



*Letter to Shareholder,
Notice to Shareholders and
Proxy Form
for the year ended 31 December 2010*



Your Partner Bank

Letter to Shareholder

for the year ended 31 December 2010

09 May 2011

Dear Shareholder

As-Salaamu-Alaikum

ALBARAKA BANK LIMITED – ANNUAL GENERAL MEETING

I have great pleasure in extending an invitation to you to attend Al Baraka Bank's twenty-first annual general meeting, which will be held at 09h00 on Friday, 24 June 2011, at the offices of the bank, being 2 Kingsmead Boulevard, Kingsmead Office Park, Stalwart Simelane Street, Durban.

We look forward to your participation at Al Baraka Bank's annual general meeting, which provides shareholders with an opportunity to express their views on issues placed before the annual general meeting. To this end, I am pleased to confirm that the chairmen of the bank's board committees will once again be in attendance at the meeting in order that they may answer any questions which shareholders wish to have clarified.

If you are not in a position to attend the meeting in person, you may still exercise your right as a shareholder by completing, signing and returning the applicable proxy form before the annual general meeting.

Shareholders are advised that the Zakah of the bank was calculated as 24 cents per share and should be discharged individually, as the bank is not mandated to discharge this on your behalf.

Was-Salaam

Yours faithfully



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Adnan Ahmed Yousif
Chairman
Albaraka Bank Limited

Notice to Shareholders

Twenty-first annual general meeting

Notice is hereby given that the twenty-first annual general meeting of members of Albaraka Bank Limited will be held at 09h00 on Friday, 24 June 2011 at the offices of Al Baraka Bank, 2 Kingsmead Boulevard, Kingsmead Office Park, Stalwart Simelane Street, Durban, to conduct the following business:

1. Special Resolutions

1.1. It is proposed that the following Resolution be considered and passed, with or without amendment, as a Special Resolution:

Special Resolution

Resolved that the company adopt 'Al Baraka' as the shortened form of the name of the company, subject to the approval of the Companies and Intellectual Property Commission.

1.2. It is proposed that the following Resolution be considered and passed, with or without amendment, as a Special Resolution:

Special Resolution

Resolved that with effect from 01 January 2011, the executive directors be remunerated in accordance with their respective contracts of employment, or as otherwise determined by the remuneration committee, acting in accordance with the company's remuneration policy.

1.3. It is proposed that the following resolution be considered and passed, with or without amendment, as a Special Resolution:

Special Resolution

Resolved that the fees payable to the non-executive directors for the year 01 July 2011 to 30 June 2012, as set out below, be approved:

	Present R	Proposed R
Board, risk and capital management committee, directors' affairs committee and the remuneration committee (Per Meeting)		
Chairman	5 250	5 775
Director/Member	3 500	3 850
Audit committee and board credit committee (Per Meeting)		
Chairman	7 500	8 250
Director/Member	5 000	5 500
Retainer (Per annum)		
Chairman	97 500	107 250
Director/Member	65 000	71 500

2. Ordinary Resolutions

2.1. To receive and adopt the group and company annual financial statements as at 31 December 2010.

2.2. 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. Motions for re-election will be moved individually.

Name: OA Suleiman
 Age: 70
 Appointed: 12 March 1997
 Occupation: Deputy Chief Executive of Al Baraka Banking Group
 Committee Member: Risk and capital management committee, board credit committee (chairman) and remuneration committee

Name: M Youssef Baker
 Age: 56
 Appointed: 22 January 1992
 Occupation: Chairman: Iqraa Trust
 Committee Member: Audit committee and directors' affairs committee

2. Ordinary Resolutions (continued)

2.2. continued

Name: Adv. AB Mahomed SC
 Age: 65
 Appointed: 09 September 1989
 Occupation: Formerly senior counsel, now director of companies
 Committee Member: Audit committee, risk and capital management committee and remuneration committee (chairman)

