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PRESS RELEASE

Al Baraka Banking Group Posts a net profit of US\$ 45 million in the Third Quarter of 2009 with total assets of US\$ 12 billion, up 12% from year 2008

Manama, 10 November 2009: The Bahrain based leading Islamic banking group, Al Baraka Banking Group B.S.C. announced that it had posted a net profit of US\$ 45 million in the third quarter of 2009 and US\$ 137 million for the first nine months of year 2009. It also achieved a 12% growth in total assets, 9% in liquid assets, 12% in finance and investments, 14% in deposits and unrestricted investment accounts and 6% in total equity as of September 2009 compared to December 2008. These results not only continue to reflect the excellent financial performance of the Group and its ability to cope with the extremely difficult conditions and circumstances that the regional and global financial markets are passing through, but also the success of the Group in capitalizing upon the investment opportunities arising from the current situation, which was clearly reflected in a positive way in the growth of its operating assets.

The growth in operating assets of the Group led to achieving good results in terms of the profits. Total operating profits amounted to US\$ 151.4 million in the third quarter of 2009, up slightly from the total operating profits for the same period of 2008 of about US\$ 151.2 million. The net income of the Group amounted to US\$ 45 million for the third quarter of 2009 compared to US\$ 52 million for the third quarter of 2008, a decline of 13%. Our operating expenses increased by 15% to reach US\$ 73 million in the third quarter of 2009 as a result of increased spending on our strategies to expand the Group's network of branches and opening new branches, upgrading the IT infrastructure of the Group and the individual units in addition to expenses associated with the launch of the new identity of ABG. The allocations for provisions remained at the same prudential levels of US\$ 20 million in the third quarter of 2009, unchanged from the third quarter of 2008. The net income attributable to the equity of the shareholders of the parent company amounted to US\$ 26 million in the third quarter of 2009 against US\$ 31 million for the same period of last year.

As for the financial results of the Group for the first nine months of 2009, total operating income amounted to US\$ 454 million, at almost the same level of US\$ 459 million of the same period last year. The net income amounted to US\$ 137 million for the first nine months of 2009 compared to US\$ 160 million for the first nine months of 2008, a decrease of 14%. It is worthwhile to note here that the net income for the first nine months of 2008 included an exceptional income realized by some of the units of the Group. If we were to exclude such income and take into account the impact of the drop in the exchange rates against the US dollar of the local currencies of some of the units, the net income for the first nine months of 2009 would increase by 7%. The net income attributable to the equity of the shareholders of the parent company amounted to US\$ 75 million in the first nine months of 2009 against US\$ 93 million for the same period of last year.

The total assets of the Group amounted to US\$ 12 billion by the end of September 2009, compared to US\$ 11 billion at the end of December 2008, a growth of 12%. This increase was the result of a 12% growth in operating assets (financing and investments) to reach US\$ 9 billion at the end of September 2009 compared to US\$ 8 billion at the end of December 2008. Similarly, liquid assets were enhanced by 9% to a total of US\$ 3 billion as at the end of September 2009. Customer deposits and other accounts and unrestricted investment accounts increased markedly by 14% to reach US\$ 10 billion at the end of September 2009 up from US\$ 9 billion at the end of December 2008, an indication of continued customer loyalty and confidence in the Group. Total equity increased by 6% to US\$ 1.6 billion at the end of September 2009.

Commenting on these results, Sheikh Saleh Abdullah Kamel, Chairman of the Board of Director of Al Baraka Banking Group said "The outstanding financial results achieved by Al Baraka Banking Group in the first nine months of 2009 confirm the financial and operational health of the Group as a result of its compliance with prudent and balanced banking business strategies which were designed to provide banking products and services that truly contribute to the development of infrastructure and communities in full compliance with the principles of Sharia and that refrain from all speculative activities and non-Sharia complaint operations. Since the start of the global crisis we promptly took the precautionary and preventive measures required for addressing the repercussions of the crisis. This spared us the placing of any restrictions on our expansion programs for the year, as evidenced by all the items on our balance sheet."

On his part, Mr. Adnan Ahmed Yousif, President & Chief Executive of the Group said that "The financial results that we achieved in the third quarter of 2009 and the first nine months of 2009, confirm, as a whole, the strength and soundness of our financial position. For this reason, we went ahead with the implementation of our expansion plans, launched our unified corporate identity, established Al Baraka Bank Syria, the opening of new branches and we expanded our financing and investment activities as evidenced by the strong growth in operating assets. We also continued spending on upgrading our infrastructure, which is an indication of our confidence in the future and in the soundness of our short and

medium term strategies which are based on innovation, diversification and growth, and at the same time the commitment to provide banking products and services that offer good value addition and comply with the Sharia. Praise to Allah, we were able to implement these strategies successfully, and as a result we are now at the forefront of the major Islamic banking institutions that were able to maintain growth and profitability".

Mr. Adnan Ahmed Yousif said that "As part of the implementation of these strategies, we launched during the last few months the new corporate identity of the Group in highly publicized launch activities organized by the Head Office and a number of subsidiary units of the Group. The new identity requires us to adopt a set of policies and high ethical and professional standards with regard to the offering innovative and efficient Sharia-compliant services and products. To achieve this, we put in place a number of programs and plans which are currently being implemented to embody the theme of the new identity of the Group in being a partner bank to our customers, investors, and all our stakeholders".

The President & Chief Executive of the Group added "The IPO of Al Baraka Bank Syria which received a huge response that exceeded all expectations was oversubscribed by 4.4 times to an amount of US\$ 165 million against a requested amount of US\$ 35 million a few days ago. The capital of Al Baraka Bank Syria is SYP 5 billion (US\$ 100 million). Promoters have subscribed to 65% of the capital (6.50 million shares amounting SYP 3.25 billion) of which 50%, amounting to SYP 1.625 billion, has already been paid. The shares that had been offered for public subscription amounted to 3.5 million shares with a value of SYP 1.75 billion representing 35% of the bank's capital. The issue price was SYP 500 per share".

He added "We continued in the third quarter of this year to expand the branch networks of our key subsidiary banking units and the number of these branches now exceeds 300 in twelve countries. We also continued to strengthen our relationships with our business partners, investors and customers, entered new markets and completed the installation and operation of new core-banking systems in a number of ABG banking units. The new core-banking systems will enable the Group and its subsidiary units to enhance the quality and speed of the services provided to customers and improve staff productivity".

In concluding his statement, the President & Chief Executive of the Group praised the great efforts exerted by the Executive Management at Head Office and the executive management teams at the subsidiary banking units of the Group and other concerned parties that led to achieving the results planned and budgeted by the Group.

Item (compared to 2008 year end)	Growth
Total assets	12%
Total financing and investment	12%
Total deposits & unrestricted investment accounts	14%
Shareholders' equity	6%

Item (for the first 9 months of this year compared to the same period last year)	Growth / (Decline)
Net income before extraordinary income and the effect of exchange rates	7%
Net income with extraordinary income	(14%)

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\$1.6 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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