

CORPORATE GOVERNANCE REPORT

31 December 2021

AHLI BANK SAOG

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CORPORATE GOVERNANCE REPORT-2021

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INTRODUCTION

Sound and effective corporate governance is the foundation on which any organization or institution rests and operates. The execution of good and best practices—accountability, fairness, responsibility and transparency—are crucial in creating and sustaining shareholder value, and enhancing and retaining investor trust.

The Bank's Corporate Governance Policy provides the framework for the principles of effective Corporate Governance standards across the Bank. The Capital Market Authority (CMA) directives, including the Code of Corporate Governance and the Central Bank of Oman (CBO) circular BM 932 on Corporate Governance in Banks, are the principal codes and drivers of the corporate governance practices in the sultanate. Ahli Bank SAOG fully complies with all of their provisions.

The timely and accurate disclosure of information regarding the financial situation, performance, ownership of the Bank is high on its corporate governance principles, as it improves the public understanding of the structure, activities and policies of the Bank. It also endeavors to enhance long-term shareholder value and respect minority rights in all its business decisions.

Alongside its commitment to protect the interest of its stakeholders is the Bank's goal of respecting and upholding the duty of the Board and senior management to oversee its affairs, ensure accountability, inculcate integrity and promote long-term growth and profitability. Serving as the core of the corporate governance practice, the independent Board ensures that the Management is aligned with the long-term interests of all its stakeholders with the objective of maintaining the highest standards of corporate governance.

Ahli Bank's corporate governance philosophy is based on the following principles:

1. Satisfy the spirit of the law and not just the letter of the law.
2. Be transparent and maintain a high degree of disclosure levels.
3. Communicate externally, in a truthful manner, about how the Bank is run internally.
4. Implement a simple and transparent corporate structure driven solely by business needs.
5. Management is the trustee of the shareholders' capital and not the owner's.
6. Practice fairness and equality to shareholders, employees and related parties.

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CORPORATE GOVERNANCE IMPLEMENTATION INITIATIVES AT AHLI BANK SAOG

Good Corporate Governance is critical in supporting the delivery of our strategic objectives. Our Board Committees play an important role in working closely with the Management to ensure that our business is financially strong, and risks are immediately identified and mitigated. Over the years, the Board has developed a corporate governance culture to help fulfill our corporate responsibility to various stakeholders. This guarantees that the Board will maintain the necessary authority and practices in place to properly review and evaluate our operations periodically.

To rightfully comply with regulatory requirements and ensure implementation based on best industry practices, six Board level sub-committees have been set up to ensure effective functioning of the Board.

Ahli Bank SAOG’s Corporate Governance Structure



BOARD OF DIRECTORS AND SUB-COMMITTEES OF AHLI BANK SAOG

Board of Directors:

Our collective principal duty is to promote the long-term success of the Bank by creating and delivering sustainable shareholder value. We do this by setting the strategy and ensuring that the Management oversees its implementation by management. We also seek to ensure that there is a balance between delivering on the short-term objectives and focusing on long-term growth.

Size and Terms of the Board

The Board of Directors consists of nine non-executive Directors. The term of office of the Board of Directors is three years, which will expire in March 2023.

Profile of Board Members

- 1. Hamdan Ali Nasser Al Hinai, Chairman

Holds Master in Development and project management, Bachelors in Business Management & Economics and Diploma in international Development Management; Former Director General, Purchasing and Contracts, Ministry of Defense.

2. Anwar Hilal Hamdoon Al Jabri, First Deputy Chairman

Certified Public Accountant (CPA), USA, Masters of Business Administration (MBA), University of Hull, UK and Bachelors of Science in Accounting (BS.A), University of Akron, Ohio, USA; Chief Executive Officer of Jabreen Capital; Chairman, Ubhar Capital SAOC; Previous experience as Investment Director of Oman Investment Fund (A Sovereign Wealth Fund) and CEO of OIF's subsidiary National Pioneer Investment & Development Company. Having more than 22 years of industry experience and various leadership positions.

Sanjeev Baijal, Second Deputy Chairman

Chartered Global Management Accountant under Association of International Certified Professional Accountants; Member of the American Institute of Certified Public Accountants (AICPA), and Associate Member of the Institute of Chartered Accountants of India (ACA); Deputy Group CEO: Finance and Strategic Development, Ahli United Bank BSC, Bahrain; Chairman of Al Hilal Life B.S.C.(c) & Al Hilal Takaful B.S.C. (c), Bahrain; Director of Ahli United Bank K.S.C.P., Kuwait; Previous experience as Group Head of Finance, Ahli United Bank B.S.C, Bahrain; Financial Controller, Al-Ahli Commercial Bank, Bahrain. Held various positions earlier at Ernst & Young, Bahrain and Price Waterhouse in India. (Total years of experience: 38 years).

