

Al Salam Bank BSC

Minutes of the Ordinary General Assembly Meeting

Held on Thursday 23 Ramadan 1447 AH

Corresponding to 12<sup>th</sup> March 2026

**Time:** 11:30 a.m. **Venue:** The meeting was held virtually via eAGM portal **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. The meeting was held virtually via eAGM portal in accordance with the Bahrain Commercial Companies Law and the Articles of Association of the Bank, as the attendance stood at 76.56%, 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. Matar Mohamed Al Balooshi            | Director |
| 3. Mr. Salman Saleh Al Mahmeed,             | Director |
| 4. Mr. Salim Abdulla Al Awadi,              | Director |
| 5. Mr. Ahmed Habib Kassim,                  | Director |
| 6. Mr. Alhur Mohammed AlSuwaidi,            | Director |
| 7. Mr. Tariq Abdul Hafeedh Al Aujaili,      | Director |
| 8. Mr. Hisham Saleh AlSaie                  | Director |
| 9. Mr. Zayed Ali Al Amin                    | 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 of the Shari'a Supervisory Board. |
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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. Ms. Hesa Al Mannai, 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. Ms. Heba Mubarak, representative of Bahrain Clear, Share Registrar
7. Ms. Hajer Yaqoob, representative of Bahrain Clear, Share Registrar
  
8. Mr. Wajdi Al Jallad, representative of Keypoint.
9. Mr. Nandakumar Narasimhan representative of Keypoint.
  
10. Mr. Hasan Ali Thamer, 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, Keypoint 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 19 March 2025.

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 19 March 2025..**

**2- To discuss and approve the Board of Directors' report on the Bank's activities for the financial year ended 31 December 2025.**

H.E Sh. Khalid Bin Mustahail Al Mashani, the Chairman of the meeting, presented the Board of Directors' Report on the Bank's activities and financial results for the year 2025. Highlighted the Bank's continued positive financial performance and the strengthening of its financial position, alongside the ongoing implementation of its growth strategy and the development of its banking services.

The Chairman then invited the shareholders to raise any comments or observations regarding the Board of Directors' Report presented to the General Assembly.

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 2025.**

**3- To discuss the Shari'a Supervisory Board's report for the financial year ended 31 December 2025.**

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 2025.**

**4- To discuss the external auditors' report on the consolidated financial statements of the Bank for the financial year ended 31 December 2025.**

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 2025, 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 2025.**

**5- To discuss and approve the consolidated financial statements of the Bank for the financial year ended 31 December 2025.**

Mr. Yousif Ebrahim, Chief Financial Officer, presented the Bank's consolidated financial statements for the financial year ended 31 December 2025. He delivered a comprehensive overview of the Bank's financial performance, highlighting the continued achievement of positive financial results and growth across various financial indicators. He noted an increase in shareholders' net profit, as well as growth in total assets, financing, and deposits compared to the previous period. He also outlined the Bank's key strategic achievements during the year, including the expansion of banking activities, enhancement of services and digital products, and the launch of several technological initiatives and digital banking services targeting the business sector.

He further highlighted the awards and recognitions received by the Bank during the year, in addition to its community initiatives and human resources development programs. He emphasized the Bank's strong financial position, its continued achievement of sustainable growth, and its commitment to enhancing shareholder value.

In response to a query raised by Mr. Ahmed Abdulrahman Khalfan, representative of Global Express Company (a shareholder), regarding the current situation and its impact on the Bank's liquidity, as well as the measures taken in this regard, including whether branches would be closed and external transfers affected, Mr. Anwar Murad clarified that, in light of the prevailing circumstances, a number of regulatory and precautionary measures have been implemented to ensure the safety of all.

These measures included reducing the number of employees at the Head Office. At the same time, coordination was made to keep certain branches open and to increase their capacity to serve customers. Additionally, female staff were enabled to work remotely from home.

He further noted that deposits exceeded withdrawals positively, resulting in a 12% increase in interbank deposits and retail deposits by 1.2%. He also confirmed that the call center continues to operate normally, providing uninterrupted services to customers.

A shareholder, Ms. Shaima Tuhami, raised a query regarding the impact of the absence of acquisition opportunities on growth, questioning whether the Bank would be unable to achieve growth without acquisitions. The Chief Executive Officer responded that one of

the Bank's key objectives is to diversify its sources of growth, including through Al Salam Algeria and ASB Capital, with a focus on sustainable growth. He further explained that the Bank will continue to strengthen its equity base. He added that, in the absence of acquisition opportunities, the Bank will still aim to achieve growth, although at a slower pace, while maintaining its overall growth direction.

In a further query, Shaima Tuhami asked about the Bank's capital position and whether it could be considered overcapitalized, including the possibility of increasing dividend distributions, share buybacks, or pursuing additional investment opportunities.

The Chief Executive Officer responded that the Bank does not view its position as concerning; rather, it considers its liquidity as an opportunity to support balanced growth. He confirmed that the Bank continues to enhance its operations to ensure a sustainable return on equity, noting that the Bank operates across both local and international markets to achieve this balance.

Ms. Shaima Tehami also inquired about the quality of the Bank's assets under the current conditions, and whether the necessary stress testing has been conducted to assess the impact on non-performing loans.

The Chief Executive Officer clarified that the Bank closely monitors its financial and credit position, and that its non-performing loan ratios remain healthy and within acceptable levels compared to local banks.

With regard to the Bank's liquidity position, the Chief Financial Officer confirmed that liquidity levels are very strong and reassuring.

