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Al Salam Bank

**Minutes of the Extraordinary General Assembly Meeting (2023/2)**

**Held on Thursday 18 Jamada El Oula 1445 AH**

**Corresponding to 30th November 2023**

**Time: 10:00 a.m.** **Venue: AlSalam Bank, Headquarter** **Kingdom of Bahrain**

**Meeting Chairman:** The Meeting 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 Extraordinary General Assembly Meeting in accordance with the Bahrain Commercial Companies Law and the Articles of Association of the Bank, as the attendance stood at 72.08%, 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 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. Hisham Saleh Al Saie | Director |
| 5. | Mr. Khalid Salem Al Halyan | Director |
| 6. | Mr. Al Hur Mohammed Al Suwaidi | Director |
| 7. | Mr. Tariq Abdul Hafidh Al Aujaili | 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 |

**Attended by the Executive Management:**

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| 1. | Mr. Rafik Nayed | Group Chief Executive Officer (Group 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) |

**Attended by:**

1. Mrs. Khadija Ahmed, representative of the Central Bank of Bahrain
2. Mr. Husien Mohammed, representative of the Central Bank of Bahrain

3. Ms. Fatema Aljar, representative of the Central Bank of Bahrain
4. Ms. Noor Altajer, representative of the Central Bank of Bahrain
5. Mr. Ahmed Salman Ahmed, representative of the Ministry of Industry and Commerce
6. Mr. Parvin Manik, representative of the KPMG Fakhro – External Auditors
7. Mrs. Heba Mubarak, representative of Bahrain Clear, Share Registrar
8. Mrs. Noor Sadeq, representative of Bahrain Clear, Share Registrar
9. Mrs. Huda Tarboosh, representative of Bahrain Clear, Share Registrar
10. Mr. Abdulla Jaffer Abdin, representative of Bahrain Clear, Share Registrar
11. Ms. Maryam Alkawari, representative of Bahrain Bourse
12. Ms. Nejood Alsharqawy, representative of Bahrain Bourse
13. Mr. Wajdi Al Jallad, representative of Keypoint Consulting, Share Registrar
14. Mrs. Bashyer Khadem, representative of Keypoint Consulting, Share Registrar
15. Mr. Nandakumar Narasimhan, representative of Keypoint Consulting, Share Registrar
16. Mr. Zeshan Iftikhar, representative of Keypoint Consulting, Share Registrar

The meeting was opened by 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 Fakhro, and the Registrars.

1. **To ratify the previous minutes of the Extraordinary General Assembly Meeting held on 20th March 2023**

H.E. Sh. Khalid Bin Mustahail Al Mashani informed the meeting that copies of the minutes have been sent to the shareholders for comments and approval, and no comment or exclamation received with respect thereof. He then requested the attendant shareholders to present any remarks that they may have or otherwise approve and ratify the minutes as is.

The minutes were approved with no remarks or amendments.

**Resolution No. (1): The minutes of the previous Extraordinary General Assembly Meeting held on 20th March 2023 were approved.**

2. **To approve the issuance of Tier 1 Financial Instruments and/or Sukuk (Additional Tier 1 Capital) with a total value not exceeding 230 million Bahraini dinars in cash, through one or multiple issues, for the purposes of improving capital ratios to meet the Bank's financial and strategic requirements, and authorizing the Bank's Board of Directors to take all the necessary formalities and decisions regarding the profit rate, the value and currency of the issue, the associated costs, the terms & conditions of the issue, approval of the subscription and its conditions, and any other conditions, subject to the approval of the Central Bank of Bahrain.**

The Chief Financial Officer of the Bank, Mr. Yousif Ebrahim, presented a detailed presentation to the shareholders about the reasons for issuing Additional Tier 1 Capital financial instruments with a total value not exceeding 230 million Bahraini dinars in cash, through one or multiple issues, mainly for the purposes of improving capital ratios to meet the Bank's financial and strategic

requirements. Mr. Ebrahim explained the main objectives of the issuance, the detailed terms and conditions, including the targeted investors, issuance classification, and legal provisions according to regulatory requirements. The Chairman then requested the respective shareholders to share any feedback or remarks.

In response to the queries raised by the shareholder, Mr. Ali AlTareef, the CFO clarified that the goal of the issuance, as explained in the detailed report presented to the shareholders, is to improve and increase the Bank's capital ratios in line with future strategic plans. This includes expansion and growth (both domestically and internationally), as well as strengthening its capital for upcoming market challenges. Ebrahim added that in general, the issuance may be available to all those who wish to participate, provided they meet the issuance's conditions. The expected cost will depend on the type of issuance and the products used by the Bank in this regard. Regarding increasing the Bank's stake in the Bank of Bahrain and Kuwait, the CEO stated that the Bank can't currently address such ideas. However, once there are serious initiatives within its strategic expansion plans for further acquisitions, it will be disclosed in due course, in accordance with regulatory and legal requirements. He emphasized that the Bank is continuously striving to achieve the shareholders' aspirations for substantial returns and to continue the desired growth process, God willing. Transparent communication is maintained with all relevant parties in case of any interest in this matter.

Regarding the Bank's interest in acquiring Kuwait Finance House (KFH) - Bahrain, it is premature for the subject to be discussed as the matter continues to be under study, review, and due diligence.

In response to inquiries raised by the shareholder, Mrs. Shaimaa Tahami, about the increase in the percentage of non-performing assets, the CFO explained that although the question is beyond the scope of the agenda, the increase in the ratio of non-performing assets is due to the assets acquired by the Bank through acquisitions of the respective Ithmar portfolio and Al Salam Bank Algeria. Indicating that despite this increase, the ratio will remain one of the lowest in the local market, reflecting the high quality of the Bank's assets.

He further added that there are a set of procedures and policies followed by the Bank to maintain its liquidity in a safe and smooth manner. These procedures are regularly discussed in the Assets and Liabilities Committee.

**Resolution No. (2): The Assembly approved the issuance of Tier 1 Financial Instruments and/or Sukuk (Additional Tier 1 Capital) with a total value not exceeding 230 million Bahraini dinars in cash, through one or multiple issues, for the purposes of improving capital ratios to meet the Bank's financial and strategic requirements, and authorizing the Bank's Board of Directors to take all the necessary formalities and decisions regarding the profit rate, the value and currency of the issue, the associated costs, the terms & conditions of the issue, approval of the subscription and its conditions, and any other conditions, subject to the approval of the Central Bank of Bahrain.**

3. **To authorize the Chairman of the Board of Directors and/or the Group CEO of the Bank, and/or their authorized representatives individually, to initiate the necessary formalities to implement Clause 2 above and to sign and submit any relevant documents.**

**Resolution No. (3): The Assembly unanimously agreed to authorize the Chairman of the Board of Directors and/or the Group CEO of the Bank, and/or their authorized representatives individually, to initiate the necessary formalities to implement Clause 2 above and to sign and submit any relevant documents.**

There being no further matter 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 team for their continued support, and announced the end of the meeting and close of session.

The meeting closed at 10:30 a.m.

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

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

بنك السلام
Al Salam Bank