

**Al Baraka Banking Group B.S.C.**

# Summary Documents of Ordinary & Extraordinary General Meetings

Monday 23 March 2015  
Al Muharraq Ballroom - Diplomat Radisson Blu Hotel  
Manama - Kingdom of Bahrain

*Your Partner Bank*



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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 1:00pm on Monday 23 March 2015 at Al Muharraq Ballroom, Diplomat Radisson Blu Hotel, Manama, 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 review the report of the Board of Directors on the activities of the Bank for the Financial Year ended 31/12/2014.
2. To review the Sharia Supervisory Board's report for the financial year ended 31/12/2014.
3. To review the External Auditors' report for the financial year ended 31/12/2014.
4. To review and approve the consolidated financial statements for the financial year ended 31/12/2014.
5. To approve the proposed distribution of profits for the financial year ended 31/12/2014, after obtainment of the required official approvals, as follows:
  - (a) The transfer of 10% of the Net Income amounting to US\$ 15,173,115 to the Statutory Reserve.
  - (b) The distribution of US\$ 32,816,061 as cash dividend to the shareholders registered as of the date of this meeting, amounting to 3 cents for each share equal to 3% of the par value of the share.
  - (c) The transfer of US\$ 103,741,971 to the Retained Earnings.
6. To approve the proposed distribution of one bonus share for every 50 fully paid up shares to the shareholders registered as of the date of this meeting amounting to US\$ 21,877,374 equal to 2% of the issued and paid up capital from the retained earnings after obtainment of the required official approvals.
7. To absolve the Directors from liability for the Financial Year ended 31/12/2014.
8. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors.
9. To reappoint Messrs Ernst and Young as Auditors for the Financial year ending 31/12/2015, and to authorize and empower the Board of Directors or its delegate to fix their remuneration, after the approval of the Central Bank of Bahrain.
10. To approve the recommendation of the Board of Directors with regards to the Variable Remuneration Policy as per the CBB guidelines which include the approval of the followings:-
  - (a) The Variable Remuneration Policy.
  - (b) Share Incentive Scheme.
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 percentage Report of Board of Directors attendance at Board Meetings for 2014.
12. To discuss any urgent matter arises according to Article 207 of CCL No. 21/2001.



## Invitation to The Ordinary and Extraordinary General Meetings

### B. The Extraordinary General Meeting:

1. To approve the increase of the issued and paid up share capital from US\$1,093,868,695 to US\$1,115,746,069 by transferring US\$21,877,374. to the Share capital and issue bonus shares of one share for every 50 fully paid up shares to the shareholders registered as of the date of this meeting.
2. To approve the amendment of the Memorandum and Articles of Association as per the Resolution passed pursuant to item (1) of this Agenda.
3. To approve the amendments of the Articles of Association as per the Law No. 50 for the year 2014 amending the Commercial Companies Law No. 21 for the year 2001.
4. 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 Memorandum and 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, if held after a period of seven days at the same time and place, irrespective of the number of shareholders present.
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](http://www.albaraka.com)) at least 24 hours prior to the proposed date for holding the AGM & EGM with the Shares Registrar (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, with the Shares Registrar (Karvy Computershare) and at our website: **www.albaraka.com**

**Al Baraka Banking Group** b.s.c.  
(Licensed as an Islamic Wholesale Bank by CBB)  
C.R.: 48915  
P.O. Box 1882, Manama  
Kingdom of Bahrain  
Tel: +973 17541122  
Fax: +973 17536533  
[albaraka.com](http://albaraka.com)

**Investors Relations:**  
Mr. Ahmed AbdulGhaffar  
Vice President - Investors Relations  
Tel: +973 17520701  
+973 17541122  
Fax: +973 17910911  
[aghaffar@albaraka.com](mailto:aghaffar@albaraka.com)

**Shares Registrar:**  
Karvy Computershare 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](mailto:bahrain.helpdesk@karvy.com)



## Proxy form for the Ordinary and Extraordinary General Meetings

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 Al Muharraq Ballroom, Diplomat Radisson Blu Hotel, Manama, Kingdom of Bahrain on Monday 23 March 2015, or any subsequent adjournment of these meetings.

