



NOTICE OF THE ANNUAL  
GENERAL MEETING OF  
SHAREHOLDERS AND  
AUDITED SUMMARISED  
CONSOLIDATED ANNUAL  
FINANCIAL STATEMENTS FOR  
THE YEAR ENDED  
31 DECEMBER

2021



# AL BARAKA BANK

## VISION

We believe society needs a fair and equitable financial system; one which rewards effort and contributes to the development of the community.

## MISSION

To meet the financial needs of communities across the world by conducting business ethically, in accordance with our beliefs, practicing the highest professional standards and sharing the mutual benefits with the customers, staff and shareholders who participate in our business success.

## VALUES

We instil the following values and strive to ensure adherence thereto by all our members of staff.

### Partnership

Our shared beliefs create strong bonds that form the basis of long-term relationships with customers and staff.

### Driven

We have the energy and perseverance it takes to make an impact in our customers' lives and for the greater good of society.

### Neighbourly

We value and respect the communities we serve. Our doors are always open; our customers always experience a warm-hearted, hospitable welcome and accommodating service.

### Peace-of-mind

Our customers can rest assured that their financial interests are being managed by us to the highest ethical standards.

### Social contribution

By banking with us, our customers make a positive contribution to a better society; their growth and our growth will benefit the world around us.

## CODE OF BUSINESS CONDUCT

We have in place a Code of Business Conduct which gives effect to the bank's business culture and, more particularly, the actions of its staff members. The principles contained within the Code of Business Conduct include:

- Reflecting the Islamic economic system and complying with Shariah requirements in all activities undertaken by the bank;
- Conducting its affairs with integrity, sincerity and accountability, whilst displaying the highest moral standards;
- Achieving customer service excellence as a way of life in a proactive and dedicated way;
- Displaying the highest levels of customer confidentiality at all times;
- Creating opportunities for the commitment, loyalty and growth of staff;
- Conforming with International Financial Reporting Standards and to Accounting and Auditing Organisation for Islamic Financial Institutions standards, as well as complying with all laws and regulations;
- Addressing all instances of commercial crime by adopting a policy of zero tolerance against offenders;
- Avoiding being compromised by conflicts of interest; and
- Instilling in staff a discipline of avoiding private business relationships with customers and suppliers.

## OUR PRIMARY STRATEGIC OBJECTIVES:

We work diligently to:

- Increase returns to shareholders;
- Promote customer service excellence;
- Develop innovative products; and
- Utilise enhanced technology.

The full 2021 Al Baraka Bank Integrated Annual Report

[https://cdn.albaraka.co.za/annualreports/albaraka\\_annual\\_report\\_2021\\_integrated.pdf](https://cdn.albaraka.co.za/annualreports/albaraka_annual_report_2021_integrated.pdf)



## TEN-YEAR REVIEW

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Statement of Financial Position (Rm)</b>										
Share capital	322	322	322	322	322	322	322	322	225	225
Shareholders' interest	845	807	771	713	662	627	601	560	381	362
Deposits from customers	7 333	7 434	6 180	5 844	5 078	4 634	4 426	4 230	3 941	3 322
Advances and other receivables	7 840	7 902	6 522	5 976	5 111	4 646	4 473	4 242	3 753	3 269
<b>Total Assets</b>	<b>8 583</b>	<b>8 674</b>	<b>7 363</b>	<b>6 834</b>	<b>5 880</b>	<b>5 329</b>	<b>5 058</b>	<b>4 814</b>	<b>4 411</b>	<b>3 716</b>
<b>Statement of Comprehensive Income (Rm)</b>										
Profit before taxation	54	51	102	87	74	58	76	55	40	34
Total comprehensive income for the year	38	36	75	65	51	41	56	40	29	25
<b>Share Statistics (Cents)</b>										
Basic and diluted earnings per share	118	112	231	203	158	128	171	154	129	112
Headline earnings per share	118	112	229	202	162	127	171	154	129	114
Dividend per share	-	-	55	55	50	50	45	45	45	45
Net asset value per share	2 621	2 502	2 390	2 201	2 052	1 943	1 866	1 736	1 692	1 608
<b>Ratios (%)</b>										
Return on average shareholders' interest	4,6	4,6	10,0	9,5	7,9	6,7	9,5	8,5	7,8	7,1
Return on average total assets	0,4	0,5	1,0	1,0	0,9	0,8	1,1	0,9	0,7	0,7
Shareholders' interest to total assets	9,8	9,3	10,5	10,4	11,3	11,8	11,9	11,6	8,6	9,7

### SHAREHOLDERS' INTEREST

Ordinary share capital, share premium, non-distributable reserves and distributable reserves.

