

Notice to shareholders

Notice is hereby given that the Fifteenth Annual General Meeting of members of Albaraka Bank Limited will be held on 15 July 2005 at the offices of Albaraka Bank, First Floor, 134 Commercial Road, Durban at 8:30 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 2004.

1.2 (a) 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 :

Messrs: Y D Asmall O A Suleiman M Youssef

(b) To elect Directors in the place of the following persons, who have been appointed as additional Directors during the year by the Board of Directors and who are retiring in terms of Article 81 of the Company's Articles of Association and being eligible, offer themselves for re-election :

Messrs: S A E Chohan M J D Courtiade
M S Paruk A A Yousif

Brief Curriculum Vitae

Y D Asmall – Nationality: South African. Born on 7 February 1929. Prominent businessman who owns and operates a chain of retail stores. Director of numerous companies in South Africa and Trustee of several trusts.

O A Suleiman – Nationality: Sudanese. Born on 1 January 1941. Qualification: BSc (Hon) Economics at University of Khartoum, Sudan in 1965. Worked in various positions at El Nilein Bank, Khartoum. Was Chairman of the Sudanese Bankers Association. Currently Deputy General Manager of Al Baraka Banking Group, Manama, Bahrain, Chairman of the Board of Directors of Al Baraka Bank, Sudan; Chairman and Vice-Chairman of two of the group banks in Asia; member of Boards of six group banks.

M Youssef – Nationality: Egyptian. Born on 9 July 1954. Qualification: BSc Economics and Political Science. Training course in the American Institute in 1979. Invited on training cycle in Banking Operations organised by the Central Bank of Egypt in 1981. Attended advanced training course organised by German Foundation for International Development on "Promotion of Small and Medium Scale Industries in Africa" in 1982. Currently employed by Dallah Al Baraka Group as Economic Advisor to the President of Dallah Al Baraka Group since 1988.

S A E Chohan – Nationality: South African. Born on 5 June 1965. Qualification: BCom and Dipl Acc. Qualified as a Chartered Accountant in January 1990. Employed with Coopers and Lybrand (PriceWaterhouse Coopers) from 1987 to 1993. Joined Ithala Development Finance Corporation Limited in 1996. In March 2000 promoted to Chief Executive of Ithala. Currently Chief Executive of Albaraka Bank Limited, South Africa.

M J D Courtiade – Nationality: French by birth. Born on 27 March 1953. Qualified as a chartered accountant in 1978 after receiving his BAcc. He has extensive experience in various companies in accounting, finance, administration, audit and other executive duties. Currently employed as Financial Director of Albaraka Bank Limited, South Africa.

M S Paruk – Nationality: South African. Born on 9 October 1954. Qualifications: BCom, Post Graduate Diploma in Accounting in 1980. Qualified as a chartered accountant in 1981. Served as Chief Financial Investigating Officer with IDC and SBDC (1980-1984). Member of the South African Institute of Chartered Accountants and Natal Society of Chartered Accountants. Currently Director of Desai Jadwat Inc.

A A Yousif – Nationality: Bahraini. Born on 19 August 1955. Qualification: MBA (University of Hull, UK). Started with Habib Bank in 1973. Joined American Express, Bahrain in 1975 as Assistant Manager – Operations. In 1984 appointed First Vice-President and Deputy General Manager and Head of Commercial Banking at ABC Islamic Bank, Bahrain. In 1988 appointed Head of Global Marketing and Financial Institutions Division. In 1998 appointed Senior Vice-President and Head of the Arab World Division. In 2000 worked with the Arab Banking Corporation and Chairman of ABC Islamic Bank. In 2002 appointed CEO of Al Baraka Banking Group (ABG). In 2004 appointed CEO of Bahrain Islamic Bank. Currently Group CEO of ABG and Board Member. Directorships and memberships held in various companies with ABG.

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 2005.

(c) To authorise the Board of Directors to appoint Auditors for the financial year ending 31 December 2005.

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 Resolution

To consider and pass, with or without amendments, the following Special Resolution. It is proposed that, subject to the approval of the Registrar of Banks, the following Special Resolution be considered and passed as Special Resolution to amend the Memorandum and Articles of Association of the Company :

2.1 Special Resolution

2 C (v) INVESTMENT RISKS RESERVES

(a) In order to fund its Investment Risks Reserves Account the company may, at the discretion of the Board of Directors, deduct from its share of profits, subject to paragraph (c) below, a percentage of such profits realised from each financing transaction or project. The funds accumulated in and standing to the credit of the Investment Risks Reserve Account shall be the property of the company and investors shall have no claims against the funds in such account.

(b) The amount so deducted annually shall be kept in a special account to meet any actual or potential losses of the company in that and subsequent years.

(c) When the accumulated amounts in the aforesaid account become equal to the amount of capital of the company, the Board may reduce the amount of the annual deductions until the accumulated amounts in the said account become double the amount of the capital, whereupon such annual deductions shall be discontinued until the fund shall fall below such amount.

REASON

Not to prescribe any minimum to allow the Board to determine what the appropriation movement should be to the Investment Risk Reserves based on the given circumstances.

EFFECT

The decision to increase the investment risks reserves will be at the discretion of the Board of Directors.

3. Other business

To consider such other business as may be transacted at the Annual General Meeting.

A member 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 member of the company. Proxy forms must reach the registered office of the company by not later than 48 hours before the time fixed for the 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, 23 March 2005



Algeria

Banque Al Baraka D'Algeria
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Malaysia

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AFFILIATES

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An elongated storage jar with a lid, which became known later in Italian as the apothecary albarellò, was widely produced in the western Muslim world.

This Ilkhanid example was clearly inspired by such western Islamic models.



Member of the
Dallah Al Baraka
Group

The nature of creativity

If art lacked technical expertise then intricate geometric patterns would not be possible – symmetrical shape and timeless excellence would never be achieved and fundamental simplicity would only be a secondary concern. Thus the nature of creativity is much more than purely artistic, practical know-how and systematic methodology are crucial. In the creation of new and innovative products and services, no less applies. Creativity in the world of Islamic banking is the product of expertise, knowing how to best serve the needs of your customer and applying ageless fundamentals.

The artwork of many Islamic cultures, spanning three continents and 1500 years, uses simple geometry to create objects of complex beauty that are timeless in its appeal. Islamic banking abides by the Shari'ah, a set of principles, that like the principles of geometry are fixed and unwavering, yet like geometry in art, when applied in the world of financing, provides protection, comfort, security, pleasure and above all, an unmatched service to Muslims and non-Muslims alike.

This financial year is one of change for Albaraka Bank. Restructuring from the top, we look to our past for the firm footing and sound foundations on which to build our future success. Although our fundamental principles remain the same, we now look to streamlining our infrastructure so that our customers have clear and trouble-free access to our consultants and services. We look forward to integrating and upgrading our technologies to provide creative products to fulfil our customers' diverse financial needs.



Spherical incense burners, few of which have survived, were hung from the ceiling or from the vault of an arch, and the ingenious system of gimbals (also called cardan joints) inside the sphere stabilised the burning incense in the swinging container.