

## **Al Baraka Group**

### **Minutes of the Ordinary General Assembly Meeting (22<sup>nd</sup>)**

#### **Electronic Meeting (e-AGM)**

#### **Held on 22<sup>nd</sup> March, 2023**

Pursuant to the provisions of the Bylaws of Al Baraka Group B.S.C, the Chairman HE Sheikh / Abdullah Saleh Kamel, on behalf of the Board, invited all shareholders to attend the e-Ordinary General Assembly Meeting (22<sup>nd</sup>) to be held in Manama, Kingdom of Bahrain at 11:00 morning on Wednesday on 22<sup>nd</sup> March 2023, under the administration of the Bahrain Clear Company.

The meeting was attended by the persons whose names are mentioned in the attendance sheet representing the shareholders, by authenticity or by proxy.

The General Assembly was chaired by Mr. Mohamed Ebrahim Alshroogi – Vice Chairman of the Board of Directors (“Chairperson”), and he started the meeting by praising to Allah and peace and blessings be upon the Prophet, peace be upon his family and companions, and the attendees was as follows:

#### **Representatives of the Ministry of Industry, Commerce:**

Ms. / Mariam Khaled

#### **Representatives of the Central Bank of Bahrain, Islamic Financial Institutions Supervision Directorate:**

Ms. / Hesa Al Bardooli

#### **Representative of the Central Bank of Bahrain, Financial Markets Supervision Directorate:**

Ms. / Rayyan Ali

#### **Representative of Bahrain Bourse, Listing and Disclosure Department:**

Mr. Hasan Thamer

## **ABG Board of Directors**

### **Representative of the Unified Sharia Supervisory Board:**

Sheikh Dr. Abdul Latif Mahmoud Al Mahmoud

### **Representative of PricewaterhouseCoopers (External Auditor):**

Mr. / Elias Abi Nakhoul

The Chairperson welcomed all the attendees of the shareholders, representatives of the regulatory authorities, members of the Board of Directors, representatives of the Unified Shariah Supervisory Board and the external auditor at the meeting of the Ordinary General Assembly of Al Baraka Group, and thanked them for accepting the invitation to attend this virtual meeting and to participate in its activities electronically, and I congratulate everyone on the occasion of the blessed month of Ramadan, asking the Lord Almighty to accept our fasting, doing and good deeds.

The Chairperson after that, delivered his speech to the attendees as follows:

The Chairperson thanked Allah that we gathered once again, within this annual meeting, to present the Directors Report and the annual business and activities performance of Al Baraka Group during the year 2022.

As you all know, the advent of 2022 had brought with it hope and aspirations for a world slowly emerging from the two-year disruption of the Coronavirus pandemic (the “Pandemic”) that had wrought considerable economic and personal challenges. However, the aftermath of the Pandemic, the ripple effects of the Ukraine conflict, the remnants of the supply chain woes and the rising commodity prices and inflation have all resulted in a slow-down of the global economic growth. Taking the cue from the Federal Reserve in the US to aggressively raise interest rates to rein in inflation, many Central Banks in the world followed suit. Moreover, Trade equations amongst most countries have been redefined in the context of changing economic priorities, brought on by new geo-political equilibriums.

In the context of the challenging global and regional environments, Al Baraka Group (“ABG”, “ABG Group” or the “Group”) has adroitly weathered the economic headwinds to produce a very good outcome from its operations during the year, owing to its strong business model and flexibility in adapting to the changing conditions. The Group’s primary focus has been on streamlining its overall strategic direction and that of its subsidiaries (the “Units”) in anticipation of the world recovering from the economic effects of the Pandemic, in order to position itself for taking full advantage of new business developments.

In addition, a conscious effort has been made to control our operational costs at our Head Office as well as at the Units despite the inflationary pressures. We have also continued to strengthen our governance structure through strong representation on the Units’ boards of directors as a main shareholder; this has helped strengthen control, build efficiencies and improve oversight, which had a bigger impact on effectively melding the overall strategy of the Group.

Meanwhile, our digitization initiatives have continued, and will continue unabated, with the renewal and acceleration of digital transformation strategies for all of our core units, which we believe will help the group capture significant financial value and build the capabilities needed to remain competitive. Our vision in “digitalization” is for our units to become the leaders in banking digitization globally and to lead beyond just providing traditional banking services; With the aim of providing our customers with the best multi-channel digital experience supported by an advanced technology infrastructure that is best in class and in a coordinated manner across the various units of the Group.

During the year 2022, we completed the conversion of ABG’s wholesale banking license to that of a Category 1 Investment Business Firm (Islamic Principles), we have made further progress in refocusing our business on markets and customer segments that provide us with greater potential for revenue enhancement and profitability.

