

Arcapita Bank B.S.C.(c) Announces US\$200,000,000 Murabaha-Backed Sukuk

June 27, 2005

Arcapita Bank B.S.C.(c) ("**Arcapita**"), has mandated Bayerische Hypo-und Vereinsbank AG ("HVB"), Standard Bank Plc ("SB") and WestLB AG, London Branch ("WestLB") (together the "**Mandated Lead Arrangers**"), to arrange a Five Year Multicurrency Murabaha-Backed Sukuk (the "**Sukuk**" or the "**Facility**"). SB and WestLB will act as bookrunners with HVB acting as facility agent.

Boubyan Bank (K.S.C), Bumiputra – Commerce Bank (L) Limited, Natexis Banques Populaires, Raiffeisen Zentralbank Oesterreich Aktiengesellschaft and The Arab Investment Co. (OBU) have joined the Facility as Lead Arrangers and Sub-Underwriters ahead of the launch of the general syndication. The Mandated Lead Arrangers and Lead Arrangers have underwritten the Sukuk in full. Banks are being invited to participate in this international multicurrency sukuk offering.

Arcapita is headquartered in Bahrain and operates under an investment banking license granted by the Bahrain Monetary Agency. Arcapita has a paid-in capital of US\$154.2 million, of which approximately 88.9% is held by over 180 prominent individuals and institutions mostly from the Arabian Gulf region, with the remaining 11.1% beneficially held by Arcapita's management. As at 31 December 2004, Arcapita had an equity base of US\$ 324.5 million and a balance sheet footing of more than US\$ 1.2 billion.

Arcapita and the Mandated Lead Arranges will organize introductory presentations at a number of international financial centers including Singapore, Kuala Lumpur, Frankfurt and London starting Wednesday 29 June 2005.

Key Points of the Facility

- Sukuk with a five year bullet maturity
- Multi-currency instrument – US\$, € and £
- Proposed pricing three-month LIBOR + 175bps
- SPV structure, with full recourse to Arcapita
- Freely transferable instrument in accordance with a mechanism approved by Arcapita's Shari'ah Supervisory Board
- The Murabaha-Backed Sukuk is a particular form of Sukuk issue the proceeds of which are used for the sale and purchase of assets via a series of commodity Murabaha transactions. The Sukuk structure has been reviewed and accepted by Arcapita's Shari'ah Supervisory Board

For further details on this transaction, including the forthcoming presentations, please contact:

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