



Al Salam Bank BSC

Minutes of the Ordinary General Assembly Meeting

Held on Wednesday 19 Ramadan 1446 AH

Corresponding to 19th March 2025

Time: 11:00 a.m.

Venue: Ritz Carlton Hotel

Manama – Kingdom of Bahrain

Meeting Chairman: The meeting was presided over by H.E. Sheikh Khalid Bin Mustahail Al Mashani, Chairman of the Board of Directors.

Legal Quorum: The Chairman announced that the legal quorum was met for holding the Ordinary General Assembly Meeting in accordance with the Bahrain Commercial Companies Law and the Articles of Association of the Bank, as the attendance stood at 75.43%, in person and by proxy, of the total share capital.

Meeting Rapporteur: The General Assembly authorized the Counsellor - Mr. Eihab Abdullatif Ahmed, Board Secretary as meeting's rapporteur.

The meeting was attended by the following Members of the Board of Directors:

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| 1. H.E Sh. Khalid Bin Mustahail Al Mashani, | Chairman |
| 2. Mr. Salman Saleh Al Mahmeed, | Director |
| 3. Mr. Salim Abdulla Al Awadi, | Director |
| 4. Mr. Ahmed Habib Kassim, | Director |
| 5. Mr. Alhur Mohammed AlSuwaidi, | Director |
| 6. Mr. Tariq Abdul Hafeedh Al Aujailli, | Director |

Board Secretary : Counsellor Mr. Eihab Abdullatif Ahmed.

Attended by Fatwa and Shari'a Supervisory Board:

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| 1. Dr. Osama Bahar | Member |
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Attended by the Executive Management:

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| 1. Mr. Rafik Nayed, | Group Chief Executive Officer (CEO). |
| 2. Mr. Anwar Murad, | Deputy Chief Executive Officer. |
| 3. Counsellor Eihab Ahmed, | Deputy Chief Executive Officer, Board Secretary. |
| 4. Mr. Yousif Ebrahim, | Chief Financial Officer (CFO) |



The meeting was also attended by:

1. Ms. Khadija Juma, representative of the Central Bank of Bahrain.
2. Mr. Husien Mohammed, representative of the Central Bank of Bahrain.
3. Ms. Fatima AlJar, representative of the Central Bank of Bahrain.
4. Ms. Nada Al Thawadi, representative of The Ministry of Industry and Commerce.
5. Mr. Jalil Al Aali, representative of the KPMG Fakhro – External Auditors.
6. Mr. Parvin Manik, representative of the KPMG Fakhro – External Auditors
7. Ms. Heba Mubarak, representative of Bahrain Clear, Share Registrar
8. Ms. Noor Sadeq, representative of Bahrain Clear, Share Registrar
9. Ms. Rawan Albanki, representative of Bahrain Clear, Share Registrar
10. Mr. Senan AlSherooqi, representative of Bahrain Bourse.

H.E Sh. Khalid Bin Mustahail Al Mashani, the Chairman of the meeting, who welcomed the shareholders and thanked them for attending the meeting. He also welcomed the representatives of the Central Bank of Bahrain, the Ministry of Industry and Commerce, KPMG, and the Registrars Bahrain Clear, and presented the agenda of the meeting as follows:

1. To approve the minutes of the previous Annual Ordinary General Meeting held on 31 March 2024:

H.E Sh. Khalid Bin Mustahail Al Mashani stated that a copy of the mentioned minutes has been sent to all shareholders, and no comments or inquiries have been received regarding it. He requested the attending shareholders to provide any remarks they may have or to approve the minutes and ratify them as presented.

The minutes were approved with no remarks or amendments.

Resolution No. (1) The Ordinary General Assembly unanimously approved the minutes of the previous meeting held on 31st March 2024.

2. To discuss and approve the Board of Directors' Report on the Bank's activities for the financial year ended 31 December 2024.

H.E Sh. Khalid Bin Mustahail Al Mashani, the Chairman of the Board of Directors presented the Board of Directors' Report discussing the exceptional achievements and distinguished growth that AlSalam Bank has achieved, which demonstrated its significant ability to adapt flexibly and clearly to a complex global economic environment. Also addressed the bank's future plans, and requested any potential input from the shareholders on the Board of Directors Report.