### RETURN ON AVERAGE SHAREHOLDERS' INTEREST

Total comprehensive income for the year, expressed as a percentage of the weighted average shareholders' interest adjusted relative to the timing of the introduction of any additional capital in a particular year.

### RETURN ON AVERAGE TOTAL ASSETS

Total comprehensive income for the year, expressed as a percentage of the weighted average total assets in a particular year.

### BASIC AND DILUTED EARNINGS PER SHARE

Total comprehensive income for the year, divided by the weighted average number of ordinary shares in issue adjusted relative to the timing of the issue of any additional ordinary shares in a particular year.

# SHARIAH REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

IN THE NAME OF ALLAH, THE ALL  
COMPASSIONATE, THE MOST MERCIFUL

## To the shareholders of Al Baraka Bank Limited

We have reviewed the principles and the contracts relating to the transactions and products introduced by Al Baraka Bank during the year under review. We have also conducted our review to form an opinion as to whether Al Baraka Bank has complied with the applicable Shariah Rules and Principles in terms of the Shariah Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the resolutions issued by the Shariah Supervisory Board of the bank.

Al Baraka Bank's management is responsible for ensuring that the bank complies with Islamic Shariah Rules and Principles. It is the Shariah Supervisory Board's responsibility to form an independent opinion, based on its review of the operations of Al Baraka Bank, and report to you.

We conducted our review, which included examining, directly or indirectly through the Internal Shariah Audit Function, on a test basis, each type of transaction, the relevant documentation and procedures adopted by the bank, including interviews with members of management.

The scope of the audit included:

1. Murabaha Financing;
2. Musharaka Financing;
3. Ijarah Financing;
4. Equity Murabaha Transactions;
5. ABL Sukuk;
6. Islamic Wills and Administration of Estates;
7. Profit Distribution;
8. Management Accounts;
9. Disposal of Impermissible Income;
10. Calculation of Zakah;
11. Foreign Exchange Transactions; and
12. Banking and Finance Fees.

.....  
**Shaykh Mahomed Shoaib Omar**  
Chairman

.....  
**Mufti Zubair Bayat**  
Member

31 January 2022

We planned and performed our review so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that Al Baraka Bank has not violated Shariah Rules and Principles.

In addition, an Independent External Shariah Compliance Audit was conducted, which assessed the effectiveness of the bank's Shariah governance framework and related controls.

In our opinion:

1. The contracts, transactions and dealings entered into by Al Baraka Bank during the year under review are generally in compliance with the applicable Shariah Rules and Principles;
2. The allocation of profit and charging of losses relating to investment accounts conform to the basis that had been approved by us in accordance with the applicable Shariah Rules and Principles;
3. An amount of impermissible income has been designated to be paid to charity (refer to the Welfare and Charitable Funds note in the notes to the annual financial statements);
4. In relation to certain transactions which were erroneously transacted, we directed management to rectify same;
5. Zakah of the bank was calculated at 51,5 cents per share. Shareholders are advised to discharge this Zakah individually, as the bank is not mandated to discharge this on their behalf; and
6. The bank has an effective Shariah Governance Framework that comprises Shariah Advisory, Internal Shariah Audit, External Shariah Audit and the Shariah Supervisory Board, which ensures that the bank complies with Shariah.

