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## PRESS RELEASE

### **BANQUE AL BARAKA D'ALGERIE POSTS A 39% GROWTH IN PROFITS IN THE FIRST HALF OF 2009 AND INCREASES ITS CAPITAL TO US\$140 MILLION**

**Manama, 28 September 2009:** Banque Al Baraka D'Algerie, a subsidiary banking unit of Al Baraka Banking Group B.S.C., announced that it posted a substantial increase of 39% in net profits during the first half of 2009 compared to the same period last year. Assets also increased by 8%, finance by 17%, deposits by 7% and shareholders equity by 7% as at the end of June 2009 compared to the end of December 2008.

The Bank also announced that it was planning to increase its capital by DZD 7.5 billion to become DZD 10 billion (US\$140 million) by the end of 2009 and that this step was in response to the directives of the Central Bank of Algeria which require that banks increase their minimum capital to DZD 10 billion. The Bank has already received all the required approvals from the Board of Directors, Shareholders Extraordinary General Meeting and the Central Bank of Algeria.

The Bank's financial results for the first half of 2009 show that the Bank was able to continue achieve excellent results and that it achieved a big increase in net profits. Total operating income increased by 16% from US\$ 36.34 million in the first half of 2008 to US\$ 42.05 million in the first half of 2009 as a result of a noticeable growth in financing. After deducting operating expenses, net operating income amounted to US\$ 31.53 million in the first half of 2009 compared to US\$ 27.97 million in the first half of 2008, an increase of 13%. After setting aside provisions and taxation allocation, net income increased to US\$ 22.94 million, which represents a significant increase of 39% compared to the first half of 2008.

These excellent results came on the back of marked growth in the financing activities of the Bank in the first half of 2009 as total assets increased to US\$ 1.11 billion in June 2009, a growth of 8% compared to December 2008. This increase in assets was the result of increased financing which went up by 17% to US\$ 828.1 million in total. This in turn was financed by an increase in customer deposits and unrestricted investment accounts which grew by 7% to US\$ 832.66 million. The growth in these accounts which financed 75.2% of total assets reflects the strong customer base of the Bank. On the other hand, total shareholders equity increased by 7% to US\$ 137.71 million as at the end of June 2009.

On this occasion, Mr. Adnan Ahmed Yousif, Chairman of the Board of Directors of Banque Al Baraka D'Algerie and President & Chief Executive of Al Baraka Banking Group, said that he was very pleased with the excellent results that Banque Al Baraka D'Algerie had achieved in spite of the adverse regional and global economic and financial developments. This reflects the financial, technical and human resources that the Bank possesses, and a proof that the Bank was well positioned in the vibrant and opportunity-rich Algerian market.

Commenting on the capital increase, Mr. Adnan Yousif said that "the keenness of the parent group, Al Baraka Banking Group, to comply with the Algerian Central Bank's guidelines regarding increasing the capital of Banque Al Baraka D'Algerie stems from our recognition of the importance of this step as a powerful boost to the development of the Algerian banking industry, in which Banque Al Baraka D'Algerie is a major player. For this reason, we were prompt in taking an initiative to strengthen the position of the Bank and its financial resources".

Mr. Adnan Yousif added that this step also stemmed from our full confidence in the performance of the Bank and its ability to continue achieve such excellent results, considering that the bank was able to expand its branch network in the Algerian market, make the most of the opportunities available in this rapidly growing market and make the best use of the strong support that the parent company, Al Baraka Banking Group, extended to it, which together with the concerted efforts of the executive management and the employees of the Bank, helped in achieving these excellent results.

On his part, Mr. Mohammed Seddik Hafid, Board Member and General Manager of Banque Al Baraka D'Algerie, said that increasing the Bank's capital would provide it with the necessary resources for implementing the expansion plan approved by the Board of Directors for the coming years. In this regard, work on the new head office of the Bank is expected to commence soon. The Bank is also in the process of selecting and implementing a new IT system, has plans to install an ATM network comprising 50 machines and intends to open 6 new branches in 2009 as part of the overall target to add 30 new branches to make a total of 50 branches in 5 years. The Bank will also introduce a number of new products and a variety of deposit schemes, such as youth and property savings accounts and Hajj and Umrah savings deposits.

Banque Al Baraka D'Algerie is one of the Banking Units of Al Baraka Banking Group. Al Baraka Banking Group is a Bahrain Joint Stock Company listed on Bahrain and Nasdaq Dubai stock exchanges. It is a leading international Islamic bank with Standard & Poor's long and short term credit ratings of BBB- and A-3 respectively. Al Baraka Banking Group offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Islamic Shari'a. The authorised capital of Al Baraka Banking Group is US\$1.5 billion, while total equity amounts to about US\$1.58 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 300 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 Limited, 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; Al Baraka Bank Syria (under formation) and a representative office in Indonesia.

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