

Net Income of Al Baraka Banking Group Grew by 11% to US\$ 235 Million, Total Operating Income reached US\$ 880 Million, and Assets Grew by 11% to US\$ 19 Billion in 2012

Manama, 20 February 2013:

The Bahrain based leading Islamic banking group, Al Baraka Banking Group B.S.C. (ABG) announced that it has achieved a net income of US\$ 235 million in 2012, a noticeable increase of 11% on the income achieved in 2011. Similarly, statement of financial position items witnessed good increases. Total assets increased by 11%, total financing and investments by 21%, deposits including equity of investment account-holders by 12% and total equity by 9% at the end of December 2012 in comparison with the end of December 2011. The Group's results in year 2012 emphasize the operational and earning sustainability that the Group enjoys, which maintains its financial performance in a steady state of growth over the past years, based on the robustness of the business strategies of the Group, its wide geographical network, sound financial, technical and human resources, and growing customer base, despite the extreme difficult economic and banking environment during the past year.

The financial statements of the Group for 2012 showed that the continued expansion in business reflected positively on income, with total operating income of US\$ 880 million in 2012, an increase of 21% over 2011. After deducting all operating expenses, net operating income reached US\$ 422 million in year 2012, which represents an increase of 23% compared to the net operating income of 2011. The net income amounted to US\$ 235 million in 2012 compared to US\$ 212 million in 2011, which reflects an increase of 11%. This increase is considered a distinct result, and reflects the expansion in business, improvement of assets quality, and increase in productivity with diversification of income sources throughout the Group. Net income attributable to the parent TMs shareholders reached US\$ 133 million compared to US\$ 118 million during 2011, which represent an increase of 13%.

The total assets of the Group amounted to US\$ 19 billion as at the end of December 2012, an increase of 11% over the comparative figure as at the end of 2011. Operating assets (financing and investments) amounted to US\$ 14.3 billion as at the end of December 2012 compared to US\$ 11.8 billion at the end of December 2011, a substantial increase of 21%, reflecting the expansion in the Group's banking businesses during 2012. Customer deposits and equity of investment account-holders have witnessed a good increase of 12% from US\$ 14.7 billion at the end of December 2011 to US\$ 16.4 billion at the end of December 2012, which indicates continued customer confidence and loyalty in the Group and growing customer base and

expansion in the branch network. Total equity reached around US\$ 2 billion at the end of 2012, an increase of 9%.

As for the results of the last quarter of 2012, net income amounted to US\$ 52 million, compared to US\$ 46 million for the same period of last year, an increase of 12%. Net operating income increased to US\$ 112 million in the fourth quarter of 2012 compared to US\$ 92 million for the same period of last year, an increase of 21%. Net income attributable to the parent TMs shareholders for the fourth quarter of 2012 reached US\$ 26 million compared to US\$ 21 million during 2011, which represent an increase of 24%.

Commenting on these results, H.E Sheikh Saleh Abdullah Kamel, Chairman of Al Baraka Banking Group, said "The negative economic developments, especially in the Euro zone continued during 2012, and political and social changes witnessed by a number of Arab countries have not been settled as yet. It is natural that the operations of banks were affected by these developments, but we nevertheless note with satisfaction that ABG continued to achieve good results, which reflects the Group successful in following precautionary strategies that enabled it to deal wisely with these developments and to continue expanding its business, and at the same time continue its geographic expansion programs and building branch network. This was not possible without the strong financial means, human resources and technical capabilities possessed by the Group, as well as its commitment to the Islamic banking model that impose the hard work for the reconstruction of the societies and serve the communities in which it operates. "

For his part, Mr. Abdulla Ammar Al Saudi, Vice Chairman of ABG, said that "The financial and operational results achieved in 2012 reflect the keenness of the Group to grow steadily and efficiently, despite growing regional and global challenges around us, and growing regulatory, technical and human requirements. We were able to keep pace with all these challenges and requirements, committed to the highest professional and ethical values and principles, on the basis of the new identity of the Group that launched. The Group, through these values and principles, was success in the implementation of strategies and programs that were applied under the supervision of the Board of Directors of the Group. "

Mr. Adnan Ahmed Yousif, Member of the Board of Directors and President & Chief Executive of Al Baraka Banking Group said the good results that we achieved during 2012 highlight once more our determination to continue to invest our substantial financial resources and expertise and the wide geographic network of the subsidiary units of the Group in maximizing the returns to our shareholders and the investors in the Group by implementing business strategies based on improving the quality of our products and services, offering more innovative products, expanding the branch network of the Group subsidiary units, strengthening the relationship

with our partners, investors and customers and entering new markets, as well as modernizing and developing the human, operational, regulatory and technical infrastructures at the Group and subsidiary banking units levels".

With regard to the Group's plans to expand its branch network, the President & Chief Executive said that "the subsidiary units of the Group in Turkey, Algeria, Egypt, Jordan, Pakistan and South Africa continued their expansion by opening new branches in 2012, where new branches reached 26 branches. This has direct positive impact on growing their deposit base and financing portfolios. Total branches of our units in 15 countries increased 424 branches in 2012. We expect that total branches of the Group [™]s units will exceed 500 branches during the coming three years.

