

Albaraka Banking Group "ABG" Announce:

Increase in capital fully subscribed

Manama 25 June 2006: Shaikh Saleh Abdulla Kamel, the Chairman of the Board of Directors of the Al Baraka Banking Group (ABG) announced today that the total amount received in subscriptions from the IPO was 1.36 times the new capital sought to be raised. Shaikh Saleh indicated that the public subscription, attracted many investors from Gulf, Arab and foreign nationalities. Accordingly, the number of ABG's shareholders increased to more than 1,700, from different parts of the world.

It may be worth mentioning that the ABG has on 27 May 2006 offered for public subscription 188.9 million shares of which 120 million were new shares for its capital increase at a price of US Dollars \$ 3.08 per share. [The IPO was concluded on 15 June 2006.](#)

Chairman, Shaikh Saleh Kamel said the most distinguishing feature of the IPO for ABG's capital increase is that it attracted well-established institutions in the financial, investment, real estate and leasing sectors. This would give a further strategic depth to ABG's growth and provide it with many advantages, in terms of the Group's ability to participate in development projects and in terms of introducing innovative new products and services as well as expanding into new markets all over the world.

The Chairman also said that according to the arrangements worked out with the authorities, the Group would provide full and detailed information on the IPO to the regulators in the beginning of the month of July, and that the date for the announcement of the allotment will be as is stated in the prospectus on the 5 July 2006. Shaikh Saleh Kamel went on to say that after the successful public subscription, ABG's paid up capital will increase to US Dollars 630 million and shareholders' equity to around US \$ 900 million, making the Group one of the largest Islamic banking institutions, in terms of capital, number of units and subsidiaries and the geographical presence operating out of the Group's Head Office in Bahrain.

Upon completion of all regulatory requirements, the Group's shares will be listed simultaneously in both the Bahrain Stock Exchange (BSE) and The Dubai International Financial Exchange (DIFX).

He went on to say the Group's Board of Directors will also witness an increase in its membership from the current eight, inclusive of the three independent directors, namely Mr. Abdulla Ammar Al Saudi, Deputy Chairman of the Group, Mr. Saleh Al Yousuf and Dr. Anwar Ebrahim. As a result the board of directors will include representatives of the new shareholders.

Shaikh Saleh Kamel extended deep thanks and appreciation to the Ministry of Industry and Commerce, and to the Bahrain Monetary Agency for their full support and backing throughout the previous period, which support has played a significant role in the successful completion of the IPO. He also extended thanks and appreciation to all the parties who have joined ABG as strategic partners in the private placement stage or as shareholders through the public subscription stage.

For his part, Mr. Adnan Ahmed Yousuf, ABG's Member of the board and Chief Executive, said the Group, following the successful capital increase through public subscription, would take off from a base of a stronger capital and resources out of its 200 branches and a work force of 4,700 employees operating out of 10 different countries.

This take-off constitutes the start of achieving our prime objective of enhancing shareholder value as well as being a land mark in the field of Islamic Banking, and it does at the same time respond to the continuous and accelerating developments being witnessed by this industry and also benefiting from the opportunities it provides for sizable financing and investment opportunities.

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Al Baraka Banking Group ABG is a leading international Islamic bank. It offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the 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 conduct business through more than 200 branches. These banking Units are Banque Al Baraka D'Algerie, 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 Et-tamweel Al Saudi Al Tunisi, Tunisia and Al Baraka Turkish Finance House, Turkey.