

Press Release

Press Release – Office of the President & Chief Executive

After a Successful IPO,

Al Baraka Turk Participation Bank Doubles its Capital and Increases its Profits by 21% During the First Nine Months of 2007

Manama 18 November 2007: AlBaraka Turk Participation Bank, one of the Banking Units of Albaraka Banking Group's (ABG) one of Al Baraka Banking Group's Units (ABG), announced that it continued to achieve substantial growth in its business during the first nine months of 2007.

The operating income and net income increased by 23.03% and 20.88% respectively compared to the same period of last year. Furthermore, the Bank's assets increased by 65.01% and equity by 169.12% during the same period. These significant achievements come after the very successful launch of the Bank's IPO in which the IPO's amount of US\$170 million was oversubscribed 32 times as the subscription netted about US\$5.4 billion.

These results are also the fruit of the important strategies implemented by the Bank during 2006 and this year, which led to the opening of a large number of branches and the launching of many new interest-free and highly competitive investments and financing products.

All these initiatives had a very positive impact on the gross income from financing and investments which led to an increase of 23.03% in the operating income to reach US\$177.28 million in the first nine months of 2007 up from US\$144.1 million in the first nine months of 2006. Net income also increased by 20.88% from US\$34.34 million to US\$41.51 million during the same period.

As of the end of September 2007, the assets of the Bank increased by 65.01% to reach US\$2.75 billion compared to US\$1.66 billion as at the end of September 2006. This increase in assets was the result of an increase in Murabaha finance, financial leasing transactions (Ijarah muntahiyya bittamleek) and investments. These increases were financed equally by customer deposits and Bank equity. The Bank opened new branches and increased the range of investment products which led to an increase in customer deposits and unrestricted investment accounts by 54.24% to reach US\$2.23 billion as at the end of September 2007. The Bank also increased

its capital through the IPO which increased the shareholders' equity by 169.12%, to reach US\$413.88 million as at the end of September 2007.

On this occasion, the Chairman of the Board of Directors of Al Baraka Turk Participation Bank and Chief Executive Officer of Al Baraka Banking Group Mr. Adnan Ahmed Yousif said he was very pleased with the Bank's consistent excellent results and the great success that Bank's IPO had met, affirming that impact of such success will become more apparent in the coming period. The Bank will embark upon ambitious horizontal and vertical expansion plans that will boost even further the confidence of the Turkish individual and institutional investors in the Bank's performance and results of operations, and make them even more comfortable with their investment in the shares of the Bank which they see as a rewarding long term investment, especially after the Bank had received a strong boost in the form of raising its credit rating by an internationally renowned rating agency, not forgetting the strong support that takes many forms from the parent company Al Baraka Banking Group which owns about 68% of the Bank's capital.

Dr. Adnan Buyukdeniz the Chairman of the Board of Directors of Al Baraka Turk Participation Bank "the excellent results achieved by the Bank were the result of the hard work of the Bank's executive management and the strong support that the parent company (ABG) extends to the Bank, especially that Turkey is considered as one of the key markets of the Group because of the variety and abundance of economic activities and huge promising opportunities".

Although the Bank is the smallest of the four participation banks in Turkey, it is considered to be the best of them all, even in terms of conventional banking standards. The Bank held the first position in terms of total assets and deposits per branch and employee and it managed to maintain this position in 2006 in spite of increasing the number of its branches by twenty new branches to reach a total of 63 branches. Each of these branches is equipped with an automatic teller machine (ATM). The Bank continued its ambitious branch network expansion plan in 2007 as approved by the Board of Directors of the Bank which resulted in adding new 37 branches to make a total of 100 branches in two years time.

Commenting on this huge expansion, Dr. Adnan Buyukdeniz, General Manager of Al Baraka Turk Participation Bank said that "to enable the Bank obtain maximum benefit from the ever increasing opportunities in the Turkish market, the Board of Directors of the Bank provided all the necessary support required for expanding the Bank's branch network and increasing the number of installed ATMs. For this purpose, the Bank intends to open new branches and develop and market new products in years 2007 and 2008. The Bank's plan for the coming period also includes increasing the acquisition of customer deposits both in local and foreign currencies, with special focus on small to medium size customers, and will intensify its efforts in marketing its credit cards and alternative delivery channels, eg. Internet Banking and

Banking Services Call Centre. The Bank will also continue its preparations towards complying with the requirements of Basel II, enhancing its anti-money laundering procedures and increasing banking services earnings, fees and commissions. At the same time, the Bank continues to take appropriate measures to rationalize expenses with view to achieving sustainable increase in dividend payouts to shareholders.

In this regard, the international rating agency Fitch has recently upgraded the credit ratings of the Bank from B to BB- for commitments in long term local and foreign currencies, from BBB+ to A+ for long term national commitment and Support from "5" to "3" while Bank outlook was rated as "Stable".

Al Baraka Turk Participation Bank is one of the Banking Units of Albaraka Banking Group's (ABG). ABG is a Bahraini Joint Stock Company listed on Bahrain and Dubai stock exchanges and one of the well-known leading international Islamic banks. It has been rated by Standard & Poor's as BBB- with a short-term rating of A-3. ABG offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Shariá. The authorized capital of ABG is US\$1.5 billion, while the total equity amounts to about US\$ 1.5 billion. The Group has a wide geographical presence in the form of subsidiary banking Units in 12 countries, which in turn provide their services through more than 240 branches. These banking Units are Jordan Islamic Bank/ Jordan, Al Baraka Islamic Bank/ Bahrain, Al Baraka Islamic Bank/ Pakistan, Banque Al Baraka D'Algerie/ Algeria, Al Baraka Bank Sudan/Sudan, Al Baraka Bank Ltd/ South Africa, Al Baraka Bank Lebanon/Lebanon, Bank Et-Tamweel Al- Tunisi Al Saudi/ Tunisia, The Egyptian Saudi Finance Bank/Egypt, Al Baraka Turk Participation Bank/Turkey, Albaraka Bank Syria (under establishment), and Representative office, Indonesia.

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