

Your International Islamic Bank

Press Release

Office of the President and Chief Executive

**BANK ET-TAMWEEL AL-TUNISI AL-SAUDI RAISES (BEST BANK) IT'S NET OPERATING INCOME BY 37% IN THE FIRST HALF OF 2008**

**Manama, 24 September 2008:** Bank Et-Tamweel Al-Tunisi Al-Saudi (BEST BANK), a subsidiary banking unit of Albaraka Banking Group B.S.C. (ABG), announced that it achieved a significant improvement in its results for the first half of 2008 as net operating income increased by 37%, total assets by 18%, financing and investments by 21% and deposits by 22%.

The financial results of the Bank showed an increase in gross operating income of 25% to reach US\$8.59 million during the first half of 2008. After deducting operating expenses amounting to US\$3.26 million, the net operating income achieved a significant 37% improvement to rise from US\$3.88 million in the first half of 2007 to US\$5.33 million in the first half 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 of the operating expenses to operating income ratio from 44% in the first half of 2007 to 38% in the first half of 2008.

During the first half of 2008, the assets of the Bank increased by 18% to reach US\$315 million compared to US\$266 million during the same period of last year. This increase was the result of a significant growth in the murabaha and Ijarah Muntahia Bittamleek financing and investment operations which increased by 21% to reach US\$291 million in total as at the end of June 2008. This growth was financed by customer deposit accounts and unrestricted investment accounts which increased by 22% to reach US\$242 million as at the end of June 2008 - which

financed 76.8% of the total assets of the Bank. The remaining assets were financed by the shareholders equity which was enhanced by 8% to reach a total of US\$70 million in as at the end of June 2008.

On this occasion Mr. Abdul Elah Subahi, Chairman of the Board of Directors of Bank Et-Tamweel Al-Tunisi Al-Saudi, said that "the Bank continued in the first half of 2008 to benefit from the good performance of the Tunisian economy and the significant growth in foreign trade to achieve further improvements in all areas of its operation, especially financing and investment operations which, in turn, reflected positively on all the sources of income".

Mr. Subahi also welcomed the appointment of Mr. Al Arousi Fayood as Deputy Board Chairman and General Manager of the Bank to succeed Mr. Isa Al Haydousi. Mr. Al Arousi is a distinguished Tunisian banker with good banking experience and a track record full of achievements. We are confident that he will carry out his new duties in an excellent manner. We also extend our thanks and appreciation to Mr. Isa Al Haydousi for his efforts and valuable contributions during his term in office. We wish him success in his future life and endeavours".

On his part, Mr. Adnan Ahmed Yousif, member of the Board of Directors of Bank Et-Tamweel Al-Tunisi Al-Saudi and President and Chief Executive of Albaraka Banking Group, said that thanks to the hard work of the Bank's executive management and the strong support that the parent company (ABG) extended to the Bank, the Bank was able to continue during the first half of the year to successfully implement the strategic plan which was approved by the Board of Director. The key goals of this strategic plan were to increase the number of branches to 11 by 2012, expand the customer base and focus on selected financing projects with higher returns. The Bank also continued during the year modernising its IT systems and equipment to enable it provide superior customer service including electronic payment services.

Bank Et-Tamweel Al-Tunisi Al-Saudi commenced operations in 1983 as an offshore bank permitted to accept deposits from residents and provide a range of Sharia-compliant services including taking deposits and providing finance facilities and investment in key economic sectors such as agriculture, industry, tourism and export sectors. It also undertakes investments by participating directly in the capital of Tunisian companies or indirectly through investment funds. It currently has 8 branches, having expanded its branch network steadily from 4 in 2003.

Bank Et-Tamweel Al-Tunisi Al-Saudi is one of the main Banking Units of Albaraka Banking Group. (ABG) is a Bahrain Joint Stock Company listed on Bahrain and Dubai stock exchanges. It is a leading international Islamic bank with Standard and Poors long term and short term credit ratings of BBB- and A-3 respectively. ABG offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Islamic Shari'a. The authorized capital of ABG is US\$1.5 billion, while total equity amounts to about US\$1.59 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 250 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 a representative office in Indonesia.

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