

**Albaraka Banking Group B.S.C.**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**30 JUNE 2009 (UNAUDITED)**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF  
ALBARAKA BANKING GROUP B.S.C.**

*Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Albaraka Banking Group B.S.C. ('the Bank') and its subsidiaries ('the Group') as at 30 June 2009, comprising of the interim consolidated balance sheet as at 30 June 2009 and the related interim consolidated statements of income, cash flows, changes in equity and changes in restricted investment accounts 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 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 in note 2.



10 August 2009  
Manama, Kingdom of Bahrain

# Albaraka Banking Group B.S.C.

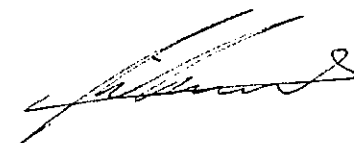
## INTERIM CONSOLIDATED BALANCE SHEET

At 30 June 2009 (Unaudited)

		<i>Audited</i>
		<i>31 December</i>
		<i>2008</i>
	<i>Notes</i>	<i>US\$ '000</i>
		<i>US\$ '000</i>
<b>ASSETS</b>		
Cash and balances with banks		2,445,717
Receivables	3	6,383,925
Mudaraba and Musharaka financing	4	829,706
Investments	5	970,231
Ijarah Muntahia Bittamleek		320,245
Property and equipment		209,716
Other assets	6	351,774
<b>TOTAL ASSETS</b>		<b>11,511,314</b>
<b>LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>		
<b>LIABILITIES</b>		
Customer current and other accounts		2,009,921
Due to banks		68,724
Other liabilities	7	493,347
<b>Total liabilities</b>		<b>2,571,992</b>
<b>UNRESTRICTED INVESTMENT ACCOUNTS</b>		<b>7,362,656</b>
<b>EQUITY</b>		
Share capital		744,000
Share premium		145,890
Reserves		74,465
Cumulative changes in fair values		14,596
Foreign currency translations		(22,753)
Retained earnings		204,050
Proposed appropriations		-
Equity attributable to the shareholders of the parent		1,160,248
Non-controlling interest		416,418
<b>Total equity</b>		<b>1,576,666</b>
<b>TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>		<b>11,511,314</b>



Saleh Abdullah Kamel  
Chairman



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

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

# Albaraka Banking Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2009 (Unaudited)

	<i>Six months ended</i>		<i>Three months ended</i>	
	<b>30 June 2009 US\$ '000</b>	<b>30 June 2008 US\$ '000</b>	<b>30 June 2009 US\$ '000</b>	<b>30 June 2008 US\$ '000</b>
<b>Income</b>				
Net income from jointly financed contracts and investments	<b>392,154</b>	359,982	<b>206,971</b>	182,552
Gross return on unrestricted investment accounts	<b>(354,429)</b>	(308,671)	<b>(188,884)</b>	(156,752)
Group's share as a Mudarib	<b>114,905</b>	88,557	<b>62,333</b>	46,522
Return on unrestricted investment accounts	<b>(239,524)</b>	(220,114)	<b>(126,551)</b>	(110,230)
Group's share of income from joint financing and investment accounts	<b>152,630</b>	139,868	<b>80,420</b>	72,322
Mudarib share for managing restricted investment accounts	<b>3,593</b>	9,631	<b>3,238</b>	9,168
Net income from self financed contracts and investments	<b>40,789</b>	57,171	<b>19,804</b>	32,264
Other fees and commission income	<b>69,982</b>	76,790	<b>41,065</b>	40,283
Other operating income	<b>35,304</b>	24,251	<b>18,537</b>	13,066
<b>TOTAL OPERATING INCOME</b>	<b>302,298</b>	307,711	<b>163,064</b>	167,103
Staff expenses	<b>80,352</b>	76,809	<b>40,537</b>	38,000
Depreciation and amortisation	<b>9,852</b>	9,074	<b>3,365</b>	4,697
Other operating expenses	<b>50,626</b>	46,871	<b>28,143</b>	25,994
<b>TOTAL OPERATING EXPENSES</b>	<b>140,830</b>	132,754	<b>72,045</b>	68,691
<b>NET INCOME FOR THE PERIOD BEFORE PROVISIONS AND TAXATION</b>	<b>161,468</b>	174,957	<b>91,019</b>	98,412
Provisions	<b>(39,338)</b>	(35,670)	<b>(22,948)</b>	(21,308)
<b>NET INCOME FOR THE PERIOD BEFORE TAXATION</b>	<b>122,130</b>	139,287	<b>68,071</b>	77,104
Taxation	<b>(30,144)</b>	(31,310)	<b>(19,048)</b>	(18,332)
<b>NET INCOME FOR THE PERIOD</b>	<b>91,986</b>	107,977	<b>49,023</b>	58,772
Attributable to:				
Equity shareholders of the parent	<b>49,272</b>	62,190	<b>25,432</b>	33,948
Non-controlling interest	<b>42,714</b>	45,787	<b>23,591</b>	24,824
	<b>91,986</b>	107,977	<b>49,023</b>	58,772
Basic and diluted earnings per share - US cents (note 10)	<b>6.62</b>	8.36	<b>3.42</b>	4.56