4. Keith Henry Gale, Director

Holds a Bachelor's degree in Accounting and Finance from the University of Lancaster, UK; Associate Member of the Institute of Chartered Accountants England & Wales (ACA); Deputy Group CEO: Risk, Legal and Compliance, Ahli United Bank BSC, Bahrain; Director, Ahli United Bank K.S.C.P. Kuwait; Ahli United Bank SAE, Egypt; Ahli United Bank (UK) PLC; Previously Group Head of Risk Management, Ahli United Bank, Bahrain (20 years of experience at Ahli United Bank); Former Head of Credit and Risk at ABC International Bank PLC; Former Assistant Vice President, Internal Audit Department, Arab Banking Corporation, Bahrain. Held various positions in the UK with KPMG and Ernst & Young.

Abdul Hameed Ahmed Mohamed Al Bulushi, Director

Hold High Diploma in Development, United Kingdom; Bachelor degree in Law, Egypt; Legal Expert in Civil Service Employees Pension Fund. Director, Oman Hospitality Company and Director, Al Nama Poultry Company. Having more than 30 years of experience in Ministry of Civil Service & Civil Service Employees Pension Fund in different senior positions.

Ibrahim Said Badar Al Eisri, Director

Member of the Association of Chartered Certified Accountants (ACCA), Masters in Finance, Oxford Brookes University, UK and Bachelor's Degree in Commerce Major Accounting & Finance, Curtin University of Technology, Perth, Australia; Director Private Equity in Oman Investment Authority (OIA); Chairman, Rakiza Infrastructure Fund; board member at Al Hosn Investment Company and Omantel. Having over 18 years of experience in different sectors including, Telecommunication, Oil & Gas and Financial & Investments; Held different leadership roles in Finance & Investment Operations.

Juma Rashid Saif Al Jahwari, Director

Holds MSc in Financial Management, the University of Greenwich, London, UK and BSc in Economics, Beirut Arab University, Muscat, Oman. Chief of Finance & Administration - The Royal Office Pension Fund. Founding member of the IIA Oman Chapter and member of Board of governors – Institute of Internal Auditors (Oman Chapter IIA-Oman). Former

Counselor, Ministry of Foreign Affairs, Embassy of The Sultanate of Oman, Washington DC. He also held different positions previously in The Royal Office.

Salim Ali Hamed Al Hasni, Director

Holds Master of Science in Commercial Project Management from the University of Manchester – College of Mechanical, Aerospace & Civil Engineering and Bachelor of Science (Commerce & Economics) from Sultan Qaboos University. Director of Contracts - Ministry of Defense. Chairman of the Board of Directors of Reem Batteries & Power Appliances SAOC; Vice Chairman of Sohar Power Company SAOG. Having more than 16 years of experience in Ministry of Defense in different positions.

Wajid Ali Khan, Director

Holds M.P.A (Finance) from Quaid-e-Azam University, Islamabad. Group Head of Corporate Banking, Ahli United Bank, Bahrain. Board Member of Ahli Real Estate Co, Member of Islamic Banking Committee of Bahrain Association of Banks and Board of trustee of the Waqf Fund (for 12 years till 2021). Has diversified 28 years’ experience in banking.

Executive Powers of the Board:

1. Approving financial objectives, business and financial policies of the Bank.
2. Approving internal regulations as well as specifying the powers, responsibilities and authorities of the executive management.
3. Reviewing and monitoring the disclosures and compliance with regulatory requirements.
4. Nominating the members of the sub-committees, CEO and key employees.

Details of the Number of Board meetings held during the year 2021:

Sl. No.	Board Meeting
1.	27-Jan-2021
2.	28-Apr-2021
3.	28-Jul-2021
4.	27-Oct-2021
5.	13-Dec-2021
6.	14-Dec-2021

