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Press Release (Local)

Al Baraka Bank Egypt's net profit grew 31% in the first half of 2019

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Al Baraka Bank Egypt, the investment arm of Al Baraka Banking Group in Egypt, continued its growth and progress in all its activities and continued to achieve outstanding financial results, where the Bank achieved a net profit of 538 million pounds for the first half of 2019, an increase of 31% over the same period last year.

The total balance sheet of the bank at the end of June 2019 amounted to 66.8 billion Egyptian pounds, a growth of about 15% over the same period of the previous year. Total investments and financings in the same period reached 46.5 billion Egyptian pounds, a growth rate of about 12%. Customer deposits reached 59.4 billion Egyptian pounds at the end of June 2019, a growth of approximately 17% over the same period last year due to the increase in Bank's activities over the targeted numbers in the approved budget of the Bank.

On this occasion, Mr. Ebrahim Al Shamsi, Chairman of Al Baraka Bank Egypt, expressed his happiness to see the excellent progress and growth in the business of the Bank. The Bank has been able, thanks to God and the great efforts exerted by the Executive Management and the Board of Directors, to continue achieving high operational and profits results, especially with the significant positive developments witnessed by the Egyptian economy at all levels.

For his part, Mr. Adnan Ahmed Yousif, P&CE of Al Baraka Banking Group said: "Al Baraka Bank Egypt has been able to establish itself as a distinguished Islamic bank in the banking market in Egypt, thanks to its advanced services and the issuance of savings and investment products suitable for all categories

and segments of society. The Bank also provides new financing programs that meets the needs of different sectors, all of which are unprecedented in the Egyptian market and comply with the provisions of Islamic Sharia. "

Mr. Adnan added that the Bank, in line with the directives of the founder and chairman of Al Baraka Banking Group, HE Sheikh Saleh Abdullah Kamel, as well as within the strategic directions of the Group, is moving rapidly to increase its business, market share, and diversify its sources of profitability in the Egyptian banking market through the creation of investment arms embodying Islamic banking formulas that are socially and developmentally responsible. These investment arms aim at providing integrated financial services compliant with Islamic Sharia, and actively participating in the investment programs in Egypt. For this purpose, the Bank has approved the establishment of a holding company for financial and development investments as an investment arm for the Bank with a capital of 200 million Egyptian pounds. The Bank has also multiple contributions to companies such as Egyptian Saudi Insurance, the Egyptian Company for the Management and the Establishment of Commercial Centers, Al Tawfeeq Company for Financial Leasing, and the Egyptian Company for Property Insurance and others. "

Mr. Ashraf Al-Ghamrawi, Vice Chairman and CEO of Al Baraka Bank Egypt said that the Bank's strategy adopted by the Board of Directors is based on several axes, the most important of which are the diversity of its profit centers, the maximization of commissions and other revenues, and the provision of more banking products, the latest of which are monthly variable deposits with 12.5% return annually (under settlement). The Bank has also launched the Investment Fund with a daily return and added to its services provided to its customers the electronic collection service for government supplies and receivables as well as electronic transfers service through the core pay. The new automated system I MAL expected to be implemented at the end of the current fiscal year 2019, God willing.

He added that the Bank has not neglected its strong commitment to its social responsibility towards its society, as it has established a Zakat Fund, which is injected annually by the profits of the bank. The Bank has already established three medical units to provide free medical treatment to the poor and needy people: a specialized unit in neurosurgery in Ain Shams University Hospital, intensive care unit in Cairo University Hospital, and dialysis unit in Mansoura University Hospital. In addition, the Bank contributed to one of the hospitals for the treatment of child cancer in the western city of Tanta, as well as the development of slums and the establishment of an annual competition for Quran keepers for the different ages at the national level. The bank donated also to "Tahia Misr Fund" in order to support the fund's services to the

community and other activities in line with the social responsibility of the Bank."

Mr. Al-Ghamrawi added that the Bank operates currently through its 32 branches spread over the main Egyptian governorates and cities, besides currency exchange offices. In addition, preparations are being taken to equip a new branch in Alexandria area.

He pointed out that the Bank's continued achievement of profits and outstanding business results came as a direct result of improvement of all performance indicators, quality of service provided to customers, balanced policies to maintain moderate and acceptable risk rates backed by an emphasis on an ambitious strategy, the application of international standards and the latest modern technology in the provision of banking services as well as the significant economic improvement that Egypt is currently witnessing with the testimony of all international institutions. He added that the expansion and achievements of the Bank are clear evidence of the strength and efficiency of the Bank and the Egyptian banking sector and their ability to support the Egyptian economy and drive development.

Al Baraka Bank Egypt belongs to Al Baraka Banking Group B.S.C. ("ABG"), which is licensed as an Islamic wholesale bank by the Central Bank of Bahrain and is listed on Bahrain Bourse and Nasdaq Dubai. It is a leading international Islamic banking group providing its unique services in countries with a population totaling around one billion.

The Group has a wide geographical presence in the form of subsidiary banking units and representative offices in 17 countries, which in turn provide their services through over 700 branches. Al Baraka Banking Group has operations in Jordan, Egypt, Tunis, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Lebanon, Saudi Arabia, Syria, Morocco and Germany, in addition two branches in Iraq and two representative offices in Indonesia and Libya.

ABG and its Units offer retail, corporate, treasury and investment banking services, strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of ABG is US\$ 2.5 billion.

ABG is rated BB (long term) / B (short term) by Standard & Poor's and BBB+ (long term) / A3 (short term) by Islamic International Rating Agency (IIRA). IIRA has also rated ABG on the national scale at A+ (bh) / A2 (bh) (A+/A2) with a fiduciary score of 81-85, the highest level amongst Islamic Financial Institutions in the region.