

Press Release date: 16th November 2005 Manama, Kingdom of Bahrain

Albaraka Banking Group converted to a Public Joint Stock Company

Shaikh Saleh Abdulla Kamel, Chairman of Albaraka Banking Group (ABG), announced today that ABG is taking steps to convert itself from a Bahrain Shareholding Company (Closed) to a Public Joint Stock Company. The shareholders approved the conversion at an extra ordinary general meeting today.

Mr. Adnan Ahmed Yousif, Chief Executive Officer of ABG explained that this step is a prelude to the Initial Public Offering (“IPO”) scheduled for the first quarter of 2006, when ABG’s shares would be listed on the Bahrain Stock Exchange. The extraordinary general meeting today approved the necessary amendments to ABG’s Memorandum and Articles of Association, besides approving the proposed listing of the bank’s shares on regional and international stock exchanges too.

Mr. Yousif added that the move to go in for an IPO was a strategic decision of the founder shareholders in order to diversify the shareholding base and invite wide participation by regional and international investors. In addition, the IPO will help the bank expand its existing operations besides exploring new markets, enabling it to grow regionally and internationally and thereby achieve its goal of becoming the largest Islamic bank in the world. With a solid capital and asset base, the bank will be strategically positioned to compete effectively with major conventional and Islamic banks operating in the region and other parts of the world.

Gulf International Bank (GIB) has been mandated to act as Financial Advisor for the IPO. GIB was selected from amongst proposals received from a number of reputed investment banks and institutions - the selection was based on GIB’s thorough knowledge of the regional capital markets and its track record in consummating large transactions.

ABG was established in the Kingdom of Bahrain in June 2002 and operates under an offshore banking license. It is the holder of interests in ten geographically diverse subsidiaries incorporated in Algeria, Bahrain, Egypt, Jordan, Lebanon, South Africa, Sudan, Tunisia and Turkey with total number of branches exceeding 184. ABG’s shareholders are Shaikh Saleh Kamel (55%) and Dallah Al Baraka Holding Company (E.C.) (45%).

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