

**Al Baraka Islamic Bank B.S.C. (c)**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**30 JUNE 2012 (UNAUDITED)**

## REVIEW REPORT TO THE BOARD OF DIRECTORS OF AL BARAKA ISLAMIC BANK B.S.C. (c)

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Al Baraka Islamic Bank B.S.C.(c) (the "Bank") and subsidiaries ("the Group") as at 30 June 2012, comprising of the interim consolidated statement of financial position as at 30 June 2012 and the related interim consolidated statements of income, cash flows, changes in owners' equity and changes in off-balance sheet equity investment accountholders for the six month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.



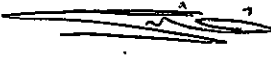
26 July 2012  
Manama, Kingdom of Bahrain

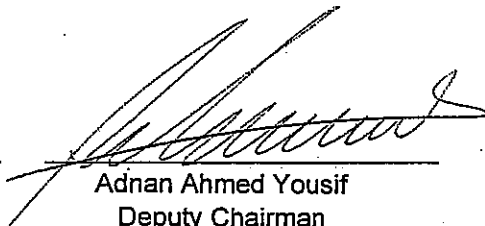
# Al Baraka Islamic Bank B.S.C. (c)

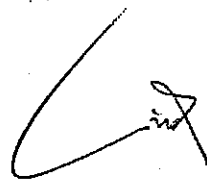
## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012 (Unaudited)

	Notes	30 June 2012 BD	Audited 31 December 2011 BD
<b>ASSETS</b>			
Cash and balances with banks and financial institutions		75,116,686	95,393,893
Sales receivables		168,829,764	228,973,907
Mudaraba financing		12,298,595	9,634,847
Ijara Muntahia Bittamleek		40,464,748	38,664,092
Musharaka		24,181,395	23,739,098
Investments		156,910,357	159,068,730
Investment in real estate		1,208,092	1,109,068
Ijara income receivables		9,224,292	9,594,803
Premises and equipment		8,589,703	9,292,275
Goodwill		7,375,012	7,752,439
Other assets	3	23,987,055	19,141,742
<b>TOTAL ASSETS</b>		<b>528,185,699</b>	<b>602,364,894</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>			
<b>Liabilities</b>			
Due to banks and financial institutions		28,689,215	37,252,577
Current accounts		51,068,106	48,732,822
Other liabilities	4	13,072,234	50,701,525
<b>Total liabilities</b>		<b>92,829,555</b>	<b>136,686,924</b>
<b>Equity of investment accountholders</b>		<b>369,541,683</b>	<b>398,255,921</b>
<b>Owners' Equity</b>			
Share capital		46,166,591	46,166,591
Reserves		7,651,124	7,384,511
Retained earnings		4,451,760	5,646,275
<b>Equity attributable to parent's shareholders</b>		<b>58,269,475</b>	<b>59,197,377</b>
Non-controlling interest		7,544,986	8,224,672
<b>Total owners' equity</b>		<b>65,814,461</b>	<b>67,422,049</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		<b>528,185,699</b>	<b>602,364,894</b>
<b>OFF-BALANCE SHEET ITEMS:</b>			
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>		<b>51,955,376</b>	<b>98,005,490</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	<b>97,032,129</b>	<b>123,883,022</b>

  
Khalid Rashid Al-Zayani  
Chairman

  
Adnan Ahmed Yousif  
Deputy Chairman

  
Mohammed Essa Al Mutawah  
Chief Executive & Board Member

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

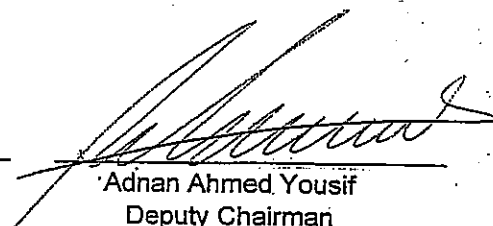
## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six month period ended 30 June 2012 (Unaudited)

