

Press Release

JCR-VIS assigns ratings to AlBaraka Islamic Bank B.S.C (E.C.) – Pakistan operations

Karachi, March 28, 2005: JCR-VIS has assigned an initial medium to long-term entity rating of A (single A) and a short-term rating of A-1 (A-one) to the local branches of AlBaraka Islamic Bank B.S.C. (E.C.), incorporated in Bahrain. The outlook on the rating is ‘Stable’.

The rating reflects the strength of the institution as stemming from operations at local branches as well as the risk profile of the overall entity. The financial resources available with the group and in particular the bank’s recently incorporated holding company – AlBaraka Banking Group (ABG) - have been factored into the assessment.

The local branches of ABIB have recently acquired an Islamic banking license to become the second full-fledged Islamic bank operating in Pakistan. Ratings assigned to Islamic banks also take into consideration the profit and loss sharing nature of its obligations.

The bank’s branch operations have lately been recapitalized, significantly increasing depositor protection relative to previous years. Liquidity levels and asset quality remain strong. The declining trend in earnings depicted in FY2003 has also been arrested and business expansion is on the anvil.

For further information on this rating announcement, please contact Mr. Jamal Abbas Zaidi (Ext: 233) or Ms. Sabeen Saleem (sabeen@jcrvis.com.pk / ext: 222) at 5671822/5671833/5680996 or fax to 5681105/5671600.

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