A shareholder, Mr. Ali AlTareef, inquired about the change in dividend distribution, noting that last year's distribution was 6% cash and 8% bonus shares, while this year it is 8% cash and 7% bonus shares. He questioned the reason for this change and the absence of a clear dividend policy.

The Chairman explained that the increase in cash dividends reflects the Bank's strong performance. The Chief Executive Officer further added that the dividend policy is based on maintaining a balance between maximizing shareholder value and distributions, emphasizing that the Bank is still in a growth phase.

He noted that some banks with fixed dividend policies may not be in the same stage of growth as Al Salam Bank. He also clarified that the current distributions are aligned with the Bank's future plans to enhance its capital efficiency. The Chief Executive Officer further confirmed that, as the Bank achieves more stable growth in the future, the dividend policy will become clearer.

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 2025 as presented by the Board of Directors.**

- 6- To report the transactions carried out by the Bank during the financial year ended 31 December 2025 with any related parties or major shareholders of the Bank as presented in the note (no. 30) 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 30) 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 2025 with any related parties or major shareholders of the Bank as presented in the note (No. 30) of the consolidated audited financial statements.**

- 7- To approve the recommendations of the Board of Directors with respect to the following appropriations of the available net profit attributable to shareholders for the financial year ended 31 December 2025, as follows:
- a- Transfer of BD 7.683 million to the statutory reserves.
  - b- Distribute a total Dividends of 15% of the issued and paid-up share capital of the Bank, amounting to BD 44.117 million, for the financial year ended 31 December 2025, as follows:
    - 8% as cash dividends, equivalent to 8 fills per share amounting to BD 23.344 million, excluding treasury shares;
    - 7% as bonus shares, amounting to BD 20.773 million - i.e. (1 share for each 14.3 shares held).

The last day of trading with entitlement to dividends is 13 March 2026 on the Dubai Financial Market(DFM) and 15 March 2026 on Bahrain Bourse and the first day of trading without entitlement to dividends is 16 March 2026, The record date



is 17 March 2026 and the dividends will be paid to the entitled shareholders on 1 April 2026 on the Dubai Financial Market (DFM) and 5 April 2026 on Bahrain Bourse.

- c. Retain BD 1 million for charitable donations and social welfare programs.
- d. Transfer of the remaining balance of BD 13.028 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 2025 as follows:

- a- Transfer of BD 7.683 million to the statutory reserves.
- b- Distribute a total Dividends of 15% of the issued and paid-up share capital of the Bank, amounting to BD 44.117 million, for the financial year ended 31 December 2025, as follows:
  - 8% as cash dividends, equivalent to 8 fills per share amounting to BD 23.344 million, excluding treasury shares;
  - 7% as bonus shares, amounting to BD 20.773 million - i.e. (1 share for each 14.3 shares held).

The last day of trading with entitlement to dividends is 13 March 2026 on the Dubai Financial Market(DFM) and 15 March 2026 on Bahrain Bourse and the first day of trading without entitlement to dividends is 16 March 2026. The record date is 17 March 2026 and the dividends will be paid to the entitled shareholders on 1 April 2026 on the Dubai Financial Market (DFM) and 5 April 2026 on Bahrain Bourse.

- c. Retain BD 1 million for charitable donations and social welfare programs.
- d. Transfer of the remaining balance of BD 13.028 million to retained earnings account.

- 8- To approve remuneration to the members of the Board of Directors amounting to BD 1.300 million, for the financial year ended 31 December 2025.

**Resolution No. (8):** The Ordinary General Assembly unanimously approved the remuneration to the members of the Board of Directors amounting BD 1.300 million for the year ended 31 December 2025.

**9- To receive and discuss the Bank's Corporate Governance Report for the financial year ended 31 December 2025, as required by the Central Bank of Bahrain and Ministry of Industry and Commerce.**

Mr. Ehab Ahmed -Deputy Group CEO-Corporate Affairs presented the Corporate Governance Report, which included an overview of the major shareholders and their ownership stakes, as well as the key features of the Bank's governance framework. He also reviewed the structure of the Board of Directors and its committees, including the number of meetings held and their respective responsibilities.

The report further covered conflict of interest policies, the code of conduct, and the attendance of Board members at Board and committee meetings. It also addressed the evaluation of the Board's performance and material transactions requiring Board approval.

In addition, he highlighted the role of the Sharia Supervisory Board and its members, as well as the executive management, its internal committees, and the organizational structure of Al Salam Group.

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

A shareholder, Mr. Ali AlTareef, raised a query regarding practices adopted by some banks and companies, whereby board membership of subsidiaries companies is held by executive management rather than Board members, to allow the Board to exercise oversight over such entities.

The Chairman explained that part of the Bank's success is based on a methodology whereby Board members are involved during the establishment and development stages of businesses, and once stability is achieved, such responsibilities are transitioned to executive management.

Mr. Eihab Ahmed added that the observation is well noted, clarifying that, as highlighted by the Chairman, the presence of Board representatives on the boards of subsidiaries companies is important to ensure smooth operations and provide the necessary momentum, citing examples such as Solidarity and Al Salam Bank Algeria.

With no further comments or objections, the report was approved by the majority of the shareholders present at the meeting

**Resolution No. (9): The Ordinary General Assembly approved the Bank's Corporate Governance Report for the financial year ended 31 December 2025, 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 2025.**

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 2025.**

**11- To reappoint the Shari'a Supervisory Board for the financial year ending 31 December 2026 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 2026 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 2026, 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 reappoint external auditors for the financial year ending 31 December 2026 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 2026 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 2026 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 12:10 afternoon.



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

