed many advanced courses in the finance and legal fields.

Mr. Abdul Elah Abdul Rahim Sabbahi

Board Member

Mr. Abdul Elah Abdul Rahim Sabbahi is the Chief Executive Officer of Dar Saleh, Kingdom of Saudi Arabia. He also serves as Chairman of Al Baraka Bank Tunisia, Al Baraka Bank Algeria, and Société Al Buhaira de Development et d'Investissement, Tunisia. Additionally, he holds board and chairmanship positions with several other international companies.

With over 40 years of experience in International Banking and Business, Mr. Sabbahi spent the last three decades with the Dallah AlBaraka Group in the Kingdom of Saudi Arabia, where he was the Executive Vice President of Finance and Human Resources. A Saudi national, he holds a Bachelor of Science Degree in Accounting from King Abdulaziz University, Saudi Arabia.

Mr. Fahd bin Ibrahim Al Mufarrij

Board Member

Mr. Fahd bin Ibrahim Al Mufarrij is a member of the Board of Directors of The Saudi Printing and Packaging Company, and serves as Vice Chairman of Yaqeen Financial Company, one of the first investment companies in the Kingdom of Saudi Arabia.

With more than 30 years of experience in banking supervision, Mr. Al Mufarrij previously served as a Board Member of Samba Financial Group, the Social Development Bank, and the Saudi Moroccan Investment Company. He also held the position of Director of Banking Supervision at the Central Bank of Saudi Arabia until 2012.

Throughout his career, Mr. Al Mufarrij has been an active member of various high-profile committees, including the Basel Committee on Banking Supervision, the Basel Coordination Group, and other supervisory committees. He also participated in extensive training with many international bodies such as the International Monetary Fund,

Corporate Governance (continued)

BOARD OF DIRECTORS' PROFILES (continued)

the World Bank, the British Financial Services Authority, the Singapore Monetary Agency, the Toronto Centre for Executive Leadership, and others.

He holds a Bachelor's degree in Administrative Sciences from King Abdulaziz University.

Mr. Masood Ahmed Al Bastaki

Board Member

Mr. Masood Ahmed Al Bastaki is a Board Member at Al Baraka Islamic Bank Bahrain and an accomplished executive banker with more than 35 years of experience in Banking and International Business. His expertise spans Conventional Banking, Islamic Banking, and International Investment Banking.

Throughout his career, Mr. Al Bastaki has been involved in various banking activities across the Middle East, North Africa, the USA, and Latin America, as well as in Europe and Asia. He previously held key positions at prominent financial institutions, including, the Bank of Bahrain and Kuwait (BBK), ABC Islamic Bank, JPMorgan Chase Bank, BMI Bank and Venture Capital Bank. Notably, he served as Head of Financial Institutions at JPMorgan Chase Bank, Head of Islamic Banking Department at BMI Bank, and Chief Placement Officer at Venture Capital Bank. He is currently a Board Member of Family Microfinance House in Bahrain.

Beyond banking, Mr. Al Bastaki's experience extends through the aviation industry where he held the position of founding partner and CEO of Aerolease Aircraft and Equipment Leasing Company. He was also the Founding Partner and Managing Director of Two Seas Equity Consulting Company.

He holds a Bachelor's Degree in Business Administration and a Postgraduate Diploma in Business and Finance from the University of Bahrain.

Mr. Naser Mohamed Ali Al Nuwais

Board Member

Mr. Naser Mohamed Ali Naser Al Nuwais serves as the Chairman of the Board of Directors of Rotana Hotel Management Corporation PJSC and Aswaq Management & Services, a position he has held since the inception of Aswaq in 1999. Both companies are based in Abu Dhabi, UAE.

Previously, Mr. Al Nuwais was the Director General of the Abu Dhabi Fund for Development and held leadership roles, including as Chairman of the Arab Insurance Group in Manama, Bahrain, and a Board Member of Dana Gas in Sharjah, UAE, from 2009 to 2019.

With over 40 years of experience in business, insurance, and real estate development, Mr. Al Nuwais has earned multiple accolades for his contributions to the industry, including a Lifetime Achievement Award at the Arabian Hotel Investment Conference in 2011, the Pioneer in the Tourism Industry in the Arab World Award (Arab World Travel & Tourism Exchange - AWTTE) in 2003, and Hotel Innovator of the Year by DEPA Middle East Hotel Awards in 2004.

Mr. Al Nuwais holds a BA degree in Business & Public Administration from New York University in 1974.

UNIFIED SHARI'A SUPERVISORY BOARD

The Unified Shari'a Supervisory Board of Al Baraka Group ("Shari'a Board" or "USSB") is elected for a three year term by the shareholders based on recommendations from the Board of Directors. The USSB Board has a central authority for issuing fatwas and Shari'a decisions and monitoring fatwas issued by local Shari'a boards. The Shari'a Board has the following responsibilities:

- Overseeing the operations and activities of the Group to ensure compliance with Islamic Shari'a principles
- Monitoring and reviewing transactions to ensure full compliance with the Board's decisions
- Reviewing files, records, and group documents at any time. The Shari'a Board can also request any information deemed necessary and approves all relevant documents relating to new products and services including contracts, agreements, marketing and promotional material, or other legal documents used in the Group's operations.

The Shari'a Board operates in accordance with its internal regulations, which clarify its policies, procedures, and responsibilities. In carrying out its duties, the Shari'a Board has the right to communicate with the Board of Directors, the Executive Management, and the management and staff of the subsidiary Units in addition to reviewing and advising on Shari'a compliance in all products and services.

SHARI'A COMPLIANCE

ABG places great importance on Shari'a compliance, whether in the transactions of the ABG head office or of its subsidiaries. The compliance policy is in accordance with the Shari'a rules and principles stipulated in the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the decisions of the Centralized Shari'a Supervisory Board. All Units of ABG are committed to complying with Shari'a standards issued by the AAOIFI, and fatwas and decisions circulated by the Shari'a Board to the extent that they do not conflict with local laws.

SHARI'A BOARD'S MEETINGS

The Shari'a Board meets at least 6 times a year. An annual retainer fee is paid to the members of the Board, in addition to a sitting fee for the members of the Board for each meeting attended, with compensation for travel expenses as required. No remuneration associated with the performance of the Group shall be paid to members of the USSB.

THE UNIFIED SHARI'A SUPERVISORY BOARD'S PROFILES

Shaikh Dr. Saad bin Nasser Al Shithry *

Chairman

Shaikh Dr. Saad bin Nasser Al Shithry holds a PhD. from the College of Shari'a at Imam Muhammad bin Saud Islamic University in Riyadh. He is a Member of the Council of Senior Scholars in the Kingdom of Saudi Arabia and advisor to the Royal Court. Throughout his career at the College of Shari'a, he progressed from teaching assistant to lecturer, assistant professor, and then associate professor. Shaikh Dr. Al Shithry has also authored 65 books on comparative jurisprudence and the principles of jurisprudence, along with numerous scientific research papers.

* Shaikh Dr. Al Shithry was appointed as Chairman of the Unified Shari'a Supervisory Board on 12th September 2024

THE UNIFIED SHARI'A SUPERVISORY BOARD'S PROFILES (continued)

Shaikh Dr. Abdullatif Mahmood Al Mahmood

Vice Chairman

Shaikh Dr. Abdullatif Mahmood Al Mahmood has a PhD in Shari'a Politics from Ez-Zitouna University's Higher Institute of Theology. He also earned a Master's degree in Comparative Jurisprudence and a Bachelor's degree in Shari'a from Al-Azhar University's College of Shari'a and Law, along with a Diploma in Education from Ain Shams University in Cairo. Dr. Al Mahmood served as Head of the Department of Arabic Language and Islamic Studies at the University of Bahrain from 2001 to 2004. Since 1985, he has been an Associate Professor of Islamic Studies at the university.

He is an active member of several Shari'a supervisory boards at Islamic financial institutions, including Bahrain Islamic Bank, Takaful International Company, and ABC Islamic Bank. He also serves on the Supreme Council for Islamic Affairs in Bahrain.

Shaikh Abdulla Bin Sulaiman Al Mannea

Member

Shaikh Abdulla Bin Sulieman Al Mannea holds a Master of Arts degree in Jurisprudence and Economics from the College of Finance in the Kingdom of Saudi Arabia. He is a member of the Permanent Committee for Scholarly Research and Ifta in the Kingdom of Saudi Arabia, a committee that includes several other prominent scholars. He is also a member of a number of prestigious Islamic jurisprudential councils, including the International Islamic Fiqh Academy in Jeddah and the Muslim World League Islamic Fiqh Academy in Makkah, Kingdom of Saudi Arabia. He previously held the position of Chief Justice of the Supreme Court of Makkah, and is a member of the Shari'a Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in the Kingdom of Bahrain. He also holds memberships in several Shari'a councils at Islamic financial institutions in the Kingdom of Saudi Arabia and the GCC.

