Ithmaar Holding B.S.C.
Directors' Report for the year ended 31 December 2021

The Directors submit their report dealing with the activities of Ithmaar Holding B.S.C. ("Ithmaar") for the year ended 31 December 2021, together with the audited consolidated financial statements of Ithmaar and its subsidiaries (collectively the "Group") for the year then ended.

Principal activities

Ithmaar Holding B.S.C directly owns two major subsidiaries, Ithmaar Bank B.S.C (C) (Ithmaar Bank), an Islamic retail bank subsidiary which holds the core retail banking business, and IB Capital B.S.C (C), an Islamic investment subsidiary which holds investments and other non-core assets. The two subsidiaries are licensed and regulated by the Central Bank of Bahrain.

The principal activities of the Group are a wide range of financial services, including retail, commercial, asset management, private banking, takaful and real estate development.

Consolidated financial position and results

The consolidated financial position of the Group as at 31 December 2021, together with the consolidated results for the year then ended is set out in the accompanying consolidated financial statements.

The Group has reported a net profit of $60.3 million for the year ended 31 December 2021, as compared to a net loss of US$21.5 million for 2020. The net profit attributable to the equity holders of the Group is $38.6 million for 2021, as compared to a net loss of $41.7 million for 2020. Total assets at 31 December 2021 amounted to $9,032.8 million (31 December 2020: $8,383.7 million).

During January 2022, Ithmaar Holding agreed in-principle with Al Salam Bank B.S.C. (Al Salam) on the acquisition of the consumer banking business of Ithmaar Bank, and Ithmaar Holdings' ownership stake in both Bank of Bahrain and Kuwait B.S.C, and Solidarity Group Holding. This announcement followed the execution of a non-legally binding Memorandum of Understanding (MoU) between the two entities in October 2021. The transaction remains subject to the approval of Ithmaar Holding's shareholders and the signing of definitive agreements.

Directors

The following served as Directors of Ithmaar during the year ended 31 December 2021:

HRH Prince Amr Mohammed Al-Faisal (Chairman)
Tunku Yaacob Khyra
Governor Abdelhamid Mohamed Abou Moussa
Sheikh Zamil Abdullah Al-Zamil
Mr. Mohammed A. Rahman Bucheerei
Mr. Abdulellah Ebrahim Al-Qassimi
Dr. Amani Khaled Bouresli
Sheikh Mohamed Abdullah El Khereiji
Ms. Elham Ebrahim Hassan
Mr. Omar Abdi Ali

Directors' & Executive Management Remuneration

In accordance with the provisions of the Commercial Companies Law No. (21) of 2001 and its amendments, and pursuant to the provisions of Article No. (188) of the Commercial Companies Law and Article No. (125) of the Executive Regulations of Resolution No. (3) for the year 2022, the table below shows the remuneration of members of the Board of Directors and the Executive Management for the fiscal year ended 31 December 2021.

Ithmaar Holding B.S.C.
Directors' Report for the year ended 31 December 2021 (continued)

Directors' & Executive Management Remuneration (continued)

Board of directors' remuneration details:

	Fixed remunerations					Variable remunerations							
Name	**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**	**End-of-service award**	**Aggregate amount** (Does not include expense allowance)	**Expenses Allowance**
Independent Directors													
1. Dr. Amani Khaled Bouresli	-	20,358	-	-	20,358	-	-	-	-	-	-	20,358	-
2. Ms. Elham Ebrahim Hassan	-	20,358	-	-	20,358	-	-	-	-	-	-	20,358	-
3. Mr. Abdulellah Ebrahim Al-Qassimi	-	22,620	-	-	22,620	-	-	-	-	-	-	22,620	-
4. Tunku Yaacob Khyra	-	13,572	-	-	13,572	-	-	-	-	-	-	13,572	-
Zamil	-	13,572	-	-	13,572	-	-	-	-	-	-	13,572	-
Non-Executive Directors:													
1. HRH Prince Amr Mohammed Al-Faisal	-	11,310	-	-	11,310	-	-	-	-	-	-	11,310	-
2. Mr. Omar Abdi Ali	-	11,310	-	-	11,310	-	-	-	-	-	-	11,310	-
3. Sheikh Mohamed Abdullah El Khereiji	-	11,310	-	-	11,310	-	-	-	-	-	-	11,310	-
Executive Directors:													
1. Governor Abdelhamid Mohamed Abou Moussa	-	11,310	-	-	11,310	-	-	-	-	-	-	11,310	-
2. Mr. Mohammed A. Rahman Bucheerei	-	11,310	-	-	11,310	-	-	-	-	-	-	11,310	-
Total	**-**	**147,030**	**-**	**-**	**147,030**	**-**	**-**	**-**	**-**	**-**		**147,030**	**-**

Note: All amounts Expressed in Bahraini Dinars

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).

Note:

1.The Bank does not have any variable remuneration payments, end of service benefits, or expense allowances paid to its directors. Further there is no remuneration proposed for the year.

2. Board remuneration represents payments made during the year 2021 based on the approval of the Annual General Meeting dated 28 March 2021.

Executive management remuneration details:

Executive management	**Total paid salaries and allowances**	**Total paid remuneration (Bonus)**	**Any other cash/ in kind remuneration for 2021**	**Aggregate Amount**
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	**-**	**-**	**-**	-

Note:
1. All amounts Expressed in United States Dollars unless
2. There are no salaries, allowances or rewards for the executive management due to the nature of the holding company.

* 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)

Interests of Directors

The interests of the Directors in the shares of Ithmaar are disclosed below:

	Number of Shares	
Name	**31 December 2021**	**31 December 2020**
HRH Prince Amr Mohammed Al-Faisal	106,100	106,100
Tunku Yaacob Khyra	106,100	106,100
Governor Abdelhamid Mohamed Abou Moussa	106,100	106,100
Sheikh Zamil Abdullah Al-Zamil	205,000	205,000
Mr. Mohammed A. Rahman Bucheerei	105,600	105,600
Mr. Abdulellah Ebrahim Al-Qassimi	106,100	106,100
Dr. Amani Khaled Bouresli	-	-
Sheikh Mohamed Abdullah El Khereiji	-	-
Ms. Elham Ebrahim Hassan	-	-
Mr. Omar Abdi Ali	-	-

Dividend

No dividend has been proposed for 2021 (2020: Nil).

Auditors

The auditors, PricewaterhouseCoopers ME Limited, have expressed their willingness to be reappointed as auditors of Ithmaar for the year ending 31 December 2022.

By order of the Board of Directors

HRH Prince Amr Mohamed Al Faisal
Chairman

14 February 2022