



# Al Baraka Islamic Bank B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 2011(UNAUDITED)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 31 March 2011 (Unaudited)

	31 March 2011 BD	Audited 31 December 2010 BD
<b>ASSETS</b>		
Cash and balances with banks and financial institutions	47,826,803	75,407,439
Sales receivables	199,320,634	202,977,323
Mudaraba financing	10,761,772	9,703,691
Ijara Muntahia Bittamleek	32,382,149	35,136,644
Musharaka	21,339,843	20,957,936
Investments	144,155,538	118,012,852
Investment properties	558,037	558,037
Ijara income receivables	8,280,162	6,973,121
Premises and equipment	9,955,329	10,148,185
Goodwill	8,142,520	8,142,520
Other assets	16,072,924	19,635,745
<b>TOTAL ASSETS</b>	<b>498,795,711</b>	<b>507,653,393</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>Liabilities</b>		
Due to banks and financial institutions	10,458,934	10,040,261
Current accounts	37,727,629	44,861,513
Other liabilities	10,887,652	10,335,641
<b>Total liabilities</b>	<b>59,074,215</b>	<b>65,037,415</b>
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>369,843,461</b>	<b>373,264,895</b>
<b>Owners' Equity</b>		
Share capital	46,166,591	46,166,591
Reserves	9,565,456	9,749,400
Retained earnings	5,630,154	5,043,117
Equity attributable to shareholders of the parent	61,362,201	60,959,108
Non-controlling interest	8,515,834	8,391,975
<b>Total owners' equity</b>	<b>69,878,035</b>	<b>69,351,083</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>498,795,711</b>	<b>507,653,393</b>
<b>OFF-BALANCE SHEET ITEMS:</b>		
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>70,669,736</b>	<b>68,953,718</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>	<b>103,985,340</b>	<b>85,136,355</b>

## INTERIM CONSOLIDATED STATEMENT OF INCOME For the three month period ended 31 March 2011 (Unaudited)

	Three months ended 31 March	
	2011 BD	2010 BD
<b>INCOME</b>		
Income from jointly financed sales	3,825,676	3,395,879
Income from jointly financed, other financings and investments	4,147,285	927,988
Joint investment income	7,972,961	4,323,667
Return on equity of investment accountholders before Group's share as a Mudarib	(7,024,574)	(4,109,073)
Group's share as a Mudarib	1,072,404	1,215,176
Return on equity of investment accountholders	(5,952,170)	(2,893,897)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabaimal)	2,020,791	1,429,970
Group's income from self financed sales	2,778	9,421
Group's income from self financed, other financings and investments	1,303,643	397,364
Revenue from banking services	656,759	426,915
Other income	573,633	440,150
Group's Mudarib/agency fee from off-balance sheet equity of investment account holders	7,446	25,034
<b>TOTAL OPERATING INCOME</b>	<b>4,565,050</b>	<b>2,728,854</b>
<b>OPERATING EXPENSES</b>		
Staff expenses	(1,845,362)	(1,246,262)
Depreciation	(362,010)	(215,465)
Profit on due to banks and financial institutions	(7,035)	(38,485)
Other operating expenses	(1,505,937)	(893,027)
<b>TOTAL OPERATING EXPENSES</b>	<b>(3,720,344)</b>	<b>(2,393,239)</b>
<b>NET INCOME FOR THE PERIOD BEFORE PROVISION FOR IMPAIRMENT AND TAXATION</b>	<b>844,706</b>	<b>335,615</b>
Provision for impairment - net	(96,812)	(446,095)
<b>NET INCOME (LOSS) BEFORE TAXATION</b>	<b>747,894</b>	<b>(110,480)</b>
Taxation	(66,968)	(116,536)
<b>INCOME (LOSS) FOR THE PERIOD</b>	<b>680,926</b>	<b>(227,016)</b>
Attributable to:		
Shareholders of the parent	587,037	-
Non-controlling interest	93,889	-
	<b>680,926</b>	<b>-</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the three month period ended 31 March 2011 (Unaudited)