Shaikh Dr. Al Ayachi Al Saddig Fiddad

Member

Shaikh Dr. Al Ayachi Al Saddig Fiddad holds a range of qualifications from Umm Al-Qura University in Makkah Al-Mukarramah, including a PhD in Islamic Economics with honours, a Master's degree in the same specialty, and a Bachelor's degree in Islamic law, majoring in jurisprudence and fundamentals, from the university's College of Shari'a.

He has 27 years of experience with the Islamic Development Bank Group in Jeddah, where he held a number of positions within the Islamic Institute for Research and Training, most recently as Acting Director of the Consulting Services Division.

He has also been a member of several Shari'a councils, including the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain, the International Islamic Rating Agency, and the Themar Fund of United Gulf Company. In addition, he served as an expert advising the International Islamic Fiqh Academy in Jeddah. He is currently a member of the Shari'a Standards Committee of the Accounting and Auditing Organization for Islamic Financial Institutions.

Mr. Yousif Hassan Khalawi

Member

Mr. Yousif Hassan Khalawi is a specialist in Shari'a, its principles, and international law. Graduating with honours from the College of Shari'a at Imam Muhammad bin Saud Islamic University, he holds a Master's degree in the principles of jurisprudence with a specialised focus on comparative law, international investment, arbitration and conflict resolution. He also received legal training at global law firms in Frankfurt, Geneva and London and later established a specialised legal group in London, which has branches in several countries. Mr. Khalawi has also held a teaching position at the College of Shari'a at Imam Muhammad bin Saud Islamic University in Riyadh.

Since 2000, he has established several Islamic portfolios and investment funds as well as numerous companies owned by investors across more than 70 countries. He serves on the boards of several global companies, including the Saudi Center for Commercial Arbitration, Riyadh. Additionally, he is a member of the Board of Trustees of the Accounting and Auditing Organization for Islamic Financial Institutions.

Dr. Eltigani El Tayeb Mohammed

Shari'a Officer, Secretary of Unified Shari'a Board

Dr. El Tigani El Tayeb Mohammed has over 15 years' experience in Islamic banking and finance, specializing in Islamic Banking law. He joined Al Baraka Group in November 2007. Dr. Mohammed is a Certified Shari'a Advisor and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He holds a Doctorate degree in the principles of Islamic jurisprudence from the University of Khartoum, Sudan, and a Master of Business Administration degree in the principles of Islamic jurisprudence from Omdurman Islamic University, Sudan. He previously served as a member of the Shari'a Board of Itqan Capital and was a professor at Sultan Zainal Abidin Religious College (KUSZA) and the International Islamic University (HUM) in Malaysia.

Attendance at the meetings of the Unified Shari'a Supervisory Board

The Shari'a Board held 6 meetings in 2024. Below are the details of membership and the number of meetings attended:

Name	Position	Number of meetings attended
Shaikh Dr. Saad bin Nasser Al Shithry	Chairman	6
Shaikh Dr. Abdullatif Mahmood Al Mahmood	Vice Chairman	6
Shaikh Abdulla Bin Sulieman Al Mannea	Member	6
Shaikh Dr. Al Ayachi Al Saddig Fiddad	Member	6
Shaikh Yousif Hassan Khalawi	Member	6

Corporate Governance (continued)

EXECUTIVE MANAGEMENT

The Board of Directors has delegated to the Group's Executive Management team the primary responsibility of implementing the strategy of the Group, identifying and evaluating significant risks to the business of the Group and for the design and operation of appropriate internal controls. Its other responsibilities include: ensuring that resolutions of the Board of Directors are carried out; ensuring that the Group operates at all times in accordance with the principles of Shari'a and that the decisions and recommendations of the Unified Shari'a Supervisory Board are carried out; providing the Board of Directors with analysis, assessments, and recommendations regarding the Group's activities and supplying the CBB with all information required under the CBB Law and relevant regulations. The Executive Management disseminates to the Group Units strategic and other central decisions taken at the parent level, and ensures the implementation of Group wide policies and common operational processes and procedures.

As of the end of 2024, the Executive Management Team consisted of the Group Chief Executive Officer, and the Heads of Credit & Risk Management, Internal Audit, Treasury & Financial Institutions, Corporate Communications & ESG, Strategic Planning & Investments, Shari'a Internal Audit, Group Compliance, Governance & Board Affairs and MLRO, Finance, Information Technology, Operations & Support, Shari'a Officer and Chief Digital Officer. The Executive Management exercises control via several committees with specific responsibilities, among which are:

Executive Management Committee

The Executive Management Committee's role is to secure the performance and execution of the strategic objectives of the Group, implementing the operational and other decisions of the Board of Directors in addition to any other matters that are delegated to the Group management by the Board of Directors or by the Group Chief Executive Officer. The Committee is chaired by the Group Chief Executive Officer with the remaining membership comprising of the Heads of Credit & Risk Management, Treasury & Financial Institutions, Finance, Compliance, Governance & Board Affairs and MLRO, Strategic Planning & Investments, Information Technology, Operations & Support, Corporate Communications & ESG, Shari'a Officer, Chief Digital Officer and Human Resources Manager; with Head of Internal Audit and Head of Shari'a Internal Audit as Observers.

Asset and Liability Committee

The committee's mandate is to monitor the structure of the Group's Head Office assets, liabilities, and off-balance sheet exposures to maximize shareholder value, safeguard and protect client assets, improve profitability, enhance capital, and protect against adverse financial conditions. Liquidity risk, profit rate risk, market risk and capital adequacy are monitored through the committee and decisions to mitigate such risks are executed by the Treasury and Financial Institutions Department.

The committee also ensures that the Group Head Office maintains adequate liquidity and appropriate funding arrangements to meet business needs, expansion plans and regulatory requirements.

The committee is chaired by the Group Chief Executive Officer and its members are the Head of Credit & Risk Management, Head of Treasury and Financial Institutions, Head of Strategic Planning & Investments and Head of Finance.

Head Office Credit Committee

The Head Office Credit Committee "HOCC" is the authority that approves Country and Financial Institution limits / credit exposures. The Committee is chaired by the Group Chief Executive Officer with the remaining membership being drawn from among the Executive Management, which includes the Head of Credit & Risk Management..

Risk, Compliance & Audit Committee

The Risk, Compliance & Audit Committee's mandate is to ensure appropriate oversight is provided and that proper actions are taken in the areas of risk, compliance, and audit in line with the Central Bank of Bahrain (the "CBB") and Board of Directors / Board Committees requirements and best practices.

The Committee is chaired by the Group Chief Executive Officer and composed of several members of ABG's executive management which includes the Head of Credit & Risk Management, Head of Internal Audit, Head of Shari'a Internal Audit and Head of Compliance, Governance & Board Affairs and MLRO.

Non-Performing Assets & Provisions Committee

The Non-Performing Assets "NPA" & Provisions Committee mandate is to promote best banking practices for reviewing and monitoring different types of Credit Portfolios (i.e. Corporate, Commercial, SMEs, Retail, etc.) within ABG and its subsidiaries, with additional focus on the delinquent exposures, past due exposures, restructured exposures and related provisioning.

The Committee is chaired by the Group Chief Executive Officer and composed of several members of ABG's executive management which includes Head of Credit & Risk Management, Head of Finance and representatives from both Credit & Risk Management and Finance departments.

Digitalisation, IT & Information Security Committee

The Digitalisation, IT & Information Security Committee governs and oversees ABG's digitalisation, IT and information security strategies across the head office and subsidiaries, ensuring alignment with Group and local business objectives. It reviews and approves key projects, monitors cybersecurity, and standardizes IT tools. The Committee also supports digital transformation initiatives, while ensuring business continuity and modernizing core systems. Regular reporting to ABG's Board ensures strategic alignment and risk management.

The Committee is chaired by the Group Chief Executive Officer, with the remaining membership comprising of the Head of Credit and Risk Management, Head of Strategic Planning, Head of Finance, Head of Information Technology and the Chief Digital Officer.

Zakat and Donations Committee

The Zakat and Donations Committee was formed based on the shareholders' authorization to the Executive Management to distribute the Zakat on their behalf. In accordance with the mandate assigned to this committee, the oversight and governance of donations also fall under its responsibilities. The management took into account several important considerations in forming this committee that will enhance governance mechanisms and maintain transparency in the distribution process assigned to it while adhering to Shari'a and procedural controls that provide strong oversight and standards characterized by integrity, transparency and sound management.

Corporate Governance (continued)

EXECUTIVE MANAGEMENT (continued)

The committee is chaired by the Group Chief Executive Officer with additional members including the Shari'a Officer, representatives from the Compliance department, Treasury department & Finance department. In addition to an observer member from the Internal Shari'a Audit department.

Other Committees

The Executive Management also forms ad hoc committees, as and when required, to address specific initiatives in which the Group may be engaged from time to time.

