

Al Baraka Banking Group B.S.C.

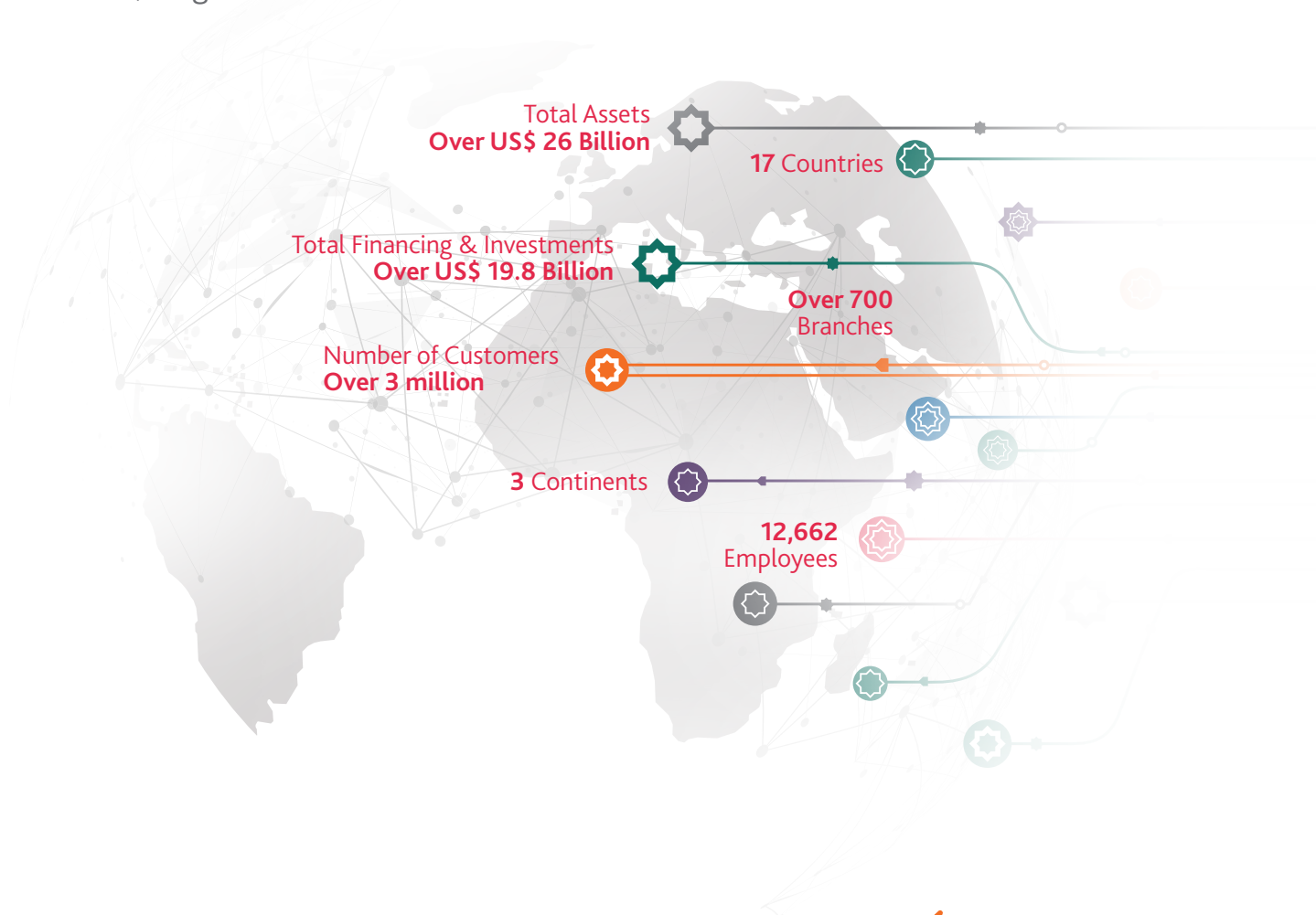
SUMMARY DOCUMENTS OF THE ORDINARY GENERAL MEETING

Monday, 23rd March 2020

Shaikh Saleh Kamel Hall - 1st floor

Al Baraka Headquarters - Bahrain Bay

Manama, Kingdom of Bahrain



Over **40** years
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Invitation to The Ordinary General Meeting

The Board of Directors of Al Baraka Banking Group is pleased to invite you to attend the Group's Ordinary Meeting at 11:00 am on Monday 23 March 2020 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 the AGM meeting shall be respectively as follows:

