

Press Release

24 September 2005

Albaraka Banking Group (ABG) Announces Plans to List Shares on Bahrain Stock Exchange through an Initial Public Offering (IPO)

The Chairman of the Board of Directors of Albaraka Banking Group (ABG), Shaikh Saleh Kamel announced plans of the Group to list the shares of ABG on Bahrain Stock Exchange and other Gulf countries through an IPO, which will be open for subscription by investors from GCC and other key Islamic states.

In this regard, Mr. Adnan Ahmed Yousif, Chief Executive Officer of Albaraka Banking Group (ABG) confirmed that Gulf international Bank (GIB) has been mandated by ABG to act as financial advisors to the Group and its Founders for this prestigious transaction. GIB was selected after evaluating bids from a number of leading investment banks and firms. The selection was based on GIB's understanding of the GCC equity markets, its past experience in successfully closing large transactions and the position of the bank as the leading Merchant Bank in the region.

Mr. Yousif indicated that the IPO is expected to take place in the first quarter of 2006, and will be a ground breaking transaction for the global Islamic financial sector.

Mr. Yousif stated that the sponsors of the Group have taken the strategic decision to position ABG as the frontrunner in the Islamic financial sector. The increase in capital is part of the same strategy and this will allow ABG not only to expand the existing operations, but will also provide the management and sponsors of the Bank with the financial resources to pursue other exciting opportunities in new markets. Furthermore, this will also result in an institution, which has a strong capital base and going forward will have the capacity to compete with the large size conventional and Islamic banks operating within and outside the region. Mr. Yousif further reiterated that the entire exercise is in line with the strategic vision of the Bank to become the leading Islamic bank in the world.

ABG was established in the Kingdom of Bahrain in June 2002 and operating 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. ABG's shareholders are Shaikh Saleh Kamel (55%) and Dallah Al Baraka Holding Company (E.C.) (45%).

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