EXECUTIVE MANagements' PROFILES

Mr. Housseem Ben Haj Amor

Board Executive Member & Group Chief Executive Officer

Mr. Housseem Ben Haj Amor became a Board Member and Group Chief Executive Officer of Al Baraka Group (ABG) on October, 2022. He is also the Chairman of Al Baraka Bank Turkey and a Board Member of Al Baraka Bank's subsidiaries in Jordan, Egypt, Algeria and Bahrain.

With more than 25 years of experience in the finance industry across the Middle East, Europe and North Africa, Mr. Amor has held key leadership roles in banking and financial institutions. Before his current role, he served as ABG's Deputy CEO and Head of Business Development and Investments. In these roles, he developed products and business initiatives across the Group, oversaw commercial banking and treasury functions, and managed the Group's strategy department.

Mr. Azhar Aziz Dogar

Senior Vice President – Head of Credit and Risk Management

Mr. Azhar Aziz Dogar has over 30 years of banking experience across the Middle East, Africa, GCC, and Asia, with short assignments in the UK, Netherlands, and the US. His expertise spans corporate and investment banking as well as credit and risk management functions covering all business segments, including corporate/investment banking, commercial/middle market, and private and retail banking.

In addition to risk management, he has been involved in corporate strategy and buy-side due diligence for financial sector acquisitions. He began his career in Citigroup's investment banking division and later moved to ABN AMRO Bank, taking on a variety of leadership roles, including Deputy Regional Risk Manager for MENA and Regional Head of Credit Portfolio Management.

He has held senior risk management positions throughout his career, including Chief Risk Officer for DIB Capital (wholly owned subsidiary/investment banking arm of Dubai Islamic Bank), Chief Risk Officer for SAMBA Capital in Saudi Arabia, and Chief Risk Officer for the National Bank of Abu Dhabi's (NBAD) corporate and investment banking business. Before joining Al Baraka Group, he served as the Chief Credit Officer for NBAD's Wholesale & International Banking division. He has also been a board member of Dubai Islamic Bank in Pakistan.

Mr. Dogar has worked across all three lines of defense in banking – risk taking, risk oversight and risk assurance – working for both conventional and Islamic banks. He holds a Bachelor's degree from the University of Pennsylvania and a Master's degree in Economics from Brown University, where his thesis focused on Islamic Finance.

Mr. Mohammed Al-Alawi

Senior Vice President - Head of Internal Audit

Mr. Mohammed Alawi Al-Alawi has over 27 years of external and internal audit experience, primarily with Islamic banks. He reports directly to the Audit Committee of ABG's Board of Directors and also acts as its Secretary. Additionally, he participates as an observer member in Audit Committee meetings for ABG's subsidiaries. Before joining ABG, Mr. Al-Alawi served as an Internal Audit Manager at Ithmaar Bank and previously worked for leading audit firms such as PricewaterhouseCoopers and Ernst & Young. Mr. Al-Alawi is a Fellow of the Association of Chartered Certified Accountants (FCCA), U.K. and a member of the Institute of Chartered Accountants in England & Wales (ICAEW).

Mr. Suhail Tohami

Senior Vice President - Head of Treasury & Financial Institutions

Mr. Suhail Tohami has more than 27 years of experience in both conventional and Islamic banking as well as in a range of other businesses. He is directly responsible for managing ABG's liquidity, enhancing profitability, and managing cash flows while enhancing relationships with banks and other financial institutions. He is also responsible for the Group's business development, with a focus on enhancing trade finance across its units.

He previously served as SVP - Head of Treasury & Placement at Seera Investments, Bahrain where he spent almost 12 years having established, developed, and managed the Treasury department. In this role, he also managed Shareholder and Investor relations. Prior to Seera, he spent more than seven years at Bank of Bahrain and Kuwait (BBK), Bahrain with exposure to all Treasury functions, including fixed income portfolio management, FX and interest-rate trading, and heading the money market and liquidity management function.

Mr. Tohami is a member of the CFA Institute and a holder of the Chartered Financial Analyst (CFA) designation. He also holds a Certified Public Accountant (CPA) designation from the University of Illinois and is a member of the American Institute of Certified Public Accountants. Mr. Tohami holds an Executive MBA degree with distinction and first-class honors as well as a Bachelor's degree in Accounting with distinction from the University of Bahrain.

Dr. Mohammed Mustapha Khemira

Senior Vice President – Head of Strategic Planning and Investments

Dr. Mohamed Mustapha Khemira has over 28 years of experience, primarily in Islamic finance and banking services, in addition to management consulting and education. He joined the Strategic Planning Department at ABG in 2017 and was appointed as Head of Strategic Planning in November 2019. Alongside his role as Head of Strategic Planning and Investments, he represents ABG as a member of the Boards of Directors and related Board Committees of Al Baraka Bank Algeria, Al Baraka Bank Tunisia, and Al Baraka Bank Limited South Africa.

Prior to joining ABG, Dr. Khemira worked in different managerial positions with prominent global and GCC-based institutions. He served as the Head of Shari'a Structuring and Coordination at Emirates Islamic Bank for more than eight years. Before that, he co-founded Taaleem PJSC and Beacon Education LLC in Dubai, and served as Chief Operating Officer of Taaleem for a year. Earlier, he worked with McKinsey & Company for three years at the firm's Dubai office.

Corporate Governance (continued)

EXECUTIVE MANAGERMENTS' PROFILES (continued)

Dr. Khemira started his career in Islamic banking with Faysal Islamic Bank of Bahrain in the mid-1990s, where he served in various capacities, the last being Vice President, Corporate & Investment Banking. He holds a Ph.D. and an M.Sc. in Mechanical Engineering from the Massachusetts Institute of Technology (MIT) in Cambridge, MA, USA, with a minor in Management. He completed his B.Sc. in Mechanical Engineering from the University of Minnesota, Minneapolis, USA in 1986.

In 2019, he successfully completed a Professional Certificate program from MIT in "Digital Transformation from AI and IoT to Cloud, Blockchain and Cybersecurity".

Mr. Abdul Malek Mezher

Senior Vice President - Group Head of Compliance, Governance & Board Affairs and MLRO

Mr. Abdul Malek Mezher joined ABG in November 2019 and has over 20 years of experience in Compliance, AML/CTF, Operational Risk, Corporate Governance, and Board Secretariat in the banking and asset management sectors. Before joining ABG, he worked for Alistithmar Capital, a subsidiary of Saudi Investment Bank, as Head of Corporate Governance, Board Secretariat and Affairs. Mr. Mezher serves on the Board of ABG's subsidiaries in Bahrain, Pakistan and Sudan.

Mr. Mezher holds a BA in Accounting from the University of Jordan alongside several professional certifications in Compliance, AML/CTF and Governance. He also holds the ICGC-International Corporate Governance Certificate, and Governance, Risk and Compliance Professional (GRCPP) certification, in addition to the Certified Shari'a Advisor & Auditor (CSAA) designation.

Mr. Ali Asgar Mandasorwala

Senior Vice President – Head of Finance

Mr. Ali Asgar Mandasorwala has over 30 years of experience in finance and accounting, including more than two decades in the financial services sector across the UAE and Bahrain. He joined Al Baraka Group in 2008 and is a key member of the Group's Executive Management.

Mr. Mandasorwala leads and manages the Finance department of the Group; oversees the financial operations of subsidiaries; and supports top management, the Board, and Board Committees on financial matters. In this role, he is in-charge of budgets and budgetary control; and performance reporting to the ABG Board and Executive Management. He is also responsible for regulatory reporting to the Central Bank of Bahrain, financial statement preparation for the Group, and monitoring the financial performance of its subsidiaries.

Mr. Mandasorwala has played a crucial role in due diligence for subsidiary acquisitions and capital-raising initiatives at both the Group and subsidiary levels. His additional responsibilities included the implementation of appropriate controls and processes in the Finance department.

Before joining ABG, Mr. Mandasorwala was a Management Accountant (Derivatives & Hedge Funds) at Abu Dhabi Investment Authority, UAE.

Mr. Mohsin Dashti

Senior Vice President – Head of Operations & Support

Mr. Mohsin Dashti has over 22 years of experience in Islamic and Investment Banking as well as in auditing. He began his career with KPMG in 2002 in Audit and Advisory Services before joining Al Baraka Group in 2005 as part of the Finance Department. From 2007 to 2010, he worked at Seera Investment Bank in Financial Control. He has also served as a board member and audit committee member at Itqan Capital in the Kingdom of Saudi Arabia.

Mr. Dashti held several leadership roles at Al Baraka Group before being appointed as the Head of the Operations & Support Department. Currently, he also serves as a board member at Al Baraka Capital for Islamic Financial Investments in Egypt.

He is a Fellow Chartered Certified Accountant (FCCA) from the United Kingdom, Certified Islamic Public Accountant (CIPA) and holds a Bachelor of Science degree in Accounting with honors from the University of Bahrain.

