

Press Release

Press Release – Office of the President & Chief Executive

Egyptian Saudi Finance Bank Increases Net Profits by 77% during the First Nine Months of 2007

The Egyptian Saudi Finance Bank, a subsidiary banking unit of Albaraka Banking Group B.S.C. (ABG), announced that it had achieved excellent operational results during the first nine months of 2007. Net profits before provisions increased by 77% and total assets by 20%.

The financial statements announced by the Bank which covered the first nine months of 2007 revealed excellent results reflecting a continuation of its outstanding performance. Net profits before provisions increased by 77% to L.E83.7 million (US\$ 14.8 million) compared to L.E47.3 million (US\$ 8.2 million) for the same period last year. Net earnings showed an increase of 82% up from L.E55.8 million (US\$ 9.6 million) for the first nine months of 2006 to L.E101.5 million (US\$ 17.9 million) in the first nine months of the current year 2007. Returns on financing and investments also increased by 33% up from L.E332 million (US\$ 57.3 million) for the first nine months of 2006 to L.E440 million (US\$ 77.7 million) in the first nine months of the current year 2007.

The Bank's balance sheet footing increased from L.E7.1 billion (US\$ 1.2 billion) as of September 2006 to L.E8.5 billion (US\$ 1.5 billion) as of September 2007, reflecting a growth of 20%. Total deposits and savings deposit certificates increased from L.E6.2 billion (US\$ 1.1 billion) in September 2006 to L.E7.5 billion (US\$ 1.3 billion) in September 2007, a growth of 21%. Total financing and investments also increased from L.E6.2 billion (US\$ 1.1 billion) in September 2006 to L.E7.2 billion (US\$ 1.3 billion) in September 2007, reflecting a growth of 16%.

Commenting on the results, Mr. Adnan Ahmed Yousif, Vice Chairman of the Egyptian Saudi Finance Bank and President Chief Executive of Albaraka 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 regional and international strategy and the importance of the Egyptian market to the Group in view of the abundant and huge investment and financing opportunities it offers.

Commenting on the branch network of the Egyptian Saudi Finance Bank Mr. Adnan Ahmed Yousif said that the Bank now operates from 16 branches and four offices. He revealed that the Bank had an ambitious plan to double the number of its branches in the coming five years. As a start, the Bank will open six new branches during 2008 and will start preparations to build its new main office in the Sixth of October City.

On his part, the Bank's Managing Director and member of the Board of Directors Mr. Ashraf El Ghamrawy said that the Bank achieved excellent results from its operations during the first nine months of 2007 in accordance with its ambitious strategy which was approved by the Board of Directors and the dynamic and proactive policies adopted by the Bank's Executive Management which focused on growing the Bank's operations both in terms of attracting deposits and extending finance to customers. Mr. El Ghamrawy explained the main features of the Bank's future plan as follows:

Expanding retail finance by launching new products to augment the present range of products so as to capture a greater share of the market of such products. The Bank had recently launched a number of excellent products which were met with a huge response from the public, such as the medical treatment finance (surgical operations), education finance (foreign schools and private universities), tourism finance (air tickets), financing subscription to club memberships and real estate finance (purchase of flats and villas).

Expanding the financing of small and micro enterprises to help in eliminating the problem of unemployment by creating job opportunities for young university graduates.

Expanding the syndication business to finance strategic and mega projects that have proven economic viability and serve the national economy.

Expanding corporate finance operations to finance corporations with good credit rating in different vibrant economic sectors.

We are in the process of finalizing studies to acquire a package of new software systems that operate in accordance with the latest advances in information technologies. We are in the process of embarking upon a comprehensive plan to implement a complete renewal and replacement of our computer and IT systems and infrastructure.

The Egyptian Saudi Finance Bank is one of the Banking Units of Al baraka Banking Group's. Albaraka Banking Group (ABG) is a Bahraini Joint Stock Company listed on Bahrain and Dubai stock exchanges and one

of the well-known leading international Islamic banks. ABG is the biggest Islamic banking group listed on the Bahrain Stock Exchange in terms of capitalization. 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.

For further information, please contact:
Albaraka Banking Group (ABG)
Corporate Communications Department
Tel: +973-17-541122
Fax: +973-17-536533
Website: www.abg.bh
Email: zharam@barakaonline.com