

Press Release – Office of the Chief Executive Officer

Albaraka Banking Group, ABG Announces Record 3rd Quarter Net Income, Up 39%, and Continued Strong Asset Growth, by \$ US1.6 billion (28%)

Kingdom of Bahrain, Manama, 26 November 2006:

Albaraka Banking Group (ABG), the Bahrain-based leading Islamic banking group, continued to achieve excellent growth in total assets, and net income, according to a statement released today announcing the financial results for the first nine months of 2006. The results showed strong growth in the total operating income of US\$ **232** million for the first nine months of 2006, compared to US\$ **201** million for the same period last year, reflecting an increase of **30%** in the total operating profit during the third quarter of this year. Most components of the income witnessed noticeable increases, especially Income from Islamic financing and investment transactions.

The core financing and investment activities also showed noticeable growth. Total assets as of end of September 2006 were **US\$ 7.4 billion**, compared to US\$ **5.8** billion as at end of September 30, 2005, thereby reflecting an increase of **28%**. Sales receivable grew by US\$ **1.2 billion** to reach US\$ **3.9** billion. Similarly, customer deposit accounts, other accounts and unrestricted investment accounts recorded substantial increases amounting to US\$ **1.1** billion to reach US\$ **5.6** billion, representing a growth of **23%**.

The net income was US\$ 83.05 million during the first nine months of 2006, up 39%, compared to US\$ 59.67 million for the period ended 30 Sept. 2005. In addition, the net income after deducting minority interest share reached US\$ 50.96 million during the first nine months of 2006, up 34%, compared to US\$ 38.11 million for the period ended 30 September, 2005.

Total Shareholders equity increased by (88%) to US\$ 948 million as of 30 September 2006 compared to US\$ (505) million during the same period last year. This reflects the increased confidence, commitment and loyalty of the customers of the Group.

Shaikh Saleh Abdullah Kamel, Chairman of the Board of Directors of Al Baraka Banking Group ABG, stated that ABG has plans to substantially expand its operations and activities in both the existing current markets and in the planned promising markets. He went on to commend the efforts made by all concerned for the progress of the Albaraka Banking Group which will

enable the group to continue playing its pioneering role in the field of Islamic Finance.

Mr. Adnan Ahmed Yousif, the Chief Executive Officer of ABG, said that he was pleased with the good results achieved in the first nine months of this year. This significant achievement comes on the back of the initiatives we took to capitalize the subsidiaries of the Group, effect overall improvements in staffing, technology and supervisory control, in addition to our success in unifying the Group's strategic direction. The Group is well on its way to achieving its business strategies and enhancing shareholder value.

Mr. Yousif added that we are the only Islamic banking group with such a diverse geographical presence and market knowledge, and we aim to introduce more innovative products and services. We have taken many initiatives across the Group – increasing cross border business through intra-group coordination, upgrading our systems and business methodology, and strengthening corporate governance and other related organizational/control policies. We are therefore well positioned for the forthcoming business expansion. We are confident of our ability to meet the challenges of the rapid developments taking place in the market, added Mr. Yousif.

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Al Baraka Banking Group 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 and Shareholders Equity of about US\$ 1 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, Al Baraka Turk Participation Bank, Turkey and Al Baraka Bank, Pakistan.

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