

Press Release

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IIRA reaffirms the credit ratings of ABG and upgrades its Fiduciary Score to the highest level amongst Islamic Financial Institutions in the region

Manama, July 28, 2019

Islamic International Rating Agency (“IIRA”) has reaffirmed the international scale credit ratings assigned to Al Baraka Banking Group (“ABG” or the “Group”) at BBB+ / A3 (long term / short term) and maintained the Outlook on its assigned ratings at “Stable”.

IIRA, in its report, also reaffirmed the national scale ratings of ABG at A+ (bh) / A2 (bh) with a Stable outlook. The Group’s fiduciary score has also been raised to the higher level of “81-85”, the highest among the Islamic Financial Institutions in the region. This reflects the strong fiduciary standards in the Group.

The IIRA rating report recognized the substantial contribution in aggregate assets and earnings of the Group’s four key subsidiary banks (“Units”) based in Turkey, Jordan, Egypt and Algeria. Moreover, IIRA said that the Group benefits from a wide geographic diversification with most jurisdictions possessing a low economic correlation, thereby improving the overall risk metrics. In addition, IIRA commended the stable and cost effective sources of liquidity of the constituent Units of the Group, which is seen as a strength. Besides, the Group’s strong risk management framework as well as robust corporate governance practices are positives for the Group.

Mr. Adnan Ahmed Yousif, President & Chief Executive of ABG stated, “The reaffirmation of the ratings is yet another endorsement of ABG’s consistent performance. IIRA’s assessment on ABG’s overall Fiduciary Score has recognized the significant improvement in Asset Manager Quality, Corporate Governance and Shari’a Governance Framework of the Group over the previous year. This indicates strong standards and endorses the Group’s robust corporate governance and Shari’a practices”.

“The Group has been constantly strengthening and enhancing the risk management policy framework. ABG has a sound business model and systems of checks and balances, while affording the Units with adequate operational autonomy, all factors that contribute to the overall success of the Group.” The IIRA report added, “The Group continues to benefit from the strong regulatory supervision of the Central Bank of Bahrain, which has put in place specialized rules and regulations for Islamic banks”.

About Al Baraka

Al Baraka Banking Group B.S.C. (“ABG”) 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. 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 BN.

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.