Let me now shed light on the Group's financial performance for the year 2022, ABG achieved a total operating income of US\$ [974] million for 2022, compared to US\$ [686] million in 2021, [an increase of 42%]. The net income for the year was US\$ [207] million, [up by 75%] from last year. The net income attributable to the equity

holders of the parent [increased by 59%] to US\$ [126] million, compared to US\$ [79] million in 2021. The Basic and Diluted Earnings per Share was US Cents [9.09] compared to US Cents [5.26] in 2021. The year witnessed a rise in profit margins in some subsidiaries and the major contributors to our net income were our subsidiaries in Turkey, Jordan, Egypt and Algeria. Despite adverse foreign currency movements, the Group performed well, which is evidence of the efficient management of the resources and business.

The total assets were US\$ [25.9] billion as of the end of 2022, compared to US\$ 27.8 billion as of the end of 2021. The equity attributable to the parent's shareholders and Sukuk holders amounted to US\$ [1.3] billion (US\$ 1.4 billion in 2021). Total equity as of the end of the year was [flat at US\$ 2.0] billion when compared to the end of the last year.

And before opening this meeting, I would like to express, on my own behalf and on your behalf, my thanks and appreciation to the Central Bank of Bahrain and the Ministry of Industry, Commerce for the support and good cooperation throughout the past period, which has had a great impact on the success of the Group, and I also wish to extend my thanks and gratitude to all whoever contributed to preparing and organizing this meeting under the umbrella of Bahrain Clear Company.

Then, the Chairperson suggested the appointment of Mr. Abdulmalek Shehadeh Mezher - Head of Governance, Compliance & Board Affairs in the Group as Secretary of the Meeting, and all attended shareholders and proxyholders approved it, then, the Chairperson asked the meeting secretary to recite the attendance percentage, and it was read out as follows: The total number of shares represented by authenticity and proxy in this meeting amounted to (945,933,977) shares, out of the total subscribed shares of 1,242,879,755 shares, thus the percentage of shares represented in the meeting by authenticity and proxy is (76.11%) of the total shares, and the quorum of the meeting is therefore legal.

Then the meeting secretary explained that all resolutions taken by the Ordinary General Assembly are binding on all shareholders present and non-attending, and that the date of the General Assembly meeting has been announced in local newspapers, the Bahrain Stock Exchange, the Group's website and the Group's social networking sites.

Then the Meeting's Secretary explained that the Bahrain Clear is the shares registrar, and that the resolutions of the Ordinary General Assembly are issued by an absolute majority of the shares represented in the meeting, i.e. (51%) of the attendees' shares. Then, all items on the agenda were discussed as follows:

**The First Item**

Approval of the minutes of the Ordinary General Assembly meeting held on March 30, 2022

After presentation of the above item, the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the minutes of the Ordinary General Assembly (21<sup>h</sup>) held on March 30, 2022.

**The Second Item:**

To discuss and approve the report of the Board of Directors on the activities of the Bank for the Financial Year ended on 31/12/2022

It was stated that the report of the Board of Directors has been announced to the shareholders before this Ordinary General Assembly Meeting at the Bahrain Bourse and, as well as on the Group's website, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Discussed and ratified the report of the Board of Directors on the activities of the Bank for the Financial Year ended on 31/12/2022.

**The Third Item**

To review the Sharia Supervisory Board's Report for the financial year ended on 31/12/2022

Sheikh Dr. Abdul Latif Mahmoud Al Mahmoud Representative of the Unified Shari'a Supervisory Board read the report noting that it was distributed to the

shareholders within the annual report of Al Baraka Group and uploaded on the Group's and the Bahrain Bourse websites, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Viewed the Sharia Supervisory Board's report for the financial year ended on 31/12/2022.

**The Fourth Item:**

To review the External Auditors' report for the financial year ended on 31/12/2022

The audit report for the financial year ended on 31/12/2022 was delivered by the external auditor (PricewaterhouseCoopers) representative Mr. Elias Abi Nakhoul , as distributed to the shareholders in the annual report of Al Baraka Group under the audited financial statements section as well as on the Group's website and the Bahrain Bourse website, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Viewed the External Auditors' report for the financial year ended on 31/12/2022.

**The Fifth Item:**

To discuss and approve the consolidated financial statements for the financial year ended on 31/12/2022

It was explained to the shareholders and attendees that the summary of the final accounts have been included in the booklet distributed in advance, and the details of the consolidated financial statements for the financial year ended on 31/12/2022 had been previously announced to the public, which allowed the shareholders to review the financial statements and the notes contained therein regarding the consolidated financial statements prior to the meeting; after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Discussed and approved the consolidated financial statements for the financial year ended on 31/12/2022.

**The Sixth Item:**

To approve the related parties' transactions as stated in note No. (26) of the above financial statements, which accommodates with the Article 189 of the Commercial Companies Law

It was explained to the shareholders and attendees that the audited financial statements that were published before the meeting had included, under note 26, all transactions with related parties, which aligns with Article 189 of the Commercial Companies Law; after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the related parties' transactions as stated in note No. (26) of the above financial statements, which accommodates with Article 189 of the Commercial Companies Law.