There were no remarks on the Board of Directors' Report.

Resolution No. (2); The Ordinary General Assembly unanimously approved the Board of Directors' Report on the Bank's activities for the financial year ended 31 December 2024.



3. To receive the Shari'a Supervisory Board's report for the financial year ended 31 December 2024:

Dr. Osama Bahar, member of the Fatwa and Shari'a Supervisory Board, presented the report of Fatwa and Shari'a Supervisory Board and underlined that the Bank is in compliance with the rules and principals of Shari'a in respect of all businesses and transactions of the Bank is the responsibility of the Bank's management. The Shari'a Supervisory Board representative confirmed that the transactions executed by the Bank during the year, to the extent of the information and data made available to it by the Bank's Management, do not conflict, in general, with the rules and principles of Shari'a. He also confirmed that the accuracy of information, data, numbers, and correctness of the profit distribution are the responsibility of the management.

Resolution No. (3): The Ordinary General Assembly Meeting Unanimously approved the Report of the Bank's Fatwa and Shari'a Supervisory Board for the year ended 31 December 2024.

4. To receive the external auditor's report on the consolidated financial statements of the Bank for the financial year ended 31 December 2024.

Mr. Jalil Ala'ali representative of KPMG Fakhro, the Bank's external auditors, presented the external auditors report. He stated that the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 December 2024, and consolidated results of its operations, changes in equity, its cash flows, for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

There were no other remarks on the report.

Resolution No. (4): The Ordinary General Assembly unanimously approved the report of the External Auditors for the year ended 31 December 2024.

5. To discuss and approve the consolidated financial statements of the Bank for the financial year ended 31 December 2024:

Mr. Yousif Ebrahim, (CFO), presented the financial statements for the year ended 31 December 2024, providing a detailed overview of the bank's financial performance. The bank achieved a net profit attributable to shareholders of BHD 59 million (an increase of 40% compared to the previous period), Additionally, total assets increased to BHD 7.063 billion, compared BHD 5.147 billion in 2023. The financing and Sukuk portfolios grew by 39%, reaching BHD 5.1 billion.

The presentation also highlighted the major strategic achievements and regional expansion of the bank during 2024, which included the successful completion of the acquisition of Kuwait Finance House – Bahrain within six months, which is recognized as the fastest banking transition



in the region. Furthermore, ASB Capital was established as an asset management arm, aiming to achieve USD 10 billion in managed assets by 2027. He also noted the Bank's acquisition of a majority stake (68%) in AlSalam Bank Algeria to enhance the bank's presence in North Africa. Moreover, the presentation addressed the various awards and achievements the bank received during the year, reflecting the esteemed position achieved through strong performance and efforts, as well as the progress made in sustainability and social responsibility initiatives. Mr. Ebrahim also presented an overview of the digital projects implemented to enhance digital transformation and banking innovation. Finally, he requested the shareholders to present their comments regarding the financial statements.

Shareholder, Mr. Ali AlTareef praised the bank for obtaining the DSIB classification, which is considered a significant achievement for the bank's standing. He then inquired about the bank's acquisitions, highlighting its successful and extensive track record in this area. He noted that other banks are following the same path and asked whether these acquisitions would present competition. Sh. Khalid explained that the acquisitions have contributed to increasing the bank's market share and expanding its operations. As for competition, he emphasized that it is beneficial as it motivates the board and the management team to put in greater efforts to meet the shareholders' aspirations.

Shareholder Ms. Shaima Tuhani congratulated the bank on its significant success in all financial aspects. She also raised several inquiries summarized in the following points:

She asked about the improvement in net profit by 44%, specifically what percentage of this growth is attributable to Al Salam Bank's operations alone, and what percentage can be attributed to the acquisition of Kuwait Finance House - Bahrain. Mr. Ahmed Saif, the Head of Strategy & Planning, clarified that most of the profits (more than 90% of the profits) were achieved from Al Salam Bank's operations. She further inquired about the impact of acquisition KFHB of increase in total customer deposits by 38%. Mr. Ahmed Saif explained that the growth in deposits resulted from the bank's expansion activities, in addition to the growth arising from the acquisition of Kuwait Finance House - Bahrain.

