



# Sharjah Islamic Bank

## 2022 ESG Report

(Environmental, Social, and Governance)



## ESG Report.

Sharjah Islamic Bank (SIB) Strategy Roadmap aims to build new capabilities and ensure to maintain its commitment towards Environmental, Social, and Governance. The efforts made were positively reflected in supporting the bank's orientation to keep pace with global economic transformations and achieve a knowledge-based competitive economy, despite the challenges of the continuous rise in global interest rates and inflation rates.

SIB has always taken responsibility for ensuring that its operations comply with Sharia'a principles, are in the best interest of its customers, and contribute positively to its surrounding environment in terms of Environmental, Social and Governance (ESG) responsibility. We have focused on integrating ESG principles into our business practices to keep us at the forefront of societal change. Leveraging our entire business platform to help create the conditions for environmental health and inclusive economic outcomes.

We strive to lead by example, not just by working on this initiative independently, but also by engaging our customers, partners, investors and community towards sustainability to create a better tomorrow for the generation to come.

As a bank, we understand the importance of economic activity in this fast-paced, entrepreneurial dominating world, but we also accept our societal role in encouraging responsible investments and adopting best practices that are beneficial for the upkeep of our ecosystem.

## Reporting Criteria and Scope

The objective of this report is to present the summary of our sustainability performance, defined by our sustainability framework in the best interests of our valuable stakeholders. This report presents the significant ESG issues and impacts of our activities during the fiscal year.

All monetary values in this report are presented in Dirhams (AED) unless otherwise stated.

The report also includes Annual Corporate Governance related disclosure in the line with Central Bank of the United Arab Emirates regulation, In addition to the laws of the Securities and Commodities Authority and the Commercial Law

## We value your feedback

If you would like to contact SIB please share your thoughts with Mr. Hassan Al Balghouni. Head of Corporate Communication at [Hassan.Abdalla@sib.ae](mailto:Hassan.Abdalla@sib.ae) and alternatively, we welcome you to connect with our enthusiastic team through any of the below listed platforms.

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 [shjislamicbank](https://twitter.com/shjislamicbank)

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## 1. Company Profile

### 1.1. CEO's MESSAGE

#### Sustainable growth and record profits

Sharjah Islamic Bank continued to drive important progress on social, economical, and environmental issues along with strong corporate governance to support our organic growth. We were able to increase our business activities and net profits by 26% reaching at AED 650.9 million for the year ended 31 December 2022, despite the challenges of higher interest rates and general economic conditions. The bank enjoys high liquidity and a strong capital base, reflecting our success in upholding a sound credit portfolio.

The bank is committed to support the National Agenda 2021 and the strategic objectives of the United Arab Emirates to ensure sustainable development while preserving the environment, and to achieve a perfect balance between economic and social development. We promote an inclusive environment that integrates all segments of society while serving our customers and enhancing consumer confidence for a sustainable growth in all sectors

The Bank continued its efforts in applying the methodology of sustainable community support, which goes beyond traditional financial sponsorship in line with the national agenda to make a real impact on society. With more than AED 73 million contributed to social support in 2022, our commitment to society is greater than ever. We have taken many initiatives including government, sports, educational and charitable sponsorships to support the community.

At SIB, we seek to enrich the lives of our customers, staffs and our community. Therefore, our success is not only measured by our financial performance, it is only measured by our extent to which we do what is right, today and in the long term.

We will continue to invest in what matters, further align societal progress with business performance, deploy our resources, and leverage the talent of our colleagues to contribute more towards sustaining our environment, serve the Society and strong Governance of our institution.

Our Board of Directors and the Management of SIB are committed to corporate governance policies, procedures, and principles to ensure that it is well managed with effective oversight and controls. The objective of the corporate governance is to have an acceptable standard with a view to ensuring the soundness of the bank and contributing to the financial stability and protecting our customers.

I want to thank all our stakeholders for their trust and support, and our colleagues for their tremendous efforts in a challenging year.

**Mohamed Abdalla**  
Chief Executive Officer



## 1.2 ABOUT SIB

Sharjah Islamic Bank (SIB) started servicing the society in 1975 providing financial services to the retail and corporate segments. The bank, originally founded as National Bank of Sharjah, was the first bank to convert to Islamic Banking in 2002.

The conversion from conventional to Islamic banking was a major milestone for the bank, Not only were specialized products and services modulated for customers, but the bank's entire organization was converted from conventional to a Sharia'a compliant financial institution. SIB offers customers a broad range of Sharia'a compliant retail, corporate, and investment services through an extensive network in the UAE.

## 1.3 SIB's Identity

**Mission:** we are committed to the development of our community by serving customers with socially responsible solutions, and providing world-class employment opportunities based on knowledge, teamwork, respect and leadership-while creating sustainable value for our shareholders.

**Vision:** to be the bank of choice for creative customer solutions based on excellence and Islamic principles of partnership, trust and equality for all.

**Values:** As everyone's bank, we believe in people, first and foremost. Our bank promotes a harmonious environment of fairness, trust and respect. We offer our customers an innovative banking experience via customized solutions, and empower our staff with abundant opportunity for career development.



## 1.4 OUR PRESENCE

Head Office  
**SIB HO, AlKhan,  
Sharjah**

Geographic Coverage (UAE)  
**Abu Dhabi & AlAin ( 5 )  
Ras AlKhaimah ( 1 )  
Fujairah ( 1 )  
Dubai ( 5 )  
Sharjah ( 19 )  
East Coast ( 3 )**

ATMs/CCDMs  
**ATM: 124  
CCDM: 51**

Branches  
**34**

### Branch Network

The Bank offers a wide and diverse range of Sharia-compliant services to all its customers, including individuals, companies and investment entities, through a wide network of branches covering all parts of the United Arab Emirates.

#### Emirate of Sharjah

Sharjah Main Branch  
Sharjah Saif Zone Branch  
American University of Sharjah Branch  
University of Sharjah Branch - Men's Branch  
University of Sharjah Branch - Women's Branch  
Buhaira Branch  
Hamriyah Free Zone Branch  
Sharjah Economic Department Branch  
Sahara Center Branch  
Sharjah Court Branch

Mega Mall branch  
King Faisal Street Branch  
Matajer Al Mirgab Branch  
Matajer Al-Jurainah Branch  
Wasit Branch  
Rahmania Mall Branch  
Muwaileh Branch  
Maliha Road Branch  
Al Dhaid Mall Branch

#### Emirate of Ras Al Khaimah

Ras Al Khaimah Branch

#### Emirate of Fujairah

Fujairah Branch

#### Emirate of Dubai

Sheikh Zayed Road Branch  
Mirdif City Center Branch  
Mall of the Emirates  
Port Saeed Branch  
Al Tawr Branch

#### East Cost

Kalba Branch  
Dibba Branch  
Khorfakkan Branch

#### Emirate of Abu Dhabi - AlAin

Abu Dhabi Mall Branch  
Khalidiya Branch  
Mussafah Branch  
Al Ain Branch  
HBZ Al Ain Branch



## 1.5 SIB AT A GLANCE

### MARKETS, OFFERINGS AND CUSTOMERS

SIB offers a full range of Sharia'a Compliant products through three main business divisions:

#### Retail Banking Group – (RBG)

- Comprehensive Sharia'a compliant services, including general Islamic banking, personal finance and financial advisory. All products strict based on Islamic principles.
- Extensive customer coverage network with 34 full service branches, 124 ATMs, and 51 CCDMs across the UAE. Distributing channels augmented through internet and Mobile Banking.
- Client segmentation, through priority Banking platform, to enhances service delivery.
- More than 300,000 customers; launch of Islamic Credit Cards to compete with lifestyle products.

#### Corporate Banking Group – ( CBG)

- Caters to clients ranging from small and mid-size corporate entities to public sector organizations and government related entities.
- Services include short and long-term financing, trade services and cash management. Customized solutions in relation to financing, investments, risk management, working capital and international banking are provided.

#### Investment Group – (IG)

- Has three main business divisions: Investment Banking, Financial Institutions and Treasury.
- Comprehensive investment banking platform including structuring, underwriting and corporate advisory.
- Strong network of financial institutions and investment sources across five continents.
- Executes SIB's investment, asset and geographic diversification drive (through proprietary investment portfolio) while managing the Bank's liquidity. Treasury division offers various investment vehicles to its clients, including FX and commodity transactions.





## 1.6 Subsidiaries of Sharjah Islamic Bank

Sharjah Islamic Bank has three fully owned subsidiaries. The following is an overview of the Bank's subsidiaries:

### ASAS Real Estate

ASAS Real Estate is the real estate arm of Sharjah Islamic Bank, which was established in 2007. ASAS started its operations with the management of the Bank's real estate assets, together with the real estate assets of the Bank's clients. The company established a diversified real estate portfolio of assets and expanded its business and now serving thousands of clients.

ASAS core business is the management of properties and assets, facilities management, construction works, infrastructure, real estate development and real estate investment. The Company aims at benefiting from available opportunities in the fields of investment and development of real estate projects in the UAE. ASAS real estate brings together gaining profits and serving the society through applying the concept of the Islamic economy. The concept is based on dealing with assets in wealth investment, in order to add a value to the society through the real estate development. Over the past years ASAS has sold more than 100 million sq. ft. of property and residential and commercial land. The Company seeks to continually leverage opportunities in the real estate development market in the UAE in particular, as well as investment opportunities abroad.

### Sharjah Islamic Financial Services

Sharjah Islamic Financial Services, a subsidiary brokerage company of Sharjah Islamic Bank headquartered in Sharjah. The company launched its operations in 2005 and offers its customers and investors a wide range of Sharia compliant services including buying and selling of shares and securities in both Abu Dhabi Securities Exchange and the Dubai Financial Market. The company also provides a secure online trading that enables the customers to execute their transactions at any time and from anywhere in the world.

### Sharjah National Hotels

Sharjah National Hotels is a wholly owned subsidiary of Sharjah Islamic Bank. The company owns and operates three luxury resorts in the Emirate of Sharjah which are; Hotel Holiday International and Marbella Resort with are ideally located on the shores of Khalid Lake in Sharjah and the Oceanic Khorfakkan Resort & Spa which is located on the eastern coast of the Emirate of Sharjah and is distinguished by its unique location and beautiful beach and scenery.