Name of Director	Position	Type of Directorship	Board Meetings Attended	# Sub-committees memberships (at year end)	Whether attended last AGM
Hamdan Ali Nasser Al Hinaï	Chairman	Independent	6	NRC, HOPC	Yes
Anwar Hilal Hamdoon Al Jabri	First Deputy Chairman	Independent	6	ECC, NRC	Yes
Sanjeev Baijal	Second Deputy Chairman	Non-Independent/ Representing Ahli United Bank	6	ACC	Yes
Keith Henry Gale	Director	Non-Independent	6	ERC, NRC, HOPC	Yes
Abdul Hameed Ahmed Mohamed Al Bulushi	Director	Independent/ Representing Civil Service Employees Pension Fund	6	ACC, ERC, DTC, HOPC	Yes
Ibrahim Said Badar Al Eisri	Director	Independent	6	ECC, DTC	Yes
Juma Rashid Saif Al Jahwari	Director	Independent	6	ACC	Yes
Salim Ali Hamed Al Hasni	Director	Independent/Representing Ministry of Defense Pension Fund	6	ERC	Yes
Wajid Ali Khan*	Director	Non-Independent	2	ECC, DTC	N/A
Rajeev Gogia**	Director	Non-Independent	4	ECC, DTC	Yes

Directors Attendance Record in the Board Meetings:

* Appointed as Board Member on 13 Dec 2021. ** Resigned from the Board on 13 Dec 2021.

Audit and Compliance Committee - ACC, Executive a Committee - ECC, Executive Risk Committee - ERC, NRC and Remuneration Committee – NRC, Digital Transformation Committee – DTC and Head Office Project Committee –

Independent directors are defined as per principle Eight of Code of Corporate Governance for Public Listed Companies Updated December, 2016.

SUB-COMMITTEES

Ahli Bank has Six Board sub-committees to ensure the smooth functioning of the Bank:

- A. Audit and Compliance Committee

- B. Executive and Credit Committee
- C. Executive Risk Committee
- D. Nomination and Remuneration Committee
- E. Digital Transformation Committee
- F. Head Office Project Committee

A. **Audit and Compliance Committee**

The role of the Audit and Compliance Committee includes:

- Reviewing the scope of external and internal audits and oversee the adequacy of the Bank’s internal control systems through the reports of the internal and external auditors.
- Reviewing the quarterly and annual financial reports before submission to the Board for approval.
- Assist in discharging Board’s oversight responsibilities relating to the Bank's accounting, corporate governance, risk management systems and compliance procedures.

Composition of Audit and Compliance Committee and Details of Meetings and Attendance Record of Members During the Year 2021:

Composition of Audit and Compliance Committee		Meeting Dates			
Director's Name	Position	27-Jan-21	28-Apr-21	28-Jul-21	27-Oct-21
Juma Rashid Saif Al Jahwari	Chairman	Yes	Yes	Yes	Yes
Sanjeev Baijal	Member	Yes	Yes	Yes	Yes
Abdul Hameed Ahmed Mohamed Al Bulushi	Member	Yes	Yes	Yes	Yes
Attendance		3	3	3	3

B. **Executive and Credit Committee**

The role of the Executive and Credit Committee includes:

- Providing the Board with a mechanism for considering depth, any issue that the Board considers to be th requiring detailed attention.
- Allowing the Management to obtain input for the development of proposals prior to Board submission.
- Approving matters beyond the Management’s delegated authority but which do not need full Board approval.
- Focusing on strategic reviews and proposals, investments, treasury and liquidity management, business plans and other such matters.

Composition of Executive and Credit Committee and Details of Meetings and Attendance Record of Members During the Year 2021:

Composition of Executive and Credit Committee		Meeting Dates			
Director's Name	Position	26-Jan-21	27-Apr-21	27-Jul-21	26-Oct-21
Anwar Hilal Al Jabri	Chairman	Yes	Yes	Yes	Yes
Ibrahim Said Badar Al Eisri	Member	Yes	Yes	Yes	Yes
Wajid Ali Khan*	Member	N/A	N/A	N/A	N/A
Rajeev Gogia**	Member	Yes	Yes	Yes	Yes
Attendance		3	3	3	3

* Appointed as Board Member on 13 Dec 2021. ** Resigned from the Board on 13 Dec 2021.

C. Executive Risk Committee

The role of the Executive Risk Committee includes:

- An integrated approach to managing the risks inherent in various aspects of our business.
- Monitoring risk levels according to various parameters and the Management is responsible for ensuring mitigation measures.
- Focusing on reviewing all policies governing Bank's risk and funding exposure.
- Ensuring the consistent adherence and implementation of the Board-approved policies and treasury strategies in monitoring market and other risks.