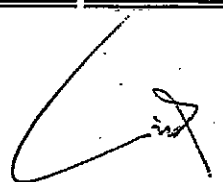
	Three months ended		Six months ended	
	30 June		30 June	
	2012	2011	2012	2011
	BD	BD	BD	BD
<b>INCOME</b>				
Income from jointly financed sales	3,573,549	3,568,008	6,659,220	7,393,684
Income from jointly financed, other financings and investments	5,143,602	5,652,232	10,400,717	9,799,517
Joint investment income	8,717,151	9,220,240	17,059,937	17,193,201
Return on equity of investment accountholders before Group's share as a Mudarib	(7,623,321)	(8,143,329)	(15,203,759)	(15,167,903)
Group's share as a Mudarib	1,675,360	1,782,762	2,829,665	2,855,166
Return on equity of investment accountholders	(5,947,961)	(6,360,567)	(12,374,094)	(12,312,737)
Group's share of income from equity of investment accountholders (as a Mudarib and Rabalmaal)	2,769,190	2,859,673	4,685,843	4,880,464
Group's income from self financed sales	235	1,837	37,053	4,615
Group's income from self financed, other financings and investments	627,010	100,599	1,357,131	1,404,242
Revenue from banking services	616,051	493,098	1,215,565	1,149,857
Other income	200,491	370,010	435,996	943,643
Group's Mudarib/agency fee from off-balance sheet equity of investment account holders	4,657	6,466	13,155	13,912
<b>TOTAL OPERATING INCOME</b>	<b>4,217,634</b>	<b>3,831,683</b>	<b>7,744,743</b>	<b>8,396,733</b>
<b>OPERATING EXPENSES</b>				
Staff expenses	(1,873,085)	(1,809,632)	(4,105,518)	(3,654,994)
Depreciation	(308,057)	(348,681)	(629,917)	(710,691)
Profit on due to banks and financial institutions	(4,166)	(57)	(9,199)	(7,092)
Other operating expenses	(1,429,013)	(1,563,618)	(2,829,208)	(3,069,555)
<b>TOTAL OPERATING EXPENSES</b>	<b>(3,614,321)</b>	<b>(3,721,988)</b>	<b>(7,573,842)</b>	<b>(7,442,332)</b>
<b>NET INCOME FOR THE PERIOD BEFORE PROVISION FOR IMPAIRMENT AND TAXATION</b>	<b>603,313</b>	<b>109,695</b>	<b>170,901</b>	<b>954,401</b>
Provision for impairment - net	(1,128,644)	838,452	(1,697,818)	741,640
<b>NET (LOSS) / INCOME BEFORE TAXATION</b>	<b>(525,331)</b>	<b>948,147</b>	<b>(1,526,917)</b>	<b>1,696,041</b>
Taxation	(264,456)	(346,890)	53,415	(413,858)
<b>(LOSS) / INCOME FOR THE PERIOD</b>	<b>(789,787)</b>	<b>601,257</b>	<b>(1,473,502)</b>	<b>1,282,183</b>
Attributable to:				
Equity shareholders of the parent	(724,094)	427,582	(1,194,515)	1,014,619
Non-controlling interest	(65,693)	173,675	(278,987)	267,564
	<b>(789,787)</b>	<b>601,257</b>	<b>(1,473,502)</b>	<b>1,282,183</b>



Khalid Rashid Al-Zayani  
Chairman



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 consolidated financial statements.

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six month period ended 30 June 2012 (Unaudited)

