

PRESS RELEASE

FOLLOWING STRONG TAKE-OFF WITH LARGEST REGIONAL ISLAMIC BANKING IPO

Albaraka Banking Group (ABG) Reports Strong Earnings and Assets Growth During first quarter

Net Income Increased by 82.6 % and total Assets reflects an increase of 24.4%

Monday, May 29, 2006: Albaraka Banking Group (ABG) announced today the year 2006 first quarter results. Officials revealed that the Group's results in the first quarter of 2006 registered a strong growth in profits as reflected in the 51.6% rise in net income before minority interests and payment of depositors' share in profits to reach US\$102.09 million compared to US\$67.35 million in the first quarter of 2005.

The audited financial statements of Al Baraka Banking Group for the first quarter of 2006 show that the net income increased by 82.6% to US\$17.75 million compared to US\$9.72 million in the first quarter of 2005. "All components of the income witnessed noticeable increases, especially the income from Islamic financing and investment activities. As a result, the annualised return on average shareholders' equity increased from 8.9% in March 2005 to 12.5% in March 2006 and the annualised return on average assets from 0.75% in March 2005 to 1.11% in March 2006.

"The balance sheet, too, registered a noticeable growth especially in the core financing and investment activities. Total assets increased to US\$6.57 billion as at the end of March 2006, compared to US\$5.28 billion as at the end of March 2005 reflecting an increase of 24.4%. Financing and Investment accounts registered an increase of 31% to US\$4.63 billion and customers'

deposits by 23.5% to US\$5.29 billion, in line with the growth in assets and reflecting the customers' loyalty to the Group. Similarly, shareholders' equity was enhanced significantly during the first quarter of 2006 as it increased by 26.2% to US\$568.46 million,”

Mr. Adnan Ahmed Yousif, chief Executive Officer of “ABG” said that, “We are pleased to announce these results, and at the same time launching the IPO, after the private placement was met with an overwhelming response from strategic investors.

Mr. Adnan Ahmed Yousif added that these excellent results are an additional positive support to the IPO which was started on Saturday 27 May 2006. This will add new depths to our financial resources and financing and investment potentials and will enable us expand our operations into new regions and markets especially in this region, such as Saudi Arabia.

Shaikh Saleh Kamel chairman of albaraka banking group express his happiness with these results. He indicated that, despite the fact that this is the first time that we offer part of our shares for public subscription since starting our banking business a quarter of a century ago, but such important steps will enhance our position as a leading Islamic banking group with the largest network of Units and branches amongst Islamic banks and financial institutions. Islamic banks in the region are moving in the right direction towards 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 by individuals, corporations and government organizations. The group has provided all necessary arrangements/facilities through a network of more than 117 branches for the receiving banks, call centre, and a dedicated website for the IPO which includes all the necessary documents.

The proceedings of the IPO will be used to enhance the capital of our banks which achieved good results for the Group, such as the Group's banks in Turkey, Egypt, Algeria and Jordan.

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.

ENDS