	Three months ended 31 March	
	2011 BD	2010 BD
<b>OPERATING ACTIVITIES</b>		
Net income (loss) before taxation	747,894	(110,480)
Adjustments for :		
Depreciation	362,010	215,465
Provision for impairment - net	96,812	446,095
Amortisation of income and expenses related to leased assets - net	-	(16,387)
Unrealised remeasurement (loss) gain	53,002	(1,245)
Ijara finance cost	-	1,705
Gain on sale of premises and equipment	(6,030)	(939)
Gain on sale of investments	(209,302)	(6,011)
Operating profit before changes in operating assets and liabilities	1,044,386	528,203
Net changes in operating assets and liabilities:		
Sales receivables	6,686,947	8,512,048
Mudaraba financing	(4,129)	(149)
Ijara Muntahia Bittamleek	2,754,495	(2,342,253)
Musharaka	(361,322)	183,370
Ijara income receivables	(1,552,345)	(391,831)
Other assets	3,562,821	(286,141)
Other liabilities	561,526	761,855
Due to banks and financial institutions	418,673	(1,351,018)
Current accounts	(6,933,884)	(5,178,003)
Equity of investment accountholders	(3,926,560)	(24,821,334)
Taxation paid	(76,483)	(206,162)
Net cash from (used in) operating activities	2,174,125	(24,591,415)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(29,955,136)	(1,568,086)
Sale of investments	2,554,951	872,262
Net purchase of premises and equipment	(163,123)	(275,449)
Purchase of investment properties	-	(42,217)
Net cash used in investing activities	(27,563,308)	(1,013,490)
Foreign currency translation adjustments	82,515	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(25,306,668)</b>	<b>(25,604,905)</b>
Cash and cash equivalents at 1 January	135,346,348	117,658,726
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>110,039,680</b>	<b>92,053,821</b>
For the purpose of the interim cash flows statement, cash and cash equivalents comprised of the following:		
Cash in hand	5,261,124	3,919,102
Balances with central banks excluding capital deposited with State Bank of Pakistan	14,219,752	8,074,853
Balances with other banks and financial institutions	28,345,927	46,635,610
Sales receivables - international commodities	62,212,877	33,424,256
	<b>110,039,680</b>	<b>92,053,821</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY For the three month period ended 31 March 2011 (Unaudited)

	Equity attributable to shareholders of the parent							Non-Controlling Interest BD	Total Equity BD
	Share capital BD	Statutory BD	General BD	Cumulative changes in fair value BD	Foreign exchange BD	Retained earnings BD	Total BD		
Balance at 1 January 2011	46,166,591	8,132,290	3,275,053	(1,657,943)	-	5,043,117	60,959,108	8,391,975	69,351,083
Net movement in cumulative change in fair value of available for sale investments	-	-	-	(237,282)	-	-	(237,282)	793	(236,489)
Foreign currency translation reserve	-	-	-	-	53,338	-	53,338	28,177	82,515
Net income for the period	-	-	-	-	-	587,037	587,037	93,889	680,926
<b>Balance at 31 March 2011</b>	<b>46,166,591</b>	<b>8,132,290</b>	<b>3,275,053</b>	<b>(1,895,225)</b>	<b>53,338</b>	<b>5,630,154</b>	<b>61,362,201</b>	<b>8,515,834</b>	<b>69,878,035</b>
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 investments	-	-	-	176,199	-	-	176,199	-	-
Foreign currency translation reserve	-	-	-	-	12,964	-	12,964	-	-
Net loss for the period	-	-	-	-	-	(227,016)	(227,016)	-	-
Balance at 31 March 2010	46,166,591	7,958,887	3,275,053	1,145,664	(2,701,811)	3,152,217	58,996,601	-	-

These statements have been extracted from financial statements reviewed by Ernst & Young, who expressed an unqualified opinion on 8th May 2011

Khalid Rashid Al Zayani  
Chairman

Adnan Ahmed Yousif  
Deputy Chairman

Mohammed Essa Al Mutaweh  
Chief Executive & Board Member