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**Press Release – Office of the President and Chief Executive**

**ALBARAKA TURK PARTICIPATION BANK RAISES ITS NET PROFITS BY 70% IN THE FIRST NINE MONTHS OF 2008 AND ITS NETWORK IN EXCESS OF 100 BRANCHES**

Manama, 2 December 2008: AlBaraka Turk Participation Bank, a subsidiary banking unit of Albaraka Banking Group B.S.C. (ABG), announced that it achieved a substantial increase of 84% in its net operating income and 70% in its net income. Similarly, total assets increased by 24%, deposits by 27% and finance and investments by 26% in the first nine months of 2008, according to a press release issued by the Bank.

The Bank's financial statements show that gross operating income increased by 38% to reach US\$243.84 million during the first nine months of 2008. After deducting operating expenses, the net operating income achieved a significant 84% improvement to rise from US\$117.16 million in the first nine months of 2007 to US\$133.36 million in the first nine months of 2008. This improvement reflects both the growth in income from financing and investment operations and the success of the Bank in controlling the operating costs as reflected by the drop in the operating expenses to operating income ratio from 66% in the first nine months of 2007 to 55% in the first nine months of 2008. As a result of the increase in gross operating income, the net operating income increased by a good 70% to reach US\$70.61 million in the first nine months of 2008. Subsequently, the annualized returns on average equity and average total assets showed noticeable improvements to reach 21% and 2.9% respectively in the first nine months of 2008.

As at the end of September 2008, the assets of the Bank increased by 24% to reach US\$3.40 billion compared to US\$2.75 billion during the same period of last year. This increase was the result of a significant growth in the murabaha, Ijarah Muntahia Bittamleek, Ijara and investments which increased by 26% to reach US\$2.73 billion in total as at the end of September 2008. The Bank was able

to finance this growth by increasing the number of its branches and the range of investment products it offers, which in turn led to an increase in customer deposit accounts and unrestricted investment accounts by 27% to reach US\$2.85 billion as at the end of September 2008 – which financed 83.7% of the total assets of the Bank. The remaining assets were financed by the shareholders equity which was enhanced by 7% to reach a total of US\$443.54 million as at the end of September 2008.

On this occasion, Mr. Adnan Ahmed Yousif, Chairman of the Board of Directors of Albaraka Turk Participation Bank and President and Chief Executive of Albaraka Banking Group, said that he was very pleased with excellent results that the Bank continued to achieve during the first nine months of 2008 despite the difficult financial and economic conditions prevailing in the world and the region. This excellent performance was the result of our wise policy in striking the right balance between the need to achieve growth and profits and at the same time maintain the high quality of our assets. We also value the hard work of the executive management and all the employees of the Bank as well as the strong support that the parent company (ABG) extends to its subsidiary units, which helped to consolidate the Bank's position in the Turkish market.

On his part, the General Manager and member of the Board of Directors of Albaraka Turk Participation Bank Dr. Adnan Buyukdeniz said that the Bank, thanks to the wise leadership of the Board of Directors, was able to maintain during 2008 its performance in line with its budget and targets for the year. This is an indication of the success of the Bank's plans in diversifying its sources of income by expanding its branch network. The branch network witnessed rapid expansion as it increased from just 20 branches in 2003 to more than 100 in 2008 and we intend to increase the number of branches to 200 during the next three years with each branch having its own ATM to serve its customers.

DR. Buyukdeniz added that the rapid growth in the Bank's investment and banking business had benefited from the good performance of the Turkish economy which witnessed a growth despite the problems and challenges facing the global economy. The Bank has always sought to be part of the development and growth of the Turkish economy, and this is a source of pride for the Bank, its shareholders, employees and customers.

AlBaraka Turk Participation Bank is one of the main Banking Units of Albaraka Banking Group .Albaraka Banking Group (ABG) is a Bahrain Joint Stock Company listed on Bahrain Stock Exchange and Nasdaq Dubai stock exchange. It is a leading international Islamic bank with Standard and Poors long and short term credit ratings of

A-3 and BBB- respectively. ABG offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Shari'a. The authorized capital of ABG is US\$1.5 billion, while the total equity amounts to about US\$1.60 billion. The Group has a wide geographical presence in the form of subsidiary banking Units and representative offices in twelve countries, which in turn provide their services through more than 267 branches. These banking Units are Jordan Islamic Bank/Jordan, AlBaraka Islamic Bank/Bahrain, AlBaraka Islamic Bank/Pakistan, Banque AlBaraka D'Algerie/Algeria, AlBaraka Bank Sudan/Sudan, AlBaraka Bank/South Africa, AlBaraka Bank Lebanon/Lebanon, Bank Et-Tamweel Al- Tunisi Al Saudi/Tunisia, The Egyptian Saudi Finance Bank/Egypt, AlBaraka Turk Participation Bank/Turkey, AlBaraka Bank Syria (under formation), and an ABG representative office in Indonesia.

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