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

# Albaraka Banking Group B.S.C.

## 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
<b>OPERATING ACTIVITIES</b>		
Net income for the period before taxation	122,130	139,287
Adjustments for:		
Depreciation and amortisation	9,852	9,074
Depreciation on Ijarah Muntahia Bittamleek	36,072	60,585
Unrealised gain on trading securities	(678)	-
Gain on disposal of property and equipment	(1,103)	(9,571)
Provisions	39,338	35,670
Income from associates	(2,875)	-
Operating profit before changes in operating assets and liabilities	<u>202,736</u>	<u>235,045</u>
Net changes in operating assets and liabilities		
Reserves with Central Banks	56,201	(140,712)
Receivables	(242,083)	(898,727)
Mudaraba and Musharaka financing	(31,736)	(218,373)
Ijarah Muntahia Bitamleek	(51,493)	(52,005)
Other assets	(37,512)	(24,996)
Customer current and other accounts	(68,837)	274,876
Due to banks	7,865	107,207
Other liabilities	53,098	55,968
Taxation paid	(64,587)	(40,047)
Net cash used in operating activities	<u>(176,348)</u>	<u>(701,764)</u>
<b>INVESTING ACTIVITIES</b>		
Net purchase of investments	(173,402)	(152,869)
Net purchase of property and equipment	(57,178)	722
Dividend received from associates	2,457	501
Purchase of investment in associates	-	(4,315)
Net cash used in investing activities	<u>(228,123)</u>	<u>(155,961)</u>
<b>FINANCING ACTIVITIES</b>		
Increase in unrestricted investment accounts	636,803	631,486
Dividend paid (note 11)	(27,900)	(58,590)
Net changes in non-controlling interest	(50,246)	(28,337)
Directors remuneration paid (note 11)	(500)	(500)
Net cash from financing activities	<u>558,157</u>	<u>544,059</u>
Foreign currency translation adjustments	(5,621)	(19,837)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>148,065</u>	<u>(333,503)</u>
Cash and cash equivalents at 1 January	<u>1,735,650</u>	<u>1,737,048</u>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<u><u>1,883,715</u></u>	<u><u>1,403,545</u></u>
For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents are comprised of the following:		
Balances with Central Banks	826,061	591,205
Balances with other banks	856,963	641,930
Cash and cash in transit	200,691	170,410
	<u><u>1,883,715</u></u>	<u><u>1,403,545</u></u>