**WE BEG THE ALMIGHTY TO GRANT US ALL SUCCESS IN THIS  
WORLD AND THE HEREAFTER.**

.....  
**Shaykh Yousef Hassan Khalawi**  
Member

.....  
**Mufti Shafique Ahmed Jakhura**  
Member

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	2021	2020
	Notes	R'000	R'000	R'000	R'000
<b>Assets</b>					
Property and equipment	3	95 826	105 286	17 604	25 051
Right of use asset	4	6 887	8 631	18 871	24 845
Investment properties	5	10 339	10 339	-	-
Intangible assets	6	76 983	67 264	76 983	67 264
Investment in and amount due by subsidiary company	7	-	-	36 681	31 117
Deferred tax asset	8	-	-	14 922	18 648
Investment securities	9	29 828	25 918	29 828	25 918
Advances and other receivables	10	7 839 671	7 902 172	7 839 506	7 901 953
South African Revenue Service	11	1 259	-	1 485	14
Regulatory balances	12	414 649	355 715	414 649	355 715
Cash and cash equivalents	13	107 987	198 828	107 982	193 823
<b>Total assets</b>		<b>8 583 429</b>	<b>8 674 153</b>	<b>8 558 511</b>	<b>8 644 348</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	14	322 403	322 403	322 403	322 403
Share premium	14	82 196	82 196	82 196	82 196
Other reserves		2 037	1 751	2 037	1 751
Retained income		438 465	400 344	426 267	387 667
<b>Shareholders' interests</b>		<b>845 101</b>	<b>806 694</b>	<b>832 903</b>	<b>794 017</b>
<b>Liabilities</b>					
Deferred tax liability	8	12 335	10 104	-	-
Welfare and charitable funds	15	25 700	21 917	25 700	21 917
Sukuk holders/Albaraka Sukuk Trust	20	309 367	309 367	307 700	307 700
Provision for leave pay	18	6 668	8 936	6 668	8 936
Lease liabilities	4	7 878	10 079	7 878	10 079
Accounts payable	16	41 745	72 005	42 894	68 152
South African Revenue Service	17	1 264	1 505	1 397	1
Deposits from customers	19	7 333 371	7 433 546	7 333 371	7 433 546
<b>Total liabilities</b>		<b>7 738 328</b>	<b>7 867 459</b>	<b>7 725 608</b>	<b>7 850 331</b>
<b>Total equity and liabilities</b>		<b>8 583 429</b>	<b>8 674 153</b>	<b>8 558 511</b>	<b>8 644 348</b>

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	GROUP		COMPANY	
		2021 R'000	2020 R'000	2021 R'000	2020 R'000
Income earned from advances		391 992	462 794	391 992	462 794
Income earned from equity finance		59 693	84 747	59 693	84 747
Income earned from Mudaraba deposits		30 576	16 808	30 576	16 808
<b>Gross income earned</b>		<b>482 261</b>	<b>564 349</b>	<b>482 261</b>	<b>564 349</b>
Income paid to depositors	21	(215 867)	(245 117)	(215 867)	(245 118)
Income paid to Sukuk holders/Albaraka Sukuk Trust	22	(20 000)	(24 360)	(20 000)	(24 271)
<b>Net income before credit loss expense</b>		<b>246 394</b>	<b>294 872</b>	<b>246 394</b>	<b>294 960</b>
Credit loss expense	10	1 719	(21 385)	1 719	(21 385)
<b>Net income after credit loss expense</b>		<b>248 113</b>	<b>273 487</b>	<b>248 113</b>	<b>273 575</b>
Net non-Islamic income	23	-	-	-	-
Fee and commission income	24	45 088	35 339	45 356	35 607
Other operating income	25	2 079	2 515	9 006	18 811
<b>Net income from operations</b>		<b>295 280</b>	<b>311 341</b>	<b>302 475</b>	<b>327 993</b>
Operating expenditure	26	(240 723)	(258 793)	(243 183)	(261 299)
Finance costs	4	(836)	(1 128)	(7 628)	(9 084)
<b>Profit before taxation</b>		<b>53 721</b>	<b>51 420</b>	<b>51 664</b>	<b>57 610</b>
Taxation	27	(15 600)	(15 322)	(13 064)	(12 237)
<b>Profit after tax for the year attributable to equity holders</b>		<b>38 121</b>	<b>36 098</b>	<b>38 600</b>	<b>45 373</b>
<b>Other comprehensive income</b>					
<b>Items not subsequently reclassified to profit and loss</b>					
Other comprehensive income net of tax	28	286	(2)	286	(2)
<b>Total comprehensive income for the year, net of tax, attributable to equity holders</b>		<b>38 407</b>	<b>36 096</b>	<b>38 886</b>	<b>45 371</b>
Weighted average number of shares in issue ('000)		32 240	32 240		
Basic and diluted earnings per share (cents)	29	118,24	111,97		

**LETTER TO SHAREHOLDERS, NOTICE TO  
SHAREHOLDERS AND PROXY FORM  
FOR THE YEAR ENDED 31 DECEMBER 2021**



# LETTER TO SHAREHOLDERS

16 May 2022

As-Salaamu-Alaikum

## ALBARAKA BANK LIMITED: NOTICE OF ANNUAL GENERAL MEETING - WEDNESDAY, 22 JUNE 2022

Dear Shareholder,

As a valued shareholder, I extend an invitation to you to attend the 32<sup>nd</sup> annual general meeting (AGM) of Albaraka Bank Limited, to be held at 2 Kingsmead Boulevard, Kingsmead Office Park, Stalwart Simelane Street, Durban on Wednesday, 22 June 2022 at 09h00. For those shareholders who wish to attend on a virtual basis, you are requested to please contact [customerservices@albaraka.co.za](mailto:customerservices@albaraka.co.za) for the log-in details.

