

Al Baraka Group B.S.C.

E-ORDINARY GENERAL ASSEMBLY MEETING

Wednesday, 20 March 2024

Electronic AGM Services (eAGM)
Manama, Kingdom of Bahrain



Your Partner Bank

The enclosed Financial Statements have been extracted from the Consolidated Financial statements audited by PricewaterhouseCoopers-Bahrain, who expressed an unqualified opinion on 20th February 2023. Full Financial statements and the details of the AGM's agenda are embodied in the 2023 Annual Report which is available for the shareholders at Al Baraka website www.albaraka.com and with Bahrain Clear Company.



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Invitation to the e-Ordinary General Assembly Meeting

The Board of Directors of Al Baraka Group B.S.C (C.R No. 48915-1) is pleased to invite you to attend the e-Ordinary General Assembly meeting at **1:00 pm** (Bahrain Time) on Wednesday March 20th 2024 under the administration of Bahrain Clear company, in order to consider the agenda items set below and pass appropriate resolutions regarding them. In the event that the quorum is not complete or a technical issue/glitch occurs during the meeting at the electronic platform, the second or third meeting of the Ordinary General Assembly will be held electronically at the same time and as per the below notes No. (9):

e-Ordinary General Assembly Meeting Agenda

1. To approve the minutes of the Ordinary General Assembly meeting held on March 22nd 2023.
2. To discuss and approve the Directors Report on the activities of the Bank for the Financial Year ended on December 31st 2023.
3. To review the Unified Sharia Supervisory Board's Report for the financial year ended on December 31st 2023.
4. To review the External Auditors' report for the financial year ended on December 31st 2023.
5. To discuss and approve the consolidated financial statements for the financial year ended on December 31st 2023.
6. To approve the related parties' transactions as stated in note No. (25) of the above financial statements, which accommodates with the Article 189 of the Commercial Companies Law.
7. To approve the following Board of Directors' recommendations, after obtaining the required official approvals:
 - a. The transfer of 10% of the Net Income attributable to equity holders of the Parent amounting to US\$ 14,350,885 to the Statutory Reserve.
 - b. The distribution of US\$ 12,357,047 as cash dividend to the shareholders registered on the record date (Excluding the treasury share), amounting to 1 US cent for each share equal to 1% of the par value of the share.
 - c. The transfer of US\$ 116,800,916 to the Retained Earnings.
8. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended on December 31st 2023, after obtaining the required approval from the Minister of Industry & Commerce.
9. To review the Corporate Governance Report as per the instruction of the Central Bank of Bahrain:
 - a. To review the evaluation of the Board, Board Members and Board Committees (included in the annual report distributed to shareholders).
 - b. To review the board members attendance percentage report for the board meetings for the year 2023 (included in the annual report distributed to shareholders).
10. To authorize the management of Al Baraka Group to pay an amount of US\$ 576,295 as zakat on behalf of all shareholders amounting to US Cent 0.05 for each share, and to approve that the amount to be deducted directly from the retained earnings, and the management has the right to authorize whomever it deems appropriate to distribute the Zakat to the parties entitled to it.
11. To absolve the Directors from liability for the Financial Year ended on December 31st 2023.
12. To approve the aggregate benefits and remuneration of US\$ 105,000 to the members of the Unified Sharia Supervisory Board for the financial year ended on December 31st 2023.
13. To ratify the recommendation of the Board of Directors to re-appoint Messrs. PricewaterhouseCoopers as External Auditors for Al Baraka Group for the financial year ending on December 31st 2024, 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.
14. To discuss any urgent matter arises according to Article 207 of Commercial Companies Law No. 21/2001 and its amendments.



Invitation to the e-Ordinary General Meeting

Notice: The Draft resolutions for the above items and the passing quorum for voting on each will be available electronically with the rest of the meeting attachments on Al Baraka Group and Bahrain Clear Company's website before sufficient time of the meeting.