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

# Albaraka Banking Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009 (Unaudited)

	Attributable to equity shareholders of the parent										
	Share capital US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Other reserves US\$ '000	Cumulative changes in fair values US\$ '000	Foreign currency translations US\$ '000	Retained earnings US\$ '000	Proposed appropriations US\$ '000	Total US\$ '000	Non-controlling interest US\$ '000	Total equity US\$ '000
At 31 December 2008	697,500	145,890	33,810	29,650	9,435	(18,118)	157,615	74,900	1,130,682	419,479	1,550,161
Dividends paid (note 11)	-	-	-	-	-	-	-	(27,900)	(27,900)	-	(27,900)
Bonus shares issued (note 11)	46,500	-	-	-	-	-	-	(46,500)	-	-	-
Directors' remuneration paid (note 11)	-	-	-	-	-	-	-	(500)	(500)	-	(500)
Net movement in cumulative change in fair value	-	-	-	-	5,161	-	-	-	5,161	1,521	6,682
Net movement in other reserves	-	-	-	11,005	-	-	(2,837)	-	8,168	4,770	12,938
Foreign currency translation	-	-	-	-	-	(4,635)	-	-	(4,635)	(986)	(5,621)
<b>Total income and expense for period recognised directly in equity</b>	-	-	-	<b>11,005</b>	<b>5,161</b>	<b>(4,635)</b>	<b>(2,837)</b>	-	<b>8,694</b>	<b>5,305</b>	<b>13,999</b>
Net income for the period	-	-	-	-	-	-	49,272	-	49,272	42,714	91,986
<b>Total income and expense for the period</b>	-	-	-	<b>11,005</b>	<b>5,161</b>	<b>(4,635)</b>	<b>46,435</b>	-	<b>57,966</b>	<b>48,019</b>	<b>105,985</b>
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	(25,603)	(25,603)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	(25,477)	(25,477)
<b>At 30 June 2009</b>	<b>744,000</b>	<b>145,890</b>	<b>33,810</b>	<b>40,655</b>	<b>14,596</b>	<b>(22,753)</b>	<b>204,050</b>	-	<b>1,160,248</b>	<b>416,418</b>	<b>1,576,666</b>

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

# Albaraka Banking Group B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009 (Unaudited)

	Attributable to equity shareholders of the parent										
	Reserves										
	Share capital US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Other reserves US\$ '000	Cumulative changes in fair values US\$ '000	Foreign currency translations US\$ '000	Retained earnings US\$ '000	Proposed appropriations US\$ '000	Total US\$ '000	Non-controlling interest US\$ '000	Total equity US\$ '000
At 31 December 2007	651,000	192,390	22,440	1,520	5,883	55,787	109,153	105,590	1,143,763	425,895	1,569,658
Dividends paid (note 11)	-	-	-	-	-	-	-	(58,590)	(58,590)	-	(58,590)
Bonus shares issued (note 11)	46,500	-	-	-	-	-	-	(46,500)	-	-	-
Directors' remuneration paid (note 11)	-	-	-	-	-	-	-	(500)	(500)	-	(500)
Net movement in cumulative change in fair value	-	-	-	-	5,554	-	-	-	5,554	6,125	11,679
Net movement in other reserves	-	-	-	21,986	-	-	(17,237)	-	4,749	3,490	8,239
Foreign currency translation	-	-	-	-	-	(4,257)	-	-	(4,257)	(15,580)	(19,837)
<b>Total income and expense for the period recognised directly in equity</b>	-	-	-	<b>21,986</b>	<b>5,554</b>	<b>(4,257)</b>	<b>(17,237)</b>	-	<b>6,046</b>	<b>(5,965)</b>	<b>81</b>
Net income for the period	-	-	-	-	-	-	62,190	-	62,190	45,787	107,977
<b>Total income and expense for the period</b>	-	-	-	<b>21,986</b>	<b>5,554</b>	<b>(4,257)</b>	<b>44,953</b>	-	<b>68,236</b>	<b>39,822</b>	<b>108,058</b>
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	(22,218)	(22,218)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	(6,119)	(6,119)
At 30 June 2008	697,500	192,390	22,440	23,506	11,437	51,530	154,106	-	1,152,909	437,380	1,590,289