## 1.7 KEY FINANCIAL INDICATORS OF 2022

Total assets	59.1 billion
Liquid assets	14.1 billion
Net customer receivables	30.7 billion
Investment securities	8.5 billion
Customers' deposits	39.5 billion
Shareholders' equity	7.6 billion
Net Operating income	998.2 million
Provisions	313.8 million
Net profits	650.9 million

Sharjah Islamic Bank (SIB) recorded an increase of 26.6% in the profit reaching at AED 650.9 million for the year ended 31 December 2022 compared to AED 514.1 million for the year 2021.

Total operating income for the year ended 31 December 2022 reached at AED 1.61 billion as against 1.43 billion in the same period ended 31 December 2021, an increase of 12.7% or AED 0.18 billion.

Net operating income, before impairment of financial asset, increased by 17.3% reaching to AED 998.2 million as compared to AED 850.7 million in similar period of 2021. Capital adequacy ratio stands at 19.09% at the 31 December 2022

Total capital base stood at AED 7.8 billion.



## 1.9 AWARDS AND RECOGNITION

From 2020 to 2022, Sharjah Islamic Bank obtained multiple awards

Awards	Year
Top 100 CEOs in the Gulf Cooperation Council (GCC) countries	2022
Best Digital Banking Transformation Award at the 2021 Infosys Finacle Innovation Awards	2021
SIB named as one of Forbes 100 most powerful companies in middle east	2021
Sharjah Award for Voluntary Work	2020
Best deal award for a financial institution in Central and Eastern Europe, the Middle East and Africa, from the international magazine "Global Capital".	2020
Dubai Service Excellence Program Award	2020. 2021. 2022
SUKUK Deal of the year	2020
International Finance Award <ul style="list-style-type: none"> <li>- Best Islamic Bank</li> <li>- Most Innovation Digital Bank</li> </ul>	2020

## 1.10 MILESTONES

**We have several 1<sup>st</sup> to our Credit.**

- **We are the first bank in the world to convert to an Islamic banking model.**

In 2002, Sharjah Islamic Bank became the first bank in the world to convert to an Islamic banking model, offering specialized products and services modulated for customers. The bank's entire organization remodeled to run under Islamic regulations

- **We are the first bank to issue a rated Sukuk in the GCC**

Sharjah Islamic Bank issued its first premier sukuk in Sharjah in 2006. Since then, the Bank has issued seven more, launching its most recent 500s million five-year sukuk in June 2020 with a profit rate of 2.85% per annum.

- **We were the first Islamic Bank to embrace Samsung Pay**

In 2017, SIB became the first Islamic Bank to partner with Samsung Pay. Sharjah Islamic Bank customers may now use Mastercard Debit, Credit, or Prepaid Cards to make payments across the UAE using compatible Samsung phones.

- **We were the first bank to offer ATM services for visually impaired and physically challenged customers**

In 2008, the first ATM was installed for people with special need at al Thiqa Club for Handicapped.

In 2018, first ATM in the Middle East with Artificial Intelligence technology was introduced to meet the needs of people with visual and mobility impairment at Sharjah City for Humanitarian Services.

In 2019, first ATM serves two categories of people with disabilities: visually impaired people and others with motor disabilities at General Directorate of Residency and foreigners Affairs Dubai.



- **We were the first to link Debit card rewards for the treatment of Cancer patients**

SIB became the first bank in the Middle East to carry out their banking transactions in the most autonomous and user- friendly way possible. SIB has donated a percentage of the amount spent by its customers to cancer patients, through its partnership with Friends of Cancer Patients (FoCp). The donation is a contribution from the bank and incurs no fees on customers and in an initiative to provide treatment and support those battling cancer in the UAE.

- **Innovative projects and initiatives carried out by the Bank or being developed during 2022**

In providing its Shariah-compliant products and services to its customers, Sharjah Islamic Bank relies on creative and innovative solutions that meet customer expectations, based on its believe that innovative solutions improve the Bank's performance and provide competitive services.

The following schedule shows the key innovative projects and the status of these projects:

Project Name	Status
<ul style="list-style-type: none"> <li>- Automation of sending SWIFT messages to trade finance customers.</li> <li>- Automation of requests to postpone installments and their execution directly via Online and Mobile Banking.</li> <li>- Online and Mobile Banking / Digital Banking upgrade for Retail and Corporate Customers.</li> <li>- Instant international transfers</li> <li>- Automation of sales staff requests.</li> <li>- Automation of the printing of security cheques in the Bank's branches.</li> <li>- Automation of verification with Al Etihad Credit Bureau (AECB) to determine the eligibility of the customer to obtain cheque books.</li> <li>- Automation of the input of customers' signatures on accounts opened via online or mobile banking into the Bank's Signature System.</li> <li>- Automation of early repayment requests for finance installments.</li> <li>- Improving the international remittance system (SWIFT).</li> <li>- Automation of the input of Emirates ID information for accounts opened via online or mobile banking directly into the archiving</li> </ul>	Implemented



<p>system.</p> <ul style="list-style-type: none"><li>- Automation of Installment Plan and Easy Cash transfer for credit cards using robotics technology.</li><li>- Cardless Cash Withdrawal from ATMs without a bank card.</li><li>- Providing cashback service through the bank application.</li><li>- Adding new beneficiaries to donations serve through the bank application.</li><li>- Updating the bank application to comply with the requirements of the UAE Central Bank with regard to consumer protection.</li><li>- Providing international transfer service from the Electronic Wallet.</li></ul>	
<ul style="list-style-type: none"><li>- Improving ATMs</li><li>- Improving the bank's website</li><li>- updating Phone banking (Call Center)</li><li>- Electronic payment of Value Added Tax (VAT) to the Federal Tax Authority through the bank application</li></ul>	<p>Phase (I) has been completed and Phase (II) is under Implementation</p>



## 2. Sustainability at SIB

### 2.1 Corporate Overview

The Bank engaged in banking, financing and investing activities in accordance its articles of incorporation, Islamic Sharia'a principles and regulations of the UAE Central Bank, Which are carried out through its extensive branch network in the United Arab Emirates. Internal Sharia'a Supervisory Committee comprising of several renowned Islamic scholars and specialist in Islamic law and banking are available to advise on product development and oversee training and to ensure that offerings conform to the highest standards within the regulations of Islamic finance. Clear segmentation strategies are in place to understand the varied needs of SIB's customers and constant touch is maintained with them to understand their preferences and experiences. SIB has been in the forefront of launching innovation products and processes that has to the rapid increase in the bank's acquisitions. It employs 1,326 associates and has surpassed Emiratization target points. Our Corporate Values and the Culture that we carefully maintain is what makes SIB Different. To quote our CEO Mr. Mohamed Abdalla "We believe that people are equally important as profits".

SIB's story is incomplete without covering the spectacular success it has had in the SUKUK market. From being the issuer of the first rated SUKUK in the GCC, SIB has consolidated its position as a leader in this market. The geographies tapped by the bank include GCC, MENA, South Asia, South East Asia and North America.

**SIB's commitment towards sustainability revolves around the below Strategic Objectives**

- Maximize value for the Bank's shareholders
- Maintain conservative attitude to risk
- Provide exceptional customer service
- Build a strong brand.
- Maintain a strong capital base & robust asset quality
- Pursue expansion in the UAE .
- Capitalize on growth of Islamic banking industry



## 2.2 SIB'S STRATEGIC GOAL WITH REGARD TO SUSTAINABILITY FOR Y2023

### Our Approach to Sustainability

We believe that sustainability and economic growth are inherently linked, and we can play a key role in fostering both. Our clients face challenges in their business operations in a landscape where climate risks are growing, stakeholder expectations are evolving and there is ambiguity in the energy transition process. We are working to integrate sustainable finance across our business through our lending and investing platforms. We continue to improve on how we assess environmental risks and opportunities in our lending portfolio and help our clients identify their role in the economy and navigate the evolving ESG landscape through our products and services, SIB efficiently manages its operations through sustainable business practices based on vigilant reviews of the operating processes by the Bank to streamline operations, enhance process efficiency, ensure optimum utilization of available resources, control the bank's operational costs and fulfil the social responsibility by revolving all its decisions around the best interest of the community.

## 2.3 ESG Metrics

### - Environment Metric

For environmental sustainability, SIB has implemented several innovative approaches to reduce electricity and water consumption, increase recycling and ensure safe and secure disposal of assets.

The below results highlight few of the key measures as well as the results & comparison with last year

### Energy & Water Usage

WATER CONSUMPTION GLN	2021	2022
Total Actual all Branches Consumption	2,527,997	2,359,614
Per Employee Consumption	2,068.73	1,779.49





ENERGY CONSUMPTION KWH	2021	2022
Total Actual all Branches Consumption	12,804,197	11,979,647
Per Employee Consumption	10,478.06	9,034.424

SIB witnessed changes in its energy consumption during Y2022 owing to the digitization drive in the organization. Further, the transition that came in the form of rolling out of digital services also saw a significant reduction in use of paper through removal of physical document requirements and implementation of e-services.

The bank sees different business related conditions as an opportunity that came in the interest of the community and cause of sustainability in some way, with an attempt to keep the perspective positive. Tracking such metrics helps us to understand and measure our consumption levels and scope for improving our activities to help minimize depletion of resources.



## Environmental Operations

Sharjah Islamic Bank has used the specialized services of documents destroying for the safe and environmentally friendly destruction and recycling of more than 35,000 KGS of documents

SHREDEX

Shredex Documents Destroying Services LLC - PO Box 37721 Dubai | E: info@shredexgulf.com | T: 800 858

Sharjah Islamic Bank  
Yasar Al Tamimi  
Senior Officer- Administration  
+971 6 599 9446 [Ext.9946]  
Yasar.Altamimi@sib.ae

Date: 30/11/2022

**ENVIRONMENTAL CERTIFICATE**  
190058-02

THIS IS TO CONFIRM THAT SHARJAH ISLAMIC BANK HAS USED THE SPECIALIZED SERVICES OF SHREDEX DOCUMENTS DESTROYING SERVICES LLC FOR THE SAFE AND ENVIRONMENTALLY FRIENDLY DESTRUCTION AND RECYCLING OF APPROX. 35, 126 KGS OF DOCUMENTS COLLECTED FROM THEIR SHARIAH ARCHIVE BUILDING LOCATION ON YEAR 2022.