**The Seventh Item:**

To approve the following Board of Directors' recommendations, after obtaining the required official approvals:

- a. The transfer of 10% of the Net Income attributable to equity holders of the Parent amounting to US\$ 14,311,590 to the Statutory Reserve.
- b. The transfer of US\$ 128,804,312 to the Retained Earnings

The above recommendations proposed by the Board of Directors were presented to the shareholders with a note that they have been published as part of the Directors' Report for the year 2022 and on the websites of the Group and the Bahrain Bourse, after which the General Assembly by all its attended shareholders resolved the following:



**The Resolution:**

- a. Approved to transfer of 10% of the Net Income attributable to equity holders of the Parent amounting to US\$ 14,311,590 to the Statutory Reserve.
- b. Approved to transfer of US\$ 128,804,312 to the Retained Earnings.

**The Eighth Item:**

To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended on 31/12/2022, after obtaining the required approval from the Minister of Industry, Commerce

The shareholders of the General Assembly were called to consider the recommendation of the Board of Directors to approve the disbursement of the amount of US\$ 1.5 million as a remuneration for the members of the Board of Directors, noting that the Group had received the approval of His Excellency the Minister of Industry, Commerce to disburse the aforementioned remuneration amount; after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the disbursement of US\$ 1.5 million as remuneration to the Members of the Board of Directors for the financial year ended on 31/12/2022.

**The Ninth Item:**

Election of 12 members out of 13 at the Group Board of Directors for a new term of three years from the date of election (March 2023 - March 2026) and the appointment of the Group's CEO as the 13th member, subject to the approval of the Central Bank of Bahrain (the CEO's appointment at the board as an "executive member" based on his capacity as CEO and according to the Article No. 24 of the Group's Articles of Association)

The meeting secretary explained to the shareholders and the attendees that the nominations list for membership of the Board for the new term March 2023 - March 2026 for 13 seats (including the CEO of the Group by appointment in his functional capacity) has been published before the meeting of the General Assembly on the



Bahrain Bourse and the other relevant stock exchanges, as well as on the Group's website.

The list of nominations contains 16 candidates and has been approved by the Central Bank of Bahrain. Now, the shareholders will be given the opportunity to elect the members of the Board (12 seats) by secret ballot and using the cumulative voting mechanism according to the percentage of their ownership.

After that, the results of the voting/election of the members of the Group's Board of Directors for the new term, March 2023 – March 2026, appeared as follows:

- 1- Mr. Abdullah Saleh Kamel
- 2- Mr. Mohammed Ebrahim Al Shrooqi
- 3- Mr. Tawfig Shaker Mufti
- 4- Dr. Khaled Abdulla Ateeq
- 5- Mrs. Dalia Hazem Khorshid
- 6- Dr. Ziad Ahmed Bahaa-Eldin
- 7- Mr. Saud Saleh Al Saleh
- 8- Mr. Abdulelah AbdulRahim Sabbahi
- 9- Mr. Fahd Ibrahim Al Mufarrij
- 10-Mr. Masood Ahmed Al Bastaki
- 11-Mr. Musa Abdel-Aziz Shihadeh
- 12-Mr. Naser Mohamed Al Nuwais
- 13-Mr. Housseem Ben Haj Amor – By Appointment

### **The Tenth Item:**

To approve the re-appointment of the Unified Sharia Supervisory Board for a new term of three years (2023-2026) from the date of appointment based on the recommendation of the Board of Directors, and authorizing and empower the Board of Directors to determine the aggregate annual benefits and remuneration for the members of the Unified Sharia Supervisory Board

The meeting secretary explained to the shareholders and the attendees that the list of the names of the members of the Unified Sharia Board for re-appointment for the new term March 2023 - March 2026 was published before the meeting of the General Assembly on the Bahrain Bourse and other relevant stock exchanges as well as on

the website of the Group, after which the assembly decided with all the shareholders present the following:

**The Resolution:**

Approved the re-appointment of the Unified Sharia Supervisory Board for a new term of three years (March 2023 - March 2026) from the date of appointment based on the recommendation of the Board of Directors, and authorizing and empower the Board of Directors to determine the aggregate annual benefits and remuneration for the members of the Unified Sharia Supervisory Board. The list is as follows:

1. Shaikh Abdulla Bin Sulieman Al Mannea
2. Shaikh Dr. Abdulatif Al Mahmood
3. Dr. Saad Bin Nasser Al Shithry
4. Dr. Al Ayachi Al Saddig Fiddad
5. Mr. Yousif Hassan Khalawi

**The Eleventh Item:**

To review the Corporate Governance Report as per CBB instructions, which included:

- a. To review the evaluation of ABG's Board, Board Members and Board Committees (included in the annual report distributed to shareholders).
- b. To review the board member's attendance percentage report for the board meetings for the year 2022 (included in the annual report distributed to shareholders).