### Authorization for the following:

#### A. The Ordinary General Meeting:

	Yes	No
1. To review the report of the Board of Directors on the activities of the Bank for the Financial Year ended 31/12/2014.	<input type="checkbox"/>	<input type="checkbox"/>
2. To review the Sharia Supervisory Board's report for the financial year ended 31/12/2014.	<input type="checkbox"/>	<input type="checkbox"/>
3. To review the External Auditors' report for the financial year ended 31/12/2014.	<input type="checkbox"/>	<input type="checkbox"/>
4. To review and approve the consolidated financial statements for the financial year ended 31/12/2014.	<input type="checkbox"/>	<input type="checkbox"/>
5. To approve the proposed distribution of profits for the financial year ended 31/12/2014, after obtainment of the required official approvals, as follows:		
(a) The transfer of 10% of the Net Income amounting to US\$ 15,173,115 to the Statutory Reserve.	<input type="checkbox"/>	<input type="checkbox"/>
(b) The distribution of US\$ 32,816,061 as cash dividend to the shareholders registered as of the date of this meeting, amounting to 3 cents for each share equal to 3% of the par value of the share.	<input type="checkbox"/>	<input type="checkbox"/>
(c) The transfer of US\$ 103,741,971 to the Retained Earnings.	<input type="checkbox"/>	<input type="checkbox"/>
6. To approve the proposed distribution of one bonus share for every 50 fully paid up shares to the shareholders registered as of the date of this meeting amounting to US\$ 21,877,374 equal to 2% of the issued and paid up capital from the retained earnings after obtainment of the required official approvals.	<input type="checkbox"/>	<input type="checkbox"/>
7. To absolve the Directors from liability for the Financial Year ended 31/12/2014.	<input type="checkbox"/>	<input type="checkbox"/>
8. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
9. Subject to the approval of the Central Bank of Bahrain, to reappoint Messrs Ernst and Young as Auditors for the Financial year ending 31/12/2015 and to authorize and empower the Board of Directors or its delegate to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
10. To approve the recommendation of the Board of Directors with regards to the Variable Remuneration Policy as per the CBB guidelines which include:-		
(a) The Variable Remuneration Policy.	<input type="checkbox"/>	<input type="checkbox"/>
(b) Share Incentive Scheme.	<input type="checkbox"/>	<input type="checkbox"/>
11. To review the Corporate Governance Report as per CBB instruction:		
(a) To review the evaluation of ABG's Board, Members and Committee.	<input type="checkbox"/>	<input type="checkbox"/>
(b) To review the percentage Report of Board of Directors attendance at Board Meetings for 2014.	<input type="checkbox"/>	<input type="checkbox"/>
12. To discuss any urgent matter arises according to Article 207 of CCL No. 21/2001.	<input type="checkbox"/>	<input type="checkbox"/>



## Proxy form for the Ordinary and Extraordinary General Meetings

### B. The Extraordinary General Meeting:

	Yes	No
1. To approve the increase of the issued and paid up share capital from US\$1,093,868,695 to US\$1,115,746,069 by transferring US\$21,877,374. to the Share capital and issue bonus shares of one share for every 50 fully paid up shares to the shareholders registered as of the date of this meeting.	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the amendment of the Memorandum and Articles of Association as per the Resolution passed pursuant to item (1) of this Agenda.	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the amendments of the Articles of Association as per the Law No. 50 for the year 2014 amending the Commercial Companies Law No. 21 for the year 2001.	<input type="checkbox"/>	<input type="checkbox"/>
4. 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 Memorandum and Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>

Shareholder Name : \_\_\_\_\_

Number of Shares: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / 2015

### 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 and the EGM with the registrars (Karvy Computershare), P.O Box 514, Manama, Kingdom of Bahrain, Tel No. +973 17215080 Fax No. +973 17212055.
- 2- The appointed proxy shall neither be the Chairman nor a director or an employee of the Company and shall not represent as proxy more than 5% of the issued and paid up share capital of the Company.

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 albaraka.com

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 bahrain.helpdesk@karvy.com



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

	2014 US\$ '000	2013 US\$ '000
<b>ASSETS</b>		
Cash and balances with banks	5,011,262	4,797,487
Receivables	11,999,547	10,818,219
Mudaraba and Musharaka financing	1,549,786	1,192,125
Investments	2,580,034	2,402,830
Ijarah Muntahia Bittamleek	1,494,799	942,048
Property and equipment	379,323	405,880
Other assets	448,838	408,970
<b>TOTAL ASSETS</b>	<b>23,463,589</b>	<b>20,967,559</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>LIABILITIES</b>		
Customer current and other accounts	4,509,312	4,249,181
Due to banks	1,211,493	1,095,868
Long Term Financing	655,669	540,680
Other liabilities	872,700	698,999
<b>Total Liabilities</b>	<b>7,249,174</b>	<b>6,584,728</b>
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>14,139,792</b>	<b>12,399,444</b>
<b>OWNERS' EQUITY</b>		
Share capital	1,093,869	1,048,291
Treasury shares	(8,261)	(8,123)
Share premium	17,288	16,753
Reserves	147,621	131,684
Cumulative changes in fair values	3,073	(2,380)
Foreign currency translations	(313,602)	(232,928)
Retained earnings	343,398	263,086
Proposed appropriations	54,693	82,268
<b>Equity attributable to parent's shareholders</b>	<b>1,338,079</b>	<b>1,298,651</b>
Non-controlling interest	736,544	684,736
<b>Total owners' equity</b>	<b>2,074,623</b>	<b>1,983,387</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>23,463,589</b>	<b>20,967,559</b>