WE CONGRATULATE AND THANK SHARJAH ISLAMIC BANK FOR THEIR SECURITY AND ENVIRONMENTAL AWARENESS!

EQUVALENT ENVIRONMENTAL SAVINGS

FOR

SHARJAH ISLAMIC BANK:

- 597 Trees
- 60.7 Cubic Meters of Oil
- 1,917.8 Cubic Meters of Water
- 86.6 Cubic Meters of Landfill Space
- 956.0 Kgs of CO2 emissions
- 146, 504 Kilowatts of Energy

RECYCLING  
ONE TON OF  
PAPER SAVES:

- 17 trees
- 380 gallons of oil
- 3 cubic meters of landfill space
- 4000 gallons of water
- 7000 kgs of CO2 emissions
- 60 kwh of electricity

www.shredexgulf.com

ENDOSHRED

## CERTIFICATE

OF

### ENVIRONMENTAL STEWARDSHIP

This Certificate is awarded to:

SHJ Islamic Bank

for contribution towards environmental stewardship during the period  
23/05/2022 to 31/05/2022

in partnership with EndoShred by successfully shredding and recycling 35,126 kgs of documents, making a positive impact on the environment in the following way:

**8,179 kgs**  
of Waste Recycled

**139 043**  
Trees Saved

**57253 Gallons**  
of Water Saved

**52716 kW**  
of Energy Saved

EndoShred's services were recognized by the UAE Ministry of Energy, Water and Climate Change towards contributing to a greener future.

Thank you for your business!

ENDOSHRED

DATE

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SIGNATURE

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## - Social Metric

### Human Capital Planning

At Sharjah Islamic Bank; we utilize diverse sourcing channels towards recruiting the right fit for our successes, candidate talent, and experience form the basis of our hiring process.

In line with our maxim, “People are our greatest asset”, we believe that strong human capital and visionary leaders are the backbone of the organization. Effective talent management solutions and succession planning initiatives are designed to maintain and develop leadership for the future, in conjunction with sourcing experienced potential individuals to steer the bank towards continued success.

SIB benchmark’s its services with the best in the industry and we deliver shareholder value through increased productivity, skill enhancement, growth and progress of our associates through comprehensive training programs and performance management systems.

Our philosophy is to become the ‘employer of choice’ by providing a culture of knowledge sharing, teamwork, respect, leadership and initiative at all levels.

### Gender Pay Ratio

Male to Female (7:8)

### Employee Turnover

Percentage: Year-over-year change for full-time employees **9.75%**

Percentage: Year-over-year change for contractors/ consultants **48.48%**



## Gender Diversity

By implementing the nationality cap within all functions of the bank, SIB committed itself in managing diversity within its workforce. SIB has a total distribution of 37 nationalities amongst its male and female employees. SIB also includes Persons of determination as part of our diversity mix.

The Senior Management team with their awareness, commitment, and action have created a culture of inclusion and belonging.

SIB promotes equality and equal opportunity.

Total enterprise headcount held by men and women – percentage

Male	Female
69.46%	30.54%

Entry- and mid-level positions held by men and women – Percentage

Male	Female
68.14%	31.86%

Senior- and executive level positions held by men and women – Percentage

Male	Female
90.00%	10.00%

## - Temporary Worker Ratio

Total enterprise headcount held by contractors and/or consultants – Percentage

1.28%



## Non – Discrimination

Sharjah Islamic bank is obligated to publish the employee behavior guide and ledge to abide by all that is required in addition to the laws of the UAE and all the system, regulations standards in force at the bank.

Each employee signs code of conduct.

## Global Health & Safety

Sharjah Islamic Bank follows health & safety policy that covered by the company's Insurance policy and aligned with the Labor law.

### Quality and safety :

Every member within HR is responsible for being aware of new HR practices, new safety measures and innovative methods to maintain quality of service to both internal and external customers

### Health and safety performance :

SIB is responsible for the Health & Safety aspect of the bank. Mock-Fire drill conducted, fire wardens are appointed to support all our associates within all premises of the bank which goes to create the required awareness and preparedness under the need to embrace the need for safety and security for all our employees.

Drills are conducted regularly in association with Civil Defense and Staff are given First Aid and Fire safety trainings. Access control, Branch security control, CCTV, Asset protection etc. are managed by the security team



## Community Investment

Sharjah Islamic Bank (SIB) has gone beyond its traditional tasks, and actively contributes to serving and meeting the needs of society. This is in addition to sponsoring many events and seminars related to volunteering, thanks to the directives of His Highness Sheikh Dr. Sultan bin Muhammad Al Qasimi, Member of the Supreme Council, Ruler of Sharjah, and the constant support and encouragement of the bank by His Highness Sheikh Sultan bin Muhammad Sultan Al Qasimi, Crown Prince and Deputy Ruler of Sharjah.

In 2022, SIB continued its comprehensive social impact methodology, that goes beyond the traditional financial sponsorship in line with the National Agenda and the strategic goals of the United Arab Emirates to make a real community impact. This helped raise the awareness of cooperating entities and resulted in programs that serve the social, cultural and economic goals set by the UAE's government.

## Commitment

The commitment towards delivery of SIB's Corporate and Social Responsibility (CSR) Strategies and Policies is displayed by direct involvement and spearheading of CSR initiatives by key members of the management committee.

SIB, actively participates in community services by providing volunteers, donations, scholarships, and sponsorships, as a part of social responsibility.

In response to the requirements of the Central Bank of the UAE with regard to community educational & awareness initiatives, the bank succeeded in creating and sending educational question-and-answer posters under the name "Q&A" to answer the most important questions that the branches receive. The bank launched the second round of its awareness campaign to warn of bank fraud in cooperation with the Sharjah Police, under the slogan "Be aware." the "Think about it" financial education video model has also been approved, and the episodes under progress to be published at the beginning of next year 2023.



## Sponsorships

The Key Result areas defined by the Management for this area are Government Sponsorships. Educational Sponsorship. Sport Sponsorship, Culture and Arts Sponsorship, Environmental project sponsorship, Support for UAE National Development. Donations. Zakat and Programs for associates.

Under each of these areas, the Division scans the environment. Takes inputs annually from respective stakeholders and prepares a detailed plan for the management including the proposed programs and costs.

The CSR division collects perceptions from all stakeholders and the community in general every year to ensure that the bank is meeting the expectations of the society.

Moreover, KPI have been identified for each program particularly in terms of number of beneficiaries satisfaction etc. which is reported to the management.

Clear policies are in place to make sure that support is extended only to deserving parties endorsed by the Government of the UAE.

CSR initiatives are reported monthly to the senior management. Beneficiaries of SIB's CSR initiatives regularly honor the bank for the support extended. "Social Responsibility" is one of the Core values of SIB adopted in 2014.



## Donations and Social Partnerships

With over 73 million donated to charity in 2022, SIB's commitment towards the society is greater than ever. SIB prides itself in being "More than a Bank." It has taken up several first of its kind initiatives to support the community. The first ATM for the visually impaired blind and the handicapped was launched by SIB in UAE.

Accordingly in 2022, the bank strengthened its community partnerships in the government sector with the Department of Suburbs and Villages Affairs in Sharjah, the General Command of Sharjah Police, the Finance Department in Sharjah, and the Department of Social Affairs. The Department of Islamic Affairs, Sharjah Airport Authority, and Sharjah Radio and Television Authority.

At the same time, the Bank continued its support for the educational and sports sector through its support for the University of Sharjah, the American University, Al Qasimia University, Sharjah Sports Council, Sharjah Equestrian and Racing Club, and the Thiqa Club for the Disabled in Sharjah. As part of the Bank's Ramadan activities in coordination with the Sharjah Charity Association,

SIB continues to organize the initiative of "Ramadan Meer at your doorstep" for the third year in a row to provide Ramadan Iftar meals to needy families in their homes, with a return to sponsoring Ramadan Iftar tents in several selected locations in Sharjah.

The Bank has made social contributions of AED 64.4 million (2021: AED 66.0 million) from the zakat fund.

The Bank during the year has also made a social contribution of AED 5.8 million (2021: AED 7.5 million) as donations and charities.

The Bank further made social contributions of AED 1.6 million (2021: 1.2 million) as sponsorships to universities and other public service organizations





## Standing by our customers

We are acutely aware that SIB's long-term success as a business depends upon the prosperity and growth of all the communities we serve.

The key Community Initiatives include the following areas:

- Charity Organizations Hospital & Medical Treatment Support
- Education Support
- Support for the Elderly
- Support for Auqaf Establishments
- Ramadan Distributions

### - Governance Metric

Being one of the licensed bank in the United Arab Emirates, SIB is governed by the UAE Federal laws and regulations as well as the resolutions, instructions and guidelines of the Central Bank of the United Arab Emirates; in addition to the laws of the Securities and Commodities Authority and the Commercial Law regarding the governance of financial institutions in the UAE.

As part of the approved governance framework, Sharjah Islamic Bank is committed to publish the annual Corporate Governance Report of the Bank.

We are working to integrate sustainable finance across our business through our lending and investing practices. We continue to improve on how we assess environmental risks and opportunities in our lending portfolio. The business segments ultimately are responsible for the risks within their respective portfolios and responsible for monitoring performance according to and in compliance with financing policy.



### - Supplier Code of Conduct

Sharjah Islamic Bank committed to maintaining and developing its valuable relationship with all stakeholder, including suppliers and resort to obligatory rules of behavior that require this issue. All the vendors or suppliers that is duly licensed corporation or company, whose desires to enter into an agreement with the bank, to supply with the materials and goods they must sign a supply agreement.

### - Data Privacy

SIB has approved Data Management and Protection Framework in compliance to Central Bank of UAE mandated 'Consumer Protection Regulation and Standards'.

