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Press Release

Manama | 20 March, 2019

Annual General Meeting of Al Baraka Banking Group Approves Cash Dividend Payouts of US\$ 37.3 million to Shareholders

Adnan Yousif: Dividends since the listing of the Group's shares on the stock exchange provided 53% return to investors who purchased the shares at the time of listing.

Al Baraka Banking Group B.S.C (ABG) held its Ordinary and Extraordinary General Meetings on 20th March 2019 at Al Baraka headquarters in Bahrain Bay, Manama, in the Shaikh Saleh Kamel Hall.

The Group's shareholders discussed at the ordinary general meeting the report submitted by the Board of Directors on the Group's activities, the report of the Shari'a Supervisory Board and the external auditor's report for the financial year ended 31 December 2018. The consolidated financial statements for the financial year ended 31 December 2018 was also reviewed and approved. The meeting approved the proposed distribution of profits for the financial year ended 31 December 2018 through the transfer of 10% of the net income amounting to US\$ 12,908,390 to the statutory reserve, the distribution US\$ 37,286,393 as cash dividend to the shareholders amounting to a 3 US Cent for each share equal to 3% of the par value of the share, and the transfer of US\$ 78,889,120 to the retained earnings. All these proposed distributions are subject to the required official approvals.

The ordinary general meeting approved the market making procedures to be taken by the Group as per the requirements of the CBB and Bahrain Bourse, and to appoint a licensed market maker for the purchase of the Group's share not exceeding 3% of the issued shares.

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 2018.

The Extraordinary General Meeting (EGM) then was held and approved to amend some of the Articles of Association of the Group after obtaining the approval of the Central Bank of Bahrain and appointing three new members to the Group's Shari'a Supervisory Board.

At the conclusion of the two meetings, the shareholders praised the performance of the Group in year 2018 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.

On this occasion, HE Sheikh Saleh Abdullah Kamel, Chairman of Al Baraka Banking Group, said "The results of the Group for the year 2018 are considered good, taking into account the financial conditions that many of our banking units underwent, besides the unstable regional and international geopolitical environment. Our units were able to achieve these results while at the same time maintaining the quality of its assets and the soundness of liquidity besides improving the financial returns from all main activities".

Mr. Adnan Ahmed Yousif, the President & Chief Executive of Al Baraka Banking Group, said, "The Group managed to distribute dividends in all years since its listing on the stock exchange during 2006. With the distribution of cash dividends this year, the original shareholders who bought the stock at US\$ 3.08 upon listing have recovered 53% of their capital (21% cash dividend and 32% bonus share return), which is a significant pay back rate. If the return is calculated based on the nominal value of one dollar per share (many of the current shareholders bought the share from the secondary market), the return rate will be 163% of the capital (66% cash return and 97% bonus share).

The Group's financial results for year 2018 showed that the net operating income increased by 4% to US\$ 447 million in 2018 compared to 2017. The net income achieved a good growth of 5% to reach US\$ 217 million in 2018 compared to 2017, despite the increase in prudential provisions in order to improve the quality of assets.

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's 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.

About Al Baraka

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Al Baraka Banking Group B.S.C. ("ABG") is licensed as an Islamic wholesale bank by the Central Bank of Bahrain and is listed on Bahrain Bourse and NasdaqDubai. It is a leading international Islamic banking group providing its unique services in countries with a population totaling around one billion. It is rated BBB+ (long term) / A3 (short term) by Islamic International Rating Agency and BB (long term) / B (short term) by Standard & Poor's.

ABG and its Units offer retail, corporate, treasury and investment banking services, strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of ABG is US\$ 2.5 billion.

The Group has a wide geographical presence in the form of subsidiary banking units and representative offices in 17 countries, which in turn provide their services through over 697 branches. Al Baraka Banking Group has operations in Jordan, Egypt, Tunis, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Lebanon, Saudi Arabia, Syria, Morocco and Germany, in addition to one branch in Iraq and two representative offices in Indonesia and Libya.

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