

Al Baraka Banking Group (B.S.C.)

Interim Consolidated Financial Statements

30 June 2009 (Unaudited)



INTERIM CONSOLIDATED BALANCE SHEET at 30 June 2009 (Unaudited)

| | 30 June 2009 US\$ '000 | (Audited) 31 December 2008 US\$ '000 |
|---|---------------------------|--|
| ASSETS | | |
| Cash and balances with banks | 2,445,717 | 2,353,852 |
| Receivables | 6,383,925 | 6,188,219 |
| Mudaraba and Musharaka financing | 829,706 | 797,958 |
| Investments | 970,231 | 797,366 |
| Ijarah Muntahia Bittamleek | 320,245 | 304,824 |
| Property and equipment | 209,716 | 160,350 |
| Other assets | 351,774 | 317,719 |
| TOTAL ASSETS | 11,511,314 | 10,920,288 |
| LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY | | |
| LIABILITIES | | |
| Customer current and other accounts | 2,009,921 | 2,078,755 |
| Due to banks | 68,724 | 60,860 |
| Other liabilities | 493,347 | 497,771 |
| Total liabilities | 2,571,992 | 2,637,386 |
| UNRESTRICTED INVESTMENT ACCOUNTS | | |
| | 7,362,656 | 6,732,741 |
| EQUITY | | |
| Share capital | 744,000 | 697,500 |
| Share premium | 145,890 | 145,890 |
| Reserves | 74,465 | 63,460 |
| Cumulative changes in fair values | 14,596 | 9,435 |
| Foreign currency translations | (22,753) | (18,118) |
| Retained earnings | 204,050 | 157,615 |
| Proposed appropriations | - | 74,900 |
| Equity attributable to the shareholders of the parent | 1,160,248 | 1,130,682 |
| Non-controlling interest | 416,418 | 419,479 |
| Total equity | 1,576,666 | 1,550,161 |
| TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY | 11,511,314 | 10,920,288 |

INTERIM CONSOLIDATED STATEMENT OF INCOME for the six months ended 30 June 2009 (Unaudited)

| | 6 months ended | | 3 months ended | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30 June 2009 US\$ '000 | 30 June 2008 US\$ '000 | 30 June 2009 US\$ '000 | 30 June 2008 US\$ '000 |
| Income | | | | |
| Net income from jointly financed contracts and investments | 392,154 | 359,982 | 206,971 | 182,552 |
| Gross return on unrestricted investment accounts | (354,429) | (308,671) | (188,884) | (156,752) |
| Group's share as a Mudarib | 114,905 | 88,557 | 62,333 | 46,522 |
| Return on unrestricted investment accounts | (239,524) | (220,114) | (126,551) | (110,230) |
| Group's share of income from joint financing and investment accounts | 152,630 | 139,868 | 80,420 | 72,322 |
| Mudarib share for managing restricted investment accounts | 3,593 | 9,631 | 3,238 | 9,168 |
| Net income from self financed contracts and investments | 40,789 | 57,171 | 19,804 | 32,264 |
| Other fees and commission income | 69,982 | 76,790 | 41,065 | 40,283 |
| Other operating income | 35,304 | 24,251 | 18,537 | 13,066 |
| TOTAL OPERATING INCOME | 302,298 | 307,711 | 163,064 | 167,103 |
| Staff expenses | 80,352 | 76,809 | 40,537 | 38,000 |
| Depreciation and amortisation | 9,852 | 9,074 | 3,365 | 4,697 |
| Other operating expenses | 50,626 | 46,871 | 28,143 | 25,994 |
| TOTAL OPERATING EXPENSES | 140,830 | 132,754 | 72,045 | 68,691 |
| NET INCOME FOR THE PERIOD BEFORE PROVISIONS AND TAXATION | 161,468 | 174,957 | 91,019 | 98,412 |
| Provisions | (39,338) | (35,670) | (22,948) | (21,308) |
| NET INCOME FOR THE PERIOD BEFORE TAXATION | 122,130 | 139,287 | 68,071 | 77,104 |
| Taxation | (30,144) | (31,310) | (19,048) | (18,332) |
| NET INCOME FOR THE PERIOD | 91,986 | 107,977 | 49,023 | 58,772 |
| Attributable to: | | | | |
| Equity shareholders of the parent | 49,272 | 62,190 | 25,432 | 33,948 |
| Non-controlling interest | 42,714 | 45,787 | 23,591 | 24,824 |
| | 91,986 | 107,977 | 49,023 | 58,772 |
| Basic and diluted earnings per share - US cents | 6.62 | 8.36 | 3.42 | 4.56 |

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2009 (Unaudited)

| | 30 June 2009 US\$ '000 | 30 June 2008 US\$ '000 |
|---|---------------------------|---------------------------|
| Net income for the period before taxation | 122,130 | 139,287 |
| Net cash used in operating activities | (176,348) | (701,764) |
| Net cash used in investing activities | (228,123) | (155,961) |
| Net cash from financing activities | 558,157 | 544,059 |
| Foreign currency translation adjustments | (5,621) | (19,837) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 148,065 | (333,503) |
| Cash and cash equivalents at beginning of the period | 1,735,650 | 1,737,048 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 1,883,715 | 1,403,545 |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2009 (Unaudited)

| | Attributable to equity shareholders of the parent US\$ '000 | Non-controlling interest US\$ '000 | Total equity US\$ '000 |
|---|--|--|---------------------------|
| At 31 December 2008 | 1,130,682 | 419,479 | 1,550,161 |
| Dividends declared & directors' remuneration paid | (28,400) | - | (28,400) |
| Net movement in cumulative change in fair value | 5,161 | 1,521 | 6,682 |
| Net movement in other reserves | 8,168 | 4,770 | 12,938 |
| Foreign currency translation | (4,635) | (986) | (5,621) |
| Net income for the period | 49,272 | 42,714 | 91,986 |
| Net movement in non-controlling interest | - | (51,080) | (51,080) |
| At 30 June 2009 | 1,160,248 | 416,418 | 1,576,666 |

| | Attributable to equity shareholders of the parent US\$ '000 | Non-controlling interest US\$ '000 | Total equity US\$ '000 |
|---|--|--|---------------------------|
| At 31 December 2007 | 1,143,763 | 425,895 | 1,569,658 |
| Dividends declared & directors' remuneration paid | (59,090) | - | (59,090) |
| Net movement in cumulative change in fair value | 5,554 | 6,125 | 11,679 |
| Net movement in other reserves | 4,749 | 3,490 | 8,239 |
| Foreign currency translation | (4,257) | (15,580) | (19,837) |
| Net income for the period | 62,190 | 45,787 | 107,977 |
| Net movement in non-controlling interest | - | (28,337) | (28,337) |
| At 30 June 2008 | 1,152,909 | 437,380 | 1,590,289 |

Saleh Abdullah Kamel
Chairman

Adnan Ahmed Yousif
Member of the Board and President and Chief Executive

The above Consolidated Financial Statements, have been extracted from the Consolidated Financial Statements reviewed by Ernst & Young-Bahrain. These statements are available in full detail on the website indicated below.