This framework provides management directives and intended to ensure data privacy and protection of consumers interests in their use of financial products and/or services, and in their relationship with SIB.



## 2.4 STAKEHOLDERS ENGAGEMENT

Stakeholder Group	Description	Activities & Engagement
Communities	Most government Departments	Interaction with governments
Customers	+ 340,000 customers	Customer Advisory Council
Employee	+1300 employee	Town Hall Meeting & Surveys
Suppliers	+1800 active suppliers	Green supplier Network Sourcing
Investors	+3200 shareholder investors +200 individual Sukuk Investor	Corporate Governance/ Reporting

## 2.4 AFFILIATIONS AND MEMERSHIPS

Sharjah Islamic Bank (SIB) has relationships with a number of organizations related to various aspects of sustainability, SIB truly values the direction laid out in the form of sustainability criteria by the affiliation and memberships bodies endorsing sustainability. One of our bank's objective of Y2022 is to apply for a reputed local or international affiliation and to ensure our utmost compliance to these standards. This is in line with SIB functions strategic vision to demonstrate our commitment to the cause which is evident in the form of our internal practices.

Under each of these areas, the Divisions scans the environment, takes inputs annually from respective stakeholders and prepares a detailed plan for management including the programs and costs.

The CSR division collects perceptions from all stakeholders and the community in general every year to ensure that the bank is meeting the expectations of the society.

Moreover, KPI's have been identified for each program particularly in terms of number of beneficiaries, satisfaction etc. which is reported to the management.

Clear policies are in place to make sure that support is extended to the most deserving cases, as endorsed by the Government of the UAE.



## 3. Governance, Ethics & Compliance

### 3.1 Corporate Governance

The Governance at SIB has been structured to support the Board and the Board Committees in their oversight function of the risks inherent in the businesses and functions across the bank, with the objective to balance our risk and return. Hence, a key component of SIB's risk culture is the ownership of risk by all relevant business groups and support functions who serve and are part of the "Three Lines of Defense".

Environmental and Social (E&S) risks are rapidly evolving, and SIB acknowledges that it is responsible for identifying and managing adverse E&S risks and impacts. E&S risks are managed through related business-segment-level policies and procedures across the enterprise. We are working to integrate sustainable finance across our business through our lending and investing practices. We continue to improve on how we assess environmental risks and opportunities in our lending portfolio. The business segments ultimately are responsible for the risks within their respective portfolios and responsible for monitoring performance according to and in compliance with financing policy.

Being one of the licensed bank in the United Arab Emirates, SIB is governed by the UAE Federal laws and regulations as well as the resolutions, instructions and guidelines of the Central Bank of the United Arab Emirates, In addition to the laws of the Securities and Commodities Authority and the Commercial Law regarding the governance of financial institutions in the UAE.



## Corporate Values:

### Bonding and Harmony



Treating one another with dignity and respect irrespective of nationality and rank

Sharing each other's Happiness and grief

Reaching out to understand and support each other

### Compliance



Ensuring that processes and standards are followed with the highest quality and accuracy

Following the Code of Conduct

Adhering to Shariah Standards

### Learning and Self-Development



Constantly striving to upgrade oneself

Sharing knowledge and best practices

Striving to become an ambassador of the Bank and its values

### Social Responsibility



Taking initiative to support the local community

Supporting and nurturing young UAE Nationals by coaching and mentoring them

Making environmental protection a priority

### Creativity and Innovation



Finding new ways to do things to accelerate our growth

Constantly striving for process and product improvements

Seeking benchmarks and stakeholder perceptions to make things better

## Bonding and Harmony

- Treating one another with dignity and respect irrespective of nationality and rank
- Sharing each other's Happiness and grief
- Reaching out to understand and support each other

## Compliance

- Ensuring that processes and standards are followed with highest quality and accuracy
- Following the Code of Conduct
- Adhering to Shariah Standards

## Learning and Self-Development

- Constantly striving to upgrade oneself
- Sharing knowledge and best practices
- Striving to become an ambassador of the Bank and its values

## Social Responsibility

- Taking initiative to support the local community
- Supporting and nurturing young UAE Nationals by coaching and mentoring them
- Making environmental protection a priority

## Creativity and Innovation

- Finding new ways to do things to accelerate our growth
- Constantly striving for process and product improvements
- Seeking benchmarks and stakeholder perceptions to make things better



## 3.2 Ethics and Compliance

Sharjah Islamic Bank (SIB) performs all its activities in accordance with the Central Bank guidelines (CBUAE). Additionally, SIB is listed on Abu Dhabi Stock Exchange which has a robust compliance structure that facilitates Corporate Governance and process management.

As part of the approved governance framework, Sharjah Islamic Bank is committed to publish the annual Corporate Governance Report of the Bank.

### SIB's Competitive advantage

- **Steady growth** - In the current macroeconomic environment Sharjah Islamic Bank has remained strong with a low Non Performing Loans (NPL) ratio in comparison to its peers due to its prudent Risk Management policies. This coupled with a strong and loyal customer base, acquisition strategy harping on innovative products, and processes have led to a steady increase in SIB's acquisition and profits.
- **Strong Capital Base**- SIB's Capital Adequacy ratio is one of the highest in the country and is way ahead of the industry benchmark. This makes SIB one of the well capitalized Islamic bank in the region and has helped the bank to maintain investment grade credit rating of BBB+.
- **Robust Operational Capabilities** - By adopting a robust process management system empowered by clear strategic direction and stringent regulatory compliance, SIB has always managed to keep its Operational Losses below the industry benchmark and internal targets, which is commendable. Risk Management, Internal Audit Division and the Shariah Board supported by External auditors ensure that process management is carried out with maximum compliance. IT investments in software that enhances productivity, efficiency and risk management are ongoing.
- **Empowered Associates** - SIB enjoys one of the lowest employee turnover rates in the industry. It has highly satisfied and competent associates who are fully engaged in the processes of fulfilling the bank's Vision, Mission and Values. In order to provide a more efficient training to its staff, SIB established a dedicated Learning & Communication team (L&C) which reviews staff performance and identifies areas of improvement.
- **Business Excellence Drive** - SIB's Management's quest for excellence has led the bank to win multiple Business Excellence awards in the region. MRM (4 times), SKEA, SEEA and the Dubai Quality award are some of the accolades it has won. This drive has led to continuous improvements.



Financial Control reports are prepared and reviewed in compliance with the Central Bank Regulations, Sharia'a Standards and IFRS. Appointed external auditors audit the bank's financials annually. Reviewing actual performance versus budgeted performance is reviewed daily, weekly, monthly, quarterly and yearly. The financial position and performance of the bank and its business segments are timely and carefully reported to ensure resource optimization. To ensure sustainability, SIB has adopted a strong Corporate Governance (CG) Framework approved by its Board of Directors. Board level Risk, Nomination & Compensation and Audit Committees are in place. SIB's CG principles, codes, manuals and policies form the basis of its CG Policy Framework.

### 3.3 Corporate governance at SIB

Being one of the licensed bank in the United Arab Emirates, SIB is governed by the UAE Federal laws and regulations as well as the resolutions, instructions and guidelines of the Central Bank of the United Arab Emirates, In addition to the laws of the Securities and Commodities Authority and the Commercial Law regarding the governance of financial institutions in the UAE.

As part of the approved governance framework, Sharjah Islamic Bank is committed to publish the annual Corporate Governance Report of the Bank.

### 3.4 Statement of the measures taken to complete the Corporate Governance during 2022:

In continuation of the set of laws and regulations issued by the Central Bank of the United Arab Emirates, the Securities and Commodities Authority, and Federal Law No. (32) of 2021 for commercial companies regarding the governance of financial institutions in the country, Sharjah Islamic Bank has taken, during the past years, many steps that would strengthen the governance system of the bank and its subsidiaries which include:

- Developing a general framework for the corporate governance system of the Bank and its subsidiaries according to the approved plan to implement the comprehensive governance system in Sharjah Islamic Bank and its subsidiaries.



- Forming committees emanating from the Board of Directors that supervise the work of the Group's Internal Audit, Group's Shari'a Internal Audit, Enterprise Risk Management and Compliance Management.
  - Develop policies for the authorities and responsibilities of the Board Committees.
  - Develop policies for the authorities and responsibilities of the Executive Management.
  - Periodic updating of the Policies and Procedures for Sharjah Islamic Bank and its subsidiaries in a way that supports the principles of governance and best professional practices.
  - Establishing a clear mechanism for implementing the circulars issued by the Central Bank of the United Arab Emirates and the relevant legislative authorities.
- 
- Monitoring the bank's application of the governance, decisions, instructions and laws issued by the Central Bank of the United Arab Emirates, Securities and Commodities Authority or any other relevant authorities.
  - Enhancing the independence of the Group's Internal Audit and Group's Internal Audit. Enabling Enterprise Risk management, Compliance Management and Internal Sharia Control to access the Board of Directors and its committees.
  - Attracting experienced talent in the field of Islamic banks.
- 
- Investing in enhancing knowledge, training and development of the bank's employees and its subsidiaries.
  - Updating disclosure policies with respect to the bank's dealings with related parties.
  - Updating the policies related to remuneration of the Executive Management and the Board of Directors.

### **3.5 Statement of ownership and transactions of Board of Directors (Board) members, their spouses and their children in the Bank securities during 2022.**

The following table shows ownership and transactions of Board of Directors (Board) members and their children in the Bank securities during 2022:





Ser.	Name	Position/ Kinship	Owned Shares as on 31/12/2021	Total Sale	Total Purchase
1.	H.E. Abdulrahman Mohamed Nassir Salem Al Owais Al Shamsi	Chairman of the BOD	12,851,335	0	0
2.	Mr. Jasim Mohamed Abdalla Ahmed Al Khayyal Al Ali	Board Member	3,570,732	0	0
3.	Ms. Hind Othman Mohamed Sharif Abdalla Al Fahim	Daughter of Vice Chairman	1,155,000	0	0
4.	Mr. Mohamed Othman Mohamed Sharif Abdalla Al Fahim	Son of Vice Chairman	1,155,000	0	0
5.	Mr. Abdalla Othman Mohamed Sharif Abdalla Al Fahim	Son of Vice Chairman	1,155,000	0	0
6.	Mr. Sultan Othman Mohamed Sharif Abdalla Al Fahim	Son of Vice Chairman	1,155,000	0	0



7.	Ms. Mira Othman Mohamed Sharif Abdalla Al Fahim	Daughter of Vice Chairman	1,155,000	0	0
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### 3.6 Formation of the Board of Directors of Sharjah Islamic Bank

The Board of Directors of Sharjah Islamic Bank adopts the highest standards of corporate governance based on its fundamental principles. The Board of Directors mainly Supervise the management of the Bank's affairs through the application of methods and procedures based on the principle of good governance in order to draw a balance between the interests of shareholders, investors, customers and employees of the Bank as well as the Bank's social responsibility.

