

AlBaraka Islamic Bank. B.S.C (c)
INTERIM CONDENSED FINANCIAL STATEMENTS 30 JUNE 2010 (UNAUDITED)

INTERIM STATEMENT OF FINANCIAL POSITION
 At 30 June 2010 (Unaudited)

	30 June		Audited	
	2010	2009	31 December	2009
	BD	BD	BD	BD
ASSETS				
Cash and balances with banks and financial institutions	67,301,421	87,187,714		
Sales receivables	152,986,926	163,707,264		
Mudaraba financing	11,187,933	6,512,334		
Ijara Muntahia Bittamleek	28,202,741	17,635,219		
Musharaka financing	7,637,983	7,702,535		
Investments	54,181,620	52,237,171		
Investment properties	588,038	515,821		
Ijara income receivables	5,466,595	3,704,793		
Premises and equipment	5,349,588	5,047,256		
Other assets	6,577,601	6,319,656		
TOTAL ASSETS	339,450,426	350,569,963		
LIABILITIES				
Due to banks and financial institutions	9,262,384	18,028,460		
Current accounts	24,265,193	26,846,782		
Other liabilities	7,732,628	6,717,054		
TOTAL LIABILITIES	41,260,205	51,592,296		
UNRESTRICTED INVESTMENT ACCOUNTS	239,235,082	239,943,213		
EQUITY				
Share capital	46,166,591	46,166,591		
Reserves	9,505,398	9,488,630		
Retained earnings	3,283,150	3,379,233		
TOTAL EQUITY	58,955,139	59,034,454		
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	339,450,426	350,569,963		
RESTRICTED INVESTMENT ACCOUNTS	99,607,064	76,280,503		
CONTINGENCIES AND COMMITMENTS	71,955,540	41,633,126		

INTERIM STATEMENT OF INCOME
 For the period ended 30 June 2010 (Unaudited)

	Three months ended		Six months ended	
	30 June	30 June	30 June	2009
	2010	2009	2010	2009
	BD	BD	BD	BD
INCOME				
Income from jointly financed sales	3,366,094	3,858,225	6,761,973	7,794,647
Income from jointly financed other financings and investments	1,170,611	913,120	2,098,599	1,934,736
Joint investment income	4,536,705	4,771,345	8,860,572	9,729,383
Gross Return on unrestricted investment accounts	(4,368,360)	(4,326,944)	(8,477,433)	(8,674,404)
Bank's share as a Mudarab	1,342,585	1,078,398	2,557,761	1,537,568
Return on unrestricted investment accounts	(3,025,775)	(3,248,546)	(5,919,672)	(7,136,836)
Bank's share of income from Joint financing and investment accounts	1,510,930	1,522,799	2,940,900	2,592,547
Bank's income from self financed sales	22,268	44,376	31,689	88,694
Bank's income from joint financed, other financings and investments	96,582	278,992	483,946	613,074
Revenue from banking services	641,192	205,937	1,068,107	518,161
Other income	287,602	220,639	727,753	450,810
Bank's Mudarab/agency fee from restricted investment accounts	28,046	14,234	53,080	33,409
TOTAL OPERATING INCOME	2,586,620	2,286,377	5,315,475	4,296,695
OPERATING EXPENSES				
Staff expenses	(1,215,638)	(1,226,225)	(2,461,900)	(2,502,365)
Depreciation	(216,140)	(190,751)	(431,604)	(372,326)
Profit on due to banks and financial institutions	(18,068)	(22,776)	(56,553)	(44,697)
Other operating expenses	(831,375)	(773,280)	(1,724,402)	(1,504,108)
TOTAL OPERATING EXPENSES	(2,281,221)	(2,213,032)	(4,674,459)	(4,423,496)
NET INCOME (LOSS) FOR THE PERIOD BEFORE PROVISION FOR IMPAIRMENT AND TAXATION	305,399	73,945	641,016	(126,801)
Provision for impairment - net	(20,497)	(1,614,430)	(466,592)	(3,335,900)
NET INCOME (LOSS) BEFORE TAXATION	284,902	(1,540,485)	174,424	(3,462,701)
Taxation	(155,970)	(52,843)	(270,506)	259,590
NET INCOME (LOSS) FOR THE PERIOD	138,932	(1,593,328)	(96,082)	(3,202,711)

INTERIM STATEMENT OF CHANGES IN EQUITY
 For the period ended 30 June 2010 (Unaudited)

