



**Al Baraka Banking Group**

**Bahraini Public Joint Stock Company (B.S.C)**

**Minutes of the Ordinary General Assembly Meeting (21<sup>st</sup>)**

**Minutes of the Extraordinary General Assembly Meeting (20<sup>th</sup>)**

**Electronic Meeting (e-AGM&e-EGM)**

**Held on 30<sup>th</sup> March, 2022**

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 e-Ordinary General Assembly Meeting (21<sup>st</sup>) and the Extraordinary General Assembly Meeting (20<sup>th</sup>) to be held in Manama, Kingdom of Bahrain at 11:00 morning on Wednesday on 30<sup>th</sup> March 2022, under the administration of the Bahrain Clear Company.

This meeting is considered the second, as the first meeting of the Assembly, which was held on March 23, 2022, did not achieve the required quorum, 2.01%.

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 opened 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 and Tourism:**

Ms. / Mariam Khaled

Ms. / Nouf Aldosary



**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. / Fareema Hassan

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

Mr. Senan Alshroogi

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

Sheikh Dr. Abdul Latif Mahmoud Al Mahmoud

**Representative of Ernst & Young (External Auditor):**

Mr. / Nader Rahimi

Mr. / Kazim Merchant

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 and Extraordinary General Assembly of Al Baraka Banking Group, and thanked them for accepting the invitation to attend this virtual meeting and to participate in its activities electronically.

Then, the Chairperson asked the meeting organizers to recite the attendance percentage and present electronically, and it was read out as follows: The total number of shares represented by authenticity and proxy in this meeting amounted to (944,971,493) shares, out of the total subscribed shares of 1,236,669,755 shares, thus



the percentage of shares represented in the meeting by authenticity and proxy is (76.41%) of the total shares, and the quorum of the meeting is therefore legal.

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 Banking Group during the year 2021.

As all of you know, the year 2021 bore testimony to the significant initiatives taken worldwide to combat Covid-19 with large parts of the world population inoculated. Global recovery continued unrelentingly, albeit a touch weakened by the effects of the pandemic, which made inroads into the efficacy of supply chains across the world, the developing economies being impacted more than the developed ones. Financial stability risks were largely contained thanks to the ongoing policy support that fuelled the global rebound. In some emerging markets and developing economies inflation pressures are expected to persist, but financial conditions have generally eased in the advanced economies, and banks by and large have remained resilient. The approach to business has experienced a substantial metamorphosis in the manner it is conducted and administered, with technology leapfrogging many development cycles to ensure greater efficiency in the delivery of services. Global trade has also been redefined by the constraints imposed by the pandemic dictating an adjustment to newer equations. Generally, the world has weathered the pandemic reasonably well and global growth is forecast to continue. The Middle East and North Africa (“MENA”) region is also expected to recover from the pandemic although it is likely to be uneven, aided in many cases by a gradual rise in the prices of crude oil during the year.

The board members at Al Baraka Banking Group adopted a new approach to strategy and direction, with priority for strengthening internal processes, controls and procedures whilst ensuring a more market related business focus, especially with trade equilibrium and economics being recalibrated by the pandemic. ABG has begun consolidating on the track record of previous years to develop for itself a greater niche over the near future.

Emphasis will be on de-risking our investments and more effective deployment of capital resources towards business segments that yield greater returns, with enhanced risk management, adequate control over expenditure and tighter management information reporting and accountability. With the continued strong presence of ABG at each Subsidiary (“Unit”) board level, our Group’s business and operational strategy is cohesive, well-coordinated and implemented being executed effectively, cognisant of developments in our markets. The digital transformation across our Group will form the bedrock of our strategy going forward, spurred on by the need for contact-less customer interaction, technology-aided product delivery and enhanced customer experience.

