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

**GENERAL MEETING OF AL BARAKA BANKING GROUP  
DISTRIBUTES CASH DIVIDENDS AND BONUS SHARES AND  
SHAREHOLDERS PRAISE THE EXCELLENT PERFORMANCE OF  
THE GROUP**

**Manama: 28 March 2009:** Albaraka Banking Group B.S.C (ABG) held its Ordinary and Extra Ordinary General Meetings today in Manama, the capital of Bahrain. The Group's shareholders discussed at the ordinary meeting the report submitted by the Board of Directors on the Group's activities during the financial year ended on 31, December, 2008 and the reports presented by the Unified Sharia Supervisory Board and the Auditors on the balance sheet of financial year ended 31 December 2008.

The final accounts of the Group for the financial year ended 31 December 2008, were approved, as well as the recommendations of the Board of Directors concerning the distribution of cash dividends to the registered shareholders as at the date of the General Meeting amounting to US\$ 27.9 million, representing four cents per share or 4% of the issued capital. The General Meeting also approved the issuance of bonus shares in an amount of US\$ 46.5 at the rate of one share for every 15 paid shares representing 6.67% of the issued capital.

After the Ordinary General Meeting, an Extraordinary General Meeting was convened that approved increasing the issued and paid up capital by transferring US\$ 46.5 million from the issue premium to the capital and to issue against this amount bonus shares to the shareholders registered at the date of Meeting at the rate of one share for every 15 shares held.

Immediately after the end of the General Meeting of the shareholders, the Group's Board of Directors held a Board Meeting to implement the recommendations and resolutions of the Ordinary and Extraordinary General Meetings.

In the light of these results, H.E Shaikh Saleh Abdulla Kamel, Chairman of Albaraka Banking Group said that the Group continued its strong performance during 2008, which witnessed significant enhancements to the financial, human and technological resources in accordance with unified and coordinated plans and strategies for the Group and its subsidiary units and which enabled us achieve strong growth in earnings and income-generating assets.

All of our subsidiary banks, with no exception, contributed to achieving this growth after we enhanced their capital resources, restructured certain banking units and activities, expanded our geographical presence and introduced many modern banking technologies.

Commenting on the financial results of the Group in year 2008, Mr. Abdulla Ammar Al Saudi, Deputy Chairman of Albaraka Banking Group, who also chaired the Ordinary and Extra Ordinary General Meetings, said that "We are pleased to see the Group's ability to continue build on the remarkable successes it achieved through achieving excellent profits, whilst at the same time continue its persistent efforts to implement its ambitious plans for expanding its operations and activities in its existing markets and the markets that it plans to enter into, in spite of the fact that the final months of 2008 witnessed the emergence of an acute financial crises that had serious consequences on the global economy and affected financial institutions in the region. Thanks to the Islamic approach that it follows in handling its financial operations, the Group was not directly affected by the adverse consequences of the crisis. This proves the soundness of the long-term and short-term strategies and operations of the Group".

On his part, Mr. Adnan Ahmed Yousif, Member of the Board of Directors and President and Chief Executive of Albaraka Banking Group, said that the excellent financial results achieved by the Group in 2008 were the early fruit of the Group's new five-year strategy for the years 2008-2012 which based on a number of objectives, programs and initiatives and aims to achieve a strong growth in earnings and in all areas of our operations, taking advantage of the Group's depth of geographical presence, thorough knowledge of Islamic markets and banking products, financial strength and a wide branch network which is the largest amongst Islamic banking institutions.

Mr. Adnan Yousif added that "Year 2008 was full of outstanding achievements and initiatives that translated this strategy to real successes on the ground despite the severe negative

developments that the international markets went through and the slowing down of the performance of the global economy. This once more proves the ability of Al Baraka Banking Group to overcome the adverse effects of such developments and achieve good positive results”.

The shareholders praised the Group's performance in 2008, and the excellent financial results that it achieved, especially that all units of the Group without exception contributed to the results. This reinforces the confidence in the future performance of the Group which will be based on diversity, depth and commitment to the highest professional and ethical standards.

The financial results of the Group for the year 2008 show that the Group achieved a big increase of 37.1% in net profit (before accounting for the extraordinary profits from the IPO of the Group's unit in Turkey in 2008), in spite of the financial crisis and economic stagnation that hit world economies during the last few months of 2008. This increase reflects the noticeable improvements seen in all sources of income, which raised the net operating income to 45.5% while continuing to achieve growth in assets by 8.1%, deposits and investment accounts by 9.7% and financing and investment operations by 9.5%, according to a statement issued by the Group today on its financial results for the year 2008.

The financial results show that the Group's operating income in 2008 increased to US\$585.87 million, compared to US\$444.45 million in 2007, reflecting an increase of US\$141.42 million or 31.8% in 2008. All the components of these profits registered noticeable increases especially the income from joint finance and investment activities, fees and commissions. After deducting all the expenses, the total net income amounted to US\$201 million in 2008, reflecting an increase of 37.1% over the income in 2007 after excluding the effect of the extraordinary profit arising from the IPO of the Group's unit in Turkey from the profits of 2007. These excellent results led to improvements in the returns on average equity and on average assets to reach 13% and 1.9% respectively in 2008.

Similarly, all items of the balance sheet showed significant growth during 2008, especially those related to core financing and investment activities. Total assets increased to US\$10.92 billion as at the end of 2008 compared to US\$10.10 billion in 2007, an increase of US\$816 million or 8.1%. This growth was a reflection of the increase in financing operations, Mudaraba, Musharaka, Ijarah and investments which increased in total by 9.5% to reach

US\$8.09 billion in total in 2008. On the other side, customer deposits registered a noticeable increase of US\$788 million or 9.7% in line with the growth in assets, to reach US\$8.87 billion as at the end of 2008, which reflects an increasing level of customer confidence and loyalty to the Group. As for shareholders equity, it amounted to US\$1.55 billion as at the end of 2008.

In concluding their statements, H.E Shaikh Saleh Abdulla Kamel, Mr. Abdulla Ammar Al Saudi, Deputy Chairman, board members of Albaraka Banking Group and Mr. Adnan Ahmed Yousif, President and Chief Executive of the Group expressed their sincere thanks to the Ministry of Industry and Commerce, Central Bank of Bahrain, Bahrain Stock Exchange and Nasdaq Dubai for the cooperation and assistance they extended to the Group since it was established. They also extended their thanks to all the central banks in the countries in which Group banks operate and to all investors and customers for their continuing support and custom.

They also thanked the executive management of all the units and the Group's employees at the head office and all over the world for their hard work and dedication which stood behind the excellent results achieved by the Group in 2008.

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\$1.55 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 283 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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