Mr. Mohammed Abdullatif Al Mahmood

First Vice President - Head of Internal Shari'a Audit

Mr. Mohammed Abdullatif Al Mahmood has more than fifteen years of experience in Internal Shari'a Audit. He joined ABG in August 2007 and was responsible for establishing the Internal Shari'a Audit function and auditing its subsidiaries. He previously worked as Research and Teaching Assistant at the University of Bahrain and practiced law at a local firm where he was licensed to appear before all Bahraini courts for over four years. Additionally, he was appointed as a member of a working group tasked with formulating an AAOIFI standard. Mr. Al Mahmood is a Certified Shari'a Advisor and Auditor (CSAA) and holds a Master's degree in Islamic Jurisprudence and its foundations from Jordan University as well as a Bachelor of Arts degree in Shari'a and Law from Al-Azhar University.

Mohammed Jamsheer

First Vice President – Head of IT

Mr. Mohammed Jamsheer is a seasoned executive with over 21 years of experience in IT and banking. As the Head of Information Technology at Al Baraka Group, he drives the implementation of the Group's technologies and the development of its IT infrastructure, ensuring improved services and an enhanced customer experience. Mr. Jamsheer is also a Board Member of Al Baraka Bank Algeria and the Vice Chairman of the Board of FACT, a subsidiary of Jordan Islamic Bank.

Before joining Al Baraka Group, Mr. Jamsheer held several roles at Arcapita Bank, the Labour Market Regulatory Authority (LMRA), and Electronic Data Systems (EDS), where he developed and implemented IT governance, oversaw project management, and improved IT operations.

Mr. Jamsheer holds an MBA from the New York Institute of Technology (NYIT) and a BSc in Computer Information Systems from Strayer University in Washington DC, USA, as well as leading industry certifications, such as CISA, CGEIT, and PMP.

Dr. El Tigani El Tayeb Mohammed

Vice President Shari'a Officer, Secretary of Unified Shari'a Board

Dr. El Tigani El Tayeb Mohammed has over 15 years' experience in Islamic banking and finance, specializing in Islamic Banking law. He joined Al Baraka Group in November 2007.

Dr. Mohammed is a Certified Shari'a Advisor and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He holds a Doctorate degree in the principles of Islamic jurisprudence from the University of Khartoum, Sudan, and a Master of Business Administration degree in the principles of Islamic jurisprudence from Omdurman Islamic University, Sudan. He previously served as a member of the Shari'a Board of Itqan Capital and was a professor at Sultan Zainal Abidin Religious College (KUSZA) and the International Islamic University (IUM) in Malaysia.

Corporate Governance (continued)

COMPLIANCE, POLICIES AND PROCEDURES

Group Compliance

The Group is committed to complying with ever-increasing international regulatory requirements. Group Compliance supports the Group Units, updating and reviewing compliance related policies on an ongoing basis and formulating framework. There is a continual drive to enhance the compliance culture through investment in advanced systems, controls, developing staff skill sets and awareness.

The Group has consistently displayed a bold commitment in refraining from engaging in any business ventures that could potentially compromise adherence to relevant laws, regulations, and regulatory standards.

The Group Compliance ("GC") department has formulated a Group compliance Management Programme for implementation throughout the Group. They reflect the following core principles and practices which are firmly embedded in ABG and all its subsidiaries:

- comply with both the text and the spirit of all applicable laws, rules and regulatory standards;
- conduct business strictly in accordance with all regulatory and ethical standards;
- encourage a strong compliance culture, with every individual held personally responsible for compliance;

ABG and its subsidiaries continue to enhance compliance related policies, procedures, and frameworks. Staff skills are upgraded by providing current and targeted training in all areas of financial crime compliance requirements. Systems and automated tools are being introduced, as required, to improve compliance standards throughout the Group.

An Independent Function

Group Compliance at ABG is an independent function responsible for:

- proactively identifying and evaluating compliance risks;
- developing and implementing compliance policies, programmes and plans;
- monitoring, managing, mitigating and reporting compliance risks;
- monitoring, investigating, and reporting compliance breaches, incidents and risks; and
- advising management and staff on compliance and regulatory matters.

The GC reports to the Board Compliance & Governance Committee and provides independent oversight on behalf of the Board of Directors. It has access to the Board of Directors whenever deemed necessary. In addition, the GC has the right and the authority to contact the Central Bank of Bahrain (CBB), as and when considered necessary.

The GC is supported by dedicated compliance teams in all ABG subsidiaries. At the Group level, the GC is responsible for coordinating the identification and management of the Group's financial crime compliance risks, in collaboration with local Heads of Compliance in each of the subsidiaries.

Throughout its network of offices, ABG has issued written guidelines for staff, which describe the appropriate implementation of laws, regulations, rules and standards through policies and procedures, including the overarching Group Compliance Policy. This policy requires officers and staff from all subsidiaries to comply with relevant laws, rules, regulations and standards of best market practices.

In ABG, compliance risks fall broadly into the following categories:

- Regulatory Compliance, Foreign Account Tax Compliance Act and Common Reporting Standard (FATCA/CRS);
- Anti-Money Laundering, Countering Financing of Terrorism and countering proliferation finance; and
- International Sanctions;

Regulatory Compliance and Corporate Governance

At the Group level, policies are continuously developed for managing compliance risks in all the above categories. These policies are systematically cascaded down to the Units, which adapt and implement them in accordance with local regulatory requirements. ABG has a strict Code of Conduct in place that all employees must adhere to at all times. The Code sets out to deter wrongdoing and to promote ethical conduct and fair treatment of customers. It outlines the responsibilities of all members of ABG, its officers and staff, who are expected to read, understand and uphold these standards and principles at all times.

ABG also has a Whistleblowing policy in place, which provides a formal channel for staff to report any unethical conduct, gross mismanagement or corporate wrongdoing. Staff members are encouraged to report their concerns through specified secure communication channels which protect their identities, without fear of reprisal or victimization.

ABG has in place a Group Compliance Policy for application of FATCA/CRS reporting throughout the Group. ABG Units have implemented their own procedures, processes, and systems for FATCA reporting in each location, subject to local regulatory requirements and models. ABG has made substantial investments in enhancing systems and training employees to ensure that a proper framework is in place. The Group compliance policy is also in place for CRS reporting. Reporting on relevant persons is done in accordance with the respective deadlines.

Anti-Money Laundering, Countering Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF)

Risks relating to financial crime are proactively managed at the Group and unit levels. ABG is committed to complying with AML/CFT/CPF laws and regulations, as well as the recommendations of the Basel Committee and Financial Action Task Force (FATF) along with the international best practices. These laws, regulations and recommendations are reflected in the AML/CFT/CPF policies of ABG and each of its Units. The Group has strict Know Your Customer (KYC) policies, which include detailed requirements for identifying and verifying customers. These policies preclude the operating units from establishing new business relationships until all relevant parties to the relationship have been identified and verified, and the nature of the business they expect to conduct has been clearly established.

In line with the requirements of the CBB and the Group AML/CFT/CPF Policy, suitably qualified Money Laundering Reporting Officers (MLROs) are appointed in all Units. The MLROs are responsible for ensuring compliance with all relevant laws, regulations and policies in respect of AML/CFT/CPF. They also have the responsibility of reviewing and monitoring customers and transactions, and reporting to their respective host regulators any suspicions concerning them.

At the Group level, ABG has appointed a Group MLRO, who is responsible for formulating and implementing ABG's AML/CFT/CPF strategies and policies on an ongoing basis. The Group MLRO coordinates the activities of each subsidiary's MLRO, overseeing appropriate AML/CFT/CPF training for all relevant staff, and reporting to the Board Compliance and Governance Committee and the Board of Directors on all critical money laundering issues.

COMPLIANCE, POLICIES AND PROCEDURES (continued)

International Sanctions

Owing to the raft of sanctions imposed by local and international regulatory bodies, sanctions compliance is one of the primary challenges faced by banks today, particularly those operating across multiple geographies. Breaches of sanctions expose banks to significant regulatory, reputational and commercial risks, including potential financial losses. As evidenced by the large number of cases reported and the very sizeable fines imposed, sanctions risk has become one of the most serious risks faced by banks worldwide.

Being mindful of such risks, ABG has formulated a strategy and policy for managing sanctions risk at the Group level and implemented it across all Units. The Group is increasing staff awareness of sanctions compliance and investing in appropriate screening systems to manage and minimise sanctions risk. A Group Sanctions Policy is implemented throughout its network to ensure uniform standards of adherence to all relevant sanctions orders. This policy sets out various restrictions and prohibitions relating to customers and transactions subject to sanctions. These restrictions sometimes extend beyond the strict requirements of applicable laws to safeguard ABG's reputation and standing.

Group Disclosure Policy

The Group communication strategy aims to keep the market informed of material information in a timely, accurate and balanced manner. The Group's communications with the market ensures compliance with the CBB's rules as detailed in the CBB Disclosure Standards as specified under the CBB Capital Markets Regulations. Following the Annual General Meeting and approval from the Central Bank of Bahrain (CBB), ABG was officially delisted from the Bahrain Bourse (BHB) in July 2024. As of this date, the company is no longer subject to disclosure requirements or Capital Markets Regulations.