Saleh Abdullah Kamal  
Chairman

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



## CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Year Ended		Three Months ended	
	31 December 2014 US\$ '000	31 December 2013 US\$ '000	31 December 2014 US\$ '000	31 December 2013 US\$ '000
<b>INCOME</b>				
Net income from jointly financed contracts and investments	1,166,772	1,031,031	311,783	258,992
Return on equity of investment accountholders before Group's share as a Mudarib	(1,018,827)	(912,092)	(295,898)	(226,049)
Group's share as a Mudarib	328,871	311,935	117,063	80,094
Return on equity of investment accountholders	(689,956)	(600,157)	(178,835)	(145,955)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	476,816	430,874	132,948	113,037
Mudarib share for managing off-balance sheet equity of investment accountholders and incentive fee	13,886	2,958	5,671	984
Net income from self financed contracts and investments	236,420	236,067	64,753	62,190
Other fees and commission income	187,144	179,098	56,107	47,270
Other operating income	41,413	72,829	1,098	15,447
	955,679	921,826	260,577	238,928
Profit paid on long term financing	(38,117)	(12,342)	(16,476)	(5,602)
<b>TOTAL OPERATING INCOME</b>	<b>917,562</b>	<b>909,484</b>	<b>244,101</b>	<b>233,327</b>
<b>OPERATING EXPENSES</b>				
Staff expenses	301,308	293,898	82,477	84,634
Depreciation and amortisation	45,575	39,126	13,204	10,283
Other operating expenses	174,477	156,396	49,286	38,541
<b>TOTAL OPERATING EXPENSES</b>	<b>521,360</b>	<b>489,420</b>	<b>144,967</b>	<b>133,458</b>
<b>NET INCOME FOR THE YEAR BEFORE PROVISIONS &amp; IMPAIRMENTS AND TAXATION</b>				
	396,202	420,064	99,134	99,869
Provisions and impairments	(21,163)	(65,796)	(6,409)	(14,085)
<b>NET INCOME FOR THE YEAR BEFORE TAXATION</b>	<b>375,039</b>	<b>354,268</b>	<b>92,725</b>	<b>85,784</b>
Taxation	(100,272)	(96,489)	(24,819)	(25,140)
<b>NET INCOME FOR THE YEAR</b>	<b>274,767</b>	<b>257,779</b>	<b>67,906</b>	<b>60,644</b>
Attributable to:				
Equity Share holders of the parent	151,731	144,506	36,213	32,058
Non-controlling interest	123,036	113,273	31,693	28,586
	274,767	257,779	67,906	60,644
Basic and diluted earnings per share - US cents	13.98	13.31	3.34	2.95

Saleh Abdullah Kamal  
Chairman

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





## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 US\$ '000	2013 US\$ '000
Net cash from operating activities	676,131	309,448
Net cash used in investing activities	(168,475)	(257,095)
Net cash from financing activities	59,089	475,023
Foreign currency translation adjustments	(136,377)	(172,917)
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>430,368</b>	<b>354,459</b>
Cash and cash equivalents at 1 January	2,304,753	1,950,294
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>2,735,121</b>	<b>2,304,753</b>

## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Attributable to equity shareholders of the parent US\$ 000	Non-controlling interest US\$ 000	Total owners' equity US\$ 000
Balance at 1 January 2014	1,298,651	684,736	1,983,387
Dividends paid	(36,690)	-	(36,690)
Net Movement in treasury shares	397	-	397
Net Movement in cumulative change in fair value	5,453	2,186	7,639
Net Movement in other reserves	764	512	1,276
Foreign currency translation	(80,674)	(55,704)	(136,378)
Net income for the Period	151,731	123,036	274,767
Dividends of subsidiaries	-	(35,200)	(35,200)
Zakah paid by subsidiaries	(169)	(54)	(223)
Effects of acquisition of non-controlling interest	(1,384)	1,384	-
Net movement in non-controlling interest	-	15,648	15,648
<b>Balance at 31 December 2014</b>	<b>1,338,073</b>	<b>736,544</b>	<b>2,074,623</b>
Balance at 1 January 2013	1,293,923	673,757	1,967,680
Dividends paid	(35,507)	-	(35,507)
Movement in treasury shares	753	-	753
Net movement in cumulative change in fair value	1,256	500	1,756
Net movement in other reserves	(4,020)	(2,502)	(6,522)
Foreign currency translation	(99,337)	(73,580)	(172,917)
Net income for the Period	144,506	113,273	257,779
Dividends of subsidiaries	-	(26,469)	(26,469)
Zakah paid by subsidiaries	(2,501)	(1,914)	(4,415)
Effects of acquisition of non-controlling interest	(422)	422	-
Net movement in non-controlling interest	-	1,249	1,249
<b>Balance at 31 December 2013</b>	<b>1,298,651</b>	<b>684,736</b>	<b>1,983,387</b>