	<i>Six months ended</i>	
	<i>30 June</i>	
	<b>2012</b>	<b>2011</b>
	<b>BD</b>	<b>BD</b>
<b>OPERATING ACTIVITIES</b>		
Net (loss) income before taxation	<b>(1,526,917)</b>	1,696,041
Adjustments for :		
Depreciation	<b>629,917</b>	710,691
Provision for impairment - net	<b>1,697,818</b>	(741,640)
Unrealised remeasurement loss	-	56,380
Loss (Gain) on sale of premises and equipment	<b>2,434</b>	(5,037)
Gain on sale of investments	<b>(441,344)</b>	(519,698)
Operating profit before changes in operating assets and liabilities	<b>361,908</b>	1,196,737
Net changes in operating assets and liabilities:		
Sales receivables	<b>8,831,522</b>	(9,900,701)
Mudaraba financing	<b>(2,663,748)</b>	(2,901,685)
Ijara Muntahia Bittamleek	<b>(1,800,655)</b>	1,188,306
Musharaka	<b>(1,192,900)</b>	(1,129,608)
Ijara income receivables	<b>(2,742,462)</b>	(2,378,525)
Other assets	<b>(4,675,122)</b>	5,147,528
Other liabilities	<b>(37,629,291)</b>	3,276,606
Due to banks and financial institutions	<b>(8,563,361)</b>	(2,664,045)
Current accounts	<b>2,335,285</b>	(230,181)
Equity of investment accountholders	<b>(28,714,239)</b>	40,916,816
Taxation paid	<b>(142,968)</b>	(187,089)
Net cash (used in) from operating activities	<b>(76,596,031)</b>	32,334,159
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	<b>(16,301,799)</b>	(36,916,404)
Sale of investments	<b>19,457,886</b>	11,399,824
Net (sale) purchase of premises and equipment	<b>70,219</b>	(314,692)
Purchase of investment in real estate	<b>(99,024)</b>	(550,931)
Net cash from (used in) investing activities	<b>3,127,282</b>	(26,382,203)
Foreign currency translation adjustments	<b>(1,140,632)</b>	(98,294)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(74,609,381)</b>	5,853,662
Cash and cash equivalents at 1 January	<b>175,999,403</b>	135,346,349
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>101,390,022</b>	141,200,011
For the purpose of the interim cash flows statement, cash and cash equivalents comprised of the following:		
Cash in hand	<b>5,226,147</b>	5,302,611
Balances with central banks	<b>22,854,518</b>	22,639,210
Balances with other banks and financial institutions	<b>47,036,021</b>	43,092,750
Sales receivables - international commodities	<b>26,273,336</b>	70,165,440
	<b>101,390,022</b>	141,200,011

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

**Al Baraka Islamic Bank B.S.C. (c)**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**  
For the six month period ended 30 June 2012 (Unaudited)

*Equity attributable to shareholders of the parent*

	Reserves				Retained earnings	Total	Non-Controlling Interest	Total owners' equity
	Share capital	Statutory	General	Cumulative changes in fair value				
Balance at 1 January 2012	46,166,591	8,199,308	3,275,053	(2,843,679)	(1,246,171)	59,197,377	8,224,672	67,422,049
Cumulative changes in fair value	-	-	-	1,381,344	-	1,381,344	2,628	1,383,972
Foreign currency translation reserve	-	-	-	-	(1,114,731)	(1,114,731)	(403,327)	(1,518,058)
Net loss for the period	-	-	-	-	(1,194,515)	(1,194,515)	(278,987)	(1,473,502)
<b>Balance at 30 June 2012</b>	<b>46,166,591</b>	<b>8,199,308</b>	<b>3,275,053</b>	<b>(1,462,335)</b>	<b>(2,360,902)</b>	<b>58,269,475</b>	<b>7,544,986</b>	<b>65,814,461</b>
Balance at 1 January 2011	46,166,591	8,132,290	3,275,053	(1,657,943)	-	60,959,108	8,391,975	69,351,083
Cumulative changes in fair value	-	-	-	(258,980)	-	(258,980)	(5,214)	(264,194)
Foreign currency translation reserve	-	-	-	-	(63,537)	(63,537)	(34,757)	(98,294)
Net income for the period	-	-	-	-	1,014,619	1,014,619	267,564	1,282,183
Balance at 30 June 2011	46,166,591	8,132,290	3,275,053	(1,916,923)	(63,537)	61,651,210	8,619,568	70,270,778

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

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

**INTERIM STATEMENT OF CHANGES IN OFF-BALANCE SHEET EQUITY OF INVESTMENT ACCOUNTHOLDERS**

For the six month period ended 30 June 2012 (Unaudited)

	<i>Balance at 1 January 2012 BD</i>	<i>Net deposits (withdrawals) BD</i>	<i>Gross income BD</i>	<i>Mudarib's/ agency fee BD</i>	<i>Balance at 30 June 2012 BD</i>
Sales receivables	88,731,094	(46,127,889)	90,494	(13,155)	42,680,544
Investments	4,231,932	265,714	-	-	4,497,646
Mudaraba financing	5,042,464	(265,278)	-	-	4,777,186
	<b>98,005,490</b>	<b>(46,127,453)</b>	<b>90,494</b>	<b>(13,155)</b>	<b>51,955,376</b>