Material information is any information, financial or non-financial, relating to the business and affairs of ABG, or any of ABG's subsidiaries that results in, or would reasonably be expected to result in, a significant change in the market price of the ABG's shares or in the decision of a prudent investor to sell, buy or hold the ABG's shares or cause to change a prudent investor's decision to transact or refrain from transacting with the ABG or its subsidiaries. Material information consists of, but is not limited to, both material facts and material changes relating to the business and affairs of the Group and ABG's subsidiaries.

In order for the Group to comply fully with the CBB disclosure requirements as specified in the CBB Rulebook, the Group will disclose all the required information in its published quarterly reviewed financial statements, and its annual audited financial statements, and any applicable ad hoc information requirement of the CBB from time to time. After the delisting, the Group is no longer required to publish quarterly review financial statements, from July 2024 onward.

ABG was previously listed on the BHB and adhered to all periodic information disclosure requirements, as outlined in its regulations and directives. However, since the company officially delisted, the BHB's regulations and directives are no longer applicable to us as of July 2024.

Additionally, the Group will publicly disclose and broadly disseminate material information immediately upon becoming aware of circumstances or events that underlie such material information, or when a decision to implement a material change is made by the Board of Directors or the Executive Management. While a listed company, ABG adheres to a strict policy, which delegates to certain specific individuals

the authority to issue press releases or make announcements to the public, financial or non-financial, about the Group. After delisting from BHB in July 2024, the regulatory requirement is no longer applicable.

In the event that any of the authorised individuals is requested to make statements relating to the financial statements, financial indicators or general financial performance of the Group, that person will consult and/or confirm with the Head of Finance with regard to the accuracy, timeliness and reliability of the information prior to making any public announcements.

The Group distributes its Financial Statements and Prudential Returns to the CBB on a quarterly and an annual basis. Then the Group makes this information available on its website.

Press releases are posted on ABG's website and published in Arabic and English. Persons authorised by the Group to make public disclosures will not make any announcement on a one-to-one basis before disseminating the information on the Group's website or in local newspapers as appropriate. The Group has decided to continue with the press release, and will continue to follow the Public Disclosure standards and obtain CBB approval prior to publishing.

ABG has in place an effective framework for dealing with complaints received from its shareholders and other stakeholders. Different channels have been established to enable communication with investors, including through the offices of the Registrar, an online enquiry centre on ABG website and dedicated telephone and email addresses. All complaints received are transmitted to the concerned department, the Executive Management and the Board. In accordance with the CBB's disclosure requirements, the Group maintains at least the previous three years' financial performance information on its website.

Regulations

ABG complies with all the regulatory requirements governing Investment Firms issued by the CBB, which include, inter alia, regulations governing ABG's capital adequacy, asset quality and risk management, liquidity and fund management and corporate governance.

The CBB, sets and monitors ABG's capital requirements at Head Office level, while ABG's banking subsidiaries are directly regulated by their local banking supervisors, which set and monitor their capital adequacy requirements.

Related Party Transactions

Deals with persons or entities connected with the Group (including directors and shareholders) are called "related party transactions". The Group treats all such transactions at arm's length and requires that they have the specific approval of the Board. If a director is an interested party, he is required to abstain from voting on the respective matter. The Related Party Transactions pertaining to 2024 are reflected in Note 27 to the Consolidated Financial Statements.

Related Party Transactions apply to Directors, Key Management Personnel, Approved Persons, Management, and Staff, including transactions between the Group and its subsidiaries. These transactions encompass credit facilities granted, purchases made, joint ventures, and business agreements. Additionally, each Approved Person must inform the entire Board of a potential conflict of interest arising from their activities or commitments to other organisations.

COMPLIANCE, POLICIES AND PROCEDURES (continued)

All Approved persons must declare in writing all of their other interests in other enterprises or activities (whether as a shareholder of above 5% of the voting capital of a company, a Shari'a supervisory board member (SSB), a manager, or other form of significant participation) to the Board or (the responsible committees).

Employment of Relatives

ABG maintains a board-approved policy on the employment of immediate family members or other relatives of employees. The policy prohibits the employment and internal transfers where applicable, of first and second-degree relatives. However, the policy permits third- and fourth-degree relatives to be employed in positions other than where there is an actual, potential or perceived conflict of interest, or an opportunity for collusion. The Human Resources department is responsible for examining potential applications for employment to check whether there is likely to be an actual or potential conflict of interest as defined by the Group's policies, with particular reference to the code of conduct and conflict of interest policies.

The Group CEO annually discloses to the Board of Directors, the relatives of any approved persons occupying controlled functions within the company.

The Group has a special policy regarding the appointment of accredited employees who are related to the members of the Shari'a Board. The policy states that the appointment of any individual who is related to an accredited employee or to a member of the Shari'a Board must take place after it is declared to the Board of Directors or to the Shari'a Board, depending on the circumstances. The Shari'a Board member must refrain from participating or voting on any decision related to the accountability, judgement of behaviour, appointment, or specification of the dues of an accredited employee if he is related to one of them in the first or second degree.

Code of Business Conduct and Ethics

The Group adopts a Code of Business Conduct and Ethics and other internal policies and guidelines to comply with the laws, rules and regulations that govern the Group's business operations. The Code of Business Conduct and Ethics applies to all employees of the Group as well as to Directors. The Group ensures that all approved persons submit their conflict-of-interest declarations annually. The annual declaration is updated in the Code of conduct.

ABG complaint handling procedures are in place. All complaints are handled according to CBB requirements.

Anti-bribery & Corruption ("ABC") Programme

The Group values its reputation and has a commitment to upholding the highest ethical standards in the conduct of business activities. The Group views bribery as prohibited and expects all staff, Directors, and associated persons to adopt high standards of conduct and ensure compliance with this policy and the Bahrain Penal Code. These standards are the minimum requirements based on legal and regulatory rules applicable to the Group.

All employees of the Group are expected to have complete familiarity with the contents of the ABC Programme be fully aware of their roles and responsibilities and should always act in the spirit rather than just the letter of the Programme. Any non-compliance shall trigger personal liability such as fines and imprisonment, or disciplinary action.

Units are required to develop their own ABC programme, which must incorporate the requirements of the Group ABC programme as a minimum, adding additional requirements in accordance with local laws, regulations and practices. Wherever local regulations are higher than the requirements set in this Programme, the higher standards must be applied. If any applicable laws conflict with this Programme, the relevant unit must consult their local legal department and the Head of Group of Compliance to resolve the conflict and as applicable, report the same to ABG Compliance & Governance Committee.

The Group's ABC Programme does not tolerate breaches of any of the following:

- applicable laws, rules & regulations;
- generally accepted practices and standards in relation to anti-corruption;
- fines or other enforcement actions in regard to anti-corruption.

The Group views combating bribery and corruption as an integral part of its risk management strategy, and not merely a stand-alone requirement imposed by the regulatory authorities.

Any material or systemic breaches shall be reported to the Board's Compliance & Governance Committee. The Group ABC Programme aims to set out the basic framework to detect, prevent and suppress acts of bribery and corruption at the Group. The Board of Directors has adopted this policy which demonstrates the Group's adherence to applicable ABC legal and regulatory requirements and the highest of professional standards.

REMUNERATION POLICY AND RELATED DISCLOSURES

The Group's total compensation approach, which includes the variable remuneration policy, sets out the Group's policy on remuneration for Directors and senior management and the key factors that are taken into account in setting the policy.

Through the remuneration framework summarized below, the Group aims to comply with the CBB's regulations concerning Sound Remuneration Practices and Article 188 of the Bahrain Commercial Companies law, 2001.

Remuneration Strategy

The Group's core compensation philosophy is to provide a competitive level of total compensation to attract and retain qualified employees. The strategy is designed to align employee interests with those of the Group's shareholders and to support the achievement of the Group's objectives.

The commitment and quality of all employees are fundamental to the Group's success. Therefore, the Group seeks to attract, retain, and motivate top talent who are dedicated to advancing the long-term interests of its shareholders.

The Group's reward package is comprised of the following key elements:

1. Fixed pay;
2. Benefits;
3. Annual performance bonus; and

A robust and effective governance framework ensures that the Group operates within clear parameters of its compensation strategy. All

Corporate Governance (continued)

REMUNERATION POLICY AND RELATED DISCLOSURES (continued)

compensation matters are overseen by the Board Nomination & Remuneration Committee (BNRC) and subsequently approved by the Board of Directors.

To align compensation with business strategy, the Group assesses individual performance against both financial and non-financial objectives. This evaluation considers adherence to the Group's values and compliance measures, emphasizing integrity in all actions. Performance is judged not only on results but also on how those results are achieved, reflecting the BNRC's belief in the importance of sustainable business practices.

Board Nomination and Remuneration Committee ("BNRC") Role and Focus

The BNRC has oversight of all reward policies for the Group's employees. The BNRC is the supervisory and governing body for compensation policy, practices and plans. It is responsible for setting the principles and governance framework for all compensation decisions. The BNRC ensures that all persons must be remunerated fairly and responsibly. The remuneration policy is reviewed on a periodic basis to reflect changes in market practices, the business plan and risk profile of the Group.