The purpose of the meeting is to transact the business, as stated in the notice of the AGM, and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out in this notice. For your ease of reference, the following information is included with my letter:

- Notice to shareholders, which records the resolutions that are to be tabled at the meeting. The notice includes a summary of the bank's consolidated financial results, with the board of directors being fully supportive of the proposed resolutions;
- Explanatory notes in respect of the proposed resolutions to be tabled at the AGM; and
- Proxy form.

The Integrated Annual Report may be:

- Accessed on the internet at [www.albaraka.co.za](http://www.albaraka.co.za) or;
- Obtained, free of charge, by requesting a copy thereof from the company secretary, by way of an email addressed to: [Customerservices@albaraka.co.za](mailto:Customerservices@albaraka.co.za)

The directors, representatives of the bank's independent external auditors and senior members of management will be in attendance at the annual general meeting. As shareholders of Al Baraka Bank, you are entitled to present questions to the directors on the performance of the bank.

As part of Al Baraka Bank's commitment to conserving natural resources, the bank will in future be mailing the notice of the annual general meeting, which sets out instructions to access the annual financial statements to those shareholders who have not supplied the bank's Transfer Secretaries with an email address. Shareholders who have provided an email address will continue to receive the link to the annual report, which will be made available on the bank's website. We would, therefore, request that you please support the bank in this initiative and provide the Transfer Secretaries with an email address to expedite the receipt of electronic financial statements.

I confirm that the Zakah of the bank was calculated at 51,5 cents per share. This should be discharged personally by the shareholder, as Al Baraka Bank is not mandated to discharge this on your behalf.

Was-Salaam

Yours faithfully



.....  
**YGH Suleman**  
Interim chairman  
Albaraka Bank Limited



# NOTICE TO SHAREHOLDERS

Notice is hereby given that the 32<sup>nd</sup> annual general meeting of the shareholders of Albaraka Bank Limited will be held at 09h00 on Wednesday, 22 June 2022 at the offices of Al Baraka Bank, 2 Kingsmead Boulevard, Kingsmead Office Park, Stalwart Simelane Street, Durban, to conduct the following business:

## Ordinary Resolutions

It is proposed that the following Resolutions be considered and passed, with or without amendment, as Ordinary Resolutions:

### 1. Ordinary Resolution Number 1

To receive and adopt the group and company annual financial statements as at 31 December 2021.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 2. Ordinary Resolution Number 2

To elect directors in the place of the following persons who, in terms of the company's Memorandum of Incorporation, are retiring by rotation and, being eligible, offer themselves for re-election. Motions for re-election will be moved individually.

Name: YGH Suleman  
Age: 64  
Appointed: 2016  
Occupation: Businessman  
Committee Member: Interim chairman of the board of directors; chairman of the directors' affairs committee and member of the remuneration committee.

Name: ZH Fakey  
Age: 47  
Appointed: 2019  
Occupation: Chartered Accountant and director of companies  
Committee Member: Chairman of the audit committee and the risk, capital management & compliance committee and member of the social and ethics committee

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 3. Ordinary Resolution Number 3

To confirm the appointment of the following directors who were appointed during the year:

- Mr FA Randeree;
- Mr MK Manna.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 4. Ordinary Resolution Number 4 - Re-appointment and remuneration of the external auditors

- (a) To approve the auditors' remuneration for the year ended 31 December 2021;
- (b) To authorise the board of directors to determine the auditors' remuneration for the financial year ending 31 December 2022;
- (c) To re-appoint Ernst & Young Inc. as the external auditors of the company and Farouk Ebrahim as the designated auditor, until the conclusion of the next annual general meeting.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 5. Ordinary Resolution Number 5

