

Al Baraka Banking Group B.S.C.

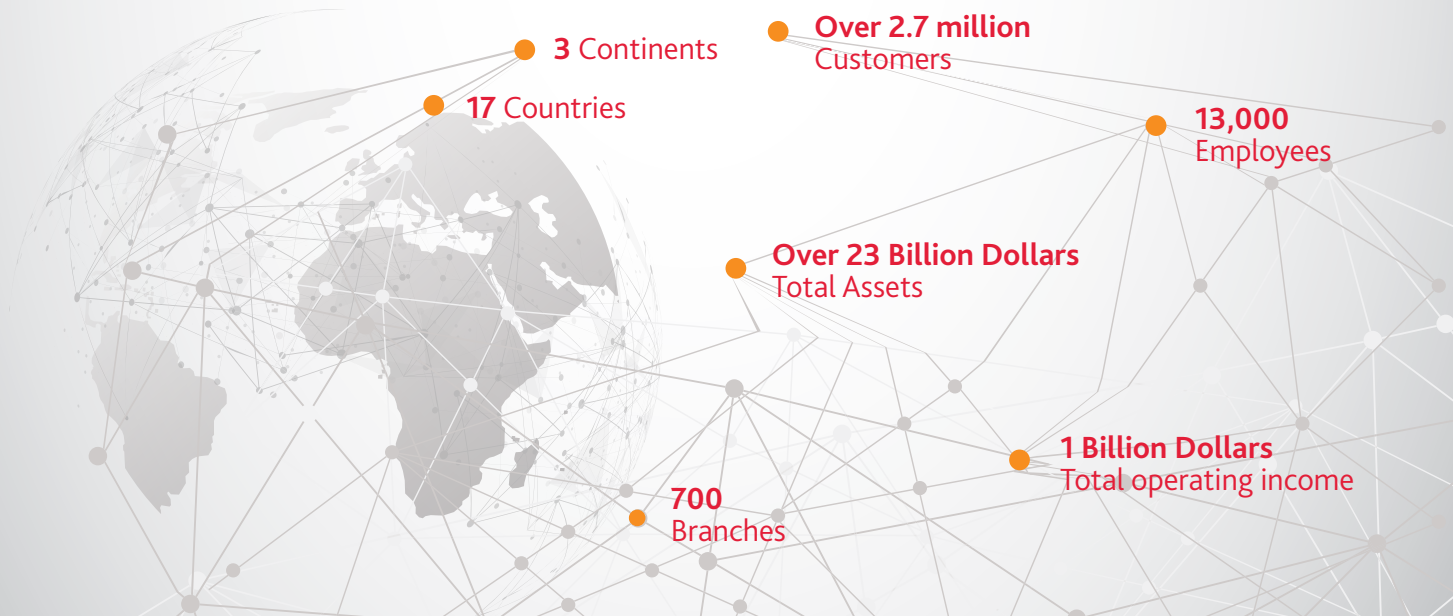
SUMMARY DOCUMENTS OF ORDINARY AND EXTRAORDINARY GENERAL MEETINGS

Wednesday, 20 March 2019

Shaikh Saleh Kamel Hall - 1st floor

Al Baraka Headquarters - Bahrain Bay

Manama, Kingdom of Bahrain



Your Partner Bank

The enclosed Financial Statements have been extracted from the Consolidated Financial statements audited by Ernst & Young-Bahrain, who expressed an unqualified opinion on 20th February 2019. Full Financial statements and the details of the AGM's agenda are embodied in the 2018 Annual Report which is available for the shareholders and others in the meeting venue, and at Al Baraka website www.albaraka.com and with "Karvy ComputerShare"



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Invitation to The Ordinary and Extraordinary General Meetings

The Board of Directors of Al Baraka Banking Group is pleased to invite you to attend the Group's Ordinary and Extraordinary General Meetings to be held successively at 11:00 am on Wednesday 20 March 2019 at the Headquarters of Al Baraka Banking Group, Shaikh Saleh Kamel Hall 1st Floor - Bahrain Bay - Kingdom of Bahrain. In case of the absence of a quorum the second or the third meeting will be held as per the notes below. The Agenda for both the AGM & EGM meetings shall be respectively as follows:

A. The Ordinary General Meeting

1. To discuss and approve the report of the Board of Directors on the activities of the Bank for the Financial Year ended 31/12/2018.
2. To review the Sharia Supervisory Board's report for the financial year ended 31/12/2018.
3. To review the External Auditors' report for the financial year ended 31/12/2018.
4. (a) To discuss and approve the consolidated financial statements for the financial year ended 31/12/2018.
(b) To approve the operations with regards to the related parties' transactions as stated in note No. 25 of the financial statements in (a) above.
5. To approve the proposed distribution of profits for the financial year ended 31/12/2018, after obtainment of the required official approvals, as follows:
 - (a) The transfer of 10% of the Net Income amounting to US\$ 12,908,390 to the Statutory Reserve.
 - (b) The distribution of US\$ 37,286,393 as cash dividend to the shareholders registered as on the date of this meeting (save the treasury share), amounting to 3 US cent for each share equal to 3% of the par value of the share, no later than one month after this meeting.
 - (c) The transfer of US\$ 78,889,120 to the Retained Earnings.
6. To absolve the Directors from liability for the financial year ended 31/12/2018.
7. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended 31/12/2018 after the obtainment of the consent of the Minister of Industry, Commerce & Tourism.
8. Subject to the approval of the Central Bank of Bahrain, to view the recommendation of the board to reappoint Messrs. Ernst and Young as Auditors for the financial year ending 31/12/2019 and to authorize and empower the Board of Directors or its delegate to fix their remuneration.
9. To approve the market making procedures to be taken by the group as per the requirements of the CBB and Bahrain Bourse, and to appoint a licensed market maker for the purchase of Groups' shares not exceeding 3% of the issued shares.
10. To take the following resolutions with regards to the Sharia Supervisory Board:
 - (a) To take cognizance of Dr. Abdul Sattar Abu Guddah's resignation from the Sharia Board.
 - (b) To approve the relieve of Dr. Abdulaziz Al Fowzan from the membership of the Sharia Board.
 - (c) To authorize the board of directors to approve the contracts for the service of the Sharia Board Members and to specify their remuneration as per the requirements of the Sharia Governance.
11. To review the Corporate Governance Report as per CBB instruction:
 - (a) To review the evaluation of ABG's Board, Members and Committee.
 - (b) To review the Report of Board of Directors attendance percentage at Board Meetings for 2018.



Invitation to The Ordinary and Extraordinary General Meetings

12. To approve the payment of the shareholder's Zakat for the distributable dividends as of 31/12/2018 as follows:
 - (a) US\$ 0.773 for each 1,000 shares to be paid by the shareholders for the dividends distributed and received in cash.
 - (b) To authorize ABC management to pay US\$ 2,235,005 as Zakat on behalf of the shareholders for the dividends, not distributed in cash, to be deducted directly from the retained earnings.
13. To discuss any urgent matter arises according to Article 207 of CCL No. 21/2001 as amendment.

B. The Extraordinary General Meeting

1. To approve the amendments of Article 55 paragraph (a) of the Articles of Association and to add paragraphs (d), (e) and (f) to the same Article after obtainment of the consent of the CBB.
2. Based on the Resolution on the above item, to approve the recommendation of the board of directors to appoint three new sharia board members to complete the remaining tenor of the Sharia Board. The nominated members are:
 - Dr. Saad Bin Nasser Al Shithry - Saudi National
 - Dr. Al Ayashi Al Saddig Fiddad - Algerian
 - Mr. Yousif Hassan Khilawy- Saudi National
3. To authorize and empower the Board of Directors or its delegate to take the necessary action, to effect amendment to the Memorandum and Articles of Association for the purpose of publicizing the increase in the share capital, and attesting the necessary amendment to the Articles of Association.

Saleh Abdullah Kamel
Chairman

Notes:

1. The Annual General Meeting (AGM) shall be valid if attended by shareholders representing more than 50% of the issued capital. If the said quorum is not obtained, the AGM shall be called for a second Meeting with the same agenda to be held after a period of seven days at the same time and place. The Second Meeting shall be valid if attended by shareholders representing more than 30% of the issued capital. If the said quorum is not obtained the Third Meeting shall be valid irrespective of the number of shareholders present after a period of seven days at the same time and place
2. The Extraordinary General Meeting (EGM) shall be valid if attended by shareholders representing two thirds of the issued capital. If the said quorum is not obtained, the EGM shall be called for a second Meeting with the same agenda to be held after a period of seven days at the same time and place. The Second Meeting shall be valid if attended by shareholders representing one third of the issued capital, If the said quorum is not obtained the Third Meeting to be held after a period of seven days at the same time and place and shall be valid if attended by shareholders representing one fourth of the issued capital
3. In case of Proxy, shareholders are required to deposit the Proxy Form (Copy available at our website www.albaraka.com) at least 24 hours prior to the proposed date for holding the AGM & EGM with (Karvy Computershare) AlZamil Tower, Manama, Kingdom of Bahrain, Tel: +973 17215080, Fax: +973 17212055, Email: Bahrain.helpdesk@karvy.com
4. Copies of the Meetings Document will be available on the meeting date and at our website: www.albaraka.com and Bahrain Bourse website: www.bahrainbourse.com

Al Baraka Banking Group (B.S.C.)

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aghaffar@albaraka.com

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PO Box 514,
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Tel: +973 17215080
Fax: +973 17212055
bahrain.helpdesk@karvy.com



Proxy form

I, the undersigned _____, being a shareholder in Al Baraka Banking Group B.S.C. appoint Mr. / Ms. _____ to represent me and vote on my behalf in the Annual General Meeting and the Extraordinary General Meeting to be successively held at Headquarters of AlBaraka Banking Group, Shaikh Saleh Kamel Hall, 1st floor, Bahrain Bay, Kingdom of Bahrain on Wednesday 20 March 2019, or any subsequent adjournment of these meetings.

Authorization for the following:

A. The Ordinary General Meeting:

	Yes	No
1. To discuss and approve the report of the Board of Directors on the activities of the Bank for the financial year ended 31/12/2018.		
2. To review the Sharia Supervisory Board's report for the financial year ended 31/12/2018.	<input type="checkbox"/>	<input type="checkbox"/>
3. To review the External Auditors' report for the financial year ended 31/12/2018.	<input type="checkbox"/>	<input type="checkbox"/>
4. (a) To discuss and approve the consolidated financial statements for the financial year ended 31/12/2018.	<input type="checkbox"/>	<input type="checkbox"/>
(b) To approve the operations with regards to the related parties' transactions as stated in note No. 25 of the financial statements in (a) above.		
5. To approve the proposed distribution of profits for the financial year ended 31/12/2018, after obtainment of the required official approvals, as follows:	<input type="checkbox"/>	<input type="checkbox"/>
(a) The transfer of 10% of the Net Income amounting to US\$ 12,908,390 to the Statutory Reserve.	<input type="checkbox"/>	<input type="checkbox"/>
(b) The distribution of US\$ 37,286,393 as cash dividend to the shareholders registered as on the date of this meeting (save the treasury share), amounting to 3 US cent for each share equal to 3% of the par value of the share, no later than one month after this meeting.	<input type="checkbox"/>	<input type="checkbox"/>
(c) The transfer of US\$ 78,889,120 to the Retained Earnings.	<input type="checkbox"/>	<input type="checkbox"/>
6. To absolve the Directors from liability for the financial year ended 31/12/2018.	<input type="checkbox"/>	<input type="checkbox"/>
7. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended 31/12/2018 after the obtainment of the consent of the Minister of Industry, Commerce & Tourism.	<input type="checkbox"/>	<input type="checkbox"/>
8. Subject to the approval of the Central Bank of Bahrain, to view the recommendation of the board to reappoint Messrs. Ernst and Young as Auditors for the financial year ending 31/12/2019 and to authorize and empower the Board of Directors or its delegate to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
9. To approve the market making procedures to be taken by the group as per the requirements of the CBB and Bahrain Bourse, and to appoint a licensed market maker for the purchase of Groups' shares not exceeding 3% of the issued shares.	<input type="checkbox"/>	<input type="checkbox"/>
10. To take the following resolutions with regards to the Sharia Supervisory Board:		
(a) To take cognizance of Dr. Abdul Sattar Abu Guddah's resignation from the Sharia Board.	<input type="checkbox"/>	<input type="checkbox"/>
(b) To approve the relieve of Dr. Abdulaziz Al Fowzan form the membership of the Sharia Board.	<input type="checkbox"/>	<input type="checkbox"/>
(c) To authorize the board of directors to approve the contracts for the service of the Sharia Board Members and to specify their remuneration as per the requirements of the Sharia Governance.	<input type="checkbox"/>	<input type="checkbox"/>
11. To review the Corporate Governance Report as per CBB instruction:		
(a) To review the evaluation of ABC's Board, Members and Committee.	<input type="checkbox"/>	<input type="checkbox"/>
(b) To review the Report of Board of Directors attendance percentage at Board Meetings for 2018.	<input type="checkbox"/>	<input type="checkbox"/>
12. To approve the payment of the shareholder's Zakat for the distributable dividends as of 31/12/2018 as follows:	<input type="checkbox"/>	<input type="checkbox"/>
(a) US\$ 0.773 for each 1,000 shares to be paid by the shareholders for the dividends distributed and received in cash.	<input type="checkbox"/>	<input type="checkbox"/>
(b) To authorize ABC management to pay US\$ 2,235,005 as Zakat on behalf of the shareholders for the dividends, not distributed in cash, to be deducted directly from the retained earnings.	<input type="checkbox"/>	<input type="checkbox"/>
13. To discuss any urgent matter arises according to Article 207 of CCL No. 21/2001 as amendment.	<input type="checkbox"/>	<input type="checkbox"/>