Ms. Shaima also questioned the injection of quasi-equity into the equity (AT1) in the form of wakala and mudaraba, asking how sustainable this type of equity is, and whether it is permanent and will continue to exist in the balance sheet. Mr. Ahmed Saif commented regarding mudaraba that the mentioned speculation (Tier 1 capital) is considered sustainable as long as the conditions and agreements governing it remain in place and are managed effectively.

Regarding Ms. Tahami's last inquiry about the bank still not being rated by rating agencies, she asked if this matter is part of the plan or not estimated. The Group CEO, Mr. Rafik, explained that the subject is being studied carefully and thoroughly. He added that the bank is still in a phase of expansion and growth, and to build a solid foundation and achieve the established plans, the bank will not seek classification at this time until the strategic plans are completed. Ms. Shaima also praised the bank's Bahrainization rate, which is estimated at 93%, and called for an increase in the percentage of female employees in the bank.

Then, shareholder Mr. Ali AlTareef inquired regarding the bank's shareholding in Bank of Bahrain and Kuwait and the plan in this respect. He also asked about the possibility of studying the acquisition of the Bank of Bahrain and Kuwait. Sh. Khalid Al Mashani stated that the first obstacle



is that we are an Islamic bank, and our estimated share of 26% is inherited from the acquisition of Ithmaar retail portfolio. The Group CEO also indicated that our goal is to become the leading Islamic bank in Bahrain; however, there are obstacles related to balancing between Islamic and conventional banks. Therefore, the idea of acquiring or merging with the Bank of Bahrain and Kuwait may not be feasible at this time.

Since there were no further comments and inquiries about the financials:

Resolution No. (5): The Ordinary General Assembly approved the Bank's consolidated financial statements for the year ended 31 December 2024 as presented by the Board of Directors.

6. To report the transactions carried out by the Bank during the financial year ended 31 December 2024 with any related parties or major shareholders of the Bank as presented in the note no. 29 to the consolidated financial statements in accordance with Article 189 of the Commercial Companies Law No. 21 for the year 2001 and its amendments:

The related parties transactions were shown according to note (No 29) of the consolidated financial statement.

Resolution No (6): The Ordinary General Assembly agreed to ratify and approved the operations and transactions carried out during the year ended 31 December 2024 with any related parties or major shareholders of the Bank as presented in the note (No. 29) of the consolidated audited financial statements.

7. To approve the recommendations of the Board of Directors with respect to the following appropriations of the net profit attributable to shareholders for the financial year ended 31 December 2024, as follows:

- Transfer of BD 5.901 million to the statutory reserves.
- Distribute a total dividends of 14% of the issued and paid-up share capital of the Bank, amounting to BD 37.533 million, for the financial year ended 31 December 2024, as follows:
 - 6% as cash dividends, equivalent to 6 Bahraini fils per share amounting to BD 15.551 million, excluding treasury shares;
 - 8% as bonus shares, equating to 21.982 million shares – i.e. (1 share for each 12.5 shares held).

The last day of trading with entitlement to dividends is 20 March 2025, and the first day of trading without entitlement to dividends is 21 March 2025 on Dubai Financial Market (DFM) and 23 March 2025 on Bahrain Bourse. The record date is 24 March 2025 and the dividends will be paid to the entitled shareholders on 7 April 2025.

- Retain BD 1 million for charitable donations and social welfare programs.
- Transfer of the remaining balance of BD 10.569 million to retained earnings account.

There were no further observations on the proposed distributions as outlined above. The assembly approved the distribution proposal as presented by the Board of Directors:



Resolution No (7): The Ordinary General Assembly unanimously approved the allocation of the net profits of the financial year ended 31 December 2024 as follows:

- a. Transfer of BD 5.901 million to the statutory reserves.
- b. Distribute a total dividends of 14% of the issued and paid-up share capital of the Bank, amounting to BD 37.533 million, for the financial year ended 31 December 2024, as follows:
 - 6% as cash dividends, equivalent to 6 Bahraini fils per share amounting to BD 15.551 million, excluding treasury shares;
 - 8% as bonus shares, equating to 21.982 million shares – i.e. (1 share for each 12.5 shares held).