Composition of Executive Risk Committee and Details of Meetings and Attendance Record of Members During the Year 2021:

Composition of Executive Risk Committee		Meeting Dates			
Director's Name	Position	26-Jan-21	28-Apr-21	27-Jul-21	26-Oct-21
Keith Henry Gale	Chairman	Yes	Yes	Yes	Yes
Abdul Hameed Ahmed Mohamed Al Bulushi	Member	Yes	Yes	Yes	Yes
Salim Ali Hamed Al Hasni	Member	Yes	Yes	Yes	Yes
Attendance		3	3	3	3

D. Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee includes:

- Reviewing the performance of all directors and the Management.
- Advising the Bank's Board and Chairman on the remuneration of Board Members, appointment of senior management personnel and remuneration of senior management personnel.
- Helping in the nomination of competent Board members and electing the best.
- Annual assessment of the Board's/Sub-Committees overall performance

Composition of Nomination and Remuneration Committee and Details of Meetings and Attendance Record of Members During the Year 2021:

Composition of Nomination and Remuneration Committee		Meeting Dates	
Director's Name	Position	26-Jan-21	27-Jul-21
Hamdan Ali Nasser Al Hinai	Chairman	Yes	Yes
Anwar Hilal Hamdoon Al Jabri	Member	Yes	Yes
Keith Henry Gale	Member	Yes	Yes
Attendance		3	3

E. Digital Transformation Committee

The role of the Digital Transformation Committee includes:

Oversee the implementation of all the digital transformation initiatives and deliverables in a timely and efficient manner within Board-approved parameters.

The creation of a dedicated committee provides a framework for an effective and detailed review, assessment, consultation, decision-making and approval process on behalf of

the Board.

Composition of Digital Transformation Committee and Details of Meetings and Attendance Record of Members During the Year 2021:

Composition of Digital Transformation Committee		Meeting Dates				
Director's Name	Position	5-May-21	13-Jun-21	24-Aug-21	28-Sep-21	8-Dec-21
Ibrahim Said Al Eisri	Chairman	Yes	Yes	Yes	Yes	Yes
Abdul Hameed Ahmed Mohamed Al Bulushi	Member	Yes	Yes	Yes	Yes	Yes
Wajid Ali Khan*	Member	N/A	N/A	N/A	N/A	N/A
Rajeev Gogia**	Member	Yes	Yes	Yes	Yes	No
Attendance		3	3	3	3	2

* Appointed as Board Member on 13 Dec 2021. ** Resigned from the Board on 13 Dec 2021.

F. Head Office Project Committee

The Head office project committee is responsible for an effective and detailed review, assessment, consultation, decision-making process and oversight of the head office expansion project of the Bank and manage the timely execution of related deliverables within Board-approved parameters, until the completion of head office extension project.

Head Office Project Committee and Details of Meetings and Attendance Record of Members During the Year 2021:

Composition of Head Office Project Committee		Meeting Dates			
Director's Name	Position	9-Feb-21	19-May-21	6-Oct-21	9-Dec-21
Hamdan Ali Nasser Al Hinaï	Chairman	Yes	Yes	Yes	Yes
Abdul Hameed Ahmed Mohamed Al Bulushi	Member	Yes	Yes	Yes	Yes
Keith Henry Gale	Member	Yes	Yes	Yes	Yes
Attendance		3	3	3	3

PROCEDURE FOR STANDING AS A CANDIDATE FOR THE BOARD:

Anyone who wishes to stand as a candidate for the Board and is eligible for the same as per the regulations as well as the Articles of Association, is required to submit an application form (as prescribed by the Capital Market Authority) at five days before the fixed date for the General Meeting for election of the Board members. The application shall be reviewed by the Nomination and Remuneration Committee of the Bank to ensure eligibility of the candidate and further recommendation to the Annual General Meeting. The Bank shall lodge the application form with the Capital Market Authority before the date of the General Meeting.

The director shall be elected through direct secret ballot by the shareholders. Each shareholder is entitled to the number of votes equal to that of his/her shares.

SHARIA SUPERVISORY BOARD OF AHLI ISLAMIC BANKING SERVICES-AHLI BANK SAOG

Sharia Supervisory Board:

The Sharia Supervisory Board (SSB) is an independent body of specialized jurists in fiqh al-muamalat (Islamic commercial jurisprudence), appointed with the responsibilities of giving Sharia directives, advice and approvals from the formation stage to the operations stage of the Bank, ensuring Sharia compliance of the Bank by giving decisions on Sharia Audit reports and producing a statement about Sharia compliance of the Bank. The SSB complies with the regulatory requirements of the Central Bank of Oman in respect of their supervision and advisory role of the Bank. The Fatawa and rulings of the SSB are binding on the Bank’s Islamic Banking Services. The SSB of the Ahli Islamic is comprised of three members.

