

Albaraka Islamic Bank B.S.C. (c)

INTERIM BALANCE SHEET

At 30 September 2009 (Unaudited)

	Note	30 September 2009 BD	Audited 31 December 2008 BD
ASSETS			
Cash and balances with banks		68,847,296	81,442,925
Sales receivables		171,795,558	191,860,466
Mudaraba financing		6,512,200	4,896,959
Ijarah Muntahia Bittamleek		17,177,369	16,666,149
Musharaka financing		8,161,744	9,010,389
Investments		55,513,952	53,103,741
Investment properties		749,045	616,795
Ijarah income receivables		3,175,978	8,363,676
Premises and equipment		4,762,795	4,455,467
Other assets	3	7,145,133	7,134,385
TOTAL ASSETS		343,841,070	377,550,952
LIABILITIES			
Due to banks and other financial institutions		21,111,032	4,785,247
Current accounts		17,890,083	25,084,570
Other liabilities	4	7,390,417	11,208,785
TOTAL LIABILITIES		46,391,532	41,078,602
UNRESTRICTED INVESTMENT ACCOUNTS		232,280,494	266,479,495
EQUITY			
Share capital		46,166,591	46,166,591
Reserves		10,293,973	10,432,768
Retained earnings		8,708,480	13,393,496
TOTAL EQUITY		65,169,044	69,992,855
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		343,841,070	377,550,952
RESTRICTED INVESTMENT ACCOUNTS		68,539,854	62,952,936
CONTINGENCIES AND COMMITMENTS	5	38,853,096	50,012,356

Adnan Ahmed Yousif
Deputy Chairman

Mohammed Essa Al Mutaweh
Chief Executive & Board Member

The attached explanatory notes 1 to 7 form part of these interim condensed financial statements.

Albaraka Islamic Bank B.S.C. (c)

INTERIM STATEMENT OF INCOME

For the period ended 30 September 2009 (Unaudited)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2009	2008	2009	2008
	BD	BD	BD	BD
INCOME				
Income from jointly financed sales	3,769,667	3,587,659	11,564,314	11,175,897
Income from jointly financed, other financings and investments	997,247	1,316,199	2,931,983	3,851,024
Joint investment income	4,766,914	4,903,858	14,496,297	15,026,921
Gross Return on unrestricted investment accounts	(4,407,027)	(4,098,471)	(13,081,432)	(12,369,144)
Bank's share as a Mudarib	1,105,449	767,616	2,643,018	1,798,250
Return on unrestricted investment accounts	(3,301,578)	(3,330,855)	(10,438,414)	(10,570,894)
Bank's share of income from Joint financing and Investment accounts	1,465,336	1,573,003	4,057,883	4,456,027
Bank's income from self financed sales	38,236	89,015	126,929	301,117
Bank's income from self financed, other financings and investments	500,858	106,864	1,113,932	1,092,086
Revenue from banking services	325,072	473,377	843,233	1,572,510
Other revenues	213,143	385,978	663,954	941,983
Bank's Mudarib/agency fee from restricted investment accounts	24,796	28,913	58,205	125,482
TOTAL OPERATING INCOME	2,567,441	2,657,150	6,864,136	8,489,205
OPERATING EXPENSES				
Staff expenses	(1,209,307)	(1,220,505)	(3,711,672)	(3,722,870)
Depreciation	(195,091)	(125,298)	(567,417)	(369,905)
Profit on due to banks and financial institutions	(27,345)	(78,366)	(72,042)	(363,099)
Other operating expenses	(835,349)	(693,808)	(2,339,457)	(2,107,431)
TOTAL OPERATING EXPENSES	(2,267,092)	(2,117,977)	(6,690,588)	(6,563,305)
NET INCOME FOR THE PERIOD BEFORE PROVISION FOR IMPAIRMENT AND TAXATION	300,349	539,173	173,548	1,925,900
Provision for impairment - net	(1,920,522)	(71,936)	(5,256,422)	(447,190)
NET (LOSS) INCOME BEFORE TAXATION	(1,620,173)	467,237	(5,082,874)	1,478,710
Taxation	175,567	13,853	435,557	(124,557)
(LOSS) INCOME FOR THE PERIOD	(1,444,606)	481,090	(4,647,317)	1,354,153

The attached explanatory notes 1 to 7 form part of these interim condensed financial statements.

