

Press Release

Press Release – Office of the President & Chief Executive

Banque Al Baraka D'Algerie Increases its Profits by 31% During the First 9 Months of 2007

Manama 20 November 2007 : Banque Albaraka D'Algerie, one of Albaraka Banking Group's Units (ABG), achieved a substantial increase in its operations and net profits in the first nine months of 2007, thanks to a huge expansion in its financial resources and branch network as well as to the diversification of products and services it offers. Net profits were up by 31.18%, total assets by 30.37% and shareholders' equity by 28.46%.

The financial statements that the Bank announced and covered the first nine months of 2007 showed the extent of the improvement that the financial position witnessed in continuation of its excellent performance in the last few years. The net operating income increased by 15.23% to reach US\$39.78 million compared to US\$34.53 million for the same period of last year. The net income showed a substantial increase of 31.18% to rise from US\$10.57 million in the first nine months of 2006 to US\$13.86 million for the same period of the current year (2007). The financial statements also showed good improvements on the main returns indicators. The return on average equity increased to 18.89% compared to 16.65% in 2006 and the return on average assets reached 1.90% up from 1.73% for the comparative period on an annualized basis.

The Bank's assets increased from US\$607.11 million as at the end of September 2006 to US\$791.47 million at the end of September 2007, reflecting a growth of 30.37%. This increase in assets was the result of an increase in financing and investment operations. These increases were financed by a big increase in total deposits which went up from US\$482.33 million to US\$632.24 million for the same period reflecting an increase of 31.08% in line with the huge expansion in the branch network of the Bank. The Bank's shareholders equity also increased by 28.46% as it went up from US\$61.70 million as at the end of September 2006 to US\$79.25 million as at the end of September 2007.

Commenting on the results, Mr. Adnan Ahmed Yousif, Chairman of Banque Al Baraka D'Algerie and Chief Executive Officer of Al Baraka Banking Group said that the excellent performance of the Bank in the past few years was the result of the hard work of the Bank's executive management and the strong support that the parent company (ABG) extended to the Bank, considering the

key position of the Bank in the Group's Arab and international strategy and the importance of the Algerian market to the Group as a result of the various and huge investment and investment opportunities it offers.

Mr. Adnan Ahmed Yousif added that "in view of this strategic position of the Bank, we at ABG are keen to support the Bank's plans in terms of enhancing its financial resources and expanding its branch network. During the last year (2006), the Bank's capital was increased by 400% in a strategic move to consolidate the Bank's position in the Algerian market and to enable it expand the banking services and products that the ABG offers through it to its customers in Algeria".

"As for the branch network, the Bank has an ambitious plan to open a large number of new branches which will lead to increasing the number of its branches to 50 during the next two years. As a result, the Bank will have a wide geographical network that will enable it to attract more customer deposits and new financing and investment business. In fact, the Bank opened 5 new branches during 2006 and accordingly the number of Bank branches increased to 17 branches with a staff complement of about 600 employees" Mr. Adnan Yousif said.

On his part, the Bank's General Manager and member of the Board of Directors Mr. Mohamed Sadeeq Hafeez said that "the Bank is moving firmly and steadily towards consolidating its position in the Algerian market. Although relatively small in size, the Bank, because of its strong foreign trade finance portfolio, occupies a leading position in the Algerian banking market. As of now the Bank occupies the second position amongst the privately owned banks and has a market share of 5.6%".

As for the future expansion plans of the Bank, Mr. Hafeez said that the Bank had ambitious plans to increase the number of its branches to 50 during the next two years to cover the main geographical regions of Algeria and install the ATM network as well as replacing the old IT systems. He said that the Bank would also improve its personal banking services by diversifying the range of products that it offers, thereby ensuring the offering of all the services and products that the Bank and the Group offer to the Bank's clients in Algeria.

Banque Al Baraka D'Algerie 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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