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 31/12/2019.
 2. To review the Sharia Supervisory Board's report for the financial year ended 31/12/2019.
 3. To review the External Auditors' report for the financial year ended 31/12/2019.
 4. a. To discuss and approve the consolidated financial statements for the financial year ended 31/12/2019.
b. To approve 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 31/12/2019, after obtaining the required official approvals, as follows:
 - a. The transfer of 10% of the Net Income amounting to US\$ 10,567,218 to the Statutory Reserve.
 - b. The distribution of US\$ 24,857,595 as cash dividend to the shareholders registered on the record date as per the below table (except of the treasury share), amounting to 2 US cent for each share equal to 2% of the par value of the share:

Event	Date
Cum-Dividend Date <i>(Last day of trading with entitlement to dividends)</i>	24 March 2020
Ex-Dividend Date <i>(First day of trading without entitlement to dividends)</i>	25 March 2020
Record Date <i>(The Day on which all shareholders whose names are on the share register will be entitled to dividends)</i>	26 March 2020
Payment Date <i>(The Day on which the dividends will be paid to the entitled shareholders)</i>	08 April 2020

 - c. The transfer of US\$ 70,247,367 to the Retained Earnings.
6. To absolve the Directors from liability for the Financial Year ended 31/12/2019.
7. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended 31/12/2019 after obtaining the required approval from the Minister of Industry, Commerce and Tourism.
8. To ratify the recommendation of the Board of Directors to reappoint Messrs. Ernst and Young as External Auditors for Al Baraka Banking Group for the financial year ending on 31/12/2020, 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.
9. Election of the board members for a new term of three years from the date of the election subject to the approval of the Central Bank of Bahrain.
10. The approval of the reappointment of the Unified Sharia Supervisory Board Members for a new term of three years period, subject to the approval of the Central Bank of Bahrain, and to authorize and empower the Board of Directors to determine their remuneration and approve their charter.



Invitation to The Ordinary General Meeting

11. To review the Corporate Governance Report as per CBB instruction:
 - a. To review the evaluation of ABG's Board, Board Members, Board Committees, and P&CE (included in the annual report distributed to shareholders).
 - b. To review the board members attendance percentage Report for the board meetings for the year 2019 (included in the annual report distributed to shareholders).
12. To approve the payment of the shareholder's Zakat for the distributable profits as of 31/12/2019 as follows:
 - a. US Cent 0.52 for each 1,000 shares to be paid by the shareholders for the profits distributed and received in cash.
 - b. To authorize ABG management to pay US\$ 1,656,267 as Zakat on behalf of the shareholders and to be deducted directly from the retained earnings.
13. To discuss any urgent matter arises according to Article 207 of Commercial Companies Law No. 21/2001 and its amendments.

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. 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 with (Karvy Fintech) AlZamil Tower, Manama, Kingdom of Bahrain, Tel: +973 17215080, Fax: +973 17212055, Email: Bahrain.helpdesk@karvy.com
3. 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

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Shares Registrar:

Karvy Fintech W.L.L.
Office 74, 7th Floor, AlZamil Tower,
PO Box 514,
Manama, Kingdom of Bahrain
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 to be successively held at Headquarter of AlBaraka Banking Group, Shaikh Saleh Kamel Hall, 1st floor, Bahrain Bay, Kingdom of Bahrain on Monday 23 March 2020, or any subsequent adjournment of these meetings.

Authorization for the following:

The Ordinary General Meeting:

The Ordinary General Meeting:

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Proxy form

11. To review the Corporate Governance Report as per CBB instruction:
- a. To review the evaluation of ABG's Board, Board Members, Board Committees, and P&CE (included in the annual report distributed to shareholders) ☐ ☐ ☐
 - b. To review the board members attendance percentage Report for the board meetings for the year 2019 (included in the annual report distributed to shareholders) ☐ ☐ ☐
12. To approve the payment of the shareholder's Zakat for the distributable profits as of 31/12/2019 as follows:
- a. US Cent 0.52 for each 1000 shares to be paid by the shareholders for the profits distributed and received in cash. ☐ ☐ ☐
 - b. To authorize ABG management to pay USD 1,656,267 as Zakat on behalf of the shareholders and to be deducted directly from the retained earnings. ☐ ☐ ☐
13. To discuss any urgent matter arises according to Article 207 of Commercial Companies Law No. 21/2001 and its amendments. ☐ ☐ ☐

Shareholder No.: _____

Shareholder Name : _____

Number of Shares: _____

Signature: _____ Date: _____ / _____ / 2020

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 with (Karvy Fintech) 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.