The responsibilities of the BNRC, as stated in its mandate, include, but are not limited to:

- Approving, monitoring, and reviewing the remuneration system to ensure the system operates as intended;
- Approving the remuneration amounts for each Approved Person, taking into account the total remuneration including salaries, fees, expenses, bonuses and other employee benefits;
- Recommending Board members' remuneration based on their attendance and performance, and in compliance with Article 188 of the Bahrain Commercial Companies law; and
- Ensuring disclosure of all the remunerations received by the Chairman and members of the Board of Directors, each separately, during the fiscal year, including any benefits, privileges, share of profits, attendance allowance, representation allowance, expenses, etc. The disclosure should include what the members received as employees, administrators, technical works, or administrative, advisory or any other works, using the forms prepared by the Ministry of Industry & Commerce.

As required by the Ministry of Industry & Commerce, the Board of Directors' Report is required to disclose the total amounts received by the top six managers (including the GCEO and the Senior Financial Officer) who received the highest remunerations during the fiscal year, including any salaries, benefits, shares, and a share in the profits, as applicable.

Scope of Application of the Remuneration Policy

The remuneration policy has been adopted on a Group-wide basis.

Board Remuneration

The Board of Directors' remuneration is determined in line with the provisions of Article 188 of the Bahrain Commercial Companies law, 2001. Board remuneration is subject to approval of the shareholders in the Annual General Meeting. Remuneration of non-executive Directors does not include performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits.

Variable Remuneration for Staff

Variable remuneration is performance related and consists primarily of the annual performance bonus award. As a part of the staff's variable remuneration, the annual bonus rewards delivery of operational and financial targets set each year, the individual performance of the employees in achieving those targets, and their contribution to delivering the Group's strategic objectives.

The Group has adopted a Board-approved framework to develop a transparent link between variable remuneration and performance. The framework is designed on the basis of both meeting satisfactory financial performance and the achievement of other non-financial factors that will, all other things being equal, deliver a target bonus pool for employees, prior to consideration of any allocation to business lines and employees individually.

Key performance metrics at the Group level include a combination of short-term and long-term measures, and include profitability, solvency, liquidity, and growth indicators. The performance management process ensures that all goals are appropriately cascaded down to respective business units and employees.

Remuneration of Control Functions

The remuneration level of staff in the control and support functions is maintained at a level, which enables the Group to attract and thus employ qualified and experienced personnel in these functions. The Group ensures that the mix of fixed and variable remuneration for control and support function personnel is weighted in favour of fixed remuneration. The variable remuneration of control functions is based on function-specific objectives and is not determined by the financial performance of the business areas they monitor.

The Group's performance management system plays a major role in deciding the performance of the support and control units on the basis of the objectives set for them. Such objectives are more focused on non-financial targets that include risk, control, compliance, and ethical considerations as well as the market and regulatory environment, apart from value-adding tasks, which are specific to each unit.

Variable Compensation for Business Units

The variable remuneration of the Business Units is primarily determined by key performance objectives set through the performance management system of the Group. Such objectives contain financial and non-financial targets, including risk control, compliance, and ethical considerations, as well as market and regulatory requirements. The consideration of risk assessments in the performance evaluation of individuals ensures that any two employees who generate the same short-run profits but take different amounts of risk on behalf of the Group are treated differently by the remuneration system.

Details of remuneration paid

a) 1. Board of Directors

	US\$ '000	
	2024*	2023
Sitting Fees	393	483
Remuneration*	1,500	1,500
Other	38	23

The category 'Other' includes the reimbursement of air fares and payment of per diem allowances for attending Board of Directors and Board Committees' meetings.

* Subject to approval by AGM in March 2025.

Corporate Governance (continued)

REMUNERATION POLICY AND RELATED DISCLOSURES (continued)

COMPLIANCE, POLICIES AND PROCEDURES (continued)

Details of remuneration paid (continued)

a) 2. Board of directors' remuneration details:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance *****
	Remunerations of the chairman and BOD*	Total allowance for attending Board and committee meetings	Salaries**	Others****	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others *****	Total			
1. Shaikh Abdullah Saleh Kamel	52,212.470	9,048.000	-	-	61,260.470	-	-	-	-	-	-	61,260.470	-
2. Mr. Mohammed Al Shroogi	49,021.579	11,310.000	-	-	60,331.579	-	-	-	-	-	-	60,331.579	4,444.212
3. Mr. Tawfig Shaker Mufti	45,830.689	13,572.000	-	-	59,402.689	-	-	-	-	-	-	59,402.689	-
4. Mr. Housseem Ben Haj Amor	37,321.647	9,048.000	-	-	46,369.647	-	-	-	-	-	-	46,369.647	1,558.218
5. Dr. Khaled Abdulla Ateeq	54,339.731	15,834.000	-	-	70,173.731	-	-	-	-	-	-	70,173.731	1,830.849
6. Mrs. Dalia Hazem Khorshid	40,512.537	11,310.000	-	-	51,822.537	-	-	-	-	-	-	51,822.537	268.673
7. Dr. Ziad Ahmed Bahaieldin	43,703.428	13,572.000	-	-	57,275.428	-	-	-	-	-	-	57,275.428	577.217
8. Mr. Saud Saleh Al Saleh	39,448.907	9,048.000	-	-	48,496.907	-	-	-	-	-	-	48,496.907	738.671
9. Mr. Abdul Elah Abdul Rahim Sabbahi	40,512.537	9,048.000	-	-	49,560.537	-	-	-	-	-	-	49,560.537	-
10. Mr. Fahd bin Ibrahim Al Mufarrij	49,021.579	12,441.000	-	-	61,462.579	-	-	-	-	-	-	61,462.579	268.673
11. Mr. Masood Ahmed Al Bastaki	45,830.689	15,834.000	-	-	61,664.689	-	-	-	-	-	-	61,664.689	1,830.846
12. Mr. Naser Mohamed Ali Al Nuwais	47,957.949	12,441.000	-	-	60,398.949	-	-	-	-	-	-	60,398.949	2,944.215
13. Mr. Musa Abdel-Aziz Shihadeh ●	19,786.257	5,655.000	-	-	25,441.257	-	-	-	-	-	-	25,441.257	-
Total	565,500.000	148,161.000	-	-	713,661.000	-	-	-	-	-	-	713,661.000	14,461.574

Notes:

All amounts stated in Bahraini Dinars.

Remunerations of the chairman and BOD:

* Includes fixed remunerations and remunerations calculated by points system. The remuneration is the proposed amounts and are subject to approval by the Shareholders in the AGM.

Salaries:

** Mr. Housseem Ben Haj Amor's salary is included in the Executive Management remuneration disclosure.

Other remunerations:

*** It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).

**** It includes the board member's share of the profits - Granted shares (insert the value) (if any).

Expenses Allowance:

***** It includes Per-diem, Ticket and Hotel Fees.

● Mr. Musa Abdel-Aziz Shihadeh, a former member of the ABC Board of Directors, deceased on July 4, 2024

Corporate Governance (continued)

Details of remuneration paid (continued)

b) Executive management remuneration details

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2023	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	BHD 1,291,587.646	BHD 866,718.500	BHD 193,316.866	BHD 2,351,623.012

Note: All amounts stated in Bahraini Dinars.

* The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc.

** The company's highest financial officer (CFO, Finance Director, ...etc))

c) Unified Shari'a Supervisory Board

	US\$ '000	
	2024	2023
Shari'a Committee Members fee and remuneration	246,897	187,425

RISK MANAGEMENT

The Group is committed to complying with internationally established principles and policies in relation to risk management. Risk management is an integral part of the Group's decision-making process. The Board of Directors, acting on recommendations made by the Board Risk Committee defines and sets the Group's overall risk strategy, risk appetite, risk diversification and asset allocation strategies. This includes the policies regarding credit, market, liquidity and operational risks amongst others.. Asset & Liability Committee (ALCO), Head Office Credit Committee (HOCC) and other executive committees guide and assist with management of the Group's balance sheet risks. The Group manages exposure by adhering to limits approved by the Board of Directors or under delegated authorities approved/extended by the Board/ Board Committees to Management Committees. Risk policies and processes to mitigate the risks are regularly reviewed on an ongoing basis.

To ensure the effectiveness of ABG's Risk Management Framework, the Board and Senior Management need to be able to rely on adequate line functions including monitoring and assurance functions within ABG. Therefore, as part of its overall governance and risk management framework, the Group endorses the "Three Lines of Defense (LOD)" model as a way of explaining the relationship between these functions and as a guide to how responsibilities are assigned:

- 1 The first line of defense (Risk Taking):** Functions that own and manage risk. Under this line of defense, business management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. These primarily include functions or departments engaged in the front office / client facing roles responsible for risk taking activities like financing (e.g. corporate banking).
- 2. The second line of defense (Risk Oversight):** Functions that oversee or specialize in risk management and compliance. This line of defense consists of activities covered by several components of the internal governance framework (Compliance, Risk Management, Finance, Legal, Operations, Internal Controls, Human Resources, Information Technology and other such departments). Furthermore, it monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information within

ABG. The Shari'a coordination and implementation function ensures all products, transactions and activities undertaken by ABG are in line with Islamic principles.