## AL BARAKA GLOBAL NETWORK ( e-network.albaraka.com )

### Al Baraka Banking Group B.S.C.

ADDRESS: P.O. Box 1882, Manama,  
Kingdom of Bahrain  
TEL: +973 17541122  
FAX: +973 17536533  
albaraka.com

#### Investors Relations:

TEL: +973 17520701 / 17541122  
FAX: +973 17910911 / 17531074  
Email: aghaffar@albaraka.com

### Al Baraka Türk Participation Bank

ADDRESS: Saray Mahallesi  
Dr. Adnan Büyükdeniz Caddesi, No. 6  
34768 Ümraniye, Istanbul, Turkey  
TEL: +90 216 666 01 01  
FAX: +90 216 666 16 00  
albarakaturk.com.tr

### Jordan Islamic Bank

ADDRESS: P.O. Box 926225  
Amman 11190  
Jordan  
TEL: +9626 567 7377  
FAX: +9626 566 6326  
jordanislamicbank.com

### Al Baraka Bank Egypt

ADDRESS: 60, Mohie Elddin Abu Elezz Street  
P.O. Box 455  
Dokki, Giza, Egypt  
TEL: +2023 748 1222  
FAX: +2023 761 1436/7  
albaraka-bank.com.eg

### Banque Al Baraka D'Algerie S.P.A.

ADDRESS: Hai Bouteldja Houidef, Villa No. 1  
Rocade Sud, Ben Aknoun  
Algiers, Algeria  
TEL: +213 21 91 64 50 to 55  
FAX: +213 21 91 64 58  
albaraka-bank.com

### Al Baraka Islamic Bank B.S.C. (C) - Bahrain

ADDRESS: Al Baraka Tower, Diplomatic Area  
P.O. Box 1882  
Manama, Kingdom of Bahrain  
TEL: +973 17 535 300  
FAX: +973 17 533 993  
albaraka.bh

### Al Baraka Bank (Pakistan) Limited

ADDRESS: 162, Bangalore Town  
Main Shahrah-e-Faisal  
Karachi, Pakistan  
TEL: +92 21 34307000  
FAX: +92 21 34530981  
albaraka.com.pk

### Al Baraka Bank Tunisia

ADDRESS: 65, Avenue Mohamed V 1002  
Tunis, Tunisia  
TEL: +21671 186500 / +21671 186585  
FAX: +21671 780235 / +21671 71908170  
albarakabank.com.tn

### Al Baraka Bank Syria s.a.

ADDRESS: Alshahbinder Street  
P.O. Box 100  
Damascus, Syria  
TEL: +963 11 443 78 20  
FAX: +963 11 443 78 10  
albarakasyria.com

### Al Baraka Bank Limited - South Africa

ADDRESS: 2 Kingsmead Boulevard  
Kingsmead Office Park  
Stalwart Simelane Street, P.O. BOX 4395  
Durban 4000, South Africa  
TEL: +2731 364 9000  
FAX: +2731 364 9001  
albaraka.co.za

### Al Baraka Bank Lebanon S.A.L

ADDRESS: Justinian Street, BAC Center, 12th floor  
Sanayeh, near Chamber of Com & Inds.,  
Beirut, Lebanon  
TEL: +961 1 748 061 to 65  
FAX: +961 1 748 061 to 65 Ext: 700  
al-baraka.com

### Al Baraka Bank Sudan

ADDRESS: Al Baraka Tower  
P.O. Box 3583, Qasr ST  
Khartoum, Sudan  
TEL: +249187 112 000  
FAX: +249183 788 585  
albaraka.com.sd

### Itqan Capital

ADDRESS: Al Shatei Center, Al Malik Road  
P.O. Box 8021, Jeddah 21482  
Kingdom of Saudi Arabia  
TEL: +966 2 234 7000  
FAX: +966 2 234 7222  
itqancapital.com

### Al Baraka Banking Group / Representative Office - Indonesia

ADDRESS: Ravindo Building, 10th Floor  
Jalan Kebon Sirih, No. 75  
Jakarta Pusat 10340, Indonesia  
TEL: +62 21 316 1345  
FAX: +62 21 316 1074  
albaraka.com

### Al Baraka Banking Group / Representative Office - Libya

ADDRESS: Tripoli Tower, Tower 1  
14th Floor, Office No. 144  
P.O. Box 93271  
Tripoli, Libya  
TEL: +218 (21) 336 2310 / +218 336 2311  
FAX: +218 (21) 336 2311/12  
albaraka.com