Albaraka Islamic Bank B.S.C. (c)

INTERIM CASH FLOWS STATEMENT

For the period ended 30 September 2009 (Unaudited)

	Nine months ended	
	30 September	
	2009	2008
	BD	BD
OPERATING ACTIVITIES		
Net (loss) Income for the period before taxation	(5,082,874)	1,478,710
Adjustments for :		
Depreciation	567,417	369,905
Provision for impairment-net	5,256,422	447,190
Amortisation of income and expenses related to leased assets-net	(49,706)	(49,888)
Unrealised remeasurement (gain) loss	(378,519)	90,639
Ijarah finance cost	22,701	74,754
(Gain) Loss on sale of premises and equipment	(5,040)	7,903
Gain on sale of investments	(231,523)	(173,243)
Gain on sale of investment properties	-	(219,627)
Operating profit before changes in operating assets and liabilities	<u>98,878</u>	<u>2,026,343</u>
Net changes in operating assets and liabilities:		
Sales receivables	34,071,979	15,719,229
Mudaraba financing	(1,615,241)	8,583,798
Ijara Muntahia Bittamleek	(511,220)	4,332,665
Musharaka financing	1,051,873	(2,390,522)
Ijara income receivables	5,136,385	(3,303,778)
Other assets	(343,721)	(4,213,041)
Other liabilities	(3,061,383)	4,071,862
Due to banks and other financial institutions	16,325,786	(7,874,885)
Current accounts	(7,194,487)	(5,952,163)
Taxation paid	(276,662)	(350,467)
Directors' remuneration	(37,700)	(54,288)
Net cash from operating activities	<u>43,644,487</u>	<u>10,594,753</u>
INVESTING ACTIVITIES		
Purchase of investments	(2,753,654)	(5,756,533)
Sale of investments	963,572	6,582,230
Purchase of premises and equipment	(910,786)	(949,612)
Sale of premises and equipment	41,081	16,467
Purchase of investment properties	(185,358)	(540,910)
Sale of investment properties	-	1,908,136
Net cash (used in) from investing activities	<u>(2,845,145)</u>	<u>1,259,778</u>
FINANCING ACTIVITIES		
Decrease in unrestricted investment accounts	(34,199,002)	(28,475,759)
Ijarah finance cost paid	(18,411)	(58,691)
Net cash used in financing activities	<u>(34,217,413)</u>	<u>(28,534,450)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,581,929	(16,679,919)
Cash and cash equivalents at 1 January	<u>98,385,305</u>	<u>62,419,235</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>104,967,234</u>	<u>45,739,316</u>
For the purpose of the interim cash flows statement, cash and cash equivalents are comprised of the following:		
Cash in hand	3,060,943	2,751,729
Balances with central banks excluding capital deposited with State Bank of Pakistan	9,110,192	11,223,709
Balances with other banks and financial institutions	48,719,962	22,748,435
Sales receivables - international commodities	44,076,137	9,015,443
	<u>104,967,234</u>	<u>45,739,316</u>

The attached explanatory notes 1 to 7 form part of these interim condensed financial statements.

Albaraka Islamic Bank B.S.C. (c)

INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2009 (Unaudited)

	Reserves					Total shareholders' equity BD
	Share capital BD	Statutory BD	General BD	Cumulative changes in fair value BD	Foreign exchange BD	
Balance at 1 January 2009	46,166,591	7,958,887	3,275,053	1,545,631	(2,346,803)	69,992,856
Directors' remuneration paid	-	-	-	-	-	(37,700)
Net movement in cumulative change in fair value of available for sale investments	-	-	-	122,933	-	122,933
Foreign currency translation reserve	-	-	-	-	(261,728)	(261,728)
Net loss for the period	-	-	-	-	-	(4,647,317)
Balance at 30 September 2009	46,166,591	7,958,887	3,275,053	1,668,564	(2,608,531)	65,169,044
Balance at 1 January 2008	46,166,591	7,864,223	3,275,053	1,967,782	(562,847)	71,306,611
Directors' remuneration paid	-	-	-	-	-	(54,288)
Net movement in cumulative change in fair value of available for sale investments	-	-	-	(518,412)	-	(518,412)
Foreign currency translation reserve	-	-	-	-	(1,791,583)	(1,791,583)
Net Income for the period	-	-	-	-	-	1,354,153
Balance at 30 September 2008	46,166,591	7,864,223	3,275,053	1,449,370	(2,354,430)	70,296,481