- 3. The third line of defense (Risk Assurance):** Functions that provide independent assurance i.e. internal audit, which forms the third line of defense. An independent internal audit function, through a risk-based approach to its work, provides assurance to the bank's Board of Directors and Senior Management. This assurance covers how effectively the bank assesses and manages its risks and includes assurance on the effectiveness of the first and second lines of defense. It encompasses all elements of the bank's risk management framework (from risk identification, risk assessment and response, to communication of risk-related information) and all categories of organisational objectives: strategic, ethical, operational, reporting and compliance. In addition, an Independent Shari'a Internal Audit Department is an important pillar of the third line of defense.

In combination, this approach permits ABG to grow its business without taking undue risks that could impact its capital adequacy, shareholder returns and ultimately its brand and reputation.

The main roles and responsibilities of ABG's Risk Management include the following:

- To develop and implement Group risk management framework, policies and procedures aligned with regulatory directives.
- To ensure that the risk management function is sufficiently equipped with policies, processes, systems, methodologies and expertise for identification, measurement, control, reporting and monitoring of risk adequately and efficiently at the Head Office level. Primary responsibilities however rest with the individual subsidiaries and their boards given the current governance framework.
- To develop ABG's Risk Appetite Statement as well as Risk Management Guidelines for ABG Units/Subsidiaries.
- To regularly review, monitor and report consolidated risk limits (as defined in the Group Risk Appetite Policy) to Board Risk Committee.
- To provide oversight on ABG Units' risk management and take into consideration the statutory, legal and governance requirements that apply to the Units individually.

RISK MANAGEMENT (continued)

- To monitor exposures both at the head office and consolidated Group levels in terms of risk concentrations.
- To review and analyse the Group's credit portfolio in terms of asset quality including concentrations to detect risk and concentrations and alert and advise Board Risk Committee accordingly.
- To centrally review, process and approve credit applications for the Financial Institutions (FI) segment covering all subsidiaries.
- To promote a robust risk culture (including risk training and development) within the Group's existing operating model and governance framework.

ABG Units are governed by their respective Boards of Directors. The Units follow documented credit and risk policies and procedures which reflect Group-wide policies and thereby ensure that sound risk management is in place.

A risk management framework has been established which outlines the major categories of risk that the Group is exposed to while carrying out its business. These are: Credit, Liquidity, Market, Strategic, Operational, Reputational, Regulatory Compliance, Financial Crime, Climate and Shari'a Compliance. Each of these major risks have sub-risks that are part of ABG's risk taxonomy. These major risks are discussed below.

Credit Risk

Credit risk is the risk that one party to a financial contract fails to discharge an obligation and causes the other party to incur a financial loss. It applies to the Group in its management of the financing exposures arising out of receivables and leases (for example, Murabaha and Ijarah) and working capital and other financing transactions (Salam, Istisna'a, Musharaka or Mudaraba). Each Group subsidiary has in place a framework for credit risk management that includes identification, measurement, monitoring, reporting, and control of credit risks. Each subsidiary controls credit risk through the process of initial approval and granting of credit, subsequent monitoring of counterparty creditworthiness and the active portfolio management of credit exposures. Authority to approve credits is delegated by the subsidiary's Board committees entrusted with the task of credit assessment and evaluation, under specific credit policies and operational procedures in place in that subsidiary. Mitigation of credit risk is primarily achieved through (a) customer's financial and credit due diligence including willingness and ability/capacity to repay, (b) appropriate structuring of credit facilities and its pricing and (c) obtaining various forms of collateral as necessary.

Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal or stressed circumstances.

ABG and its subsidiaries each has in place a liquidity management framework, taking into account its liquidity exposures in respect of its current and savings accounts, deposits from banks and other financial institutions, and its restricted and unrestricted investment accounts. This ensures that it maintains liquid assets at prudential levels so that cash can quickly be made available to honor all its obligations. Liquidity management also recognises the impact of potential cash outflows arising from irrevocable commitments to fund new assets, as well as the potential risk impact of withdrawals by large single depositors, ensuring

that ABG does not rely excessively on one customer or small group of customers. In addition to its own internal liquidity management policies, each subsidiary is further required to maintain cash deposits with its respective central bank equal to a percentage of its deposits as directed by that central bank. Each Subsidiary is also responsible for regularly monitoring its Liquidity coverage ratios (LCR) and Net Stable Funding ratios on an ongoing basis.

Market Risk

Market risk arises from a change in value in on- and off- balance-sheet positions arising from movements in market prices, including profit rates, exchange rates, commodity prices and equity values. Profit rate, equity price, and foreign exchange are the main sub-risks covered under Market risk. The Group has developed policies and periodic reporting mechanisms to track and manage these risks.

Strategic Risk

Strategic Risk refers to the risk to the organisation's earnings and profitability arising from strategic decisions, changes in the business conditions and improper implementation of decisions. Strategic Risk arises due to external causes, arising out of adopting wrong strategies and choices that could cause loss to ABG in the form of reduction in shareholder value, loss of earnings, etc. Strategic risk for the subsidiaries is evaluated through their respective ICAAP process under the oversight of the ABG.

Operational Risk

Operational risk is the risk of financial loss or damage resulting from inadequate or failed internal processes, people, and systems, or from external events.

The Group manages operational risks through internal procedures, as well as monitoring and control mechanisms. Legal risks are addressed through effective consultation with both internal and external legal counsel. Other kinds of operational risk are managed by ensuring that trained and competent people - and appropriate infrastructure, processes, controls and systems - are in place to ensure the identification, assessment and management of all substantial risks.

As mentioned above, Group policy dictates that the operational functions of booking, recording, and monitoring transactions are carried out by staff independent of the staff initiating the transactions. Group subsidiaries have primary responsibility for identifying and managing their own operational risks. Each subsidiary is guided by policies, procedures and controls that are relevant for each function. Internal control policies and procedures dictate the segregation of duties, delegation of authorities, exceptions reporting, exposures management and reporting, and reconciliations, and are based on the submission of timely and reliable management reporting.

Separate and independent Internal Control units carry out ongoing monitoring of day-to-day procedures and ensure adherence to key control functions.

The Group continues to enhance its management of information and Cyber Security Risk. It has assessed the risks, identified controls and is implementing solutions. The Group already has comprehensive IT security policy and procedures, which are in line with leading industry practices.

Corporate Governance (continued)

RISK MANAGEMENT (continued)

Reputational Risk

Reputational risk is defined as the risk of indirect losses arising from a decline in the organisation's reputation amongst one or multiple stakeholders. This can expose an organisation to litigation, financial loss or damage to its reputation. Reputation is a collection of perceptions and beliefs, both past and present, which reside in the consciousness of the bank stakeholders – its customers, business partners, employees, investors, analysts, communities, regulators, government, non-governmental organisations, and the public at large. These perceptions and beliefs are often built over a period of many years; every contact, every media mention, every rumor, every leak, every piece of gossip will play its part in forming an overall impression of the bank's standing.

Regulatory Compliance Risk

Regulatory compliance risk is defined as the risk of legal or regulatory sanctions, material or financial loss or loss to reputation that a bank may suffer as a result of its failure to comply with laws, regulations, rules, reporting requirements, codes of conduct and standards. The landscape of compliance is evolving constantly. As a result, ABG and its subsidiaries are continuously enhancing their compliance risk management framework.

Financial Crime Risk

Financial crime risk is the risk that ABG's products and services will be exploited for criminal activity. This includes fraud, bribery and corruption, tax evasion, sanctions and export control violations, money laundering, terrorist financing, and proliferation financing. The products undergo thorough governance to ensure their suitability and susceptibility to any criminal activity. There are detailed policies and procedures around various aspects of combating financial crime and ensuring compliance of the same.

Climate Risk

Climate risk relates to the financial and non-financial impacts that may arise as a result of climate change and the move to a greener economy. The physical and transition sub-risks are the key drivers of climate risk. This risk category is still at an evolutionary stage and is dependent upon governmental policies and direction, hence it is currently being assessed and frameworks around the same will be developed in due course as required.

Shari'a Compliance Risk

Shari'a compliance risk arises from the failure to comply with the rules and principles of Shari'a and, in this respect, is akin to reputation risk. It also includes the risk of legal or regulatory sanctions that the Group or its subsidiaries may suffer as a result of failure to comply with laws and regulations. As mentioned above, the Group has a Compliance Policy in place that provides for the assessment of compliance risks, the implementation of appropriate controls, monitoring of effectiveness, and correction and eradication of exceptions. Group subsidiaries have systems and controls, including their respective Shari'a Supervisory Boards, in place to ensure compliance with all Shari'a rules and principles. In accordance with CBB regulations and AAOIFI Standards, the Group has, been certified by the Unified Shari'a Supervisory Board to be in compliance with Shari'a Standards and Principles.