	Share capital		Statutory		Reserves		Retained earnings		Total equity	
	BD	BD	BD	BD	General	Cumulative changes in fair value	Foreign exchange	BD	BD	BD
Balance at 1 January 2010	46,166,591	7,958,887	3,275,053	969,465	(2,714,775)	-	-	3,379,233	59,034,454	
Net movement in cumulative change in fair value of available for sale investments	-	-	-	79,899	-	-	-	-	79,899	
Foreign currency translation reserve	-	-	-	-	(63,131)	-	-	(96,083)	(63,131)	
Net loss for the period	-	-	-	-	-	-	(63,131)	-	(96,083)	
Balance at 30 June 2010	46,166,591	7,958,887	3,275,053	1,049,364	(2,777,906)	-	-	3,283,150	58,955,139	
Balance at 1 January 2009	46,166,591	7,958,887	3,275,053	1,545,631	(2,346,803)	-	-	13,393,496	69,992,855	
Directors' remuneration paid	-	-	-	-	-	-	-	(37,700)	(37,700)	
Net movement in cumulative change in fair value of available for sale investments	-	-	-	44,686	-	-	-	-	44,686	
Foreign currency translation reserve	-	-	-	-	(146,178)	-	-	-	(146,178)	
Net loss for the period	-	-	-	-	-	-	-	(3,202,711)	(3,202,711)	
Balance at 30 June 2009	46,166,591	7,958,887	3,275,053	1,590,297	(2,492,981)	-	-	10,153,085	66,650,932	

INTERIM STATEMENT OF CASH FLOWS
 For the period ended 30 June 2010 (Unaudited)

	Six months ended	
	2010	2009
	BD	BD
OPERATING ACTIVITIES		
Net income (loss) for the period before taxation	174,424	(3,462,701)
Adjustments for:		
Depreciation	431,604	372,326
Provision for impairment - net	466,592	3,335,900
Amortisation of income and expenses related to leased assets - net	(28,585)	(32,955)
Unrealised remeasurement loss (gain)	104,555	(192,892)
Ijara finance cost	2,977	19,996
Gain on sale of premises and equipment	(3,922)	(2,932)
Operating profit before changes in operating assets and liabilities	1,147,845	36,942
Net changes in operating assets and liabilities:		
Sales receivables	(7,020,267)	21,559,781
Mudaraba financing	(4,788,699)	(1,615,241)
Ijara Muntahia Bittamleek	(10,567,522)	(1,189,228)
Musharaka financing	55,592	1,116,398
Ijara income receivables	(1,749,570)	3,211,441
Other assets	(322,497)	499,348
Other liabilities	1,033,109	(2,315,659)
Due to banks and financial institutions	(8,766,076)	4,729,094
Current accounts	(2,581,589)	(4,863,175)
Taxation paid	(257,646)	(57,700)
Directors' remuneration	-	-
Net cash (used in) from operating activities	(33,817,520)	20,879,686
INVESTING ACTIVITIES		
Purchase of investments	(3,884,456)	(33,899)
Sale of investments	1,726,851	179,324
Purchase of premises and equipment	(747,619)	(618,590)
Sale of premises and equipment	17,625	23,388
Purchase of investment properties	(42,217)	(144,619)
Net cash used in investing activities	(2,929,816)	(794,396)
FINANCING ACTIVITIES		
Decrease in unrestricted investment accounts	(708,131)	(38,061,413)
Ijara finance cost paid	(3,166)	(19,412)
Net cash used in financing activities	(711,297)	(38,079,825)
DECREASE IN CASH AND CASH EQUIVALENTS	(37,458,633)	(17,994,535)
Cash and cash equivalents at 1 January	117,668,726	98,385,305
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	80,200,093	80,390,770

For the purpose of the interim statement of cash flows, cash and cash equivalents comprised of the following:

Cash in hand	4,026,615	3,350,315
Balances with central banks excluding capital deposited with State Bank of Pakistan	14,444,204	7,937,057
Balances with other banks and financial institutions	38,574,703	58,765,289
Sales receivables - international commodities	23,154,571	10,338,109
	80,200,093	80,390,770

These statements have been extracted from financial statements reviewed by Ernst & Young, who expressed an unqualified opinion on 9 August 2010
 Muhammad Essa Al Mutaweh
 Chief Executive & Board Member
 Khalid Rashid Al Zayani
 Deputy Chairman
 Chairman