- A. Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following table:



Name	Category	Qualifications	Board member Since	Memberships & positions at any other joint-stock companies	Positions in any other important regulatory, government or commercial positions.
H.E. Abdulrahman Mohamed Nassir Salem Al Owais	Non-executive	Honorary doctorate from the University of Sharjah - Bachelor's degree in Accounting and Information Systems in 1988	1995	Board Member of Sharjah Cement and Industrial Development Co.  Board Member of Sharjah Insurance Co.	<ul style="list-style-type: none"> <li>Minister of Health and Prevention since 2013.</li> <li>Minister of State for Federal National Council Affairs.</li> <li>Chairman of the Board of Sheikh Zayed Grand Mosque.</li> <li>Chairman of the Board of Hamdan bin Mohammed bin Rashid Al Maktoum International Photography Award.</li> </ul>
H.E. Othman Mohamed Sharif Abdalla Zaman	Non-executive	Bachelor of Engineering	1995	Chairman of the Board of Sharjah Cement and Industrial Development Co.	<ul style="list-style-type: none"> <li>Chairman of the Board of Sharjah National Hotels (A subsidiary of Sharjah Islamic Bank)</li> </ul>
H.E. Ali Salim Ali Salim Al Mazroua	Non-executive	Bachelor of Arts - Majoring in Sociology	1995	-	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors of Emirates Stone Co. Ltd.</li> <li>Chairman of the Board of Directors of Al Mazroua Trading and Industrial Co.</li> <li>Chairman of the Board of Directors of Al Al Bayan Real Estate.</li> </ul>



H.E. Salah Butti Obaid Binbutti Al Mheiri	Non- executive	Bachelor of Architecture - UAE	2019	-	<ul style="list-style-type: none"> <li>• Advisor at Sharjah Department of Planning and Survey.</li> <li>• Chairman of the Board of ASAS Real Estate (Subsidiary of the Bank).</li> <li>• Chairperson of Sharjah Authority for Initiatives Implementation and Infrastructure Development.</li> <li>• Member of Sharjah Research, Technology and Innovation Park.</li> <li>• Representative of Emirate of Sharjah with H.H. The President Initiatives.</li> <li>• Member of Etihad Rail Committee.</li> </ul>
H.E. Jasim Mohamed Abdalla Ahmed Al Khayyal	Non- executive	Bachelor of Political Science - UAE	2021	Board Member of Sharjah Charity House	<ul style="list-style-type: none"> <li>• Director General of General Administration of the Emiri Guard.</li> <li>• Chairman of the BOD of Amiri Guard Club in Sharjah</li> </ul>
H.E. Mohammad Nassir Abdulaziz Al Fouzan	Non- executive	Bachelor of Management Business - Kuwait University	2008	-	<ul style="list-style-type: none"> <li>• Member of the Board of Kuwait Finance House, Kuwait, 2020.</li> <li>• Member of the Board of Kuwait Finance House, Kingdom of Bahrain.</li> <li>• Member of the Board of Kuwait Finance House, Malaysia since 2014 and up till now.</li> </ul>
H.E. Abdulla Sulaiman Ahmed Al Haddad	Non- executive	Bachelor of Accounting	2019	-	<ul style="list-style-type: none"> <li>• Deputy Chairman of the BOD of Saudi Kuwaiti Finance House,</li> </ul>



		and Audit, University of Kuwait			closed joint stock company, Riyadh. • Vice Chairman of the Board of Directors of ALAFCO Alafco Aircraft Sales and Purchase Company (listed in the Kuwaiti Stock Market).
<b>H.E. Dr. Khawla Abdelrahman Hassan Al Mulla AlSaabri</b>	Independe nt	PhD in Sociology	2022	-	<ul style="list-style-type: none"> <li>• Chairperson of the Family Affairs Authority and Secretary General of the Supreme Council for Family Affairs in Sharjah.</li> <li>• Member of the Executive Council of the Emirate of Sharjah.</li> <li>• Member of the Board of Trustees of the University of Sharjah.</li> <li>• Chairperson of the Recruitment Committee at Al Qasimia University.</li> <li>• Member of the Board of Trustees of the Sharjah Education Academy.</li> </ul>
<b>H.E. Dr. Abdullah bin Mohammed Belhaif Al Nuaimi</b>	Independe nt	PhD in Engineering	2022	-	-



## B. Statement of the percentage of female representation in the board of SIB during the year 2022:

SIB relies in its strategy on creating a gender-balanced environment by adopting an equal opportunity approach, as the Bank gives both genders an equal right to run for membership of its Board of Directors through the Bank's general assembly, provided that the membership decision is made by voting of the shareholders.

During the meeting of the Board of Directors of Sharjah Islamic Bank held on March 4, 2022, H.E. Dr. Khawla Abdelrahman Hassan Al Mulla AlSaabri was elected as an independent member of the Bank's Board of Directors. She has also been appointed as Chair of the Group Audit Committee. Accordingly, the representation of women in the Bank's Board of Directors reached 11%.

### - Board Diversity

By Percentage	Men	Women
Total board seats occupied by men and women	89%	11%
Committee chairs occupied by men and women	75%	25%

### - Board Independence

For the board independence, Sharjah Islamic bank prohibited CEO from serving as board chair & 22% board seats occupied by independent board members.

## C. Statement on Directors' remuneration

### 1. Total remunerations paid to the Board members for 2021.

During the meeting of the General Assembly of SIB held on February 27, 2022, the shareholders approved the remuneration of the members of the Bank's Board of Directors, which amounted to AED

7,213,500/- for the fiscal year ending at December 31, 2021 in accordance with Federal Decree Law No. (32) of 2021 on Commercial Companies and SCA Board Chairman's Decision No. (3/Chairman) of 2020 concerning adopting the Corporate Governance Guide for Public Joint Stock Companies as amended.

**2. Total remunerations of the Board members, which are proposed for 2022, and will be presented in the annual general assembly meeting for approval.**

During the next General Assembly Meeting of Sharjah Islamic Bank, a proposal to distribute the amount of AED 10.3 million will be presented as remunerations to the Board of Directors of the Bank for the fiscal year ending at December 31, 2022 in accordance with Federal Decree Law No. (32) of 2021 on Commercial Companies and SCA Board Chairman's Decision No. (3/Chairman) of 2020 concerning adopting the Corporate Governance Guide for Public Joint Stock Companies as amended, where the decision to adopt the remunerations proposal is left to the General Assembly.

**3. Details of the allowances for attending sessions of the committees emanating from the Board, which were received by the Board members for 2022 financial year:**

Ser.	Name	Allowances for attending sessions of the committees emanating from the Board		
		Committee name	Allowance value	Meetings Nos.
1	H.E. Othman Mohamed Sharif Abdalla Zaman	Executive Committee	500,000.00	11
		Audit Committee	150,000.00	5
		Nomination & Remuneration Committee	150,000.00	3
2	H.E. Ali Salim Ali Salim Al Mazroua	Executive Committee	500,000.00	9



		Risk Committee	150,000.00	3
		Nomination & Remuneration Committee	150,000.00	3
3	H.E. Jasim Mohamed Abdalla Ahmed Al Khayyal Al Ali	Executive Committee	500,000.00	8
		Nomination & Remuneration Committee	150,000.00	3
4	H.E. Dr. Khawla Abdelrahman Hassan Al Mulla AlSaabri	Audit Committee	150,000.00	4
5	H.E. Mohammad Nassir Abdulaziz Al Fouzan	Audit Committee	150,000.00	4
6	H.E. Dr. Abdullah bin Mohammed Belhaif Al Nuaimi	Risk Committee	150,000.00	3
7	H.E. Abdulla Sulaiman Ahmed Al Haddad	Risk Committee	150,000.00	4

#### 4. Details of the additional allowances, salaries or fees received by Board members other than the allowances for attending the committees and their reasons.

No additional allowances, salaries or fees were paid to members of the Board of Director, other than for allowances for attending committees' meetings.





5. Number of the Board meetings held during 2022 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy.

During the year 2022, Sharjah Islamic Bank Board of Directors held seven board meetings. The following tables shows names of members of the Board of Directors, meeting's dates and attendees:

Name	Position	Dates of the Meetings during the year 2022							
		Jan 20 <sup>th</sup>	Feb 18 <sup>th</sup>	Mar 4 <sup>th</sup>	Jun 2 <sup>nd</sup>	Aug 4 <sup>th</sup>	Oct 6 <sup>th</sup>	Dec 8 <sup>th</sup>	
H.E. Abdulrahman Mohamed Nassir Salem Al Owais	Chairman	✓	✓	✓	✓	✓	✓	✓	
H.E. Othman Mohamed Sharif Abdalla Zaman	Vice Chairman	✓	✓	*	✓	✓	✓	✓	
H.E. Ali Salim Ali Salim Al Mazroua	Board Member	✓	✓	✓	✓	✓	✓	✓	



H.E. Salah Butti Obaid Binbutti Al Mheiri	Board Member	✓	✓	✓	✓	✓	✓	✓
H.E. Jasim Mohamed Abdalla Ahmed Al Khayyal Al Ali	Board Member	*	✓	*	*	✓	✓	✓
H.E. Mohammad Nassir Abdulaziz Al Fouzan	Board Member	✓	✓	✓	✓	✓	✓	✓
Mr. Abdulla Sulaiman Ahmed Al Haddad	Board Member	✓	*	✓	✓	✓	✓	✓
H.E. Dr. Khawla Abdelrahman Hassan Al Mulla AlSaabri	Board Member	**	**	✓	✓	✓	✓	✓
H.E. Dr. Abdullah bin Mohammed Belhaif Al Nuaimi	Board Member	**	**	✓	✓	✓	✓	✓

\* Apologized for not attending.



