

## PRESS RELEASE

### ALBARAKA BANKING GROUP (ABG) OPENS REGION'S BIGGEST ISLAMIC BANKING IPO

*IPO subscription period to start Saturday 27 May 2006, run through a wide network of 117 branches of the receiving banks in Qatar, UAE, Bahrain and Oman*

**Tuesday, May 23, 2006:** Officials of Albaraka Banking Group (ABG) launched its forthcoming IPO noting it would be the biggest IPO launched by an Islamic bank in the region.

Albaraka Banking Group, announced that the subscription price of the Group's shares will be US\$3.08 about (SR12, BD1.2, UAE Dirham 11.03 ) per share. 20% of the shares will be allocated to small investors whilst the remaining 80% will be allocated to major investors.

Shaikh Saleh Kamel, ABG Chairman said that Islamic banks in the region are moving in the right direction in enhancing their financial resources and diversifying their sources of income in accordance with a prudent vision based on inviting the community to participate in the ownership of their wealth. This is exactly the same direction that Al Baraka Banking Group is taking now by offering its shares for public subscription. Shaikh Saleh Kamel indicated that the performance of ABG during the last 3 years was outstanding, resulting in an increase in net profits and earnings distributed to depositors.

“One of the key features of the IPO, which will be open for all nationalities, is that all shareholders will receive dividends for the full year of 2006 despite the fact that they only acquired the shares in May. This means a higher actual annual return per share,” added Shaikh Saleh Kamel.

Shaikh Saleh Kamel said, “We are happy with the outcome of the strategic decision was made 5 years ago to "go public". In doing so we are applying one of the major Islamic banking principles, i.e, allowing the public participation in the ownership of wealth and in economic development.

“A clear indicator of this is the success of the pre IPO phase, where a number of strategic investors were invited to subscribe to the pre-IPO (private placement), including major investors from the region as well as institutional and government investors. The invitation was met with an overwhelming response, considering the attractive investment opportunity offered coupled with the investors’ confidence in the business of the Group, its activities and the expected return on investment.

Shaikh Saleh explained that based on the structure of the transaction, it was decided to allocate US\$ 425 million to the investors in this private placement stage.

“Now we are very happy to offer the second phase for public subscription. The anticipated size of this phase will be around US\$ 580 million, and accordingly the overall size of the transaction will be around US\$ 1 billion. We expect a possible two-fold over oversubscription.

Sheikh Saleh Kamel indicated that, “The ABG IPO is one of the largest IPO transactions in the region in the recent past and will add new depths to our financial resources and financing and investment potential and will enable us expand our operations into new markets, such as Saudi Arabia. The IPO will also enable us enhance the capital of our banks in Turkey, Egypt, Algeria and Jordan which achieved good results for the Group.

“All this will contribute towards enhancing our position as a leading Islamic banking group with the largest network of units and branches amongst Islamic banks and financial institutions,” he said.

ABG, in coordination with the IPO financial advisor, Gulf International Bank, has completed all preparatory work for the IPO, and will open its share offer for public subscription by individual, corporate and government investors in the GCC on Saturday, May 27, 2006. In order to ease the process, we have taken up all necessary arrangements so that every one could participate easily through a network of more than 117 receiving bank branches in Qatar, UAE, Bahrain and Oman.

Shaikh Saleh Kamel said that after completing all legal formalities and preparing the required information, the shares will be listed simultaneously on the Bahrain Stock Exchange and the Dubai International Financial Exchange.

**Albaraka Banking Group** is a leading international Islamic bank, offering retail, corporate and investment banking and treasury services strictly in accordance with the principles of Shari'a. The authorized capital of ABG is US\$ 1.5 billion. The Group has a wide geographical presence in the form of subsidiary banking units in ten countries, which in turn have more than 200 branches. These banking units are Banque Al Baraka Algeria; Al Amin Bank, Bahrain; Al Baraka Islamic Bank, Bahrain; The Egyptian Saudi Finance Bank, Egypt; Jordan Islamic Bank, Jordan; Al Baraka Bank Lebanon, Lebanon; Al Baraka Bank Ltd., South Africa; Al Baraka Bank Sudan, Sudan; Bank Ettamweel Al Saudi Al Tunisi, Tunisia; Al Baraka Turk Participation Bank, Turkey and Al Baraka Islamic Bank, Pakistan.

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