	<i>Balance at 1 January 2011 BD</i>	<i>Net deposits (withdrawals) BD</i>	<i>Gross income BD</i>	<i>Mudarib's/ agency fee BD</i>	<i>Balance at 30 June 2011 BD</i>
Sales receivables	59,369,187	1,482,546	69,410	(13,667)	60,907,476
Investments	4,487,394	(117,029)	1,753	(245)	4,371,873
Mudaraba financing	5,097,135	467,642	-	-	5,564,777
	<b>68,953,716</b>	<b>1,833,159</b>	<b>71,163</b>	<b>(13,912)</b>	<b>70,844,126</b>

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2012 (Unaudited)

**1 INCORPORATION AND PRINCIPAL ACTIVITY**

Al Baraka Islamic Bank B.S.C. (c) (the "Bank") is a closed shareholding company incorporated in the Kingdom of Bahrain on 21 February 1984. The Commercial Registration of the Bank was renewed on 7 January 2008 to change the status from exempt closed joint stock company to closed joint stock company. The Bank operates under a Retail Bank's licence number RB/025 issued by the Central Bank of Bahrain (CBB). The Bank has six commercial branches in the Kingdom of Bahrain.

The principal activities of the Bank and its subsidiaries (the "Group") are taking demand, saving and investment accounts, providing Murabaha finance, Ijara financing and other Shari'a compliant forms of financing as well as managing investors' money on the basis of Mudaraba or agency for a fee, providing commercial banking services and other investment activities. The Bank's registered office is at Building 238, Road 1704, Block 317, Manama, Kingdom of Bahrain.

These interim condensed consolidated financial statements were approved by the Board of Directors on 26 July 2012.

**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

The interim condensed consolidated financial statements for the six month period ended 30 June 2012 have been prepared in accordance with the guidance given by International Accounting Standard 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2011. In addition, results for the six month period ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012.

**2.2 Accounting convention**

The interim condensed consolidated financial statements are prepared on historical cost basis, except for investment in real estate, equity-type instruments through statement of income and equity-type instruments through equity that have been measured at fair value.

The interim condensed consolidated financial statements are presented in Bahraini Dinars (BD).

**2.3 Significant accounting policies**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual consolidated financial statements, for the year ended 31 December 2011, which were prepared in accordance with Financial Accounting Standards issued by Accounting and Auditing Organisation for Islamic Financial Institutions (the "AAOIFI"), the Shari'a Rules and Principles, the Bahrain Commercial Companies Law, Central Bank of Bahrain and Financial Institutions Law. For matters which are not covered by AAOIFI standards, including "Interim Financial Reporting", the Group uses the International Financial Reporting Standards (the "IFRSs").

**2.4 Basis of consolidation**

These interim condensed consolidated financial statements include the financial statements of the Bank and its subsidiaries after elimination of inter company transactions and balances.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2012 (Unaudited)

**2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

**2.4 Basis of consolidation (continued)**

The following are the principle subsidiaries of the Bank, which are consolidated in these interim consolidated financial statements:

<i>Bank</i>	<i>Ownership for 2012</i>	<i>Year of incorporation</i>	<i>Country of incorporation</i>	<i>No. of branches/offices at 30 June 2012</i>
<b>Held directly by the Bank</b>				
Al Baraka Bank (Pakistan) Limited	64.64%	2004	Pakistan	89
Delmon properties company S.A.L	100%	2011	Lebanon	N/A

The State Bank of Pakistan (SBP) vide BSD Circular No. 7 of 2009 dated 15 April 2009 required the minimum paid up capital (free of losses) for Banks / Development Financial Institutions to be raised to Rs. 10 billion (BD 41.91 million). The raise is to be achieved in a phased manner by the end of 31 December 2013. As per said circular MCR (free of losses) as of 31 December 2012 and 2013 is Rs.9 billion (BD 37.72 million) and Rs.10 billion (BD 41.91 million) respectively. During 2011, Al Baraka Bank (Pakistan) Limited ("the subsidiary") has been granted exemption from the MCR by the SBP vide its letter no. BSD/BAI-3/608/4673/2011 dated 14 April 2011 for a period of three years, i.e. 31 December 2010, 2011 and 2012 subject to the compliance of the following conditions during the exemption period:

