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PRESS RELEASE

Office of the President & Chief Executive

ABG Net Income Jumps by 16% in the Third Quarter of 2010 and By 8% in the First 9 Months and Assets Increase by 14%

Manama 10 November 2010:

The Bahrain based leading Islamic banking group, Al Baraka Banking Group B.S.C (ABG) announced that it continued to achieve good growth in profits in the year 2010, as well as in all items of the balance sheet during the nine months ended 30 September 2010. Assets increased by 14%, financing and investments by 11%, deposits and unrestricted investment accounts by 15%, while the Group net income increased by 8% to reach US\$ 147.5 million and total operating income increased by 2% to reach US\$ 464 million in the first nine months of 2010. These good results were achieved despite the difficult economic conditions that the global economy is going through, which is a testimony to the strong financial resources and marketing capabilities that ABG possesses. The results also indicate that the Group was able to capitalise upon the opportunities arising from the current financial and economic conditions, while at the same time continue to enhance its technical capabilities and capital resources, and expand its branch network in accordance with the set plans.

The growth in deposits and unrestricted investment accounts led to further growth in the operating assets of the Group, which paved the way to achieving good profit results in the first nine months of 2010. Total operating income amounted to US\$ 464 million in the first half of 2010 compared to US\$ 454 million for the first nine months of 2009, an increase of 2%. After deducting all operating expenses, which increased as a result of continued spending on expanding the branch network of ABG and upgrading the IT infrastructure of the Group and individual units, in addition to expenses associated with the launch of the new identity of ABG and building up provisions in subsidiary units, Group net income amounted to US\$ 147.5 million in the first nine months of 2010, an increase of 8% above the net income of the first half of 2009 which was US\$ 137 million. The net profit attributable to the equity of the shareholders of the parent company

for the first nine months of this year increased by 11% to reach US\$ 84 million compared to US\$ 75 million for the same period last year.

As for the Group's quarterly financial results for the third quarter of 2010, total operating income amounted to US\$ 157 million compared to US\$ 151 million in the third quarter of 2009. The net income of the Group amounted to US\$ 53 million in the third quarter of 2010 compared to US\$ 45 million in the third quarter of 2009.

The total assets of ABG amounted to US\$ 15 billion as at the end of September 2010, compared to US\$ 13.2 billion at the end of December 2009, a growth of 14%. This increase was the result of 11% growth in financing and investments to reach US\$ 10.5 billion in total at the end of September 2010. Customer deposits and unrestricted investment accounts increased steadily by 15% from US\$ 11 billion at the end of December 2009 to US\$ 12.7 billion at the end of September 2010, an indication of continued customer loyalty and confidence in the Group. Total equity amounted to US\$ 1.8 billion at the end of September 2010.

Commenting on these results, Sheikh Saleh Abdullah Kamel, Chairman of the Board of Director of Al Baraka Banking Group said "We thank God for these good results of the Group, which clearly demonstrate the success of the Group's strategy in maintaining a balance between the prudent and precautionary measures necessitated by the current regional and global economic and financial conditions on one hand, and the need to continue expand our markets and provide innovative Islamic products and services to customers on the other. We achieved all this without forgetting our Sharia and moral obligations towards developing the communities in which the Group operates, and at the same time maximize the value to its shareholders, owners, investors and depositors".

Sheikh Saleh Abdullah Kamel added that "On this occasion I would like to praise the efforts of the executive management of ABG in coordinating the plans and programs of the subsidiary units to ensure that they all work within unified common strategies. The first nine months of 2010 witnessed many such important initiatives that proved to be very effective under the current challenging economic conditions".

"These results would not have been possible to achieve without the concerted efforts of the executive management in main office and the subsidiary units of the Group, supported by the long experience that the Group has in the markets in which our units operate, and the substantial capital resources and wide geographic network of the Group".

For his part, Mr. Abdulla Ammar Al Saudi, Deputy Chairman of ABG said "The good financial results that we achieved in the third quarter of 2010, and the first nine months as a whole, confirm once again the Group's success in dealing with the current difficult banking and financial situation without neglecting the need to achieve our goals set for the year, while on the other hand continue implement our investment spending programs to expand the Group's branch network, upgrade the IT infrastructure and strengthen our human resources, and thirdly take the necessary preventive measures in response to any potential developments by enhancing our liquid assets and reserves. By grace of Allah, ABG was able to successfully implement these strategies and it is now at the forefront of major Islamic banking institutions that maintain consistent and sustainable growth and profitability."