It was explained to the shareholders and attendees that the Annual Corporate Governance Report has been published on the Group's website, Bahrain Bourse website, in addition to the evaluation of the board of directors, members of the board, the board committees and the Unified Sharia Supervisory Board. The shareholders were also informed of the results of the percentage report of the attendance of the members of the Board of Directors to the meetings of the board for the year 2022, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

- A. Reviewed the Corporate Governance Report in accordance to the Central Bank of Bahrain regulations.
- B. Reviewed the evaluation of ABG's Board, Board Members, Board Committees and the Unified Sharia Supervisory Board.
- C. Reviewed the Board Members' attendance percentage report for the board meetings held for the year 2022.

**The Twelfth Item:**

To authorize the management of Al Baraka Banking Group to pay an amount of US\$ 609,589 as zakat on behalf of all shareholders amounting to US Cent 4,96 for each 100 shares, and to approve that the amount to be deducted directly from the retained earnings, and the management has the right to authorize whomever it deems appropriate to distribute the Zakat to the parties entitled to it

After reviewing this item, the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved to authorize the Management of Al Baraka Banking Group to pay an amount of US\$ 609,589 as Zakat on behalf of all shareholders as US Cent 4,96 for each 100 shares and the amount to be deducted directly from the retained earnings. In addition, the Management has the right to authorize whomsoever it deems appropriate to distribute the Zakat to the entitled parties.

**The Thirtieth Item:**

To absolve the Directors from liability for the Financial Year ended 31/12/2022

The shareholders were asked to exercise their right to consider absolving the Members of the Board of Directors of their actions during the financial year ended on 31/12/2022, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved to absolve the Board of Directors of their actions during the financial year ended on 31/12/2022.

**The Fourteenth Item:**

To approve the aggregate benefits and remuneration of US\$ 105,000 to the members of the Unified Sharia Supervisory Board for the financial year ended on 31st December 2022

After reviewing this item, the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the aggregate benefits and remuneration of US\$ 105,000 to the members of the Unified Sharia Supervisory Board for the financial year ended on 31/12/2022.

**The Fifteenth Item:**

To ratify the recommendation of the Board of Directors to re-appoint Messrs. PricewaterhouseCoopers as External Auditors for Al Baraka Group for the financial year ending on 31/12/2023, and to authorize and empower the Board of Directors or its delegate to determine their remuneration, subject to the approval of the Central Bank of Bahrain

After requesting the representative of the external auditor to kindly leave the session before the start of the discussion of this item, in compliance of the best good practices in the field of governance, the General Assembly reviewed this item as per the recommendation submitted by the Board of Directors to re-appoint (PricewaterhouseCoopers) as auditors of the Bank's accounts for the financial year ending on 31/12/2023 and to authorize the Board of Directors and granting them the right to determine their fees, nothing that the Group had already received the Non-objection letter from the Central Bank of Bahrain for the re-appointment of

PricewaterhouseCoopers as auditors of the Bank's accounts for the financial year ending on 31/12/2023, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the recommendation of the Board of Directors to re-appoint Messrs. PricewaterhouseCoopers as External Auditors for Al Baraka Group for the financial year ending on 31/12/2023, and to authorize and empower the Board of Directors or its delegate to determine their remuneration.

**The sixteenth Item:**

To discuss any urgent matter arises according to Article 207 of Commercial Companies Law No. 21/2001 and its amendments

There was no discussion of any urgent matter arises in accordance with Article 207 of the Commercial Companies Law No. 21/2001 and its amendments.

After that, the Chairperson announced the end of the agenda of the Ordinary General Meeting, and requested the shareholders to authorize the Chairperson and the Secretary to sign on minutes of the both meetings, where the shareholders agreed to that.

In conclusion, the Chairperson of the General Assembly took this opportunity to present on behalf of himself and on behalf of the members of the Board of Directors, the executive management and all employees of Al Baraka banks sincerely thanks and appreciation to His Majesty King Hamad bin Isa Al Khalifa, and the Crown Prince, the Prime Minister His Royal Highness Prince Salman bin Hamad Al Khalifa.

The thanks also go to the Ministry of Industry, Commerce, the Central Bank of Bahrain, the Bahrain Bourse, and to the esteemed shareholders of Al Baraka, the

central banks and the regulatory authorities in countries where the Group's units are located for their support to the activities of the Group.

The meeting was adjourned at 12:05 noon.

Mr. Mohamed Ebrahim Alshroogi

The Chairperson of the General Assembly

Abdul Malek Shehadeh Mezher

The Secretary of the General Assembly