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Al Baraka Banking Group EGM approves initiation of the license conversion of its Bahrain-based parent company

Manama | November 30, 2020

Al Baraka Banking Group B.S.C. (“ABG” or “Group”) today successfully concluded an Extraordinary General Meeting of its shareholders, which approved the recommendation of its Board of Directors to formally initiate the process of converting the Group’s current Islamic Wholesale Bank license in the Kingdom of Bahrain to a Category 1 Islamic Investment Firm license, subject to receiving the necessary approvals from the Central Bank of Bahrain (“CBB”), under whose regulatory supervision the Group would continue to operate.

The meeting, which took place virtually, was presided over by the ABG’s Chairman, Shaikh Abdullah Saleh Kamel, and attended by members of its Board of Directors, senior executive management, representative of the Unified Shari’a Supervisory Board and a quorum of shareholders; in addition to representatives from Central Bank of Bahrain, Ministry of Industry, Commerce and Tourism and Bahrain Bourse.

The license conversion will allow the Group to change the operational structure of its parent company in Bahrain to better align it to the Group’s strategy and business model, while ensuring that it can still continue to fully benefit from the regulatory framework of the CBB. However, the conversion will in no way impact the Group’s banking subsidiaries, including Al Baraka Islamic Bank Bahrain, which will continue their banking activities and business as usual under the supervision of the CBB and their respective local banking regulators. The Group will also continue to be listed on the Bahrain Bourse and NASDAQ Dubai.

In addition to granting approval for the conversion, shareholders also approved during the EGM, subject to regulatory consent, other matters related to the license conversion. This includes approval to change the Group’s commercial name from “Al Baraka Banking Group B.S.C.” to “Al Baraka Group B.S.C.”, as well as approval to make all required changes to the Group’s current Memorandum and Articles of Association so as to reflect and meet the objectives, activities and commercial and regulatory requirements of a Category 1 Islamic Investment Firm, in addition to the approval of any subsequent amendments requested by the Central Bank of Bahrain and any other related regulatory authorities. In this regard, shareholders also granted approval authorising and empowering the Board of Directors or its delegates to undertake the necessary steps to implement or execute documents needed in order to take forward the resolutions passed by the EGM.



Chairman of the Board of Directors of ABG, Shaikh Abdullah Saleh Kamel stated, “We’re delighted that our shareholders have approved the Board’s recommendation to convert the Group’s parent license in Bahrain to a Category 1 Islamic Investment Firm. This is a strategic step that will enable the Group to further enhance efficiency and performance and, ultimately, enable us to deliver greater value and opportunity for all stakeholders across the Group.”

President & Chief Executive of Al Baraka Banking Group, Mr. Adnan Ahmed Yousif added: “We are grateful for the continued support and confidence of our shareholders in the strategy of the Group and the strong future we see for ABG. This transition will set the grounds for streamlined operations, better allocation of resources, improved results and strong, ongoing support for our subsidiaries around the world. With the backing of our shareholders, we will move swiftly forward with obtaining the necessary approvals to complete the conversion. We will do so while working in close cooperation with the CBB, who has been guiding us through this process and will continue to regulate the Group under the new license, which similarly carries with it high levels of oversight, governance and accountability.”

ABG has a wide geographical presence in the form of subsidiary banking units (“Units”) and representative offices in 17 countries, which in turn provide their services through around 700 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 two branches in Iraq and representative offices in Indonesia and Libya.

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

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