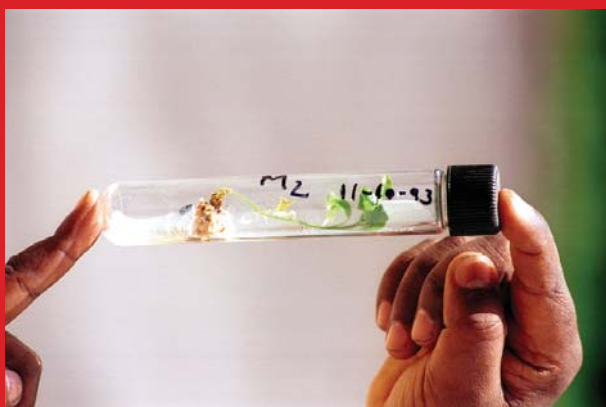
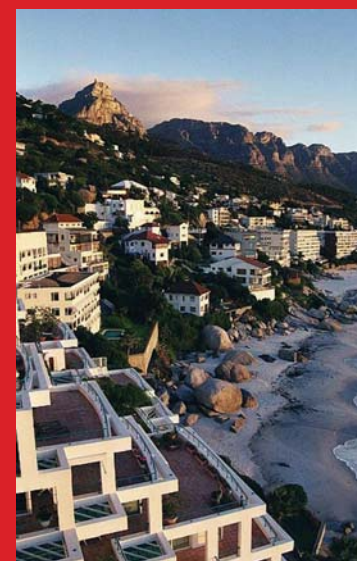


# Value Added Statement

for the year ended 31 December 2003

	2003		2002	
	R'000	%	R'000	%
<b>Value added</b>				
Income	25 649		25 500	
Other income	3 207		3 599	
Other operating expenditure	(10 966)		(9 282)	
	<b>17 890</b>	<b>100</b>	19 817	100
<b>Value allocated to</b>				
Employees	11 451	64	9 373	47
Salaries and other benefits	11 451	64	9 373	47
Government	1 728	10	2 646	14
Taxation – direct	1 489	9	2 538	13
– indirect	239	1	108	1
Shareholders	–	–	2 000	10
Dividends payable	–	–	2 000	10
Retention for expansion and growth	4 711	26	5 798	29
Depreciation	1 614	9	1 570	8
General reserve	–	–	649	3
Investment risks reserve	–	–	2 164	11
Retained income	3 097	17	1 415	7
	<b>17 890</b>	<b>100</b>	19 817	100



With the first decade of democratic rule behind us, we can say with confidence that we are leaving the hatred, guilt and shame of that history behind us. Reparations for the past have come in the form of the equal equity, affirmative action and land redistribution.

With a "willing seller, willing buyer" strategy, thousands of hectares of land have been peacefully and amicably redistributed allowing 27 000 previously disadvantaged farmers to work alongside their white contemporaries.

Affirmative action has secured the creation of a new and affluent black middle and upper class.



## Fourteenth Annual General Meeting

Notice is hereby given that the Fourteenth Annual General Meeting of members of Albaraka Bank Limited will be held on Thursday, 30 September 2004 at the offices of Albaraka Bank, First Floor, 134 Commercial Road, Durban at 9:00 to conduct the following business:

### 1. Ordinary resolutions

1.1 To receive and adopt the Group and Company Annual Financial Statements as at 31 December 2003.

1.2 To elect Directors in the place of the following persons, who in terms of Article 74 of the Company's Articles of Association are retiring by rotation and, being eligible, offer themselves for re-election:

A A Sabbahi M G McLean S A Randeree

#### Brief Curriculum Vitae

A A Sabbahi ~ Nationality: Saudi Arabian. Born on 10 September 1953. Qualification: BSc Economics and Management. Senior Manager and Regional Manager with The Saudi Investment Bank (Jeddah) from April 1979 to February 1989. Currently employed by Dallah Albaraka Group as Chief Financial Officer and Assistant Chairman of Fund Management. Board member of various Dallah Group Companies and has been on various training courses internationally.

S A Randeree ~ Nationality: British (South African by birth). Born on 12 March 1962 and resides in London, UK. Qualifications: MBA and BA (Hons) Accounting and Finance. Group Managing Director of DCD London & Mutual PLC from 1990 to date. Trustee/Advisor for various charitable and educational trusts. Director of numerous companies in the UK and South Africa.

M G McLean ~ Nationality: South African. Born on 04 February 1948. Qualification: CAIB, Financial Management and International Financial Management with Damelin, Advanced Executive Programme with UNISA, Strategic Transformation Programme with Stellenbosch University and the Stanford Executive Programme in San Francisco. Has been on various training courses internationally. Director of ABSA Insurance Brokers. Currently Acting Chief Executive Officer at Albaraka Bank Limited. 31 years experience at three of the four major South African banks. Was Group General Manager of Corporate Affairs and Communications at ABSA before joining Albaraka Bank in 2001.

1.3 (a) To approve the Auditors' remuneration for the past year.

(b) To authorise the Board of Directors to determine the Auditors' remuneration for the financial year ending 31 December 2004.

(c) To authorise the Board of Directors to appoint Auditors for the financial year ending 31 December 2004.

1.4 To renew, in terms of Section 221 of the Companies Act, 1973, the Directors' authority to allot the unissued shares, if any, of the Company at their discretion until the next Annual General Meeting.

1.5 In terms of Article 49 of the Company's Articles of Association to approve the Directors' remuneration.

### 2. Special resolutions

To consider and pass, with or without amendments, the following special resolutions.

It is proposed that, subject to the approval of the Registrar of Banks, the following special resolution be considered and passed as a Special Resolution to amend the Memorandum of Association of the Company:

#### 2.1 Special resolution

Clause 4 (a) be amended to increase the Company's authorised share capital from sixty million rand (R60 000 000) to one hundred and fifty million rand (R150 000 000) by creating nine million (9 000 000) new par value ordinary shares of ten rand (R10) each which will in all respects rank pari passu with the existing six million (6 000 000) par value ordinary shares of ten rand (R10) each.

#### Reason

The reason for the proposed increase in the authorised share capital of the Company is to create the capacity to raise additional share capital by issuing additional shares and thereby contribute to the strengthening of its capital structure.

#### Effect

The effect of the passing of the proposed Special Resolution is that the company will have the power and the capacity, in terms of its Memorandum and Articles of Association, to issue additional shares and to consequently raise additional share capital to the extent of at least ninety million rand (R 90 000 000).

#### 2.2 Special Resolution

The deletion of Article 57 of the Company's Memorandum of Association which reads as follows: "The directors appointed to the Company's Board of Directors by the foreign shareholders, would at all times have the majority voting rights in decisions taken by the Board of Directors of the Company".

#### Reason

In view of the proposed legislative changes it has been necessary to delete Article 57 of the Company's Memorandum of Association.

#### Effect

The effect of the passing of the proposed Special Resolution is that no Director or Directors representing any shareholder or group of shareholders shall have a right of veto on the Board of Directors of the Company.

### 3. Other business

To consider such other business as may be transacted at the Annual General Meeting. A proxy form is on a separate page included in the Annual Report.

By order of the Board  
Adv M A Vahed  
Company Secretary

Durban, 25 June 2004