



Al Baraka Banking Group

Bahraini Joint Stock Company (B.S.C)

Minutes of the Ordinary General Assembly Meeting (20th)

Virtual Meeting

Held on 25th March, 2021

Pursuant to the provisions of the Bylaws of Al Baraka Banking Group B.S.C, the Chairman HE Sheikh / Abdullah Saleh Kamel, on behalf of the Board, invited all shareholders to attend the Ordinary General Assembly Meeting (20th) to be held in Manama, Kingdom of Bahrain at 11:00 morning on Thursday, the 12th of Sha'ban 1442H, corresponding to 25th March 2021.

In compliance with the instructions issued by the official authorities in the Kingdom of Bahrain to combat the spread of the Coronavirus - 19, and in implementation of the social distancing precautions aimed at preserving the safety and health of everyone, Al Baraka Banking Group B.S.C announced the Ordinary General Assembly Meeting to be held via audiovisual communication technology (ZOOM) and under the administration of Bahrain Clear – Bahrain Bourse.

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 HE Sheikh Abdullah Saleh Kamel, Chairperson of the General Assembly, and he opened the meeting by praising to Allah and peace and blessings be upon the Prophet, peace be upon his family and companions and then welcomed the attendees of the shareholders and all of:

Representative of the Ministry of Industry, Commerce and Tourism:

Ms. / Mariam Khaled



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

Ms. / Khadija Ahmed

Ms. / Fatima Al-Saad

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

Ms. / Mariam Al Mahroos

Representative of Bahrain Bourse, Listing and Disclosure Department:

Mr. Hassan Thayer

Representative of the Unified Sharia Supervisory Board:

Sheikh Dr. Abdul Latif Mahmoud Al Mahmoud

Representative of Ernst & Young (External Auditor):

Mr. / Isa Al-Jowder

Then HE the Chairperson of the General Assembly delivered his speech to the attendees as follows:

I greet you all once again and welcome you to the Ordinary General Assembly meeting of Al Baraka Banking Group B.S.C, and I thank you for accepting the invitation to attend this virtual meeting and your participation in its electronic activities.

Then HE thanked Allah that we gathered once again, within this annual meeting, to present the Board of Directors Report and the annual business and activities performance of Al Baraka Banking Group during the year 2020.

As all of you know, the year 2020 brought forth in its wake a pandemic of epic proportions that the world has never seen before. The Coronavirus (“Covid-19”) has impacted the world both physically in terms of the numerous human casualties and in economic terms a significant contraction of growth. As a consequence, trade equations were redefined across the world, as were political and economic equilibriums. The very fabric of personal and business life came to be re-prioritized, the impact of which will beset the world for several years to come. With the lessons learnt from the 2008 crisis, governments quickly set in place measures to stem the economic downturn, with an expectation that the world economies will recover in 2021, rising gradually at modest rates over the medium term. In addition, the global banking system was already fortified with relatively high capital and liquidity buffers that are expected to adequately weather the shocks. The Middle East and North Africa region has been particularly proactive in taking measures, both fiscal and physical in terms of monetary policy, liquidity and other macro initiatives.

Despite the challenging conditions for the year caused by the pandemic, ABG managed to turn in an encouraging performance in the face of volatile currencies of the constituent unit-countries, reflecting a growth in total assets by 8% to US\$ 28.2 billion, up from US\$ 26.3 billion in end 2019.

The growth came largely from increase in the deposit base of customers and financial institutions by 8% to US\$ 24.4 billion, up from US\$ 22.5 billion in end 2019, which serves as an endorsement of the confidence in the Group, even under the current conditions, by its faithful depositors.

Operating assets (financing and investments) grew from US\$ 19.8 billion in 2019 to US\$ 21.6 billion in 2020, representing an increase of 10%. Operating income grew 18% to US\$ 1.1 billion, up from US\$ 967.4 million in 2019 which is a signal of the intrinsic strength of the Group’s business model. The net income for the year was US\$ 165.9 million, a decrease of 8% from US\$ 180.2 million in 2019. The net income attributable to the equity shareholders of the parent was US\$ 66.6 million as against US\$ 105.7 million in 2019, a decrease of 37%. Overall therefore, the performance of the Group was creditable under the extreme adverse conditions experienced during the year.