- i) The subsidiary shall maintain paid up capital (free of losses) of at least Rs.6 billion (BD 25.15 million) at all times and raise the paid up capital (free of losses) to Rs.8 billion (BD 33.53 million) in the year 2012 and Rs.10 billion (BD 41.91 million) in the year 2013;
- ii) The subsidiary shall maintain Capital Adequacy ratio (CAR) of 15% or above during the period;
- iii) There would be moratorium on dividend payments until the subsidiary meets existing regulatory capital requirements; and
- iv) The subsidiary shall not undertake related party transaction circulated vide BCD Circular No. 4 of 17 February 2006.

The subsidiary will be subject to Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) as of 31 December 2013 and onwards as per BSD Circular no.7 dated 15 April 2009.

The Bank as the parent is fully committed to comply with current and future regulatory requirements.

**3 OTHER ASSETS**

	<i>30 June 2012</i>	<i>Audited 31 December 2011</i>
	<i>BD</i>	<i>BD</i>
Advance against financing transactions	6,158,948	6,737,680
Deferred tax	4,256,407	4,323,750
Accounts receivable	6,842,346	1,838,514
Advance tax	1,001,948	997,275
Collateral pending sale	694,608	694,608
Income receivable	226,277	451,690
Others	5,101,381	4,381,804
<b>Total</b>	<b>24,281,915</b>	<b>19,425,321</b>
Less: Provision for impairment	<b>(294,860)</b>	<b>(283,579)</b>
	<b>23,987,055</b>	<b>19,141,742</b>

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2012 (Unaudited)

**4 OTHER LIABILITIES**

	<b>30 June</b>	<i>Audited</i>
	<b>2012</b>	<i>31 December</i>
	<b>BD</b>	<i>2011</i>
		<i>BD</i>
Margins received	<b>2,179,019</b>	39,738,066
Security deposit against Ijara Muntahia Bittamleek	<b>2,591,079</b>	2,813,732
Accounts payable	<b>1,458,231</b>	2,611,283
Bills payable	<b>3,138,373</b>	1,861,496
Provision for employees benefits	<b>1,207,600</b>	1,096,043
Rental received in advance	<b>953,051</b>	861,368
Charity fund	<b>602,595</b>	533,432
Others	<b>942,286</b>	1,186,105
	<b>13,072,234</b>	50,701,525

**5 CONTINGENCIES AND COMMITMENTS**

	<b>30 June</b>	<i>Audited</i>
	<b>2012</b>	<i>31 December</i>
	<b>BD</b>	<i>2011</i>
		<i>BD</i>
Guarantees	<b>24,414,532</b>	22,111,693
Letters of credit	<b>41,600,456</b>	68,824,878
Acceptances	<b>13,719,564</b>	18,119,088
Foreign exchange contracts	<b>14,679,377</b>	12,061,055
Taxation	<b>464,574</b>	488,349
Others	<b>2,153,626</b>	2,277,959
	<b>97,032,129</b>	123,883,022

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

At 30 June 2012 (Unaudited)

**6 SEGMENTAL INFORMATION**

The primary segment adopted by the Group is geographic, since the Group operates to provide products and services in separate economic environments having risk and rewards that are different for each economic environment. The two geographical segments are Middle East and Other Asian Countries. Other Asian Countries predominantly includes operations in Pakistan.

