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Press Release

Annual General Meeting of Al Baraka Banking Group Approves Cash Dividend Payouts and Bonus Shares to Shareholders of US\$ 60.3 million

20 March 2018

Al Baraka Banking Group B.S.C (ABG) held its Ordinary and Extra-ordinary General Meetings on 20th March 2018 at Al Baraka headquarters in Bahrain Bay, Kingdom of Bahrain.

The Group's shareholders reviewed at the ordinary general meeting the report submitted by the Board of Directors on the Group's activities, the report of the Sharia Supervisory Board and the external auditors report for the financial year ended 31 December, 2017. The consolidated financial statements for the financial year ended 31 December 2017 were also reviewed and approved. The meeting approved the proposed distribution of profits for the financial year ended 31 December 2017 through the transfer of 10% of the net income amounting to US\$ 12,902,882 to the statutory reserve, the distribution US\$ 24,133,587 as cash dividend to the shareholders (except for treasury shares) amounting to a US Cent 2 for each share equal to 2% of the par value of the share, and the transfer of US\$ 91,992,355 to the retained earnings. All these proposed distributions are subject to the required official approvals.

The ordinary general meeting approved also the recommendation of the Board of Directors to distribute bonus shares to shareholders, registered as of the date of the meeting, amounting to 3 shares for every 100 fully paid up shares (totaling US\$ 36,200,381 and equal to 3% of the issued and paid up capital) from the retained earnings subject to the required official approvals.

The meeting then reviewed the Corporate Governance Report pursuant to Central Bank of Bahrain (CBB) regulations, which included the evaluation of the performance of ABG's board of directors, members of the Board and Board Committees and the attendance of members at Board Meetings for 2017. The meeting also approved the payment of the shareholders Zakat (on the distributable dividends as of 31 December 2017) of US Cent 51.96 for each 1,000 shares, and authorized the ABG management to pay US\$ 3,961,337 as Zakat on behalf of the shareholders, to be deducted directly from the retained earnings.

The Extraordinary General Meeting (EGM) then was held and approved the increase of the issued and paid up share capital from US\$ 1,206,679,374 to US\$ 1,242,879,755 by transferring US\$ 36,200,381 to the Share Capital and the issue of bonus shares of 3 shares for every 100 fully paid up shares to the shareholders registered as of the date of this meeting. The EGM approved also to increase the authorized capital of ABG to US\$ 2.5 billion after the obtainment of the CBB approval. The meeting also approved amendment to the Memorandum and Articles of Association to increase the capital as above and the authorize and empower the Board of Directors or its delegate to take the necessary action to effect the amendments in the Memorandum and Articles of Association and publish information on the increase in the share capital, and the amendment to the Memorandum and Articles of Association.

At the conclusion of the two meetings, the shareholders praised the performance of the Group in year 2017 and the excellent financial results that it achieved, especially that all units of the Group had contributed to the results, which enhances the confidence in the future performance of the Group, based on diversity of products, depth of knowledge and commitment to the highest professional and ethical standards.

The Group's financial results for year 2017 showed the total operating income stood at US\$ 999 million. The net income reached US\$ 207 million in 2017. This was achieved against the headwind of significant currency devaluations against the US dollar in many countries where ABG units operate, and therefore understated the true rate of growth. The Groups assets totaled US\$25.5 billion at the 2017 year end, showing an increase of 9%, while financing and investment portfolio increased by 9% to US\$ 19.1 billion, total deposits by 8% to US\$ 20.7 billion, and total equity by 25% to US\$ 2.5 billion.

On this occasion, Shaikh Saleh Abdullah Kamel, Chairman of Al Baraka Banking Group, Mr. Abdulla Ammar Al Saudi, Vice Chairman, Mr. Abdullah Saleh Kamel, Vice Chairman, Mr. Adnan Ahmed Yousif, President & Chief Executive of the Group and all members of the Board of Directors expressed their sincere thanks to the Ministry of Industry, Commerce and Tourism, Central Bank of Bahrain, Bahrain Bourse and Nasdaq Dubai for the cooperation and assistance they extended to the Group since it was established. They also extended their thanks to all central banks in the countries in which Group banks operate and to all investors and customers for their continuing support and custom. They also thanked all the employees for their hard work, dedication and loyalty.

Al Baraka Banking Group (B.S.C) is licensed as an Islamic wholesale bank by the Central Bank of Bahrain, listed on Bahrain Bourse and Nasdaq Dubai stock exchanges. It is a leading international Islamic banking group providing its unique services in countries with a population totaling around one billion. It is jointly rated BBB+ (long term) / A3 (short term) on the international scale and A+ (bh) (long term) / A2 (bh) (short term) on the national by Islamic International Rating Agency & Dagong Global Credit Rating Company Limited, and by Standard & Poor's at BB+ (long term) / B (short term).

Al Baraka offers retail, corporate, treasury and investment banking services, strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of Al Baraka is US\$ 1.5 billion, while total equity is at about US\$ 2.5 billion.

The Group has a wide geographical presence in the form of subsidiary banking units and representative offices in 16 countries, which in turn provide their services through over 675 branches. Al Baraka currently has a strong presence in Turkey, Jordan, Egypt, Algeria, Tunisia, Sudan, Bahrain, Pakistan, South Africa, Lebanon, Syria, Iraq, Saudi Arabia and Morocco, including two representative offices in Indonesia and Libya.