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Press Release

Merger of Al Baraka Bank Pakistan with Burj Bank Under the Name Al Baraka Pakistan with Total Assets in Excess of US\$ 1.1 billion

5 September 2016

Al Baraka Bank (Pakistan) Ltd (“ABPL”) and Burj Bank Ltd (“BBL”) will soon merge into a large, single Islamic Bank in Pakistan under the name Al Baraka Bank (Pakistan) Ltd, subject to approvals from the SBP and other regulatory authorities. Al Baraka Islamic Bank-Bahrain, which is part of the Al Baraka Banking Group, will remain major shareholder subsequent to this merger. All present, 74 BBL branches will be converted into ABPL branches and the combined network of the merged entity will become 224 branches in over 100 cities across Pakistan. The total asset base of ABPL will cross US\$ 1.1 billion.

The shareholders of BBL and ABPL, unanimously approved the Scheme of Amalgamation during their EOGMs on August 18th and August 22nd respectively. In consideration for the amalgamation of the entire undertaking of BBL into ABPL, shareholders in Burj Bank are to be issued and allotted fully paid shares in ABPL in the ratio of 1:1.7.

On this occasion, Mr. Adnan Ahmed Yousif, Chairman of Al Baraka Bank (Pakistan) Limited and President & Chief Executive of Al Baraka Banking Group (BSC Bahrain), said that the presence of Al Baraka in the Pakistani market dates back to more than twenty five years ago, and therefore the proposed merger is considered another historical step in our distinguished success record in the Pakistani market. This step carries substantial benefits in terms of operating capability, expanded domestic coverage, and revenue generation which would eventually be passed on to the

shareholders in the form of improved profit earnings and better gains in the form of share prices. The amalgamated entity would be in a position to offer varied financial products and services.

He added "The amalgamation would lead to increased asset base and size of the combined entity in terms of capital and reserves. This would in turn give management access to more external funds at competitive rates. The increased equity would provide greater comfort to rating agencies. Access to greater resources will improve growth prospects and amalgamated entity's ability to undertake large assignments. A larger client base with varied financial products to offer should give the amalgamated entity a competitive edge over its competitors."

From his part, Mr. Shafqaat Ahmed, Board Member and Chief Executive Officer of Al Baraka Bank Pakistan Ltd said "The size of the amalgamated entity would increase its risk absorption capacity thus, enhancing its capacity to manage the potential risks arising out of an adverse and uncertain operating environment. In the long run, this factor should provide greater stability as well as sustainability in operations".

He added "The completion of the merger will enable Al Baraka Bank (Pakistan) Ltd to make progress in the banking sector and cater to customer's financial needs on a larger scale geographically. It is expected that two entities will operate as one Islamic Bank from last quarter of 2016".

Al Baraka Banking Group (B.S.C) is licensed as an Islamic wholesale bank by the Central Bank of Bahrain, listed on Bahrain Bourse and Nasdaq Dubai stock exchanges. It is a leading international Islamic banking group providing its unique services in countries with a population totaling around one billion. It is jointly rated BBB+ (long term) / A3 (short term) on the international scale and A+ (bh) (long term) / A2 (bh) (short term) on the national by Islamic International Rating Agency & Dagong Global Credit Rating Company Limited, and by Standard & Poor's at BB+ (long term) / B (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 is at about US\$ 2.1 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 over 700 branches. Al Baraka currently has a strong presence in Turkey, Jordan, Egypt, Algeria, Tunisia, Sudan, Bahrain, Pakistan, South Africa, Lebanon, Syria, Iraq and Saudi Arabia, including two representative offices in Indonesia and Libya.