Proxy form

B. The Extraordinary General Meeting:

1. To approve the amendments of Article 55 paragraph (a) of the Articles of Association and to add paragraphs (d), (e) and (f) to the same Article after obtainment of the consent of the CBB. ☐ ☐
2. Based on the Resolution on the above item, to approve the recommendation of the board of directors to appoint three new sharia board members to complete the remaining tenor of the Sharia Board. The nominated members are: ☐ ☐
 - Dr. Saad Bin Nasser Al Shithry - Saudi National
 - Dr. Al Ayashi Al Saddig Fiddad - Algerian
 - Mr. Yousif Hassan Khilawy- Saudi National
3. To authorize and empower the Board of Directors or its delegate to take the necessary action, to effect amendment to the Memorandum and Articles of Association for the purpose of publicizing and attesting the necessary amendment to the Articles of Association. ☐ ☐

Shareholder No.: _____

Shareholder Name : _____

Number of Shares: _____

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Signature: _____ Date: _____ / _____ / 2019

Important Notes to the Shareholders:

1. This proxy form should be deposited at least 24 hours prior to the proposed date for holding the AGM an the EGM with (Karvy Computershare) AlZamil Tower, Manama, Kingdom of Bahrain, Tel: +973 17215080, Fax:+973 17212055, Email: Bahrain.helpdesk@karvy.com
2. The appointed proxy shall neither be the Chairman nor a director or an employee of the Company.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	2018 US\$ '000	2017 US\$ '000
ASSETS		
Cash and balances with banks	5,008,009	5,430,085
Receivables	10,303,868	12,001,050
Mudaraba and Musharaka financing	2,718,906	2,377,654
Investments	3,067,008	2,888,334
Ijarah Muntahia Bittamleek	1,770,833	1,856,018
Property and equipment	406,564	430,192
Other assets	556,050	469,878
TOTAL ASSETS	23,831,238	25,453,211
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts	5,325,924	5,465,433
Due to banks	1,178,758	1,322,470
Long term financing	976,891	1,236,555
Other liabilities	971,310	1,035,983
TOTAL LIABILITIES	8,452,883	9,060,441
EQUITY OF INVESTMENT ACCOUNTHOLDERS OWNERS' EQUITY	13,122,368	13,882,109
Share capital	1,242,879	1,206,679
Treasury shares	(9,203)	(9,550)
Share premium	18,829	18,644
Perpetual tier 1 capital	400,000	400,000
Reserves	165,551	199,282
Cumulative changes in fair values	31,929	40,443
Foreign currency translations	(861,313)	(706,242)
Retained earnings	519,587	530,615
Proposed appropriations	37,286	60,334
EQUITY ATTRIBUTABLE TO PARENT'S SHAREHOLDERS AND SUKUK HOLDER	1,545,545	1,740,205
Non-controlling interest	710,442	770,456
TOTAL OWNERS' EQUITY	2,255,987	2,510,661
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	23,831,238	25,453,211