All shareholders who intend to attend the meeting, or whomever they authorize, are kindly requested to register in advance to receive the invitation and the meeting link, by adhering to the required steps as per the following link: <https://eagm.bahrainclear.com/en/>

Abdulla Saleh Kamel
Chairman

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Notes:

1. Registration of the attendance for the shareholders and proxyholders electronically will start 10 days prior to the meeting and shall close 24 hours before the meeting time by visiting the above link of Bahrain Clear.
2. Holders of proxies (other than representatives of juristic persons) may not be the Chairman, Directors and employees of the Group (Article 203, Commercial Companies Law 21/2001, as amended).
3. Adopting electronic voting exclusively in voting on all agenda items.
4. Electronic copies of the meeting documents will be available on the meeting date at Al Baraka Group website <https://www.albaraka.com/en/> and at Bahrain Clear website <https://eagm.bahrainclear.com/en/>
5. For any other inquiries related to the e-Ordinary General assembly meetings, please send an email to the Investor Relations Department at the Group aghaffar@albaraka.com or call the following numbers 00973 17520701 – 00973 17541122, Mr. Ahmed Abdul Ghafar - Investor Relations at Al Baraka Group.
6. The meeting will be recorded electronically, in audio and video, for record-keeping purposes.
7. We recommend you to attend the e-meeting from your computer or laptop in order to have better quality service; Also, you have the option to attend the meeting using your tablet or smartphone (Mobile).
8. It is not possible for the shareholder to change his/her vote after he/she has voted, and this is based on the resolution of the Ministry of Industry and Commerce No. (63) of 2021 regarding measures for meetings by electronic means and the conditions and controls of the electronic voting system in the general assembly of the joint-stock company.
9. The Ordinary General Assembly Meeting shall be valid if attended by shareholders representing more than 50% of the capital. If the said quorum is not obtained, the Second Meeting shall be held with the same agenda on March 27th 2024 at the same time and place. The Second Meeting shall not be considered valid unless it is attended by shareholders with voting rights who represent at least 30% of the capital. If the said quorum in the Second Meeting is not obtained, the Third Meeting shall be held on April 03rd 2024 at the same time and place, and the third meeting will be valid, regardless of the number of attendees.

Al Baraka Group (B.S.C.)

Al Baraka Headquarters
P.O. Box 1882
Bahrain Bay, Kingdom of Bahrain
Tel: +973 17541122
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albaraka.com

Investors Relations:

Mr. Ahmed AbdulGhaffar
First Vice President - Investors Relations
Tel: +973 17520701
+973 17541122
Fax: +973 17910911
aghaffar@albaraka.com

Shares Registrar:

Bahrain Clear
Bahrain Financial Harbor – 4th floor
Tel: +973 17108833
email: registry@bahrainbourse.com



Proxy form

I, the undersigned _____, being a shareholder in Al Baraka Group B.S.C. appoint Mr. / Ms. _____ to represent me and vote on my behalf in the e-Ordinary and General Assembly Meeting to be successively held on Wednesday 20 March 2024, or any subsequent adjournment of these meetings.

Authorization for the following:

The e-Ordinary General Meeting:

	Yes	No	Abstain
1. To approve the minutes of the Ordinary General Assembly meeting held on March 22nd 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To discuss and approve the Directors Report on the activities of the Bank for the Financial Year ended on December 31st 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To review the Unified Sharia Supervisory Board's Report for the financial year ended on December 31st 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To review the External Auditors' report for the financial year ended on December 31st 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To discuss and approve the consolidated financial statements for the financial year ended on December 31st 2023.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To approve the related parties' transactions as stated in note No. (25) of the above financial statements, which accommodates with the Article 189 of the Commercial Companies Law.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To approve the following Board of Directors' recommendations, after obtaining the required official approvals:			
a. The transfer of 10% of the Net Income attributable to equity holders of the Parent amounting to US\$ 14,350,885 to the Statutory Reserve.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. The distribution of US\$ 12,357,047 as cash dividend to the shareholders registered on the record date (Excluding the treasury share), amounting to 1 US cent for each share equal to 1% of the par value of the share.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. The transfer of US\$ 116,800,916 to the Retained Earnings.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To approve a remuneration of US\$ 1.5 Million to the Members of the Board of Directors for the financial year ended on December 31st 2023, after obtaining the required approval from the Minister of Industry & Commerce.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To review the Corporate Governance Report as per the instruction of the Central Bank of Bahrain:			
a. To review the evaluation of the Board, Board Members and Board Committees (included in the annual report distributed to shareholders).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. To review the board members attendance percentage report for the board meetings for the year 2023 (included in the annual report distributed to shareholders).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. To authorize the management of Al Baraka Group to pay an amount of US\$ 576,295 as zakat on behalf of all shareholders amounting to US Cent 0.05 for each share, and to approve that the amount to be deducted directly from the retained earnings, and the management has the right to authorize whomever it deems appropriate to distribute the Zakat to the parties entitled to it.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Proxy form