Also, the Board of Directors had resolved in its meeting held on February 23, 2022 and submitted its recommendation to the Ordinary General Assembly in its meeting today to approve the delisting of the Group’s shares from the Nasdaq Dubai Stock Exchange, subject to the approval of the relevant regulatory authorities, and this is in line with the Group’s strategy in allocating its resources with the aim of achieving growth, and the Board of Directors believes that in light of the limited level of trading in the Group’s shares on Nasdaq Dubai, the significant cost and additional regulatory burden of continuing to list the group’s shares on Nasdaq Dubai is not commensurate with the benefits accruing to the group and its shareholders, noting that 95% of the issued shares are regularly traded on the main market (Bahrain Bourse).

Al Baraka Banking Group proved its business resilience once again in the face of the challenges posed by the difficult economic environment that prevailed during the year. Astute positioning of business priorities and efficient management of resources enabled ABG to achieve yet another consistent performance.

Total operating income of the Group decreased by 8.6% in the full year 2021 to US\$ 1.04 billion compared to US\$ 1.14 billion in 2020.

ABG reported total net income of US\$ 190 million for the full year 2021 compared to US\$ 166 million in 2020, reflecting an increase of 14.3%.

The net income attributable to the equity holders of the parent increased by 69.3% to US\$ 113 million compared to US\$ 67 million in 2020. The Basic and Diluted Earnings per Share in 2021 were US Cents 6.71 compared to US Cents 2.90 in 2020.

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 under the umbrella of Bahrain Clear Company.

Then, the Chairperson 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 and proxyholders approved it.

Then the Meeting's Secretary explained to all shareholders 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 25, 2021**

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 (20<sup>th</sup>) held on March 25, 2021.

**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 31/12/2021

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:**

Discussed and ratified the report of the Board of Directors on the activities of the Bank for the Financial Year ended on 31/12/2021.

**The Third Item**

To review the Sharia Supervisory Board's Report for the financial year ended on 31/12/2021

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:**

Viewed the Sharia Supervisory Board's report for the financial year ended on 31/12/2021.

**The Fourth Item:**

To review the External Auditors' report for the financial year ended on 31/12/2021

The audit report for the financial year ended on 31/12/2021 was delivered by the external auditor (Ernst & Young) representative Mr. Nader Rahimi, 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:**

Viewed the External Auditors' report for the financial year ended on 31/12/2021.

**The Fifth Item:**

To discuss and approve the consolidated financial statements for the financial year ended on 31/12/2021

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 31/12/2021 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 31/12/2021.

**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; 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. (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\$ 11,274,985 to the Statutory Reserve.
- b. The transfer of US\$ 101,474,868 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 2021, 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\$ 11,274,985 to the Statutory Reserve.
- b. Approved to transfer of US\$ 101,474,868 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 31/12/2021, 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 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 and Tourism 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 31/12/2021.

**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 member's attendance percentage report for the board meetings for the year 2021 (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 2021, 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 2021.

**The Tenth Item:**

To approve a delisting of Al Baraka Banking Group's shares from Nasdaq Dubai, effected through a cancellation of the admission of the ordinary shares of the Group to the Official List of Securities maintained by the Dubai Financial Services Authority and the removal from trading on Nasdaq Dubai, subject to obtaining the necessary regulatory approvals; and the approval to authorize and empower the Board of Directors or its delegate to undertake the necessary steps and to implement or execute any documents necessary in order to implement the resolution of the ordinary general assembly on the foregoing item, including signing the forms or documents required by the relevant regulatory authorities

It was clarified that the Board of Directors' resolution of the delisting was announced on the Bahrain Bourse and other relevant stock exchanges and recommended to the General Assembly for approval, subject to the approval of the relevant regulatory authorities. Then the Meeting's Secretary explained to the shareholders that a document showing the procedures for transferring shares from Nasdaq Dubai to the Bahrain Bourse had been uploaded and published on the Group's website and the Bahrain Clear Company's platform, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the delisting of Al Baraka Banking Group's shares from Nasdaq Dubai, effected through a cancellation of the admission of the ordinary shares of the Group to the Official List of Securities maintained by the Dubai Financial Services Authority and the removal from trading on Nasdaq Dubai, subject to obtaining the necessary regulatory approvals; and approved to authorize and empower the Board of Directors or its delegate to undertake the necessary steps and to implement or execute any documents necessary in order to implement the resolution of the ordinary general assembly on the foregoing item, including signing the forms or documents required by the relevant regulatory authorities.