After the transfer of US\$ 6.7 million to the legal reserve, the Board of Directors has recommended to transfer the balance net income of US\$ 60.0 million to the retained earnings. The Board has further recommended a remuneration of US\$ 1.5 million for its directors, subject to the approvals of the Minister of Industry, Commerce and Tourism and the shareholders at the annual general assembly.

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 and Tourism 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, especially those in charge of the "Bahrain Clear" at the Bahrain Bourse.

Then, the Chairperson of the General Assembly suggested the appointment of Mr. Abdulmalek Shehadeh Mezher - Head of Governance & Board Affairs in the Group as secretary of the meeting, and all attended shareholders approved it.

Then HE asked the meeting secretary to recite the attendance percentage. The meeting secretary received from the representatives of the registrar of shares the attendance report and it was read out as follows: The total number of shares represented by authenticity and proxy in this meeting amounted to (955,826,176) 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 (76.90%) of the total shares, and the quorum of the meeting is therefore legal.

After confirming the completion of the quorum in the presence of the supervisory authorities, and accordingly, HE the Chairperson of the General Assembly requested the meeting secretary to read the agenda consisting of the following items for approval:

Item One: Approval of the minutes of the Ordinary General Assembly meeting held on March 23, 2020.

Item Two: To discuss and approve the Board's Report on the activities of the Bank for the Financial Year ended on 31/12/2020.



Item Three: To review the Sharia Supervisory Board's Report for the financial year ended on 31/12/2020.

Item Four: To review the External Auditors' report for the financial year ended on 31/12/2020.

Item Five: To discuss and approve the consolidated financial statements for the financial year ended on 31/12/2020.

Item Six: To approve the related parties' transactions as stated in note No. (25) of the above financial statements, which accommodates with the Article 189 of the Commercial Companies Law.

Item Seven: 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\$ 6,657,906 to the Statutory Reserve.
- b. The transfer of US\$ 59,921,155 to the Retained Earnings.

Item Eight: To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended on 31/12/2020, after obtaining the required approval from the Minister of Industry, Commerce and Tourism.

Item Nine: To review the Corporate Governance Report as per CBB instructions:

- 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 members attendance percentage report for the Board meetings for the year 2020 (included in the annual report distributed to shareholders).

Item Ten: To ratify the recommendation of the Board of Directors to appoint Mr. Tawfig Shaker Mufti in the vacant position in the Board of Directors of Al Baraka Banking Group, subject to the approval of the Central Bank of Bahrain.



Item Eleven: To authorize the management of Al Baraka Banking Group to pay an amount of US\$ 1,014,815 as zakat on behalf of all shareholders by US Cent 0.0 8for each 100 shares and 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.

Item Twelve: To absolve the Directors from liability for the Financial Year ended on 31/12/2020.

Item Thirteen: To approve the aggregate benefits and remuneration of the members of the Sharia Supervisory Board for the financial year ended on 31/12/2020.

Item Fourteen: To ratify the recommendation of the Board of Directors to reappoint Messrs. Ernst and Young as External Auditors for Al Baraka Banking Group for the financial year ending on 31/12/2021, 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.

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

After completion of the recitation of the agenda, the Chairperson of the General Assembly requested from the shareholders to approve the agenda before considering the items, where it was approved unanimously.

The First Item

Approval of the minutes of the Ordinary General Assembly meeting held on March 23, 2020.

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

The Resolution:

Approval of the minutes of the Ordinary General Assembly (19th) held on March 23, 2020.

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 31/12/2020

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

The Resolution:

Took a note and ratified the Board of Directors Report on the activities of the Bank for the financial year ended on 31/12/2020.

The Third Item

To review the Sharia Supervisory Board's Report for the financial year ended on 31/12/2020

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 Banking 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:

Took note of the contents of the Unified Shari'a Supervisory Board Report for the financial year ended on 31/12/20 20.