11. To absolve the Directors from liability for the Financial Year ended on December 31st 2023.
12. To approve the aggregate benefits and remuneration of US\$ 105,000 to the members of the Unified Sharia Supervisory Board for the financial year ended on December 31st 2023.
13. To ratify the recommendation of the Board of Directors to re-appoint Messrs. PricewaterhouseCoopers as External Auditors for Al Baraka Group for the financial year ending on December 31st 2024, 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.
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Shareholder Name : _____

Individual (CPR): _____ Corporate (CR No.): _____

Investor No.: _____

Number of Shares: _____

Signature: _____ Date: _____ / _____ / 2024

Important Notes to the Shareholders:

1. The shareholders or the persons who have been authorized to attend must send the above data at least 24 hours before the date of the meeting.
2. The appointed proxy shall neither be the Chairman nor a director or an employee of the Company.

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Fax: +973 17910911
aghaffar@albaraka.com

Shares Registrar:
Bahrain Clear
Bahrain Financial Harbor – 4th floor
Tel: +973 17108833
email: registry@bahrainbourse.com



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	2023	2022
	US\$ '000	US\$ '000
ASSETS		
Cash and balances with banks	5,167,589	4,396,612
Receivables	10,070,120	10,437,573
Mudaraba and Musharaka financing	983,299	1,497,324
Investments	5,451,565	5,234,714
Ijarah Muntahia Bittamleek	2,477,262	2,233,356
Property and equipment	464,711	461,472
Other assets	648,788	720,783
TOTAL ASSETS	25,263,334	24,981,834
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers current and other accounts	6,403,831	6,451,061
Due to banks	1,129,155	971,459
Long term financing	777,006	308,037
Other liabilities	1,187,211	1,151,678
TOTAL LIABILITIES	9,497,203	8,882,235
EQUITY OF INVESTMENT ACCOUNTHOLDERS		
Financial institutions	417,206	670,694
Non-financial institutions and individuals	13,380,345	13,462,134
Total equity of investment accountholders	13,797,551	14,132,828
EQUITY		
Share capital	1,242,879	1,242,879
Treasury shares	(15,658)	(15,000)
Share premium	16,873	16,059
Reserves	222,714	208,363
Cumulative changes in fair values	62,161	55,006
Foreign currency translations	(1,246,905)	(1,127,651)
Retained earnings	558,527	483,571
Proposed appropriations	12,357	-
Equity attributable to parent's shareholders	852,948	863,227
Sukuk (Tier 1 Capital)	400,000	400,000
Equity attributable to parent's shareholders and Sukuk (Tier 1 Capital) holders	1,252,948	1,263,227
Non-controlling interest	715,632	703,544
TOTAL OWNERS' EQUITY	1,968,580	1,966,771
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	25,263,334	24,981,834