**\*\* Date of appointment is March 4th, 2022.**

**D. Number of the Board resolutions passed by circulation during the 2022 fiscal year, along with its meeting convention dates.**

The following table shows the resolution passed by the Board of Directors of Sharjah Islamic Bank by circulation during the year 2022:

Ser.	Date	Description
1	18 February 2022	Approval to convert Sharjah Islamic Bank into a quasi-governmental institution.
2	2 June 2022	Nomination of Dr. Muhammad Abada for the membership of the Bank's Internal Sharia Supervisory Committee.
3	4 August 2022	Approval of increasing the annual remuneration for the Fatwa and Internal Sharia Supervisory Committee of the Bank.
4	6 October 2022	Approval of the sale price of the units of the Khorfakkan Resort project.

**E. Statement of Board duties and powers exercised by Board members or the executive management members during 2022 based on the an authorization from the Board, specifying the duration and validity of the authorization:**

There is no authorization granted by the Board to a member of the Board or to the Executive Management during the year 2022 to carry out the tasks and functions of the Board of Directors.



**F. Statement of the details of transactions made with the related parties (Stakeholders) during 2022:**

Sharjah Islamic Bank has a clear policy for dealing with related parties, which is a policy characterized by transparency, objectivity and the highest levels of disclosure. The Bank's internal policies set clear definitions for the related parties, who are dealt with according to terms agreed upon by the concerned parties, which are not significantly different from the terms for other non-related parties.

The following table shows the significant balances of the Related Parties as at 31 December 2022 as per the financial statement:

Statement of Financial Position	2022 (AED'000)			
	Key Management Personnel and Members of BOD	Major Shareholders	Other Related Parties	Total
Investments in Islamic financing	444,376	4,866,444	4,368,651	9,679,471
Investment in securities	-	594,251	-	594,251
Investments in securities measured at amortised cost.	-	780,329	-	780,329

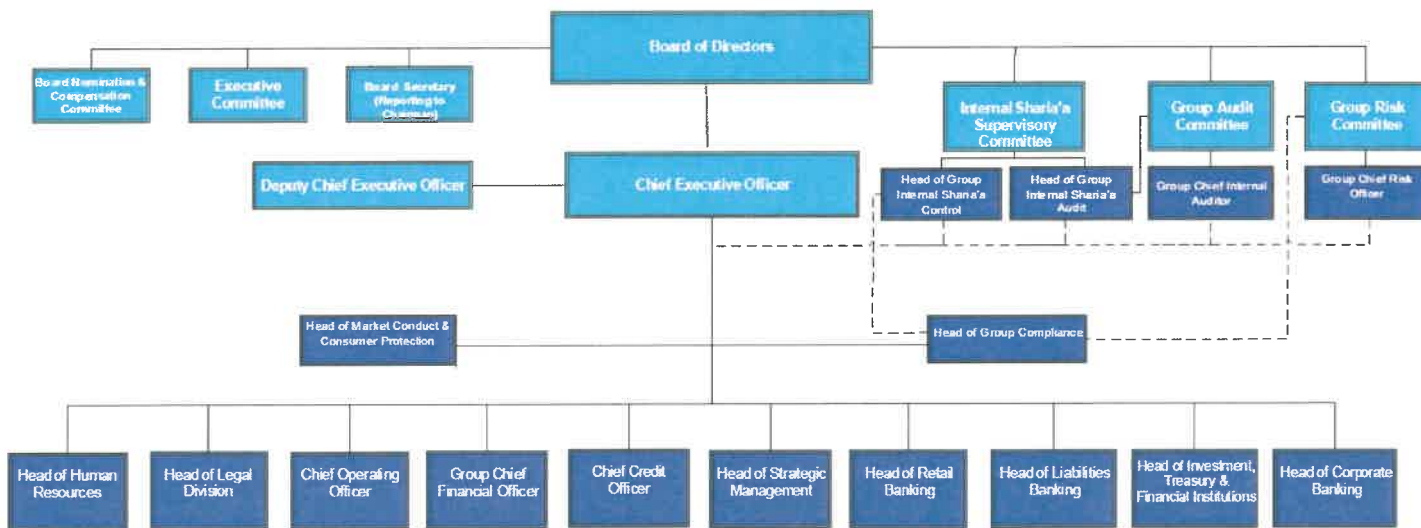


Customers' deposits	(152,140)	(3,441,429)	(3,315,302)	(6,908,871)
Contingent liabilities – Off the balance sheet	-	1,383	140,655	142,038
<b>Statement of Profit or Loss for the year ended at 31 December 2022</b>				
Income from Islamic financing	13,222	171,884	228,576	413,682
Depositors' share of profit	(128)	(82,259)	(47,378)	(129,765)
Fee and commission income	-	-	1,154	1,154



## G. Organizational Structure

### SHARJAH ISLAMIC BANK ORGANIZATION STRUCTURE





H. A detailed statement of the senior executives in the first and second grade according to the Bank's organizational structure, their jobs and dates of their appointment, along with a statement of the total salaries and bonuses paid to them:

The following schedule shows the total remunerations of the senior executives, salaries, other short-term allowances and end-of-service benefits for the year 2022.

Position	Date Appointment	of Total salaries and allowances for 2022 (AED)	Total bonuses paid for 2022 (AED)	Any other cash / in-kind bonuses for 2022 (AED)
Chief Executive Officer	1 March 1984	25,485,288.00	No bonuses were paid as at the date of the report	None
Deputy CEO	17 October 1998			
Chief Operating Officer *	12 February 2012			
Head of Investment, Treasury and Financial Institutions	1 June 2002			
Head of Group Risk Management	30 October 1999			
Head of Retail Banking	10 June 2015			
Head of Group Compliance	2 January 2006			



Head of Corporate Banking	5 April 2004			
Head of Human Resources **	3 April 2005			
Head of Banking Deposits	4 May 2008			
Head of Internal Audit	20 October 2001			
Head of Group Internal Sharia Supervisory Committee	25 December 2014			
Head of Group Sharia Internal Audit	21 December 2008			

\* Up to 25 August 2022

\*\* Appointed as a replacement for the Head of Human Resources on 1 July 2022.





### 3.7 External Auditor

#### A. Overview of the External Auditor

PricewaterhouseCoopers (PwC) is one of the largest providers of assurance, tax, legal consulting services in the United Arab Emirates to its clients including family owned businesses, prominent local businesses, industrial and service companies, and global organizations. PwC is also the government's primary business advisors as well as some of the largest public sector entities in the UAE. The company enjoys a long history of providing services in the region due to their compliance with all legal requirements set by the various regulatory bodies across the UAE. Their first office was established in Abu Dhabi in 1979 and they now have 3405 people working for them in the UAE, of whom 120 are Emirati national, including 179 partners and 6 offices in 4 main locations: Abu Dhabi, Dubai, Sharjah and Ras Al Khaimah.

#### B. Statement of fees and costs for the audit or services provided by the external auditor:

Name of the audit office and partner auditor	PricewaterhouseCoopers - Stuart Scoular
Number of years he served as the company external auditor	5 Years
The number of years that the partner auditor spent auditing the Bank's accounts	1 Year
Total audit fees for 2022 in (AED)	AED 400,000/- + VAT
Fees and costs of other private services other than auditing the financial statements for 2022.	N/A
Details and nature of the other private services provided by the external auditor	N/A



Statement of other services that an external auditor other than the company accounts auditor provided during 2022.

<p><b>Assessment of NESA compliance with the Information Assurance Standard</b>  <b>Stress test</b>  <b>Audit of classification models.</b>  <b>Professional consultation services.</b>  <b>Quality assurance review.</b>  <b>Fraud prevention evaluation.</b>  <b>Operational risk assessment</b></p>	<p>Auditor name: <b>KPMG:</b></p>
<p><b>Security Operations Center Services 2022</b></p>	<p>Auditor name: <b>Ernst &amp; Young</b></p>

### C. Statement clarifying the reservations that the company auditor included in the interim and annual financial statements for the year 2022

There are no qualified opinions or material notes made by the external auditor in the audited interim and annual financial statements for the year 2022.

## 3.8 Group Audit Committee

The Board of Directors is responsible for adopting and applying the prudent governance approach of the Bank and its subsidiaries. To achieve these objectives, the board has formed the Group Internal Audit Committee and set the general framework for that committee to enable it to effectively exercise its duties and supervisory role.

This committee reports directly to the Board of Directors and submits the necessary reports to it as a supportive function to the Bank's Board of Directors with regard to its supervisory responsibility towards financial reports, the internal control system, the group's internal audit, external audit, Sharia audit, compliance with laws, legislation, and rules of professional and ethical conduct.



**A. Number of meetings held by the Audit Committee during 2022 and their dates to discuss the matters related to financial statements and any other matters, and demonstrating the members' personal attendance times in the held meetings.**

The Group Audit Committee meetings are held on a quarterly basis at least 4 times a year, at the end of each quarter or upon the issuance of annual financial statements. Additional meetings may be held whenever needed. During the year 2022, the Audit Committee held 5 meetings.

Attendance Meetings	H.E. Dr. Khawla Abdelrahman Hassan Al Mulla (Chairman of the Audit Committee from 4 March 2022)	Mr. Ali Salim Ali Salim Al Mazroua (Chairman of the Audit Committee up to 4 March 2022)	Mr. Othman Mohamed Sharif Zaman (Member)	Mr. Mohammad Nassir Al Fouzan (Member)
First Meeting 20 January 2022	-	✓	✓	✓
Second Meeting 21 April 2022	✓	-	✓	✓
Third Meeting 20 July 2022	✓	-	✓	✓
Fourth Meeting 7 September 2022	✓	-	✓	✓
Fifth Meeting 24 October 2022	✓	-	✓	✓

\* apologize

### 3.9 Nomination and Remuneration Committee:

The Nominations and Remunerations Committee is one of the committees emanating from the Bank's Board of Directors. The following are the main tasks entrusted to the Nominations and Remunerations Committee:

- Oversee the process of appointing qualified individuals to become members of the Board of Directors at the annual general meeting of shareholders and assist the Board of Directors in selecting candidates for senior management positions.
- Assist the Board of Directors in approving remunerations for senior management and oversee the development and operation of the remuneration policies, system and related oversight process.
- Assisting the Board of Directors in the annual self-evaluation of the Board and the independent evaluation by an external party, which includes the performance of the Board of Directors, its members and committees in the Bank and the Bank's remuneration system.