With regard to geographic expansion and entering new markets, Mr. Adnan Ahmed Yousif said that our representative office in Libya become active in Libyan market, and it expands its relations with customers and offers different banking services to individuals, companies and government bodies .

We are proud also that during last year, Standard & Poors (S&P) reaffirmed ABG [™]s investment grade long term counterparty credit rating of BBB- and A-3 (Short Term), following its annual review. The rating comes as an endorsement of ABG's strong business model and good geographic diversification across many countries in the GCC and MENA regions, South Africa, the Levant and Asia and on the back of consistent performance and growth over the years ever since its inception.

The President & Chief Executive added On the level of regional and international achievements made by the Group and its units, four subsidiary banking units of the Group received the "Best Islamic Bank" Award of 2012, as part of the annual awards that the Global Finance Magazine, which is specialized in banking and finance, awards to banks and financial institutions. These banking units are Al Baraka Bank Algeria as the Best Islamic Bank in Algeria, Jordan Islamic Bank as the Best Islamic Bank in Jordan for the fourth year and the Best Islamic Bank for Retail Services in the World for the third year, Al Baraka Bank Limited as the Best Islamic Bank in South Africa and Al Baraka Islamic Bank Bahrain as the Best Islamic Bank in Bahrain.

In the context of the strategy of Al Baraka Banking Group to the development and revitalization of the economies of countries where it operates through its banking units, Al Baraka Bank Egypt signed the first Islamic partnership contract to finance small projects with the Social Fund through the World Bank in order to finance new and existing small projects though Islamic partnership. The total amount of the contract is EGP 200 million, divided

equally between the Social Fund for Development through funding from the World Bank and Al Baraka Bank Egypt.

We are very glad also that Al Baraka Bank Limited “ South Africa (ABL) has been granted permission to deal in foreign exchange under the Foreign Exchange Control Law of South Africa. As an authorized dealer in foreign exchange, ABL will now be able to open nostro accounts in foreign currencies, facilitate inward and outward remittances, send and receive letters of credit and documentary collections and provide all other related services. This major achievement provides an excellent opportunity for ABL and other ABG Units to enhance their cooperation in trade finance and we invite clients to take full advantage of this important development .

We also continued during the past year modernizing the institutional, human and technical infrastructure of the Group through developing the regulations, applications and practices of corporate governance, risk management social responsibility, governance, compliance, AML, training and risk management regulations in according with latest international standards . The President & Chief Executive of the Group added that "In accordance with our new strategy, we have many plans and initiatives that we intend to implement during 2013. These will include launching new innovative products and services in the markets, especially in Maghreb countries, enhancing the unified culture related to the Group's corporate identity, increasing the inter-business among the Group's units as well as enhancing the standing of ABG in the international markets. All of these plans will be implemented, God willing, successfully considering that we are the only Islamic banking group that has such diversity of geographical presence and excellent knowledge of the markets".

The President & Chief Executive of ABG concluded his statement by praising the tireless efforts of the executive management at Group Head Office, the executive management teams of the banking units of Al Baraka Banking Group and related parties that played an instrumental role in achieving these excellent results for the Group.

On this occasion, Sheikh Saleh Abdulla Kamel, Chairman of Al Baraka Banking Group, Mr. Abdulla Ammar Al Saudi, Deputy Chairman, Mr. Abdulla Saleh Kamel, Deputy Chairman, and Mr. Adnan Ahmed Yousif, ABG President & Chief Executive and all Members of the Board of Directors of ABG expressed their sincere thanks to the Ministry of Industry and Commerce, Central Bank of Bahrain, Bahrain Bourse and Nasdaq Dubai for the cooperation and assistance they extended to the Group since it was established. They also extended their thanks to all the Central Banks in the countries in which Group banks operate and to all investors and customers for their continued support. They also thanked all the employees of the Group for

their loyalty, hard work and dedication which stand behind the successes and achievements of the Group.

Al Baraka Banking Group is a Bahrain Joint Stock Company Licensed as an Islamic Wholesale Bank by Central Bank of Bahrain, listed on Bahrain Bourse and Nasdaq Dubai stock exchanges. It is a leading international Islamic bank providing its unique services to around one billion people and with Standard and Poors investment grade long term counterparty credit rating of BBB- / A-3 (Short Term). Al Baraka offers retail, corporate, treasury and investment banking services, strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of Al Baraka is US\$1.5 billion, while total equity amounts to about US\$ 2 billion.

The Group has a wide geographical presence in the form of subsidiary banking Units and representative offices in fifteen countries, which in turn provide their services through more than 424 branches. Al Baraka is currently having a strong presence in Jordan, Tunisia, Sudan, Turkey, Bahrain, Egypt, Algeria, Pakistan, South Africa, Lebanon, Syria, Indonesia, Libya, Iraq and Saudi Arabia.

Performance indicators:

31 December 2012 compared to 31 December 2011 Growth %

Total assets 11

Total financing and investments 21

Total customer deposits 12

Total equity 9

The year ended 2012 compared to last year Growth %

Total operating income 21

Net operating income 23

Net income 11

Net income attributable to the parent [™]s shareholders 12

3 months ended 31 December 2012 compared to the same period last year Growth %

Total operating income 22

Net operating income 21

Net income 12

Net income attributable to the parent [™]s shareholders 24