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Profile of SSB Members:

Dr. Mohammed Taher Al-Ibrahim, Chairman

Dr. Mohammed Taher is a leading Shari’a scholar in the field of Islamic finance. He held several senior positions in academics and judiciary including Assistant professor at Sultan Qaboos University (SQU) and judge and lawyer at Supreme Court Oman. Sheikh Mohammed holds a doctorate degree in Constitutional Jurisprudence from Edinburgh University, U.K. He has wide experience in Sharia supervision of Islamic banking, teaching Islamic law and its application and conducting research in Shari’a.

Dr. Mustaien Ali Abdulhamid, Deputy Chairman

Dr. Mustaien worked as Sharia supervisor at AlRajhi bank and as Sharia senior adviser at Bank Albilad, Riyadh, Kingdom of Saudi Arabia, a position held continuously for approximately twenty years between summer 1995 and late spring 2016. He holds PhD in Islamic Economics from Um ul Qura University in Markka, Kingdom of Saudi Arabia. In the course of his respective duties in several Islamic financial institutions in the region, a key part of his job is to ensure compliance with Sharia requirements. In this regard, he is well known for his quite detailed knowledge and understanding of Islamic banking. He has been instrumental in clarifying various Islamic based decisions handled down by the banks Sharia scholars in a number of professional institutions and consultancy firms in Saudi Arabia and Sudan and contributed and supervised various Sharia auditing programs.

Dr. Abdulraouf Abdullah Hamood Al-Tobi, Member

Dr. Abdulraouf has a PhD in Law from International Islamic University Malaysia, Master of Law – LLM in Law from UK and Bachelor Degree in Sharia Judicial Science. He is highly knowledgeable and experienced professional of Legal and Islamic Banking practices.

Composition of SSB and Details of Meetings and Attendance Records of Members During the Year 2021:

Composition of the Sharia Supervisory Board	Meeting Dates
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Member Name	Position	14-Jan-21	11-Apr-21	15-Jul-21	14-Oct-21	13-Dec-21
Dr. Mohammed Taher Al-Ibrahim	Chairman	Yes	Yes	Yes	Yes	Yes
Dr. Mustaien Ali Abdulhamid	Deputy Chairman	Yes	Yes	Yes	Yes	Yes
Dr. Abdulraouf Abdullah Hamood Al-Tobi	Member	Yes	Yes	Yes	Yes	Yes
Attendance		3	3	3	3	3

SSB Remuneration and Sitting Fee Expenses:

The shareholders of the Bank in the AGM held on 25 March 2021 have approved the remuneration and sitting fee of the SSB as below:

Designation	Amount
Chairman of SSB	RO 9,625 per annum
Member of SSB	RO 6,738 per annum
Sitting Fees Per Meeting <i>(maximum of five meetings per year per member)</i>	RO 385 per meeting

The table below shows the remuneration and sitting fee expenses of the SSB:

Member Name	Position	Remuneration	Sitting Fees
Dr. Mohammed Taher Al-Ibrahim	Chairman	9,625	1,925
Dr. Mustaien Ali Abdulhamid	Deputy Chairman	6,738	1,925
Dr. Abdulraouf Abdullah Hamood Al-Tobi	Member	6,738	1,925
Total		23,101	5,775

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EXECUTIVE MANAGEMENT COMMITTEE MEMBERS OF AHLI BANK

Said Abdullah Al Hatmi, Chief Executive Officer

Holds a Bachelors Degree in Finance and a Master’s Degree in Business Administration. He is a Certified Management Accountant from the Institute of Management Accountant, USA and has completed the Oxford Advanced Management and Leadership Program, Executive Management Programs from Harvard Business School and University of Virginia. Deputy Chairman, OQ SAOC; Board Member & Treasurer, Oman Bank Association; Member of the Advisory Board, College of Economic and Political Studies at SQU. Board member and Chairman-Audit Committee, CBFS. He has over 21 years of diverse commercial banking experience in the areas of corporate banking, retail banking, risk management, finance and banking operations. He has previously held various senior positions at HSBC Bank Middle East, Oman.

Bilal Anwar, DCEO – Business Group

Hold Bachelor of Commerce from University of Allahabad, India; Certified Associate of Indian Institute of Bankers (CAIIB) from Indian Institute of Bankers, Mumbai, India; Chartered Financial Analyst (CFA- ICFAI) from Institute of Chartered Financial Analyst of India; Post Graduate Diploma in Business Administration from ICFAI Business School, Hyderabad, India. Having more than 20 years of experience in banking with various banks including, Ahli United Bank BSC, Bahrain; IDBI Bank Limited, Mumbai, India; Abu Dhabi Commercial Bank, Mumbai, India.