Saleh Abdullah Kamel
Chairman

Adnan Ahmed Yousif
Member of the Board and
President and Chief Executive



CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2018

	2018 US\$ '000	2017 US\$ '000
INCOME		
Net income from jointly financed contracts and investments	1,327,244	1,258,663
Return on equity of investment accountholders before Group's share as a Mudarib	(1,159,241)	(1,084,420)
Group's share as a Mudarib	372,914	377,735
Return on equity of investment accountholders	(786,327)	(706,685)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	540,917	551,978
Mudarib share for managing off-balance sheet equity of investment accountholders	8,366	8,157
Net income from self financed contracts and investments	242,967	330,278
Other fees and commission income	158,578	157,894
Other operating income	120,098	35,383
	1,070,926	1,083,690
Profit paid on long term financing	(83,107)	(85,000)
TOTAL OPERATING INCOME	987,819	998,690
OPERATING EXPENSES		
Staff expenses	306,350	315,047
Depreciation and amortisation	42,064	47,398
Other operating expenses	192,043	205,872
TOTAL OPERATING EXPENSES	540,457	568,317
NET OPERATING INCOME FOR THE YEAR BEFORE NET ALLOWANCE FOR CREDIT LOSSES / IMPAIRMENT AND TAXATION	447,362	430,373
Net allowance for credit losses/impairment	(159,774)	(131,807)
NET INCOME BEFORE TAXATION	287,588	298,566
Taxation	(70,860)	(91,647)
NET INCOME FOR THE YEAR	216,728	206,919
Attributable to:		
Equity holders of the parent	129,084	129,029
Non-controlling interest	87,644	77,890
	216,728	206,919
Basic and diluted earnings per share - US cents	7.93	9.19

Saleh Abdullah Kamel
Chairman

Adnan Ahmed Yousif
Member of the Board and
President and Chief Executive



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 US\$ '000	2017 US\$ '000
Net cash from operating activities	950,785	165,000
Net cash used in investing activities	(273,365)	(304,992)
Net cash (used in) from financing activities	(308,265)	205,468
Foreign currency translation adjustments	(312,543)	(56,252)
NET CHANGE IN CASH AND CASH EQUIVALENTS	56,612	9,224
Cash and cash equivalents at 1 January	2,861,182	2,851,958
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,917,794	2,861,182

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY

For the year ended 31 December 2018

	Attributable to equity holders of the parent and Sukuk holders US\$ '000	Non-controlling interest US\$ '000	Total Owner's equity US\$ '000
Balance at 1 January 2018	1,740,205	770,456	2,510,661
Transition adjustment on adoption of FAS 30 as of 1 January 2018	(102,660)	(49,177)	(151,837)
Restated balance as of 1 January 2018	1,637,545	721,279	2,358,824
Dividends paid	(24,134)	-	(24,134)
Movement in treasury shares	532	-	532
Net movement in cumulative change in fair value for investments	596	260	856
Net movement in cumulative change in fair value for property and equipment	(9,110)	(5,541)	(14,651)
Foreign currency translation	(155,071)	(98,137)	(253,208)
Net income for the year	129,084	87,644	216,728
Dividends of subsidiaries	-	(30,862)	(30,862)
Zakah paid on behalf of shareholders	(3,961)	-	(3,961)
Expenses related to perpetual tier 1 capital issued by subsidiaries	(426)	(326)	(752)
Profit distributed on perpetual tier 1 capital	(31,500)	-	(31,500)
Movement related to subsidiaries' tier 1 capital	1,990	(4,740)	(2,750)
Net movement in non-controlling interest	-	40,865	40,865
Balance at 31 December 2018	1,545,545	710,442	2,255,987
Balance at 1 January 2017	1,280,958	727,623	2,008,581
Dividends paid	(11,396)	-	(11,396)
Movement in treasury shares	108	-	108
Net movement in cumulative change in fair value for investments	(828)	(851)	(1,679)
Net movement in other reserves	4,408	2,533	6,941
Foreign currency translation	(39,523)	(16,728)	(56,251)
Net income for the year	129,029	77,890	206,919
Dividends of subsidiaries	-	(31,941)	(31,941)
Zakah paid on behalf of shareholders	(4,021)	-	(4,021)
Perpetual tier 1 capital	400,000	-	400,000
Expenses related to perpetual tier 1 capital	(2,780)	-	(2,780)
Profit distributed on perpetual tier 1 capital	(15,750)	-	(15,750)
Net movement in non-controlling interest	-	11,930	11,930
Balance at 31 December 2017	1,740,205	770,456	2,510,661



Al Baraka Banking Group B.S.C.

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Al Baraka Türk Participation Bank

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