Mr. Adnan Ahmed Yousif, President & Chief Executive of ABG said that the first nine months of 2010 saw the implementation of several important strategic initiatives that reflected our determination to continue achieve the goals set by the Board of Directors. One of these major initiatives was the launch of the operations of our bank in Syria, Al Baraka Bank Syria. In this regard, we intend to open during this year six branches: two in Damascus and one in each of Homs, Hama, Latakia and Aleppo, through which the bank will offer various Islamic commercial banking services.

Mr. Adnan Ahmed Yousif added that "The first nine months of the year also saw the completion of the launch of the new identity of ABG, the last of which was completed in Sudan, Egypt and Jordan, and as a result all the banks of the Group now carry the ABG logo and identity. The new identity, in line with the philosophy on which it is based, requires us to adopt a set of policies and high ethical and professional standards with regard to the offering of 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 partner bank to our customers, investors, and all our stakeholders".

"We also with the grace of Allah, completed on 29 October 2010 the conversion of our branches in Pakistan to a local commercial bank by merging them with Emirates Global Islamic Bank - Pakistan under the name of Al Baraka Bank Pakistan. The merger will lead to the emergence of a bank that has assets in excess of US\$ 582 million and a network of 89 branches covering all major cities and regions in Pakistan. This step comes as part of the Group's strategy to strengthen its presence and operations in promising Islamic markets. The merger will create a high value-addition not

just for the merged financial institutions, but also for the banking and financial market in Pakistan which is considered to be one of the most important markets in the Muslim world".

"During the first nine months of 2010, we also obtained approval for opening a representative office in Libya. We believe that it is quite essential for ABG to have a presence in this very important market, especially after the steps taken by the Central Bank of Libya to promote Islamic banking operations there. Meanwhile, our banking units in Turkey, Jordan, Egypt, Algeria, Lebanon and Bahrain continued to open new branches and this had direct positive effect on the growth in their deposit base and financing portfolios. We expect the number of branches of ABG banking units to exceed 500 branches over the next three years, compared with more than 300 branches at present".

"Furthermore, Al Baraka Turk Participation was successful in obtaining the biggest Islamic financing deal this year for an amount of US\$ 240 million, which was oversubscribed two and a half times reflecting the strong financial position and excellent reputation of the Bank. The deal also reflects the confidence of international investors and financiers in the parent company Al Baraka Banking Group, especially after the announcement by the Group and the Bank of their excellent financial results for last year and the first half of 2010. This funding deal comes as part of the Bank's efforts to expand and diversify its financial resources and establish its name in the domestic, regional and global financial markets. The proceeds of the deal will be used to continue the process of implementing further development in the Bank's products and services.

We were also able to obtain reaffirmation of the rating of our banking units in Turkey (Albaraka Turk Participation Bank) and Jordan (Jordan Islamic Bank). Standard & Poor's has reaffirmed the long term rating of the two units BB / B (short term) with a Stable Outlook. Standard & Poor's remarked that this rating reflects the good track record of the two units in the Islamic banking market as well as their adequate financial resources that are supported by a strong deposit base with limited market risk.

In concluding his statement, the President & Chief Executive of ABG 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 such excellent results by the Group.

For their part, Sheikh Saleh Abdullah Kamel, Chairman of Al Baraka Banking Group, Mr. Abdulla Ammar Al Saudi, Deputy Chairman, Mr. Adnan Ahmed Yousif, President & Chief Executive of the Group and all members of the Board of Directors 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 all the employees for their hard work, dedication and loyalty.

Al Baraka Banking Group is a Bahrain Joint Stock Company listed on Bahrain stock exchange and Nasdaq Dubai. It is a leading international Islamic bank with Standard and Poors long term and short term credit ratings of BBB- and A3 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\$1.8 billion.

The Group has a wide geographical presence in the form of subsidiary banking Units and representative offices in thirteen countries, which in turn provide their services through more than 400 branches. These banking Units are Jordan Islamic Bank, Al Baraka Islamic Bank, Bahrain; Al Baraka Bank Pakistan Limited; Al Baraka Bank Algeria, Al Baraka Bank Sudan, Al Baraka Bank Ltd, South Africa; Al Baraka Bank Lebanon, Al Baraka Bank Tunis, Al Baraka Bank Egypt, Al Baraka Turk Participation Bank, Al Baraka Bank Syria, a representative office in Indonesia and one in Libya (under formation).

Item	Growth
Growth in net income	8%
Growth in net income attributable to equity shareholders of the parent company	11%
Growth in total assets	14%
Growth in total financing and investment	11%
Growth in total deposits and unrestricted investment accounts	15%

- Profit growth rates are for the first nine months of 2010 compared to the first nine months of 2009. Growth rates for balance sheet items are for September 2010 compared to December 2009.

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