	<i>Middle East</i>		<i>Other Asian Countries</i>	
	<i>30 June 2012 BD</i>	<i>31 December 2011 BD</i>	<i>30 June 2012 BD</i>	<i>31 December 2011 BD</i>
Assets	<b>244,817,421</b>	302,105,503	<b>283,368,278</b>	300,259,391
Liabilities and equity of investment accountholders	<b>200,722,200</b>	258,344,411	<b>261,649,038</b>	276,598,434
	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2012 BD</i>	<i>2011 BD</i>	<i>2012 BD</i>	<i>2011 BD</i>
Total operating income	<b>3,868,017</b>	3,276,714	<b>3,876,726</b>	5,120,019
Total operating expenses	<b>(3,724,012)</b>	(3,404,897)	<b>(3,849,830)</b>	(4,037,435)
Provision for impairment - net	<b>(828,516)</b>	653,679	<b>(869,302)</b>	87,961
Taxation	-	-	<b>53,415</b>	(413,858)
Income (loss) for the period	<b>(684,511)</b>	525,496	<b>(788,991)</b>	756,687

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

### 7 RELATED PARTY TRANSACTIONS

Related parties comprise major shareholders, directors of the Group, entities owned or controlled, jointly controlled or significantly influenced by them, companies affiliated by virtue of shareholding in common with that of the Group, Shari'a supervisory board and external auditors.

The significant balances with related parties were as follows:

	Shareholders		Other Related Parties		Total	
	30 June 2012 BD	31 December 2011 BD	30 June 2012 BD	31 December 2011 BD	30 June 2012 BD	31 December 2011 BD
<b>Assets:</b>						
Cash and balances with banks and financial institutions	8,780	-	594,883	115,492	603,663	115,492
Sales receivables	-	9,017,178	155,440	2,429,554	155,440	11,446,732
Mudaraba financing	-	-	12,298,595	9,634,848	12,298,595	9,634,848
Ijara Muntahia Bittamleek	-	-	2,257,551	2,297,968	2,257,551	2,297,968
Musharaka	-	-	278,607	127,952	278,607	127,952
Ijara income receivables	-	-	53,946	11,298	53,946	11,298
Investments	-	-	24,100,206	24,103,360	24,100,206	24,103,360
Other assets	211,312	155,032	1,712	92,615	213,024	247,647
	<b>220,092</b>	<b>9,172,210</b>	<b>39,740,940</b>	<b>38,813,087</b>	<b>39,961,032</b>	<b>47,985,297</b>
<b>Liabilities:</b>						
Due to banks and other financial institutions	1,828,732	2,819,149	16,870,048	5,745,374	18,698,780	8,564,523
Current accounts	765,065	760,239	189,724	217,960	954,789	978,199
Other liabilities	16,194	8,795	3,759	829,536	19,953	838,331
	<b>2,609,991</b>	<b>3,588,183</b>	<b>17,063,531</b>	<b>6,792,870</b>	<b>19,673,522</b>	<b>10,381,053</b>
<b>Equity of investment accountholders</b>	<b>9,065,963</b>	<b>10,427,173</b>	<b>32,527,111</b>	<b>31,666,738</b>	<b>41,593,074</b>	<b>42,093,911</b>
<b>OFF-BALANCE SHEET ITEMS:</b>						
<b>Equity of investment accountholders</b>	<b>11,691,577</b>	<b>10,676,211</b>	<b>5,046,537</b>	<b>47,779,988</b>	<b>16,738,114</b>	<b>58,456,199</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>-</b>	<b>8,703,654</b>	<b>5,492,347</b>	<b>8,703,654</b>	<b>5,492,347</b>

The transactions with the related parties included in the statement of income are as follows:

	Six months ended 30 June	
	2012 BD	2011 BD
<b>Income</b>		
Income from jointly financed sales	19,077	11,822
Income from jointly financed, other financings and investments	267,753	149,546
Group's income from self financed, other financings and investments	72,107	91,970
Other revenues	108,277	153,517
Group's Mudarib/agency fee from off-balance sheet equity of investment accountholders	7,726	-
	<b>474,940</b>	<b>406,855</b>
<b>Expenses</b>		
Return on equity of investment accountholders before Group's share as a Mudarib	650,178	686,679
Other expenses	-	5,975
	<b>650,178</b>	<b>692,654</b>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2012 (Unaudited)

7 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel is as follows:

Key management personnel includes the staff in grade of senior manager and above.

	<i>Six months ended</i>	
	<i>30 June</i>	
	<i>2012</i>	<i>2011</i>
	<i>BD</i>	<i>BD</i>
Salaries	<b>576,119</b>	641,219
Other benefits	<b>335,751</b>	166,211
	<b>911,870</b>	807,430