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15 April 2011

**RECOMMENDED UNCONDITIONAL CASH OFFER
FOR ISLAMIC BANK OF BRITAIN PLC**

Announcement of Acceptance Levels and Extension of the Offer

On 25 March 2011, QIIB made an unconditional cash offer for the entire issued share capital of IBB not already owned by QIIB. The Offer is unconditional and it is not subject to a minimum level of acceptances being received by QIIB.

Acceptance levels

The board of directors of QIIB announces that as at 1.00 p.m. on 15 April 2011, valid acceptances had been received in respect of a total of 71,098,946 IBB Shares, representing approximately 2.79 per cent of the IBB Issued Share Capital and 14.65 per cent of the IBB Shares to which the Offer relates.

Prior to the announcement of the Offer, QIIB already owned 2,061,299,155 IBB Shares, representing 80.95 per cent of the IBB Issued Share Capital, and persons acting in concert with it (namely HE Sheikh Thani Bin Abdulla Bin Thani Jasim Al Thani and Qatar Islamic Insurance Company) held a further 184,527,591 IBB Shares representing approximately 7.25 per cent of the IBB Issued Share Capital. The combined holdings of QIIB and persons acting in concert with it accordingly amounted, in aggregate, to 2,245,826,746 IBB Shares or 88.2 per cent of the IBB Issued Share Capital.

In addition, QIIB had irrevocable undertakings from Gerry Deegan and Sultan Choudhury, who are directors of IBB, to accept the Offer, in respect of a total of 54,000 IBB Shares, representing approximately 0.002 per cent of the IBB Issued Share Capital. Valid acceptances have been received in respect of all the IBB Shares which were the subject of the irrevocable undertakings.

The total number of IBB Shares now held by QIIB and persons acting in concert with it, together with those in respect of which valid acceptances of the Offer have been received, is therefore 2,316,925,692 IBB Shares, representing approximately 90.99 per cent of the IBB Issued Share Capital.

Payment of consideration to the IBB Shareholders who have validly accepted the Offer prior to the Closing Date will be made within 14 days of the Closing Date.

Save as disclosed herein, no IBB Shares have been acquired or agreed to be acquired by or on behalf of QIIB or any person acting in concert with QIIB during the Offer Period and neither QIIB nor any person acting in concert with QIIB has the benefit of any irrevocable commitment or letter of intent in respect of any IBB Shares or has any interest in any IBB Shares, or any short position (whether conditional or absolute and whether in the money or otherwise and including any short position under a derivative), any agreement to sell, any delivery obligation, any right to require another person to purchase or take delivery in respect of any IBB Shares, any right to subscribe for any IBB Shares or any stock borrowing or lending arrangement in respect of any IBB Shares.

Extension of the Offer

The Offer has been extended until 1.00 p.m. on 31 May 2011. If the Offer is extended beyond this date, then not less than 14 calendar days' notice will be given to those holders of IBB Shares who have not accepted the Offer prior to any closing of the Offer Period. Settlement of the consideration due in respect of the Offer will be effected within 14 days of the receipt of valid and complete acceptances.

IBB Shareholders who wish to accept the Offer but who have not already done so should either return their completed Forms of Acceptance (and supporting documents) or, if their IBB Shares are held in CREST, arrange for their CREST sponsor to send the relevant TTE instruction(s) to Euroclear, in accordance with the procedures set out in the Offer Document as soon as possible. Additional Forms of Acceptance may be obtained by contacting Capita Registrars at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (telephone: 0871 664 0321, or if calling from outside the UK, +44 20 8639 3399).

IBB cancellation of trading on AIM, re-registration as a private company and intention to compulsorily purchase IBB Shares

QIIB has requested the IBB Directors to take the necessary steps to apply for the Cancellation and, in due course, to re-register IBB as a private limited company. On the basis that the Offer is unconditional and that Shareholders have received the Offer Document with details of the Offer including the Cancellation there is no requirement to hold an IBB general meeting to approve the Cancellation. Once the Cancellation has become effective, which is expected to be 7.00 a.m. on 27 April 2011, there is no intention to provide a facility to enable IBB Shares to be traded on any public share trading platform or to list the IBB Shares on an alternative stock exchange.

Any transaction in the IBB Shares undertaken after the Cancellation will only be capable of being undertaken by private sale. **Shareholders should be aware that the Cancellation will significantly reduce the liquidity and marketability of any IBB Shares in respect of which the Offer has not been accepted.**

If QIIB receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent or more of the IBB Shares to which the Offer relates, QIIB will exercise its

rights pursuant to sections 974 to 991 of the Companies Act 2006 to acquire compulsorily the remaining IBB Shares in respect of which the Offer has not been accepted.

Unless the context otherwise requires, defined terms used in this announcement shall have the same meanings given to them in the Offer Document dated 25 March 2011.

In accordance with Rule 19.11 of the City Code, a copy of this announcement, will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on the following website: www.islamic-bank.com/investor-relations/regulatory-information

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This announcement is not intended to be and does not constitute, or form any part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor shall there be any sale, issue or transfer of the securities referred to in this announcement in or into any jurisdiction in contravention of any applicable law.

The Offer has been made solely by means of the Offer Document and the acceptance forms accompanying the Offer Document, which contain the full terms of the Offer, including details of how it may be accepted.

The Directors of QIIB accept responsibility for the information contained in this announcement relating to QIIB, the QIIB Directors and the opinions attributable to the QIIB Directors. To the best of the knowledge and belief of the Directors of QIIB (who have taken all reasonable care to ensure such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not affect the import of such information.

Westhouse Securities Limited is acting exclusively for QIIB and no one else in connection with the Offer and will not be responsible to anyone other than QIIB for providing the protections afforded to clients of Westhouse Securities Limited or for providing advice in relation to the Offer or any other matter referred to in this announcement.

Overseas Jurisdictions

The distribution of this announcement in jurisdictions other than the UK and the availability of the Offer to Shareholders who are not resident in the UK may be affected by the laws of the relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the UK or Shareholders who are not resident in the UK will need to inform themselves about, and observe, any applicable requirements. Except as required by applicable law, copies of this announcement are not being, and may not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction.

In particular, the Offer is not, unless decided otherwise by QIB, being made in or into, and is not capable of acceptance in or from, any Restricted Jurisdiction. Persons receiving this announcement (including, without limitation, custodians, nominees or trustees) should observe these restrictions and should not send or distribute documents in or into any Restricted Jurisdiction.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.