

Press Release

Office of the President & Chief Executive

Albaraka Banking Group Holds Ordinary General Meeting: Shareholders Cherished the performance of the Group

Manama, 28 March 2007: Albaraka Banking Group (ABG) held both their Ordinary General Meeting (AGM), and their Extraordinary General Meeting (AGM), today (Wednesday 28 March, 2007), where shareholders approved meeting minutes from last year's third OGM and fifth EGM, both held on 20 March 2006.

The meeting agenda included: the review of the Board of Directors' report on the Bank's activities for the financial year ending 31 December 2006; reviewing the external auditors report; reviewing the Sharia Supervisory Board's Report; approving the Consolidated Financial Statements; approving the proposed distribution of profits; and absolving the Directors from liability, all for the same period.

During the meeting, shareholders expressed their gratification with ABG's sound and stable performance.

Commenting after the meeting, Shaikh Saleh Abdulla Kamel, Chairman of ABG, expressed his pleasure in the Group's outstanding performance for the period, saying it was marked by enormous success in increasing the Group's paid-up capital through the Initial Public Offering (IPO), consequently enabling the Group to increase and replenish its resources, and embark on new projects through its geographic expansion. This has provided us with strategic depth of financial resources and enhanced our abilities to develop/produce innovative new products and services, and expanded into new markets all over the world.

Mr. Adnan Ahmed Yousif, President and Chief Executive of ABG said, "The tremendous success achieved by the Bank by means of increasing its paid-up capital via the Bank's IPO, and achieving an outstanding credit rating from the reputed international rating agency, Standard and Poors, is the beginning of a new era. ABG has now made its real debut as the biggest Islamic financial institution in terms of paid-up capital, number of branches and affiliates, as well as its diverse and broad base of expertise in the Islamic banking sector".

"The Group manages over 215 branches across 10 countries, and employs 5435 staff, and the Group's main strategic goal during this stage, is to enhance shareholders value," added Mr. Yousif.

Mr. Yousif continued by expressing his confidence in the Group after such a remarkable transformation of its strategic abilities; putting the Group in an optimal position, allowing it to revamp further developments witnessed by the financial market in general, and Islamic banking in particular, and benefiting from huge

investment opportunities, as well as maintaining the position of leadership and reputation it has enjoyed: indicating the Group has almost reached international standards.

ABG'S financial results have shown continual and strong growth in assets, operating profits, and capital resources. The results indicated an operating income of US\$ 339.57 million for 2006 compared with US\$ 297.75 million in 2005. This represents a growth of US\$ 41.82 million or 14.04% during the 2006 fiscal year.

Most components of the profit have registered a noticeable increase- mainly income from jointly financing and investments which soared by 29%, and income from fees and commissions which rose by 22.7%. Thereafter, the net income registered an increase of 20.25% reaching US\$ 123.72 million in 2006, compared with US\$ 102.89 million in 2005.

Total balance sheet items- mainly items related to financing and investment activities- also registered a noticeable growth during 2006. sales receivable increased by 35.75% to reach US\$ 4.05 billion, and investments rose by 43.90% to US\$ 841.84 million- all of which led to an increase in total assets to US\$ 7.63 billion in 2006, compared with US\$ 6.31 billion in 2005; an increase of 20.91%.

Furthermore; customer deposits, unrestricted investment accounts, and other accounts registered a noticeable increase of US\$ 816.45 million, or 15.32%, to match the growth in assets and to reach US\$ 6.15 billion by the end of 2006, thereby implying growing client trust and commitment to the Group.

The same applied to shareholders' equity, which registered a strong growth after the success of the IPO, whereby net worth increased by US\$ 412.26 million, or 72.8%, to reach US\$ 978.6 million by the end of 2006.

Albaraka 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, while the total equity amounts to about US\$1.0 billion. The Group has a wide geographical presence in the form of subsidiary banking Units in ten countries, which in turn provide their services through more than 230 branches. These banking Units are Banque Al Baraka D'Algerie, Algeria; 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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For further information, please contact:

Al Baraka Banking Group (ABG)

Tel: +973-17-541122

Fax: +973-17-536533

Website: www.abg.bh

Email: info@barakaonline.com

zharam@barakaonline.com