To renew the directors authority to allot the unissued shares, if any, of the company at their discretion until the next annual general meeting in the numbers and on the terms and conditions and times, as well as at the prices as they deem fit, subject to the provisions of the Companies Act 71 of 2008, as amended, and the Bank's Act, 94 of 1990, as amended.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 6. Ordinary Resolution Number 6

To confirm and approve the remuneration paid to the directors of the company, as set out in the annual financial statements, for the year ended 31 December 2021.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 7. Ordinary Resolution Number 7

To confirm and approve the remuneration paid to the members of the Shariah Supervisory Board, as set out in the annual financial statements for the year ended 31 December 2021.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 8. Ordinary Resolution Number 8

To elect the Shariah Supervisory Board of the bank, with the following members being eligible for re-election. Motions for re-election will be moved individually.

- Shaykh Mahomed Shoaib Omar;
- Mufti Shafique Ahmed Jakhura;
- Mufti Zubair Bayat;
- Shaykh Yousef Hassan Khalawi.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

### 9. Ordinary Resolution Number 9 - Non-binding advisory endorsement of the company's remuneration policy

To consider and endorse, by way of a non-binding advisory vote, the company's remuneration policy.

**Percentage of voting rights required to pass this resolution: 50% + 1 vote.**

# NOTICE TO SHAREHOLDERS (CONTINUED)

## Special Resolutions

It is proposed that the following Resolutions be considered and passed, with or without amendment, as Special Resolutions:

### 10. Special Resolution Number 1 - To approve the fees payable to the non-executive directors for the year 01 July 2022 to 30 June 2023, as set out below:

	<b>Present (R)</b>	<b>Proposed (R)</b>
	01/07/2021-30/06/2022	01/07/2022-30/06/2023
<b>Board (per meeting)</b>		
Chairman	14 300	15 100
Director/Member	6 600	7 000
<b>Directors' affairs committee, remuneration committee, the social and ethics committee and any other ad hoc committee of the board (per meeting)</b>		
Chairman	9 600	10 100
Director/Member	6 600	7 000
<b>Risk, capital management and compliance committee (per meeting)</b>		
Chairman	11 500	12 100
Director/Member	7 600	8 000
<b>Audit committee and board credit committee (per meeting)</b>		
Chairman	13 700	14 500
Director/Member	8 900	9 400
<b>Retainer (per annum)</b>		
Chairman	416 000	440 000
Vice chairman	306 800	324 300
Director/Member	250 000	264 000
Ad hoc work	R2 600 per hour, subject to a maximum of R6 700 per day.	R2 750 per hour, subject to a maximum of R7 100 per day.

\* Fees exclude Value Added Tax (VAT). For clarity, and to the extent that VAT is applicable, the company is authorised to pay the VAT thereon in addition to the proposed remuneration.

**Percentage of voting rights required to pass this resolution: 75%.**

### 11. Special Resolution Number 2

To approve the provision of any financial assistance by the company, subject to the provisions of the Companies Act, 2008, to any company or corporation which is related or inter-related to the company, as defined in the Companies Act, 2008, on the terms and conditions which the directors of the company may determine.

**Percentage of voting rights required to pass this resolution: 75%.**

### 12. Other Business

To consider such other business as may be transacted at the annual general meeting.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, to speak and, on a poll, vote in his/her stead. A proxy need not be a shareholder of the company.

Meeting participants will be required to provide satisfactory identification before being permitted to participate in the meeting.

A proxy form is on a separate page included in this annual report.

By order of the board



.....  
**CT Breeds**  
Company secretary  
Albaraka Bank Limited

16 May 2022

# EXPLANATION OF RESOLUTIONS

Section 65 (4) of the Companies Act, 71 of 2008, as amended, requires proposed resolutions, ordinary or special, to be accompanied by explanatory material regarding the resolutions to be adopted. The explanatory material in respect of the proposed resolutions is as follows:

## Ordinary Resolutions:

### 1. Ordinary Resolution Number 1 - Adoption of annual financial statements

The directors are required to present the audited financial statements for the year ended 31 December 2021, as approved by the board of directors, to the annual general meeting for adoption. The full annual financial statements are available on the company's website: [www.albaraka.co.za](http://www.albaraka.co.za).

### 2. Ordinary Resolution Number 2 - Re-election of directors

This resolution provides for the re-election of retiring directors, in accordance with the requirements of the company's Memorandum of Incorporation. The directors' affairs committee conducted an assessment of the retiring directors, the findings of which were supported by the board. The board therefore recommends the re-election of the retiring directors to the shareholders.