Abdullah Salim Al Jabri, DCEO – Support Services

Having over 24 years of banking experience in conventional and Islamic Banking with ahlibank. Started his career with National Training Institute and then joined Alliance Housing Bank in 1997, where held various positions including Manager Retail Banking and Head of Central Operations. Lead the operations team in centralization of operations after the conversion to full-fledged commercial bank. With the start of Islamic Banking in Oman in 2013, became General Manager of Ahli Islamic (erstwhile Al Hilal Islamic Banking Services) and contributed in the success of Islamic Banking. Certified Islamic Banker from General Council for Islamic Banks and Financial Institution, Bahrain. Hold National Diploma in Engineering from Business & Technology Education Council, UK. Hold Leadership and Management certificate from Darden School of Business, University of Virginia, USA. Hold advance Leadership and management certificate from University of Cambridge Judge Business School, UK.

Hanaa Mohammed Al Kharusi, General Manager – Corporate Banking

Holds a Bachelor’s degree in Science from Indiana University, USA and has attended Executive Programs at the London Business School, UK and IMD, Switzerland as well as Said Business School, Oxford, UK. A Graduate member of the National CEO Program (NCP) sponsored by the Diwan of Royal Court. Chairperson; Ahli Global Equity Fund , Director; Nama Holding (SAOC) and chairperson of the Board Audit Committee. Having over 21 years of banking experience in leading Omani banks and has successfully led high performing teams in Corporate banking, Corporate E-channels and liabilities, successfully leading major strategic financial transactions and advisory projects in Oman Bilaterally and on syndicated basis. Hanaa is the chairperson of the Talent Management Committee responsible for recruiting, developing and grooming high potential graduates for future leading positions within ahlibank.

Ghada Abdul Latif Al Balushi, General Manager – Chief Risk Officer

Holds Master degree in Business Administration from University of Hull; UK, Bachelor of Science degree in Economics from Sultan Qaboos University and has completed the Cambridge’s flagship “Advanced Leadership Program”. Having more than 21 years of Banking experience in the areas of Corporate Banking and Risk Management Departments in leading Omani Banks. Previously worked in several banks in various senior positions including National Bank of Oman and Oman Development Bank. During 2020 was awarded Al Mara’a Excellence Award for “Leadership and Innovation in Risk Management”.

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NON-COMPLIANCE

There has not been any instances of non-compliance of legal requirements nor any penalties or strictures imposed by the regulators on any matters relating to the Capital Market Authority over the last three years.

The Bank has incurred penalties of RO 70,000 by Central Bank of Oman over the last three years based on CBO examination report observations.

2021: RO 10,000 - Related to tenor and age limit of Personal loans.

2020: RO 40,000 - Related to some provisions of the Law on Combatting Money Laundering and Terrorism Financing.

2019: RO 20,000 - Related to some provisions of the Law on Combatting Money Laundering and Terrorism Financing.

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REMUNERATION MATTERS

An amount of RO 300,000 is proposed as Board Remuneration in addition to the sitting fees paid to the Board members for 2021. The details of sitting fees paid are below:

Name of Director	Sitting Fees Paid (RO)
Hamdan Ali Nasser Al Hinai	6,600
Anwar Hilal Hamdoon Al Jabri	5,600
Sanjeev Baijal	4,200
Keith Henry Gale	6,800
Abdul Hameed Ahmed Mohamed Al Bulushi	8,100
Ibrahim Said Badar Al Eisri	6,700
Juma Rashid Saif Al Jahwari	5,000
Salim Ali Hamed Al Hasni	4,200
Wajid Ali Khan*	1,000
Rajeev Gogia**	4,400
Total	52,600

* Appointed as Board Member on 13 Dec 2021. ** Resigned from the Board on 13 Dec 2021.

The total remuneration paid to the top executives (top five) of the Bank amounted to RO 1,164,405 during the year 2021, which included salary, benefits, perquisites, bonuses and gratuities.

Incentives and bonuses are based on key performance indicators towards the achievements of the Bank's long-term strategic objectives.

The duration of the standard service contract for expatriate executives is two years. The notice period for executives ranges from one to three months, depending on the executive's contract.

No severance fees are payable to the top executive officers other than compensation for short notice of termination of services.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Ahli Bank SAOG publishes quarterly accounts, which are uploaded on the Muscat Stock Exchange (MSX) website. The latest news and information about the Bank is also available on its website, www.ahlibank.om.

All annual reports include a comprehensive management report. The Management makes regular presentations to analysts, the press and investors. These briefings outline the Bank's performance, and strategy on future prospects.

The Management discussion and analysis report is part of the Annual Report.