**The Eleventh Item:**

To authorize the management of Al Baraka Banking Group to pay an amount of US\$ 346,967 as zakat on behalf of all shareholders amounting to US Cent 3.0 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\$ 346,967 as Zakat on behalf of all shareholders as US Cent 3.0 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 Twelfth Item:**

To absolve the Directors from liability for the Financial Year ended 31/12/2021

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 31/12/2021, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved to absolve the Chairman and Board of Directors of their actions during the financial year ended on 31/12/2021.

**The Thirtieth 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 2021

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 31/12/2021 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:**

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 31/12/2021.

**The Fourteenth Item:**

To ratify the recommendation of the Board of Directors to appoint Messrs. PricewaterhouseCoopers as External Auditors for Al Baraka Banking Group for the financial year ending on 31/12/2022, 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 appoint (PricewaterhouseCoopers) as auditors of the Bank's accounts for the financial year ending on 31/12/2022 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 appointment of PricewaterhouseCoopers as auditors of the Bank's accounts for the financial year ending on 31/12/2022, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the recommendation of the Board of Directors to appoint Messrs. PricewaterhouseCoopers as External Auditors for Al Baraka Banking Group for the financial year ending on 31/12/2022, 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.

**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 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 he announced the start of the discussion of the agenda of the Extraordinary General Assembly.

Then, the Meeting's Secretary explained to all shareholders that the passing quorum for the resolutions of the extraordinary general assembly is the majority of the two-thirds of the shares represented in the meeting, i.e. 66.7% of the attendees' shares. Then all items on the agenda were discussed as follows:

### **The First Item**

To approve the minutes of the Extraordinary General Assembly meeting held on 30/11/2020

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

### **The Resolution:**

Approved the minutes of the Extraordinary General Assembly meeting held on 30/11/2020.

### **The Second Item**

To approve the amendments of Al Baraka Banking Group's memorandum and articles of association in accordance to the legislative decree no. (3) of the year 2022, legislative decree no. (20), (63) and (64) of the year 2021, and the legislative decree no. (28) of the year 2020 in relation to the Commercial Companies Law ("CCL") issued by the legislative decree no. (21) of the year 2001 and its amendments, subject to the approvals of the relevant regulatory authorities; and to approve to authorize and empower the Board of Directors or its delegate to undertake the necessary steps and to implement or execute any documents necessary in order to implement the resolution of the extraordinary general assembly on the foregoing item, including signing the fully amended memorandum

and articles of association before the notary public and any forms or documents required by the relevant regulatory authorities

As it was clarified that the amended draft Memorandum of Association and Articles of Association, along with the table of amendments, had been uploaded to the Bahrain Clear Company's platform before sufficient time of the meeting, after which the General Assembly by all its attended shareholders resolved the following:

**The Resolution:**

Approved the amendments of Al Baraka Banking Group's memorandum and articles of association in accordance to the legislative decree no. (3) of the year 2022, legislative decree no. (20), (63) and (64) of the year 2021, and the legislative decree no. (28) of the year 2020 in relation to the Commercial Companies Law ("CCL") issued by the legislative decree no. (21) of the year 2001 and its amendments, subject to the approvals of the relevant regulatory authorities; and approved to authorize and empower the Board of Directors or its delegate to undertake the necessary steps and to implement or execute any documents necessary in order to implement the resolution of the extraordinary general assembly on the foregoing item, including signing the fully amended memorandum and articles of association before the notary public and any forms or documents required by the relevant regulatory authorities.

After that, the Chairperson announced the end of the agenda of the Extraordinary 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 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 to the activities of the Group.

The meeting was adjourned at 12:00 pm.

Mr. Mohamed Ebrahim Alshroogi

The Chairperson of the General Assembly

Abdul Malek Shehadeh Mezher

The Secretary of the General Assembly