

PRESS RELEASE

Press Release - Office of the President & Chief Executive

Al Baraka Banking Group Becomes the First Banking Institution to Use the Saadiq Nostro Accounts

Manama, 28 September 2010:

Al Baraka Banking Group BSC (ABG) Signed an agreement with Standard Chartered Bank for using its "U.S. dollar Saadiq Nostro account" which is the first Sharia-compliant U.S. dollar Nostro account in the United States of America.

Al Baraka Banking Group is the first Islamic banking institution to use this product following the execution of this agreement which was signed during the second annual conference of the Middle East and North Africa banks.

This account provides Islamic banks around the world with the opportunity to earn profits in accordance with Sharia principles from their accounts at Standard Chartered Bank New York using this product. This product operates on the basis of the of Islamic finance principle known as commodity Murabaha. Profits are paid on a monthly basis.

On this occasion, Mr. Adnan Ahmed Yousif, member of the Board of Directors and President & Chief Executive of Al Baraka Banking Group, said that "we are pleased with the signing of this Agreement, which makes us the first Islamic banking institution to benefit from this Islamic product. It also reflects the keenness of ABG to use the most up to date and innovative Islamic banking products to enhance its operations and serve its customers around the world through thirteen banking units that operate through more than 400 branches.

Mr. Adnan Yousif added that "this product provides a good solution to the Islamic banking sector as it opens the way for maximizing the returns on the liquid assets of Islamic banks in accordance with Islamic Sharia. The agreement with Standard Chartered puts the two banking institutions in an ideal position to benefit from and support the rapid growth and development of the Islamic banking sector in the region."

The "U.S. dollar Saadiq Nostro" Account will be available around the world, including the Middle East and Malaysia. To ensure that Standard Chartered Bank Islamic products are truly Sharia-compliant, the Bank appointed an independent Sharia advisory committee

comprising three of the most prominent world-known Sharia scholars, namely Dr. Abdul Sattar Abu Ghuddah, Shaikh Nizam Yaquby and Dr. Mohammad Ali Algarri.

Since their global launch in 2007, Saadiq products of Standard Chartered Bank played a key role in the development of the Islamic financial and banking sector. So far, Saadiq launched more than 150 Islamic banking products and solutions for individuals, corporation and banking institutions and won more than 50 awards in the area of Islamic banking and finance.

Al Baraka Banking Group is a Bahrain Joint Stock Company listed on Bahrain stock exchange and Nasdaq Dubai. It is a leading international Islamic bank with Standard and Poors long term and short term credit ratings of BBB- and A3 respectively. ABG offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of ABG is US\$1.5 billion, while total equity amounts to about US\$1.7 billion.

The Group has a wide geographical presence in the form of subsidiary banking Units and representative offices in thirteen countries, which in turn provide their services through more than 400 branches. These banking Units are Jordan Islamic Bank, Jordan; Al Baraka Islamic Bank, Bahrain; Al Baraka Islamic Bank, Pakistan; Al Baraka Bank Algeria, Algeria; Al Baraka Bank Sudan, Sudan; Al Baraka Bank Ltd, South Africa; Al Baraka Bank Lebanon, Lebanon; Al Baraka Bank Tunis, Tunisia; Al Baraka Bank Egypt, Egypt; Al Baraka Turk Participation Bank, Turkey; Al Baraka Bank Syria, a representative office in Indonesia and a representative office in Libya (under formation).

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