### 3. Ordinary Resolution Number 3 - Confirmation of appointment of directors

The appointment by the board of directors of any persons as directors of the company requires confirmation by shareholders at the annual general meeting of the company. Mr FA Randeree and Mr MK Manna were appointed by the directors during the year after the last AGM, with the board of directors recommending to shareholders that their appointments be confirmed.

### 4. Ordinary Resolution Number 4 - Re-appointment and remuneration of independent external auditors

(a) The purpose of this resolution is to approve the auditors' remuneration for the year ended 31 December 2021;  
(b) The purpose of this resolution is to authorise the board to agree to the auditors' remuneration for the year ending 31 December 2022;  
(c) The Companies Act requires the shareholders, at each annual general meeting, to appoint auditors who will continue in office until the following annual general meeting. The directors propose that Ernst & Young Inc. be appointed as the external auditors of Al Baraka Bank, with Mr F Ebrahim as the designated auditor, until the conclusion of the next annual general meeting.

### 5. Ordinary Resolution Number 5 - Directors' authority to allot unissued shares

The effect of this resolution is to place the unissued ordinary shares of the company under the control of the directors until the next annual general meeting.

### 6. Ordinary Resolution Number 6 - Confirmation and approval of directors' remuneration for the year ended 31 December 2021

The effect of this resolution is to approve the remuneration of the directors for the year ended 31 December 2021, as set out more fully in the annual financial statements.

### 7. Ordinary Resolution Number 7 - Confirmation and approval of remuneration paid to members of the Shariah Supervisory Board for the year ended 31 December 2021

The effect of this resolution is to approve the remuneration of the members of the Shariah Supervisory Board for the year ended 31 December 2021, as set out more fully in the annual financial statements, in line with the Shariah Governance Framework published by the Central Bank of Bahrain.

### 8. Ordinary Resolution Number 8 - Appointment of the Shariah Supervisory Board

The purpose of this resolution is to provide for the appointment of Shaykh Mahomed Shoaib Omar, Mufti Shafique Ahmed Jakhura, Mufti Zubair Bayat and Shaykh Yousef Hassan Khalawi to the Shariah Supervisory Board of Al Baraka Bank.

### 9. Ordinary Resolution Number 9 - Non-binding advisory endorsement of the remuneration policy

The reason for proposing this resolution is to request shareholders to signify their approval of the company's remuneration policy by way of a non-binding advisory resolution as provided for in King IV. As this resolution is of an advisory nature, failure to pass it will not have any legal consequences in respect of existing arrangements. However, the board will consider the outcome of the vote when considering the company's remuneration policy. The policy is outlined below:

The board of directors, through the remuneration committee, ensures that a correct balance exists between the interests of employees and those of shareholders so that the bank attracts and retains the expertise required to achieve the bank's strategy. The committee also ensures that all the company's directors, executive and senior management are fairly rewarded for their individual contributions to the company. This is essential in strengthening the relationship between the remuneration of directors and executives and the value it places on its staff and performances, thereby enhancing the profitability of Albaraka Bank Limited.

The overall philosophy of the remuneration policy is to:

- Create value for Al Baraka Bank in the long-term;
- Remunerate employees in the form of fixed pay, fringe benefits and variable pay;
- Balance total remuneration between a fixed and variable content;
- Link variable remuneration to factors that represent real growth to Al Baraka Bank and create wealth to shareholders;
- Measure the performance of executives on a multiple of performance matrixes, which will include both financial and non-financial elements, of which the latter will form a significant portion;
- Link a significant portion of the remuneration to the performance of an executive's business unit, the risk of decision-making and the effects thereof by the respective executive in the context of the bank's operations and the overall performance of Al Baraka Bank;
- Disclose, at least annually in its annual report, the amount of the remuneration paid or awarded to each of its executive directors;
- Disclose in its annual report, the aggregate amount of the remuneration paid or awarded to members of the executive management team and to other members of the bank's management team, as may be prescribed; and
- Stipulate the aggregate amount of sign-on and severance payments made and awarded during the financial year, as well as the total number of beneficiaries of such payments.

## Special Resolutions:

### 1. Reason for and effect of Special Resolution Number 1: Directors' Fees

The reason for special resolution 1 is that section 66 (9) of the Companies Act provides that the remuneration of directors may be paid only in accordance with a Special Resolution approved by the shareholders within the previous two years. In giving effect to the requirements of section 66 (9) of the Companies Act, Special Resolution 1 approves the fees payable to the non-executive directors for the year 01 July 2022 to 30 June 2023.