The Fourth Item:

To review the External Auditors' report for the financial year ended on 31/12/2020

The audit report for the financial year ended on 31/12/2020 was delivered by the external auditor (Ernst & Young) representative Mr. Issa Al-Jowder, as distributed to the shareholders in the annual report of Al Baraka Banking Group under the audited financial statements section 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:

Took a note of the contents of the auditor's report for the financial year ended on 31/12/2020.

The Fifth Item:

To discuss and approve the consolidated financial statements for the financial year ended on 31/12/2020

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 31/12/2020 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.

A brief presentation was provided for the most important financial indicators included in the financial statements for the year ended on 31/12/ 2020, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

Approval of the financial statements for the financial year ended on 31/12/2020.



The Sixth Item:

To approve the related parties' transactions as stated in note No. (25) 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 25, all transactions with related parties, which aligns with Article 189 of the Commercial Companies Law.

The related parties' transactions report – which was included in the financial statements for the year ended on 12/31/2020 – presented during the meeting, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

Approval of the transactions with related parties as indicated in Note 25 of the financial statements.

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\$ 6,657,906 to the Statutory Reserve.
- b. The transfer of US\$ 59,921,155 to the Retained Earnings

The above recommendations proposed by the Board of Directors were presented to the shareholders with a note that they published as part of the Board of Directors' Report for the year 2020, then one of the shareholders inquired about the reason for not recommending the distribution of cash dividends, even though the profits were good.

The Group CEO clarified to the shareholders that HE the Chairperson of the General Assembly had mentioned in his speech at the beginning of this meeting that the COVID-19 pandemic brought unprecedented conditions in the world during the year 2020, and it is expected that these conditions will continue during the current and next year, and to hedge against any potential risks, the Board of Directors of the Group decided not to distribute cash dividends for the year 2020, in order to improve the capital adequacy of the Group, which is in the interest of the shareholders during the coming period.

Then the shareholder continued and inquired about the reasons for not recommending the distribution of bonus shares, the HE the Chairperson of the General Assembly confirmed once again that not recommending cash dividends was aimed at strengthening the financial position of the Group during the current and next year, which is in the interest of the shareholders, then the Chairperson explained that historically the bonus shares affect and weaken the value of the share price in the market and therefore the Board of Directors did not recommend the distribution of bonus shares, and after deliberation, the general assembly resolved the following with a vote power from the attended shareholders met the approval quorum, noting that one of the shareholders did not approve to the resolutions below:

The Resolution:

- a. Approval to transfer of 10% of the Net Income attributable to equity holders of the Parent amounting to US\$ 6,657,906 to the Statutory Reserve.
- b. Approval to transfer of US\$ 59,921,155 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 31/12/2020, after obtaining the required approval from the Minister of Industry, Commerce and Tourism

The shareholders of the General Assembly were called to consider the recommendation of the Board of Directors to approve to 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 and Tourism to disburse the aforementioned remuneration amount.

Then one of the shareholders stated that it is not necessary to pay remuneration to the members of the Board of Directors, since no dividends were distributed, and after deliberation, the general assembly resolved the following with a vote power from the attended shareholders met the approval quorum, noting that one of the shareholders did not approve to the resolution below:

The Resolution:

Approval to disburse the amount of US\$ 1.5 million as a remuneration for the members of the Board of Directors for the financial year ended on 31/12/2020.

The Ninth 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 members attendance percentage report for the board meetings for the year 2020 (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 and other related stock exchanges websites where applicable, 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 2020, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

- Took a note of the contents of the Corporate Governance Report on the application of banking governance requirements in accordance with the instructions of the Central Bank of Bahrain.
- Took a note of the contents of the evaluation report of the performance of the board of directors, the members of the board of directors, board committees and the Unified Sharia Supervisory Board.
- Took a note of the contents of the percentage report of the attendance of the members of the Board of Directors to the meetings of the board for the year 2020.

The Tenth Item:

To ratify the recommendation of the Board of Directors to appoint Mr. Tawfiq Shaker Mufti in the vacant position in the Board of Directors of Al Baraka Banking Group, subject to the approval of the Central Bank of Bahrain.

