

# Vision, Mission & Code of Business Conduct



## Vision

Our Vision is to be an institution that endeavours to reflect the Islamic economic system in all its activities.

We desire to be an institution that is responsive to the socio-economic needs of the people of South Africa, irrespective of religion, race or gender.

Albaraka Bank is creative and innovative in establishing a stimulating and challenging environment that makes optimal use of technology to develop products and services. In this way we meet the needs of our customers in an effective and cost-efficient manner and generate an appropriate return for our shareholders and depositors.

We ultimately envisage an economic order in which our employees and our customers will take full advantage of the opportunities presented to them for their economic growth and social well-being, in accordance with Islamic economic principles.

## Mission

We are dedicated to becoming the leader in the promotion of socio-economic development through the application of Islamic economic principles and values, providing optimum returns to our shareholders and investors through partnership banking on a risk-reward basis.

## Code of conduct

The successful growth and development of an organisation is built on a sound Code of Conduct.

Albaraka Bank has developed and implemented a Code of Conduct which effectively reflects the culture of the organisation.

The principles behind the organisation's Code of Conduct include:

- Reflecting the Islamic economic system and complying with Shari'ah 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 pro-active and dedicated way;
- Displaying the highest levels of customer confidentiality at all times;
- Creating opportunities for the commitment, loyalty and growth of staff;
- Conforming to International Financial Reporting Standards, Accounting and Auditing Organisation for Islamic Financial Institutions Standards, and 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.

## *Albaraka Bank – A Member of the Albaraka Banking Group*

Albaraka Bank is a subsidiary of the Bahraini-based Albaraka Banking Group B.S.C. (ABG), which operates under a wholesale banking licence and is holder of its shareholders' interests in a further 11 geographically diverse banking units incorporated in Algeria, Bahrain, Egypt, Jordan, Lebanon, Pakistan, Sudan, Syria, Tunisia and Turkey and a representative office in Indonesia.

ABG is one of the largest international Islamic banking groups in the world, operating on three continents, in 12 countries and with more than 240 branches. ABG was incorporated in Bahrain in June 2002 and is 55% owned by the Dallah Group and 45% by strategic shareholders and the public.

ABG is listed on the Bahrain and Dubai stock exchanges and has been rated by Standard & Poor's as BBB – with a short-term rating of A-3. ABG offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of Shari'ah.

ABG regards as its mandate the creation of an Islamic banking conglomerate capable of providing its world-wide customer base with a growing array of products and services all of which conform strictly with the principles of Shari'ah. Born out of the need for a global Islamic banking service for Muslims world-wide, ABG is today ideally placed to take advantage of the rapid growth of this market and to expand to meet the challenges of such growth.

Albaraka Bank in South Africa, as a subsidiary of ABG, is an integral part of that growth and is intent on increasing its own service footprint in this country.

After deducting expenses, ABG's net income for 2007 totalled US\$200,8 million, reflecting an increase of US\$77,1 million, or 62% over net income in 2006, which amounted to US\$123,7 million.

Results achieved are regarded as being a direct consequence of steps taken by ABG in capitalising the subsidiaries of the Group – including Albaraka Bank in South Africa – and the effect of overall improvements in staffing, technology and controls, together with the unification of the group's strategic direction.

The Group's banking units include: Banque Al Baraka D'Algerie, Algeria; Albaraka Islamic Bank, Bahrain; the Egyptian Saudi Finance Bank, Egypt; Jordan Islamic Bank, Jordan; Al Baraka Bank Lebanon, Lebanon; Al Baraka Islamic Bank, Pakistan, Albaraka Bank Ltd, South Africa; Albaraka Bank Sudan, Sudan; Albaraka Bank, Syria (under establishment); Bank Et-Tamweel Al-Tunisi Al-Saudi, Tunisia; and Albaraka Turk Participation Bank, Turkey, as well as a representative office in Indonesia.

## Company Profile



Albaraka Bank Limited, registered in South Africa since 1989, pioneered Islamic banking in this country in response to an identified need for a system of banking which adhered to Islamic economic principles.

The bank, with its Head Office in Durban and a strategically located national branch network, is South Africa's only fully-fledged Islamic bank and is a subsidiary of the international Albaraka Banking Group B.S.C. (ABG), which has established one of the largest international Islamic banking groups in the world.

The South African subsidiary's international linkage provides it with the springboard to significant growth potential going forward and assists in the positioning of Albaraka Bank at the leading edge of Islamic banking in this country.

Albaraka Bank, which operates in an important and rapidly growing niche market, is jointly owned by local and international investors, including the following major shareholders, as at 31 December 2007;

- Albaraka Banking Group B.S.C., based in Bahrain (51,7%);
- DCD Holdings (SA) (Pty) Ltd (11,0%);
- DCD London & Mutual plc (4,0%);
- Takaful Holdings Ltd, based in the United Arab Emirates (6,7%); and
- Timewest Investments (Pty) Ltd, based in Johannesburg (7,7%).

The balance comprises local shareholders.

The bank's board comprises both local and international business people with individual professional and management abilities and collective expertise in the Islamic banking industry. Albaraka Bank adheres to Shari'ah in its day-to-day business activities. Its transactions and all its products and services comply with Islamic business principles, so allowing the bank to contribute significantly to the socio-economic development of the community it, in essence, exists to serve.

Since its inception, the bank has shown an impressive growth trend and the continued increased demand for Albaraka products and services is considered as being a direct consequence of its Shari'ah compliance. In this regard, the financial institution enjoys the support of regular internal Shari'ah audits, while its Shari'ah Department works closely with an independent Shari'ah Supervisory Board to ensure compliance with Islamic economic principles.

Albaraka Bank's growth and development is attributed to its niche market's faith and confidence in the bank's ability to implement and further develop a viable alternative to interest-based banking in South Africa. Indeed, the bank's track-record to date is indicative of a growing market's increasing acceptance of and confidence in an alternative system of banking in South Africa, creating the ideal platform for Albaraka Bank to further grow its footprint in South Africa's Islamic financial sector.