### 2. Reason for and effect of Special Resolution Number 2: Financial assistance to related or inter-related companies

The reason for this special resolution is to grant the directors of the company the authority to provide financial assistance to any company or corporation which is related or inter-related to the company.

## PROXY FORM

The Proxy Form on the opposite page may be completed and removed to be forwarded to Al Baraka Bank



# PROXY FORM

Albaraka Bank Limited  
(Registration Number:  
1989/003295/06)

For use at the 32<sup>nd</sup> annual general meeting of the company to be held at 09h00 on Wednesday, 22 June 2022.

To: Albaraka Bank Limited  
2 Kingsmead Boulevard, Kingsmead Office Park  
Stalwart Simelane Street, Durban, 4001

or post to: PO Box 4395  
Durban  
4000

I/We .....

of .....

being the holder/s of ..... shares in the company do hereby appoint (see note 1)

1 ..... or failing him/her

2 ..... or failing him/her

the chairman of the annual general meeting, as my/our proxy to act for me/us at the 32<sup>nd</sup> annual general meeting of the company, which will be held in Durban, South Africa, at the offices of Al Baraka Bank, 2 Kingsmead Boulevard, Kingsmead Office Park, Stalwart Simelane Street, Durban, 4001 and at any adjournment thereof, and to vote for me/us on my/our behalf or to abstain from voting as indicated below:

	IN FAVOUR OF RESOLUTION	AGAINST RESOLUTION	ABSTAIN FROM VOTING
<b>Ordinary Resolutions</b>			
1. Adoption of annual financial statements			
2. Re-election of retiring directors:			
YGH Suleman			
ZH Fakey			
3. Confirm the appointment of new directors appointed after the last AGM:			
FA Randeree			
MK Manna			
4. 4.1 Approval of the auditors' remuneration for the year ended 31 December 2021			
4.2 Authority to the board of directors to determine the auditors' remuneration for the year ending 31 December 2022			
4.3 To re-appoint the company's auditors, Ernst & Young Inc. with Mr F Ebrahim as the designated auditor			
5. Control over unissued shares			
6. Approval of directors' remuneration for the year ended 31 December 2021			
7. Approval of remuneration of members of the Shariah Supervisory Board for the year ended 31 December 2021			
8. Election of the Shariah Supervisory Board members (separate voting):			
Shaykh Mahomed Shoaib Omar			
Mufti Shafique Ahmed Jakhura			
Mufti Zubair Bayat			
Shaykh Yousef Hassan Khalawi			
9. Non-binding advisory resolution - approval of remuneration policy			
<b>Special Resolutions</b>			
1. Approve the fees payable to non-executive directors from 01 July 2022 to 30 June 2023			
2. Financial assistance to related or inter-related companies			

Signed at ..... this ..... day of ..... 2022

Signature ..... assisted by me .....  
(where applicable)

Please see notes on reverse

## NOTES

1. A shareholder entitled to attend and vote may insert the name/s of one or more proxy/ies or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chairman of the annual general meeting.' Any such proxy, who need not be a shareholder of the company, is entitled to attend, speak and, on a poll, vote in his/her stead. Should this space be left blank, the proxy will be exercised by the chairman of the meeting.
2. The person whose name appears first on the proxy form and is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by the insertion of an 'X' in the appropriate box.
4. If a shareholder does not indicate on this instruction that his/her proxy is to vote in favour of or against any resolution or to abstain from voting or give contradictory instructions, or should any further resolution/s or any amendment/s which be properly put before the general meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
6. Documentary evidence establishing the authority of the person signing the proxy form in a representative capacity must be attached hereto, unless previously recorded by the company or waived by the chairman of the general meeting.
7. The completion and lodging of this form will not preclude a shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy/ies appointed in terms hereof, should such shareholder wish to do so.
8. It is recommended that forms of proxy be lodged with or posted to Albaraka Bank Limited by no later than 48 hours before the meeting, for administrative purposes. However, should the form of proxy not be returned by the aforesaid time, it may be handed to the chairman of the annual general meeting before the meeting is due to commence.
9. The chairman of the meeting may accept or reject any proxy form which is completed and/or received other than in accordance with these instructions.