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MARKET PRICE DATA:

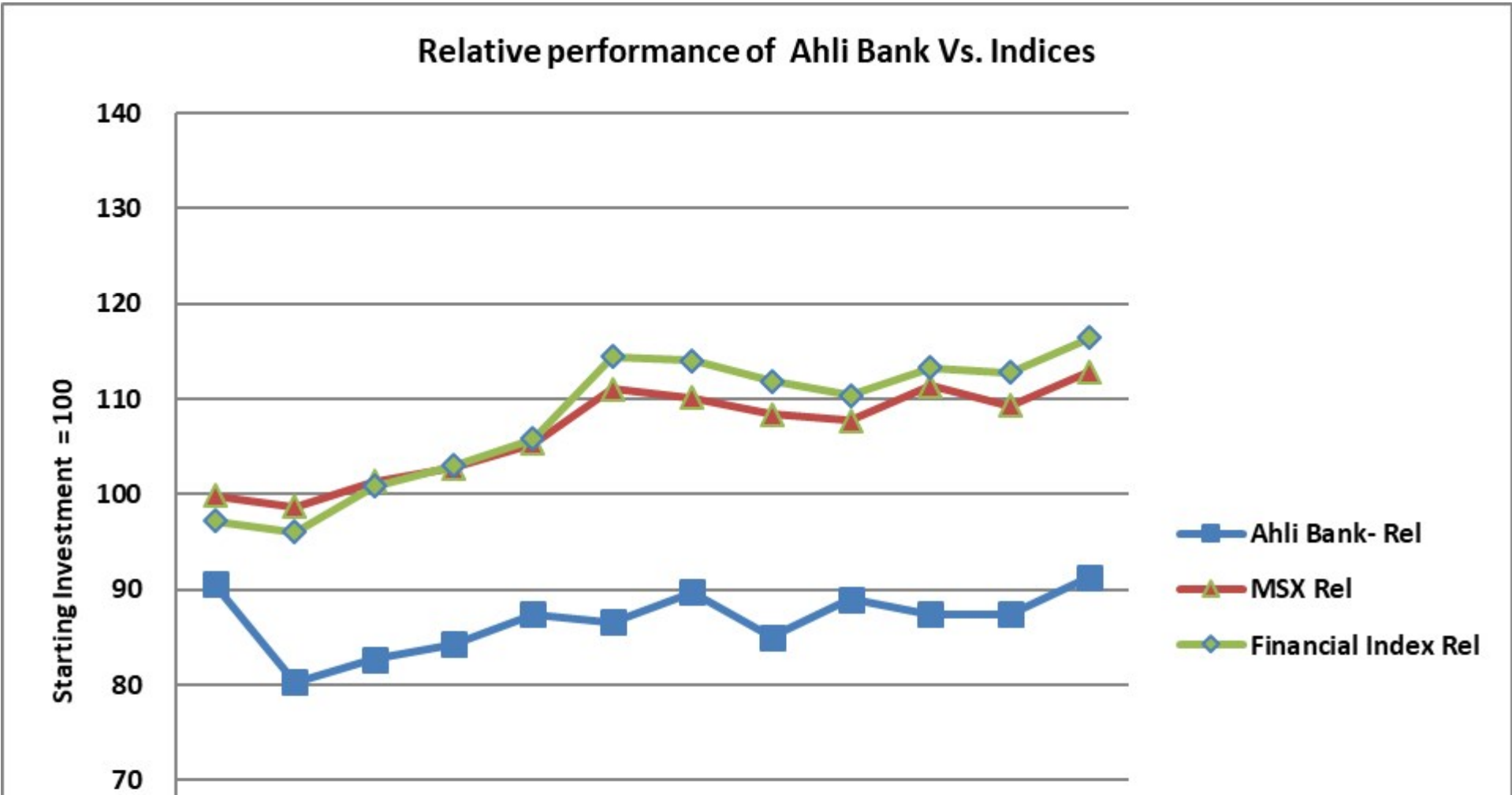
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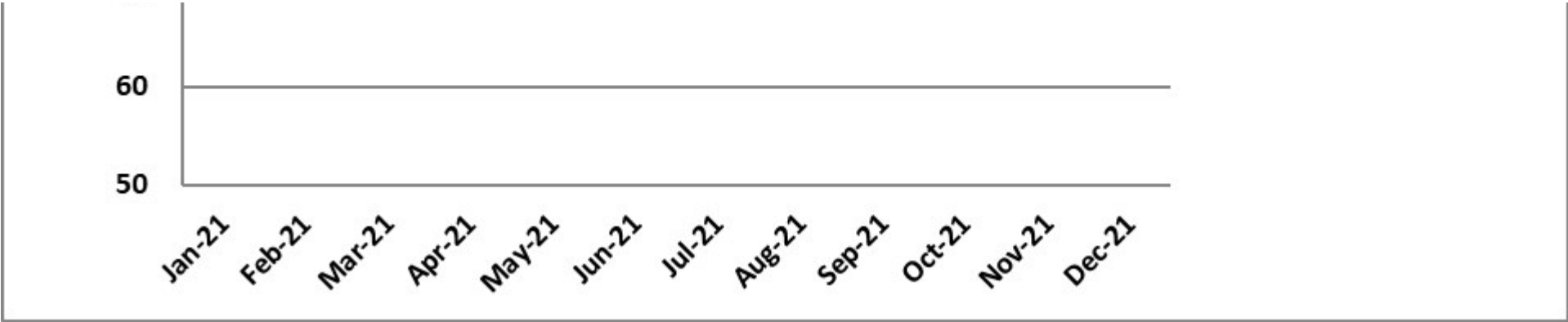
High / Low Share Prices in 2021