CAPITAL MANAGEMENT/CAPITAL ADEQUACY

The CBB requires each Bahrain-based Investment company under Category 1 to maintain a minimum capital of BHD 1.0 million and a minimum capital adequacy ratio not lower than 110%. The Regulatory capital must be calculated for all Bahrain-based Investment firms based on the shareholders' Equity. The investment firm also must maintain adequate human, financial and other resources sufficient to run the business in an ordinary manner.

DIGITALISATION, IT, AND INFORMATION SECURITY COMMITTEE

The Digitalisation, IT, and Information Security Committee governs and supports digitalisation, IT, and information security strategies, policies, projects and initiatives across ABG HO and subsidiaries, and ensures that they are consistent with the Group's strategic aims as well as each subsidiary's local strategy. The Group periodically monitors these strategies across all ABG subsidiaries to ensure that they enable the Group business strategy and strategic objectives.

All ABG subsidiaries are implementing their Digital Transformation strategies that align with industry best practices and address current market needs. As part of their ongoing journey, they are rolling out new solutions and features, such as advanced mobile banking apps, digital wallets, customer onboarding tools, back-office automation, chatbots, various open banking initiatives, and digital branches.

Meanwhile, several subsidiaries have successfully replaced their legacy core banking systems with modern core banking systems. The subsidiaries are now introducing new solutions in areas such as automation, compliance, risk management, and cyber security as well as exploring new technologies related to Artificial Intelligence and Robotic Process Automation.

Each subsidiary has a Business Continuity Plan and Disaster Recovery centres that are up to date and regular audited and testing.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS OF CBB UNDER HC MODULE

With reference to the disclosure of the non-compliance events (Comply or Explain Principle), as per the independent compliance assessment undertaken to cover the year 2024, the Al Baraka (ABG) is in full compliance with the Corporate Governance requirements outlined under Central Bank of Bahrain's HC Module, in its Rulebook, with the exception of the following:

The audit committee must meet:	All requirements have been met. For item (c), the Head of Risk and Head of Internal Audit complied in 2024. A meeting with the Head of Compliance was held in December 2023, with plans to extend an invitation for the December 2024 meeting. However, due to the Audit Committee's crowded agenda, the meeting was postponed and is scheduled for February 2025.
(a) At least four times a year.	
(b) At least twice a year with the external auditor.	
(c) At least once a year in the absence of the CEO and any executive management, but in presence of the Head of Compliance, Internal Auditor and CRO.	

Corporate Governance (continued)

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS OF CBB UNDER HC MODULE (continued)

The shareholders more than 5% are:

Sr.	Shareholder Name	Shareholder Type	Nationality / Registration	Shareholding As of 31/12/2024	Percentage of capital As of 31/12/2024
1	Dallah Albaraka Holding Company B.S.C	Company	Bahrain	784,882,224	63.15%
2	Altawfeek Company For Investment Funds	Company	Cayman Islands	240,173,054	19.32%
3	Abdullah A.Aziz AlRajhi	Company	Saudi	87,313,197	7.03%
	Others Individuals and corporate shareholders (all less than 5%)		--	130,511,280	10.50%
				1,242,879,755	100.00%

ESG AND SUSTAINABLE FINANCE

Al Baraka Group (ABG) fully embraces its ESG responsibilities across the regions where it operates. In 2024, the Group made significant progress in advancing ESG initiatives by further integrating ESG and Sustainability programmes and strengthening its commitment to ethical and sustainable development, both locally and globally.

Education remains a major area of focus. The Group celebrated its third annual Al Baraka Day, aligning its efforts with the United Nations Sustainable Development Goal (SDG) 4: "Quality Education." Through various programmes, ABG positively impacted over 4,500 students by establishing libraries, donating educational tools, providing scholarships in underserved areas, and supporting learning opportunities for communities in need.

In line with its commitment to sustainability, ABG took steps to address climate change and resource conservation. The Group conducted a carbon assessment to better understand its environmental footprint and introduced energy management initiatives, such as motion-sensor lighting and upgraded HVAC systems, which resulted in significant energy savings.

The Group's global network was active in social responsibility efforts. In Turkey, the Group supported earthquake-affected communities, while in Pakistan, it organized awareness sessions on sustainable development. Additionally, the Group worked to promote education, healthcare, and disaster relief, showcasing its dedication to global community well-being. Through the Al Baraka Social Responsibility Programme, the Group supports microfinance initiatives, educational advancements, and community development, reinforcing its alignment with Islamic principles.

ABG prioritised ESG awareness in 2024 through targeted training sessions conducted via the Al Baraka Academy, covering key topics like Shari'a compliance products, governance, and compliance to equip employees with essential knowledge. This focus on education was further reinforced during the inaugural Annual Group Compliance Meeting, which emphasised ethical practices, anti-money laundering, and knowledge sharing across the organisation.

Building on these efforts, ABG enhanced its governance practices by introducing advanced systems and automated tools to strengthen compliance across operations. The Group also invested in continuous staff development, providing specialised training in ethics, risk management, and compliance. Additionally, ABG communicated its anti-corruption policies and procedures to all employees, ensuring adherence at all levels through regular training and awareness sessions.

Transparency and accountability remain key pillars of ABG's ESG approach. The Group adopted comprehensive data collection processes and adhered to globally recognised standards, including the UN SDGs and Islamic principles. ESG metrics were meticulously tracked, and the findings will be shared through the ESG Report 2024, which aligns with the Central Bank of Bahrain's disclosure guidelines. This report will keep stakeholders informed about ABG's sustainability performance and governance practices.

In 2024, ABG reported a 34% overall gender diversity across the Group, with women making up 8% of its Board of Directors. The Group remains committed to enhancing female representation at leadership levels, recognising diversity as a critical driver of innovation and strategic growth. Initiatives are in place to support inclusive workplace practices and the advancement of women within the organisation.

Looking ahead to 2025, ABG's priorities include promoting gender diversity, enhancing community engagement through impactful CSR initiatives, and leveraging technology to strengthen compliance and governance frameworks. As part of our ESG journey, we are assessing and evaluating our impact on both internal and external stakeholders to develop a comprehensive framework that aligns with our values and long-term sustainability goals. Additionally, we remain committed to social and sustainable finance, prioritising projects that deliver tangible value to communities, improve living conditions, and enhance quality of life in the local communities we serve.

Other Information

For the year ended 31 December 2024

External Auditors

For the year 2024, annual audit and quarterly review services amounted to US\$ 210,000, other attestation services amounted to US\$ 45,150.

Board of Directors & Unified Shari'a Supervisory Board

BOARD OF DIRECTORS

Shaikh Abdullah Saleh Kamel ▲
Chairman

Mr. Mohamed Ebrahim Alshroogi ■ ● ▲
Vice Chairman

Mr. Tawfig Shaker Mufti ● ●
Board Member

Mr. Housseem Ben Haj Amor ●
Board Executive Member & Group Chief Executive Officer

Dr. Khaled Abdulla Ateeq ■ ▲ ▲
Board Member

Mrs. Dalia Hazem Khorshid ■ ● ●
Board Member

Dr. Ziad Ahmed Bahaa Eldin ■ ● ●
Board Member

Mr. Saud Saleh Al Saleh ● ●
Board Member

Mr. Abdul Elah Abdul Rahim Sabbahi ● ●
Board Member

Mr. Fahd bin Ibrahim Al Mufarrij ■ ▲
Board Member

Mr. Masood Ahmed Al Bastaki ■ ● ●
Board Member

Mr. Musa Abdel-Aziz Shihadeh ● *
Board Member

Mr. Naser Mohamed Al Nuwais ■ ● ▲
Board Member

Mr. Abdul Malek Mezher
Secretary to the Board

UNIFIED SHARI'A SUPERVISORY BOARD

Shaikh Dr. Saad Bin Nasser Al Shithry
Chairman

Shaikh Dr. Abdullatif Al Mahmood
Vice Chairman

Shaikh Abdulla Bin Sulieman Al Mannea
Member

Shaikh Dr. Al Ayachi Al Saddig Fiddad
Member

Mr. Yousif Hassan Khalawi ●
Member

Dr. Eltigani El Tayeb Mohammed
Secretary of the Unified Shari'a Board and Shari'a Officer

COMMITTEE NAME	COMMITTEE CHAIRMAN	COMMITTEE MEMBER
Board Executive Committee	▲	●
Board Audit Committee	▲	●
Board Nomination & Remuneration Committee	▲	●
Board Risk Committee	▲	●
Board Social & Sustainable Finance Committee	▲	●
Board Compliance and Governance Committee	▲	●
Independent Director		■

* Mr. Musa Abdel-Aziz Shihadeh, a former member of the ABG Board of Directors, deceased on July 4, 2024