Under this item, the General Assembly reviewed the recommendation submitted by the Board of Directors to appoint Mr. Tawfiq Shaker Mufti as a member in the vacant position in the Board of Directors of Al Baraka Banking Group, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

Ratified the recommendation of the Board of Directors to appoint Mr. Tawfiq Shaker Mufti in the vacant position in the Board of Directors of Al Baraka Banking Group, subject to the approval of the Central Bank of Bahrain.

The Eleventh Item:

To authorize the management of Al Baraka Banking Group to pay an amount of US\$ 1,014,815 as zakat on behalf of all shareholders by US Cent 0.08 for each 100 shares and 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, Sheikh Dr. Abdul Latif Al Mahmoud clarified in response to one of the shareholder's inquiry that the above-mentioned amount represents zakat on behalf of the Group and some units that have not paid their zakat, indicating that there are some units that have paid their zakat on their own for the year 2020.

Then the Deputy Chief Executive - Operations in the Group clarified that among the above clause, we are requesting the General Assembly in this meeting to grant the Group's management the right to authorize whomever it deems appropriate to distribute the Zakat sums to the parties entitled to it, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

Approval to authorize the management of Al Baraka Banking Group to pay an amount of US\$ 1,014,815 as zakat on behalf of all shareholders by US Cent 0.08 for each 100 shares and 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.

The Twelfth Item:

To absolve the Directors from liability for the Financial Year ended 31/12/2020

The shareholders were asked to exercise their right to consider absolving the Chairman and Members of the Board of Directors of their actions during the financial year ended on 31/12/2020, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

Approval to absolve the Chairman and Board of Directors of their actions during the financial year ended on 31/12/2020.

The Thirtieth Item:

To approve the aggregate benefits and remuneration of the members of the Sharia Supervisory Board for the financial year ending on 31/12/2020

It was explained to the shareholders that the aggregate benefits and rewards for members of the Unified Sharia Supervisory Board for the financial year ended on 31/12/2020 have been included in the Group's Corporate Governance Report, which was published 14 calendar days before the meeting at the Bahrain Bourse website, other related stock exchanges websites and on the Group's website, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

The approval of the aggregate benefits and remuneration of the members of the Unified Sharia Supervisory Board for the financial year ended on 31/12/ 2020.

The Fourteenth Item:

To ratify the recommendation of the Board of Directors to reappoint Messrs. Ernst and Young as External Auditors for Al Baraka Banking Group for the financial year ending on 31/12/2021, 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 implementation 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 reappoint (Ernst & Young) as auditors of the Bank's accounts for the financial year ending on 31/12/2021 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 Ernst & Young as auditors of the Bank's accounts for the financial year ending on 31/12/2021, after which the General Assembly by all its attended shareholders resolved the following:

The Resolution:

The approval of the recommendation of the Board of Directors to reappoint Messrs. (Ernst & Young) as External Auditors for Albaraka Banking Group for the financial year ending on 31/12/2021, and to authorize and empower the Board of Directors or its delegate to determine their fees.

The Fifteenth 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 issues in accordance with Article 207 of the Commercial Companies Law No. 21/2001 and its amendments.

After that, the Chairperson of the General Assembly asked the meeting secretary to read the resolutions of the meeting, and requested the shareholders to authorize the Chairperson and the secretary to sign on them, where the shareholders agreed to that, and then the meeting secretary read the meeting's resolutions for approval.

Then one of the shareholders commented on the procedures for muting and un-muting the voice to the shareholders and attendees during the meeting, and it was explained to the respected shareholder that these are the procedures for managing the meeting virtually in order to make sure that the voice is heard and clear while giving as well the opportunity to all shareholders and attendees to vote and intervene. The shareholder who commented above had the opportunity once again to make any comments on any of the meeting's items, and the shareholder had no other remarks.

In conclusion, HE 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 Minster His Royal Highness Prince Salman bin Hamad Al Khalifa.



The thanks also goes to the Ministry of Industry, Commerce and Tourism, the Central Bank of Bahrain, the Bahrain Bourse and Nasdaq Dubai, 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 for the activities of the Group.

The meeting was adjourned at 12:30 pm.

Abdullah Saleh Kamel

The Chairperson of the General Assembly

Abdul Malek Shehadeh Mezher

The Secretary of the General Assembly