The last day of trading with entitlement to dividends is 20 March 2025, and the first day of trading without entitlement to dividends is 21 March 2025 on Dubai Financial Market (DFM) and 23 March 2025 on Bahrain Bourse. The record date is 24 March 2025 and the dividends will be paid to the entitled shareholders on 7 April 2025.

- c. Retain BD 1 million for charitable donations and social welfare programs.
- d. Transfer of the remaining balance of BD 10.569 million to retained earnings account.

8. To approve remuneration to the members of the Board of Directors amounting to BD 1.110 million, for the financial year ended 31 December 2024

Resolution No. (8): The Ordinary General Assembly unanimously approved the remuneration to the members of the Board of Directors amounting BD 1.110 million for the year ended 31 December 2024.

9. To receive and discuss the Bank's Corporate Governance Report for the financial year ended 31 December 2024, as required by the Central Bank of Bahrain and the Ministry of Industry and Commerce

The Chairman requested the shareholders to present their comments on the Corporate Governance Report.

With no comments or objections, the report was approved by an absolute majority of shareholders represented at the meeting.

Resolution No. (9): The Ordinary General Assembly approved the Bank's Corporate Governance Report for the financial year ended 31 December 2024, as required by the Central Bank of Bahrain and the Ministry of industry and Commerce.



10. To absolve the members of the Board of Directors from any liability for their actions as directors during the financial year ended 31 December 2024

The shareholders agreed on discharging the members of the Board of Directors from any liability.

Resolution No. (10): The Ordinary General Assembly agreed to absolving the members of the Board from any liability for their actions as directors during the financial year ended 31 December 2024.

11. To appoint or reappoint the Shari'a Supervisory Board for the financial year ending 31 December 2025 and authorize the Board of Directors to determine their remuneration

The Board of Directors recommended to reappoint the members of the Shari'a Supervisory Board for the required period for the financial year ending 31 December 2025 and requested the shareholders to present their comments and suggestions. The assembly approved the Board's recommendation to reappoint the Shari'a Supervisory Board as follows:

Resolution No. (11): The Ordinary General Assembly unanimously agreed to reappoint the members of Shari'a Supervisory Board for the required period in the financial year ending 31 December 2025, and authorized the Board of Directors to determine their remuneration as follows:

1. Sheikh Adnan Abdulla Al Qattan
2. Sheikh Dr Fareed Yaqoob Almeftah
3. Sheikh Dr. Nizam Yaqubi
4. Sheikh Dr. Osama Bahar

12. To appoint or reappoint external auditors for the financial year ending 31 December 2025 and authorize the Board of Directors to determine their remuneration, taking in consideration that this appointment will be subject to the approval of the Central Bank of Bahrain

The Board recommended that the External Auditors, KPMG is to be reappointed for the audit work for the financial year ended 31 December 2025 and requested the shareholders to present their comments and suggestions. Since there were no remarks on the proposal, the assembly approved the Board's recommendation to reappoint the External Auditors as follows:

Resolution No: (12): The Ordinary General Assembly unanimously agreed to reappoint KPMG to carry out the external auditing work for the financial year ending 31 December 2025 and authorized the Board of Directors to determine their fees, subject to the approval of the Central Bank of Bahrain.

13. To discuss and approve any other matters that may arise as per Article 207 of the Commercial Companies' Law:

No new matter was discussed under this item.



There were no further matters for discussion in the agenda of the meeting, H.E. Sh. Khalid Bin Mustahail Al Mashani, the Chairman, expressed his thanks to all attended shareholders, representatives of the official authorities, directors and the Executive Management for their continued support, and announced the end of the meeting.

The meeting closed at 11:40 afternoon.

H. E. Sh. Khalid Bin Mustahail Al Mashani
Chairman of the Board
Chairman of the meeting

Counsellor Mr. Ehab Abdullatif Ahmed
Deputy Chief Executive Officer
Board Secretary
Meeting Rapporteur