The following table shows the names of the members of the Nominations and Remunerations Committee of the Bank

Attendance Meetings	H.E. Othman Mohamed Sharif Zaman (Chairman)	H.E. Ali Salim Al Mazroua (Member)	H.E. Jasim Mohamed Abdalla Al Khayyal (Member)
First Meeting 16 August 2022	✓	✓	✓
Second Meeting 20 September 2022	✓	✓	✓
Third Meeting 29 November 2022	✓	✓	✓



### 3.10 Other Board Committees

The following are details related to the committees that were established in Sharjah Islamic Bank (the names of the committees, the names of the members of each committee, competences and tasks assigned to them and the meetings):

#### 1. Risk Committee

The Bank's Risk Committee is one of the committees emanating from the Board of Directors and is supportive of the Bank's policy in adopting the best practices of the corporate governance system. The Committee performs many non-executive roles, including:

- Advise the Board of Directors on high-risk issues and risk governance, including exposure to current and future risks and risk strategy.
- Advise the Board of Directors on risk appetite and tolerance.
- Review the effectiveness of the risk management framework and internal control systems.
- Monitor the implementation of control and risk management, including high and emerging risks.
- Overseeing issues related to the Bank's information security environment and cyber security framework.
- Review and approve the risk governance system, including but not limited to risks related to credit, operations, market, liquidity, legal affairs, strategy, good name and reputation.
- Review and approve the internal capital adequacy assessment processes and the internal risk rating system.



The following schedule shows the names of the members of the Risk Committee, the date of the meetings and attendance:

Attendance	H.E. Othman Mohamed Sharif Zaman (Chairman of the Risk Committee up till 4 March 2022)	H.E. Dr. Abdullah bin Mohammed Belhaif (Chairman of the Risk Committee from 4 March 2022)	H.E. Ali Salim Al Mazroua (Member)	H.E. Abdulla Al Haddad (Member)
Meetings				
First Meeting 17 February 2022	✓	-	✓	✓
Second Meeting 17 May 2022	-	✓	✓	✓
Third Meeting 24 October 2022	-	✓	✓	✓
Fourth Meeting 21 December 2022	-	✓	*	✓

\* apologize



## 2. Executive Committee of the Board of Directors

The Executive Committee is one of the Board committees that was formed to assist the Board in achieving its strategic and operational objectives. The Committee assists the Board of Directors in fulfilling its responsibilities as follows:

- Within the financing authority delegated by the Board, the Committee has the power to approve credit and investment facilities, within the financing authority delegated to it by the Board.
- To appoint and terminate contracts of independent legal and financial advisors and other advisors as needed.
- To approve the Bank strategy, work plans, objectives, annual budget, capital expenditures and financial facilities, within the limits delegated to it.
- Presenting issues to the Board of Directors based on the recommendations of senior management in addition to submitting relevant proposals to the Board of Directors when necessary to obtain the necessary approvals.



The following schedule shows the names of the members of the Executive Committee, the date of the meetings and attendance:

Attendance Meetings	H.E. Othman Mohamed Sharif Zaman  (Chairman of the Committee)	H.E. Ali Salim Al Mazroua  (Member)	H.E. Jasim Mohamed Al Khayyal  (Member)
First Meeting 10 March 2022	✓	*	✓
Second Meeting 24 March 2022	✓	✓	*
Third Meeting 14 April 2022	✓	✓	✓
Fourth Meeting 1 June 2022	✓	✓	✓
Fifth Meeting 15 June 2022	✓	✓	✓
Sixth Meeting 20 July 2022	✓	✓	✓
Seventh Meeting 16 August 2022	✓	✓	✓
Eighth Meeting 29 August 2022	✓	*	✓





Ninth Meeting 15 September 2022	✓	✓	✓
Tenth Meeting 27 October 2022	✓	✓	*
Eleventh Meeting 17 November 2022	✓	✓	*

\* apologize

### 3.11 Internal Control System

The Board of Directors is the body responsible for internal control in the Bank and its subsidiaries. The Board evaluates the Internal Control System on annual basis through the Group Audit Committee and the quarterly and annual reports submitted to the Board through the Group Audit Department, Risk Management, Compliance Department, and the Group Internal Sharia Audit Department.

Sharjah Islamic Bank has an independent Internal Audit Department that provides objective and independent assurance and advisory services aiming to add value and improve operations in the Bank and its subsidiaries. The mission of the Group Internal Audit Department is to enhance and protect the value of the Bank and its subsidiaries by providing objective risk-based assurance, advice and insight as it helps the Bank and its subsidiaries to achieve its objectives by following a systematic and structured approach for assessing and improving the effectiveness of governance, risk management and control over operations.

Group Internal Audit Department adherence to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing and the Definition of Internal Auditing.



**A. The name, qualifications and date of appointment of the Head of Internal Audit Department**

Mr. Khalaf Abdullah Khalaf is currently holding the position of Head of Group Internal Audit who was appointed in 2001. He was promoted to the position during his tenure in the Group Internal Audit Department, to the position of Head of the Department in 2015. Mr. Khalaf Abdullah holds a bachelor's degree in Accounting from the United Arab Emirates University in addition to "Certified Board Member" certificate from Hawkamah Institute for Corporate Governance.

**B. The name, qualifications and date of appointment of the Compliance Officer**

Mr. Arhama Abdulaziz Al Shamsi was appointed to the position of Head of Compliance Department in 2019. Mr. Arhama holds a bachelor's degree in Business majoring in international trade, and has experience in the banking sector spanning over 17 years, including 12 years in the field of internal audit.

**C. How the Internal Group Internal Audit deals with any major problems in the Bank or those that were disclosed in the annual reports and accounts**

Group Internal Audit Department has policies and operating procedures in place which are compatible with all the requirements of the international standards of internal auditing issued by the Institute of Internal Auditors as per to the latest independent assessment of the Quality Assurance and Improvement Program. The Department also adheres to the rules and regulations issued by the Central Bank of the United Arab Emirates.

It should be noted that the Bank did not encounter any material problems which could affect the financial position of the Bank as per the audited annual financial reports audited by the external auditor.

**D. Number of Report issued by the Internal Control Department of the Board**

Pursuant to the Internal Audit Charter, the Internal Audit Department is committed to submit at least quarterly reports to the Board of Directors of the Bank or whenever the need arises. During 2022 four reports were issued at the end of each quarter to the Board of Directors.



### 3.12 Details of the violations committed during 2022, their causes, how to address them and avoid their recurrence in the future.

There was no violations committed by Sharjah Islamic Bank during 2022.

### 3.13 Statement of the cash and in-kind contributions made by the Bank during the year 2022 in developing the local community and environment protection.

Sharjah Islamic Bank continued its methodology with regard to community work with community contributions amounting to AED 73,828,633.00 that was dedicated to sponsoring community, academic, charitable and sports support, were distributed among community, academic and charitable support, according to the following schedule:

Academic Contributions		
Organizer	Activity	Amount (AED)
American University of Sharjah	The annual ceremony of the American University of Sharjah Alumni Association	30,000.00
Al Qasimia University	The Fourth International Islamic Economics Conference	50,000.00
University of Sharjah	14 <sup>th</sup> Research Forum 2022	100,000.00



University of Sharjah	Sharjah Award for Doctoral Dissertations in Management Science in the Arab World	100,000.00
Sharjah Education Council - Kalba Branch	Sponsoring the party for students and teachers	50,000.00
University of Sharjah	Sharjah Islamic Bank for Scientific Research	70,000.00
Al Qasimia University	Al Qasimia University Award for Research in Islamic Economics – 3 <sup>rd</sup> Session	150,000.00
Al Qasimia University	The Fourth Sharjah International Islamic Economics Conference	100,000.00
Total Amount of Charitable Contributions		<b>650,000.00</b>



Athletic Contributions		
Organizer	Activity	Amount (AED)
Sharjah Sports Council	Sharjah International Cycling Tour	75,000.00
Sharjah Equestrian and Racing Club	Sharjah International Jumping Championship (23 <sup>rd</sup> Session)	50,000.00
Al Thiqah Club For Disabled in Sharjah	The eleventh Sharjah International Athletics Forum 2022	100,000.00
Sharjah Sports Council	Sharjah Tour 2023	75,000.00
<b>Total Amount of Charitable Contributions</b>		<b>350,000.00</b>



Social Contributions		
Organizer	Activity	Amount (AED)
Districts & Villages Affairs Department	The 50 <sup>th</sup> Anniversary of His Highness Sheikh Dr. Sultan bin Muhammad Al Qasimi Accession to the Throne in the Emirate of Sharjah	100,000.00
Sharjah Broadcasting Authority (SBA)	The Ramadan Radio Program "Khalik Wayana (Stay with us)" on Sharjah Radio	88,000.00
Sharjah Finance Department	Financial Performance Excellence Awards	100,000.00
Districts & Villages Affairs Department	Dawahi Festival 11	150,000.00
Sharjah Airport Authority	Yearbook of Sharjah Airport	26,250.00
Kalimat	The Production of Books for the Sight Impaired Children	150,000.00
Sharjah Cooperative Society	World Cup 2022 Campaign	50,000.00
Sharjah Amiri Guard	Sponsorship of Sharjah Amiri Guard Magazine	120,000.00
Total Amount of Charitable Contributions		784,250.00



Charitable Contributions		
Organizer	Activity	Amount (AED)
Sharjah Islamic Bank	Ramadan Meer	1,505,700.00
Sharjah Islamic Bank	Iftar Meals for the Students of University of Sharjah	72,000.00
Sharjah Charity International	Media Campaign for Ramadan Programs of Sharjah Charity International	100,000.00
Sharjah Islamic Bank	Sponsorship of Ramadan Iftar Tents	330,000.00
Al Thiqah Club For Disabled in Sharjah	Sponsorship of Group Iftar Party at Al Thiqah Club For Disabled	40,000.00
Islamic Affairs Department	Sponsorship of Iftar Meals for Islamic Affairs Department	189,000.00
SIB General Charitable Contributions from Zakat, Charitable Activities and endowment funds	The Contributions includes Health, Education and Community Welfare	69,807,683.00
<b>Total Amount of Charitable Contributions</b>		<b>72,044,383.00</b>

The table below shows the Bank's support to the community, which is part of the corporate social responsibility strategy of Sharjah Islamic Bank over the past three years.