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2019

	2019 US\$ '000	2018 US\$ '000
ASSETS		
Cash and balances with banks	5,386,926	5,008,009
Receivables	10,894,937	10,303,868
Mudaraba and Musharaka financing	3,228,615	2,718,906
Investments	3,872,538	3,067,008
Ijarah Muntahia Bittamleek	1,756,756	1,770,833
Property and equipment	455,031	406,564
Other assets	663,728	556,050
TOTAL ASSETS	26,258,531	23,831,238
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customer current and other accounts	6,195,073	5,325,924
Due to banks	1,106,923	1,178,758
Long term financing	379,269	976,891
Other liabilities	1,098,200	971,310
TOTAL LIABILITIES	8,779,465	8,452,883
EQUITY OF INVESTMENT ACCOUNTHOLDERS	15,155,876	13,122,368
OWNERS' EQUITY		
Share capital	1,242,879	1,242,879
Treasury shares	(8,308)	(9,203)
Share premium	18,138	18,829
Perpetual tier 1 capital	400,000	400,000
Reserves	177,254	165,551
Cumulative changes in fair values	29,370	31,929
Foreign currency translations	(752,068)	(861,313)
Retained earnings	335,089	519,587
Proposed appropriations	24,858	37,286
EQUITY ATTRIBUTABLE TO PARENT'S SHAREHOLDERS AND SUKUK HOLDER	1,467,212	1,545,545
Non-controlling interest	855,978	710,442
TOTAL OWNERS' EQUITY	2,323,190	2,255,987
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	26,258,531	23,831,238

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 2019

	2019 US\$ '000	2018 US\$ '000
INCOME		
Net income from jointly financed contracts and investments	1,391,699	1,327,244
Return on equity of investment accountholders before Group's share as a Mudarib	(1,244,567)	(1,159,241)
Group's share as a Mudarib	357,774	372,914
Return on equity of investment accountholders	(886,793)	(786,327)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	504,906	540,917
Mudarib share for managing off-balance sheet equity of investment accountholders	14,797	8,366
Net income from self financed contracts and investments	216,983	242,967
Other fees and commission income	181,816	158,578
Other operating income	95,852	120,098
	1,014,354	1,070,926
Profit paid on long term financing	(46,957)	(83,107)
TOTAL OPERATING INCOME	967,397	987,819
OPERATING EXPENSES		
Staff expenses	325,291	306,350
Depreciation and amortisation	40,523	42,064
Other operating expenses	202,344	192,043
TOTAL OPERATING EXPENSES	568,158	540,457
NET OPERATING INCOME FOR THE YEAR BEFORE NET ALLOWANCE FOR CREDIT LOSSES / IMPAIRMENT AND TAXATION	399,239	447,362
Net allowance for credit losses/impairment	(121,791)	(159,774)
NET INCOME BEFORE TAXATION	277,448	287,588
Taxation	(97,282)	(70,860)
NET INCOME FOR THE YEAR	180,166	216,728
Attributable to:		
Equity holders of the parent	105,672	129,084
Non-controlling interest	74,494	87,644
	180,166	216,728
Basic and diluted earnings per share - US cents	6.01	7.91

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 2019

	2019 US\$ '000	2018 US\$ '000
Net cash from operating activities	1,571,504	950,785
Net cash used in investing activities	(854,352)	(273,365)
Net cash used in financing activities	(598,622)	(308,265)
Foreign currency translation adjustments	(110,139)	(312,543)
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,391	56,612
Cash and cash equivalents at 1 January	2,917,794	2,861,182
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,926,185	2,917,794

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY

For the year ended 31 December 2019

	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 2019	1,545,545	710,442	2,255,987
Dividends paid	(37,286)	-	(37,286)
Movement in treasury shares	204	-	204
Net movement in cumulative change in fair value for investments	477	(2,284)	(1,807)
Net movement in cumulative change in fair value for property and equipment	(3,036)	2,322	(714)
Net movement in other reserves	1,136	1,796	2,932
Foreign currency translation	(73,421)	(36,718)	(110,139)
Net income for the year	105,672	74,494	180,166
Dividends of subsidiaries	-	(26,755)	(26,755)
Zakah paid on behalf of shareholders	(2,235)	-	(2,235)
Profit distributed on perpetual tier 1 capital	(31,500)	-	(31,500)
Movement related to subsidiaries' tier 1 capital	2,396	(12,706)	(10,310)
Effect of change in ownership	(40,740)	40,740	-
Net movement in non-controlling interest	-	104,647	104,647
Balance at 31 December 2019	1,467,212	855,978	2,323,190
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



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