- 2.3. To confirm the appointment of Mr MG McLean, who was appointed as a non-executive director by the board on 03 March 2011.
- 2.4. (a) To approve the auditors' remuneration for the year ended 31 December 2010.
 (b) To authorise the board of directors to determine the auditors' remuneration for the financial year ending 31 December 2011.
 (c) To authorise the board of directors to appoint Ernst & Young Inc. as external auditors until the next annual general meeting.
- 2.5. To approve the dividend of 45 cents per share proposed by the board of directors on 17 March 2011, and to be paid on 27 June 2011 to shareholders registered in the books of the company at the close of business on 28 February 2011.
- 2.6. To renew the directors' authority to allot the unissued shares, if any, of the company at their discretion until the next annual general meeting.
- 2.7. 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 2010.
- 2.8. To elect the audit committee of the bank, with the following independent non-executive members being eligible for election:
- Mr MS Paruk;
 - Adv. AB Mahomed SC;
 - Mr A Lambat; and
 - Mr M Youssef Baker.
- 2.9. To confirm the appointment of Mr M Youssef Baker to the audit committee for the period 01 February 2011 to 24 June 2011.
- 2.10. To elect the Shariah Supervisory Board of the bank, with the following members being eligible for election:
- Dr Abdus Sattar Abu Ghudda;
 - Sheikh Mahomed Shoaib Omar; and
 - Mufti Shafique Ahmed Jakhura.

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 12h00 on Thursday 23 June 2011.

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

By order of the board



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 CT Breeds
 Company Secretary
 Albaraka Bank Limited
 Durban, 17 March 2011

Explanation of Resolutions

Section 65 (4) of the Companies Act, 71 of 2008 (the 2008 Act), 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:

1. Special Resolutions

1.1. Reason for and effect of Special Resolution 1.1.:

It is recommended that 'Al Baraka' be formally adopted and registered as the shortened form of the name of the company as this will improve protection in terms of the name, brand and intellectual property of the company. The effect of the Special Resolution is that the company will have Al Baraka as its formal registered shortened form of name. The adoption of the shortened form of name has been approved by the Registrar of Banks in terms of the Banks Act and is subject to the approval of the Companies and Intellectual Property Commission.

1.2. Reason for and effect of Special Resolution 1.2. and 1.3.:

Section 66 (9) of the 2008 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 2008 Act, Special Resolution 1.2. approves the remuneration payable to executive directors with effect from 01 January 2011, whilst Special Resolution 1.3. approves the fees payable to the non-executive directors for the year 01 July 2011 to 30 June 2012.

2. Ordinary Resolutions

2.1. Resolution 2.1. – Adoption of annual financial statements

The directors are required to submit the audited financial statements for the year ended 31 December 2010 to the annual general meeting for approval.

2.2. Resolution 2.2. – Re-election of directors

This resolution provides for the re-election of retiring directors, in accordance with the requirements of the company's Articles of Association. 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.

2.3. Resolution 2.3. – Confirmation of appointment of non-executive director

The purpose of this resolution is to confirm the appointment of Mr MG McLean as a non-executive director of Al Baraka Bank, pursuant to his retirement as deputy chief executive.

2.4. Resolution 2.4. – Remuneration and appointment of auditors

2.4. (a) The purpose of this resolution is to approve the auditors' remuneration for the year ended 31 December 2010.

(b) The purpose of this resolution is to authorise the board to agree to the auditors' remuneration for the year ending 31 December 2011.

(c) The 2008 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.

2.5. Resolution 2.5. – Approval of dividend

The purpose of this resolution is to obtain the approval of the shareholders to the dividend of 45 cents proposed by the directors.

2.6. Resolution 2.6. – 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.

2.7. Resolution 2.7. – Confirmation and approval of directors' remuneration for the year ended 31 December 2010

The effect of this resolution is to approve the remuneration of the directors for the year ended 31 December 2010, as set out more fully in the annual financial statements.

2.8. Resolution 2.8. – Election of the audit committee

King III provides that the shareholders of a public company should elect the members of its audit committee at each annual general meeting. The directors' affairs committee, having reviewed the composition of the audit committee, is satisfied that the proposed members are independent non-executive directors and are also suitably qualified to serve as members of the audit committee.

2.9. Resolution 2.9. – Confirmation of the appointment of Mr M Youssef Baker to the audit committee: 01 February 2011 to 24 June 2011

The purpose of this resolution is to confirm the appointment of Mr M Youssef Baker to the audit committee on 01 February 2011, following his classification as an independent non-executive director.

2.10. Resolution 2.10. – Appointment of the Shariah Supervisory Board

The purpose of this resolution is to provide for the appointment of Dr Abdus Sattar Abu Ghudda, Sheikh Mahomed Shoaib Omar and Mufti Shafique Ahmed Jakhura to the Shariah Supervisory Board of Al Baraka Bank.

General

1. Percentage of voting rights required for resolutions.

1.1. Special Resolutions

The percentage of voting rights required for the passing of a Special Resolution is at least 75% of the voting rights in respect of that resolution.

1.2. Ordinary Resolutions

The percentage of voting rights for the passing of an Ordinary Resolution requires the support of more than 50% of the voting rights in respect of that resolution.

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