

Al Baraka Banking Group Lists on Dubai International Financial Exchange and Bahrain Stock Exchange

- *Listing to take place on 4 September 2006*
- *First listing on DIFX by a Bahrain company*
- *First Islamic group to list on DIFX*

Dubai, 29 August 2006: Albaraka Banking Group (“ABG”), Bahrain’s leading international Islamic bank, today became the first organization from Bahrain and the first Islamic banking group from the GCC region to announce the listing of its shares on the Dubai International Financial Exchange (DIFX). The announcement was made at a press conference in Dubai by Mr. Adnan Ahmed Yousif, CEO of ABG and Mr. Nasser Alshaali Chief Operating Officer of the DIFX.

The listing follows an initial public offering by ABG, and will take place on September 4th simultaneously with a listing on the Bahrain Stock Exchange (BSE).

Adnan Ahmed Yousif, CEO, said:

“This is a historic day for Al Baraka. Our share offering met with an overwhelming response from leading Institutions and investors from across the region. The IPO of ABG consisted of 188.9 million shares, of which 120 million new shares represented an increase in capital of US\$ 370 million at the IPO issue price of US\$3.08 per share. The new capital was fully subscribed to and the offer period closed successfully on 15 June 2006. ABG plans to use the proceeds raised from its IPO to finance its aggressive international expansion

plans in addition to strengthening its position in the domestic market and regional markets where it is present.”

ABG enjoys a prime position within the Islamic financial services industry, with authorized capital of US\$ 1.5 billion, equity of more than US\$ 900 Million, and total assets exceeding US\$ 6.3 billion. It is a major force in retail banking, corporate banking, treasury and investment banking with operations in ten countries.

Asked to comment on the Bank's plans for the future and whether it would consider such options to raise its capital in future, Adnan Ahmed Yousif said: "We are open to all possibilities that we believe will best serve the interests of the bank and its shareholders". He went on to say that the strategy of ABG is to enhance the capital resources available to its subsidiaries, to expand its business profitably and thereby further strengthen its market position.

"In addition, the Bank has plans for geographic expansion into new markets either through acquisitions or through establishing new subsidiaries," he continued. "We are also currently instituting measures to enhance research & development of innovative Islamic products that are tailored to ABG's target markets."

"The rationale behind our decision to list our Shares with the DIFX is because it is one of the fastest growing international stock exchanges and has earned the respect of the global financial community for its development of a strong, transparent and well-regulated market", Yousif concluded.

Welcoming ABG to the Exchange, Nasser Alshaali, the Chief Operating Officer of the DIFX said: "We are delighted to welcome ABG as the first company from Bahrain to list on the DIFX. ABG will benefit from its participation in one of the world's leading regulatory and corporate governance environments. This IPO by a prominent regional company further demonstrates the stature of the DIFX as the region's international exchange."

Albaraka Banking Group B.S.C. 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 its shareholders' equity is in excess of US\$900 million. 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.

The DIFX is the region's first international financial exchange for equities, bonds, Islamic products, funds, index products and (subject to regulatory approval) derivatives. The target areas of the DIFX for seeking issuers include the Middle East and North Africa, as well as South Africa, Turkey and the Indian sub-continent. The exchange was launched in September 2005 and currently has 13 Member Banks – Barclays Capital, Citigroup, Credit Suisse, Deutsche Bank, EFG-Hermes, HSBC, Jefferies International, KAS BANK, Morgan Stanley, SHUAA Capital, UBS, Merrill Lynch, Mashreq Capital (DIFC) and ABN AMRO. Issuers on the DIFX include Aabar Sukuk (sukuk), Deutsche Bank (certificates over indices), Fortune Management Inc. (ordinary shares), Kingdom Hotel Investments (ordinary shares), Man Industries (global depository receipts), MashreqBank (Euro Medium Term Notes), National Bank of Dubai (Euro Medium Term Notes), Ports, Customs and Free Zone Corporation (sukuk) and Rana Sugars (global depository receipts). The regulator of the DIFX is the Dubai Financial Services Authority. The DIFX is located in the Dubai International Financial Centre (DIFC) and its owner is the DIFC Authority.
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