Sponsorship type	2020	2021	2022
Gov. Sponsorship	238,000	730,000	784,250
Education & Research	716,000	1,404,485	650,000
Sport	230,000	270,000	350,000
Humanitarian Aid	5,746,144	3,281,992	2,236,700
Community Initiatives	72,023,911	73,585,486	69,807,683
<b>Total</b>	<b>78,954,055</b>	<b>79,273,984</b>	<b>73,828,633</b>

### 3.14 General Information:

**A. Statement of SIB's share price in the financial market (closing price, the highest Price and the lowest price) at the end of each month during the financial year 2022.**

The following schedules shows the closing price, the highest Price and the lowest price of Sharjah Islamic Bank's share in the financial market at the end of each month.

Month	Closing Price	Highest Price	Lowest Price
January 31, 2022	1.96	2.05	1.90
February 28, 2022	2.03	2.04	1.94
March 31, 2022	1.95	2.12	1.92
April 30, 2022	1.95	2.00	1.88





May 31, 2022	1.85	1.97	1.81
June 30, 2022	1.69	1.86	1.68
July 31, 2022	1.76	1.79	1.65
August 31, 2022	1.94	1.99	1.76
September 30, 2022	1.97	2.04	1.92
October 31, 2022	1.96	2.00	1.95
November 30, 2022	2.00	2.00	1.90
December 31, 2022	1.95	1.98	1.92

**B. Statement of the Bank comparative performance with the general market index and sector index to which the Bank belongs during 2022.**

During the year 2022, the ADX General Index rose 20.29% while the performance of the banking sector in the same market rose by 47.04% for the same period. The performance of Sharjah Islamic Bank share was unchanged during the year 2022.

The following table shows the comparative performance of the Bank's share with ADX General Index and the banking sector in the same financial market:



Description	Year-End 2021	Year-End 2022	Change Parentage (%)
ADX General Index	8,488.36	10,211.09	20.29%
Banking Sector Index in ADX	12,016.26	17,669.13	47.04%
SIB Share Price	1.95	1.95	0

**C. Statement of the shareholders' ownership distribution as at 31 December 2022 (individuals, companies, governments) classified as follows: local, Gulf, Arab and foreign.**

The following schedule shows the details of the shareholders' ownership distribution in the shares of Sharjah Islamic Bank:

Shareholders classification	Percentage of owned shares			
	Individuals	Companies	Government*	Total
Local	28.95%	10.80%	37.93%	77.69%
Arab	1.58%	18.56%	0.00	20.14%
Foreign	0.00	2.17%	0.00	2.17%
Total	30.54%	31.53%	37.93%	100.00%

\* This percentage includes Sharjah Asset Management LLC, a company wholly owned by the Central Finance Department of the Government of Sharjah.



**D. Statement of shareholders who own 5% or more of the Bank's capital as at 31 December 2022:**

The following schedule shows the details of the shareholders who own 5% or more of the Bank's capital as at 31 December 2022:

Ser.	Name	Number of owned shares	Percentage of owned shares of the company's capital
1	Sharjah Asset Management LLC (Wholly owned by Government of Sharjah)	876,939,000	28.46%
2	Kuwait Finance House	560,290,243	18.18%
3	Sharjah Social Security Fund	280,145,250	9.09%



**E. Statement of the method of distributing the shareholders according to the size of the ownership as at 31/12/2022.**

The following table shows the details of the method of distribution of the shareholding in Sharjah Islamic Bank according to the size of the ownership:

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares in the capital
1	Less than 50,000	2089	23,617,993	0.77%
2	From 50,000 to less than 500,000	787	118,722,667	3.85%
3	From 500,000 to less than 5,000,000	304	437,938,160	14.21%
4	More than 5,000,000	66	2,501,318,930	81.17%



## F. Statement of measures taken regarding the controls of Investor Relations

The following schedule shows the details related to Investor Relations at Sharjah Islamic Bank:

Name of the Investor Relations Officer	- Ms. Noora Al Hamadi - Ms. Hala Al Jabouri
Contact information with Investor Relations:	- Email: IR@sib.ae - Tel. No.: 065998075 -065998454 - 065998457
The electronic link for the investor relations page on the Bank's website	<a href="https://www.sib.ae">https://www.sib.ae</a>

### Key procedures adopted by the Bank with regard to Investor Relations controls:

- Appointment of an official officer responsible for all tasks related to the Investor Relations Management.
- Introducing Investor Relations page on the Bank's website and launching an electronic Application dedicated for Investor Relations which are constantly updated to include the following:
  - Contact information and means of communication with Investor Relations Department, which include a dedicated email address and phone numbers.
  - Publication of all the reports on the financial results.
  - Publication of the Minutes of the General Assembly Meetings.



- Publication of information and data that are disclosed to regulatory authorities, markets or the public on the website. This includes Bank's news, events, developments and material information, annual and interim financial statements, board reports for several previous years, governance reports, ownership structure and ownership percentages. As well as regularly updated general information on the official website about the Bank, its activities, business strategy and vision, and information on the price of the Bank's share in terms of closing price, opening price, highest and lowest price during the year, various share values and some financial indicators.

This also includes the ability to inquire about profits not received by shareholders, the mechanism for shareholders' receipt of their dividends, contact details of the investor relations officer, and the mechanism for submitting opinions, suggestions, comments and inquiries.

- Formation of a committee consisting of employees from the executive management of the bank in the event that the Bank faces crises, to develop a plan for communication with investors and the media regarding the practical steps taken by the Bank to confront the crisis and to designate an official spokesperson for the Bank, who will undertake the communication process, and to disclose the relevant information on the website of the financial market and the Bank's.

#### **G. Statement of the special decisions presented in the General assembly held during 2022 and the procedures taken in their regard**

During the General Assembly Meeting of Sharjah Islamic Bank held on 27 February 2022, the following resolutions were passed.

- Discussion of the amendment of Article No. (7) of the Articles of Association to allow foreigners to own no more than 40% of the Company's shares. The individual ownership of one shareholder in his personal or legal capacity, whether jointly or severally, should not exceed 3%, with the exception of the Government of Sharjah. Existing shareholders who own more than 3% are entitled to keep their shares.



- Amendment of Article No. (25) of the Articles of Association to allow the Board of Directors and its internal committees to hold their meetings through remote attendance technology, at the Bank's main office or in any other place approved by the members of the Board and its internal committees by the required majority.

#### **H. Rapporteur of the Board meetings and the date of his appointment**

- Mr. Mohamed Ibrahim Mohamed Abdulla Al Hamadi
- Date of appointment: Since 2007 up till now.

#### **I. Detailed statement of the material events and important disclosures that the Bank encountered during the year 2022.**

No material events or important disclosures took place during the year 2022.

#### **J. Statement of the transactions carried out by the Bank with Related Parties during the year 2022 that are equal to 5% or more of the Bank's capital**

The general framework of the Corporate Governance System adopted Bank takes into account the legislations issued by the UAE Central Bank and the Securities and Commodities Authority as well as the best corporate governance practices in dealing with the transactions of Related Parties, which are equal to 5% or more. During 2021, the Bank did not carried out any transactions with Related Parties that are equal to 5% or more of the capital.

#### **K. Statement of Emiratization percentage in the Company at the end of 2019, 2020, 2021**

Emiratization is the National spirit that drives SIB to be the "Bank of Choice". In Sharjah Islamic Bank, the Emiratization team focuses on three critical strategies for Nationalization i.e. Attraction, Engagement and Retention.



We continuously look for opportunities to participate in building and strengthening our relations with strategic Emiratization partners within the UAE, while adding great value to the hiring of UAE Nationals into the Banking sector.

SIB participates in events such as Career Fairs that takes place across the Emirates, to promote and showcase Sharjah Islamic Bank as the Employer of Choice, for all UAE Nationals seeking employment or seeking career growth in Banking.

SIB has successfully initiated and implemented internal fast-track career development programs to fully engage and retain potential UAE Nationals. At the same time, external projects help build our UAE National talent pool.

Percentage of national employees **29.04%**

The following some examples of these programs:

Program Name	Objectives
Massar	A developmental program to prepare leaders in various departments of the bank to hold leadership positions through specialized courses, continuous guidance and multiple projects.
Ruwaad	An integrated qualification program for university and college graduates holding a bachelor's degree. The program focuses on enhancing knowledge and developing specialized skills to provide them with comprehensive banking experience.
Mehnatī	A training program for UAE university and college students, to enable them to gain practical experience in the field of Islamic banking.





Sharjah Islamic Bank adheres to the Emiratization Regulations Notice No. 379/2016 issued the UAE Central Bank on December 14, 2016 with regard to Emiratization Points. The UAE Central Bank has allocated target points annually to each bank to be achieved at the end of each year. The following schedule shows the Emiratization percentages at Sharjah Islamic Bank for the years 2020, 2021 and 2022:

Year	Number of Emirati Employees	Total Number of Bank Employees	Emiratization Percentage
2020	278	1106	25.14%
2021	295	1113	26.50%
2022	326	1326	29.04%

Dr. Khawla Abdul Rahman Al Mulla  
Chairman of Group Audit Committee

Mr. Khalaf Abdullah Khalaf  
Group Chief Internal Auditor



H.E. Abdulrahman Mohamed Nassir Salem Al Owais  
Chairman of Board of Directors