Abdulla Saleh Kamel
Chairman

Housseem Ben Haj Amor
Board member and Group Chief Executive Officer



CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2023

	2023 US\$ '000	2022 US\$ '000
INCOME		
Net income from jointly financed contracts and investments	1,507,233	1,408,471
Return on equity of investment accountholders before Group's share as a Mudarib	(1,428,979)	(1,310,448)
Group's share as a Mudarib	296,740	337,894
Return on equity of investment accountholders	(1,132,239)	(972,554)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	374,994	435,917
Mudarib share for managing off-balance sheet equity of investment accountholders	13,708	17,755
Net income from self financed contracts and investments	466,762	402,980
Other fees and commission income	228,916	170,318
Other operating income	107,108	144,573
	1,191,488	1,171,543
Profit paid on long term financing	(51,040)	(32,811)
TOTAL OPERATING INCOME	1,140,448	1,138,732
OPERATING EXPENSES		
Staff expenses	308,705	285,301
Depreciation and amortisation	41,394	50,587
Other operating expenses	192,782	186,167
TOTAL OPERATING EXPENSES	542,881	522,055
NET OPERATING INCOME FOR THE YEAR BEFORE NET ALLOWANCE FOR CREDIT LOSSES / IMPAIRMENT AND TAXATION	597,567	616,677
Net allowance for credit losses / impairment	(193,294)	(239,635)
NET INCOME BEFORE TAXATION	404,273	377,042
Taxation	(121,010)	(137,588)
NET INCOME FOR THE YEAR	283,263	239,454
Attributable to:		
Equity holders of the parent	143,509	143,116
Non-controlling interest	139,754	96,338
	283,263	239,454
Basic and diluted earnings per share - US cents	8.94	9.06

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Abdulla Saleh Kamel
Chairman

Housseem Ben Haj Amor
Board member and Group Chief Executive Officer



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	2023 US\$ '000	2022 US\$ '000
Net cash generated from operating activities	227,674	361,112
Net cash used in investing activities	(19,462)	(606,692)
Net cash generated from financing activities	390,701	49,513
Foreign currency translation adjustments	(209,732)	(297,784)
NET CHANGE IN CASH AND CASH EQUIVALENTS	389,181	(493,851)
Cash and cash equivalents at 1 January	2,212,263	2,706,114
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,601,444	2,212,263

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY

For the year ended 31 December 2023

	Equity attributable to parent's shareholders and Sukuk holders US\$ '000	Non-controlling interest US\$ '000	Total equity US\$ '000
Balance at 1 January 2023	1,263,227	703,544	1,966,771
Movement in treasury shares	156	-	156
Net movement in cumulative change in fair value for investments	7,155	2,799	9,954
Foreign currency translation	(119,254)	(90,478)	(209,732)
Net income for the year	143,509	139,754	283,263
Dividends of subsidiaries	-	(32,664)	(32,664)
Zakah paid on behalf of shareholders	(610)	-	(610)
Profit distributed on perpetual tier 1 capital	(35,100)	-	(35,100)
Movement related to subsidiaries' tier 1 capital	(4,714)	(12,336)	(17,050)
Effect of change in ownership	(1,421)	1,421	-
Net movement in non-controlling interest	-	3,592	3,592
Balance at 31 December 2023	1,252,948	715,632	1,968,580
1 January 2022	1,387,370	670,757	2,058,127
Restatement	(29,106)	(28,433)	(57,539)
Restated balance as of 1 January 2022	1,358,264	642,324	2,000,588
Net movement in treasury shares	95	-	95
Net movement in cumulative change in fair values	(591)	(585)	(1,176)
Net movement in other reserves	(2,488)	(11,077)	(13,565)
Foreign currency translation	(186,693)	(111,091)	(297,784)
Net income for the year	143,116	96,338	239,454
Dividends of subsidiaries	-	(32,149)	(32,149)
Zakah paid on behalf of shareholders	(347)	-	(347)
Profit distributed on perpetual tier 1 capital	(33,300)	-	(33,300)
Movement related to subsidiaries' tier 1 capital	(5,244)	(11,256)	(16,500)
Effect of change in ownership	(9,585)	40,546	30,961
Net movement in non-controlling interest	-	90,494	90,494
Balance at 31 December 2022	1,263,227	703,544	1,966,771