The table below shows the high / low prices of the Bank’s shares in Rial Omani in 2021.

Month	High	Low
Jan-21	0.125	0.115
Feb-21	0.117	0.100
Mar-21	0.110	0.103
Apr-21	0.109	0.102
May-21	0.112	0.105
Jun-21	0.115	0.107
Jul-21	0.114	0.103
Aug-21	0.113	0.108
Sep-21	0.118	0.107
Oct-21	0.115	0.108
Nov-21	0.112	0.108
Dec-21	0.118	0.110

Performance of Ahli Bank SAOG Vs MSM and Banking Indices





The Bank has outstanding Tier1 perpetual subordinated bonds as follows:

Issue Date	RO	First Recall Option
11 October 2017	50 million	11 October 2022
17 December 2018	54 million	17 December 2023
13 June 2019	20 million	13 June 2024

* These bonds are listed in the Muscat Stock Exchange (MSX).

Distribution of Share Ownership Among Shareholders as of 31 December 2021:

Name	Country of incorporation	Number of shares	%
Ahli United Bank	Bahrain	682,380,099	35.00
Al Hosn Investment Company SAOC	Oman	188,551,154	9.67
Al Hosn Business Development LLC	Oman	188,551,154	9.67
Ubhar Capital SAOC - Asset Management	Oman	172,017,134	8.82
Civil Service Employees - Pension Fund	Oman	163,574,889	8.39
Ministry of Defense - Pension Fund	Oman	111,691,673	5.73
Others		442,891,363	22.72
Total		1,949,657,466	100.00

DONATIONS AND CHARITY

The Bank paid a donation/charity of RO 117,659. It donated RO 116 thousands to support the Sultanate’s efforts to deal with Shaheen Cyclone.

In addition, Ahli Islamic paid RO 4,886 to various charitable organizations from the Charity Fund.

EXTERNAL AUDITOR'S PROFILE – PwC

With offices in 156 countries and more than 295,000 people, PwC is among the leading professional services networks globally. PwC's vision is to be the most trusted and relevant professional services business in the world – one that attracts the best talent and combines the most innovative technologies, to help organisations build trust and deliver sustained outcomes. This refreshed global strategy is termed as The New Equation, and it speaks to the two most fundamental needs clients and organisations are grappling with today.

Established in the Middle East for over 40 years, PwC Middle East has firms in Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates, with around 7,000 people. (www.pwc.com/me).

PwC is strongly committed to Oman where it is recognised as one of the leading providers of quality business advisory services. We have had a local practice in Oman since 1971 and now have 9 partners, 1 of whom is Omani and 6 directors, 1 of whom is Omani and approximately 134 other members of staff operating from our office in the Sultanate.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

PwC billed an amount of RO 74,500 towards professional services rendered to the Bank for the year 2021 (RO 70,000 for audit and RO 4,500 for tax and other services)

Other Important Matters:

As required by the Code of Corporate Governance, the Shareholders has appointed an independent third party for appraising the performance of the Board of Directors for the financial year 2021.

ACKNOWLEDGMENT BY THE BOARD OF DIRECTORS:

- The Board is responsible for the preparation of the financial statements in accordance with the applicable standards and rules.
- The Board has reviewed the efficiency and adequacy of internal control systems of the issuer and it complies with internal rules and regulations.
- There is no material thing that affects the continuation of the Bank and its ability to continue its operations during the next financial year.

Hamdan Ali Nasser Al Hinai
Chairman
Board of Directors

Juma Rashid Saif Al Jahwari
Chairman
Audit and Compliance Committee