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

## Albaraka Banking Group B.S.C.

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS

For the six months ended 30 June 2009 (Unaudited)

	Cash US\$ '000	Sales receivables US\$ '000	Mudaraba financing US\$ '000	Investment properties US\$ '000	Investments US\$ '000	Others US\$ '000	Total US\$ '000
At 31 December 2008	52,814	325,533	33,538	19,315	112,073	27,275	570,548
Deposits	17,415	38,306	2,845	7,872	38,578	2,406	107,422
Withdrawals	(25,165)	(157,262)	(10,413)	(4,439)	(51,485)	(1,939)	(250,703)
Income net of expenses	-	7,771	330	186	3,302	508	12,097
Mudarib's share	-	(2,247)	(203)	(56)	(932)	(155)	(3,593)
Foreign exchange translation	-	-	-	-	(898)	-	(898)
<b>At 30 June 2009</b>	<b>45,064</b>	<b>212,101</b>	<b>26,097</b>	<b>22,878</b>	<b>100,638</b>	<b>28,095</b>	<b>434,873</b>
	Cash US\$ '000	Sales receivables US\$ '000	Mudaraba financing US\$ '000	Investment properties US\$ '000	Investments US\$ '000	Others US\$ '000	Total US\$ '000
At 31 December 2007	65,217	373,273	71,892	15,186	77,953	25,642	629,163
Deposits	25,447	830,780	-	5,260	162,765	20,154	1,044,406
Withdrawals	(43,148)	(828,225)	(35,806)	(1,028)	(150,201)	(4,100)	(1,062,508)
Income net of expenses	-	11,409	-	876	85,029	459	97,773
Mudarib's share	-	(3,185)	-	(335)	(5,970)	(141)	(9,631)
Foreign exchange translation	-	-	-	-	(124)	-	(124)
<b>At 30 June 2008</b>	<b>47,516</b>	<b>384,052</b>	<b>36,086</b>	<b>19,959</b>	<b>169,452</b>	<b>42,014</b>	<b>699,079</b>

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.



# Albaraka Banking Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

At 30 June 2009

### 1 ACTIVITIES

Albaraka Banking Group B.S.C. ('the Bank') is a joint stock company incorporated in the Kingdom of Bahrain on 27 June 2002, under Commercial Registration (CR) number 48915. The Bank is engaged in banking activities in the Middle East, Europe, North African and South African region. The address of the Bank's registered office is P.O. Box 1882, Diplomatic Area, Manama, Kingdom of Bahrain. The Bank is listed on Bahrain Stock Exchange and NASDAQ Dubai.

The Bank operates under a wholesale banking license issued by the Central Bank of Bahrain ('the CBB').

The principal activities of the Bank and its subsidiaries ('the Group') comprise of international and commercial banking, financing, treasury and investment activities. The Bank is supervised and regulated by the CBB.

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2009 have been prepared in accordance with the guidance given by the International Accounting Standard 34 - "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2008. In addition, results for the six months ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

#### Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2008, which were prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ('the AAOIFI'), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Group, the Bahrain Commercial Companies Law, Central Bank of Bahrain and Financial Institutions Law. For matters which are not covered by the AAOIFI standards including "Interim Financial Reporting", the Group uses the International Financial Reporting Standards.

The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at and for the period ended 30 June 2009. The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

### 3 RECEIVABLES

	<i>Audited</i>	
	<i>30 June</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Sales receivables	6,222,701	6,033,232
Ijarah receivables	15,622	23,456
Salam receivables	123,830	112,576
Istisna'a receivables	21,772	18,955
	<b>6,383,925</b>	<b>6,188,219</b>

# Albaraka Banking Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

At 30 June 2009

### 4 MUDARABA AND MUSHARAKA FINANCING

	<i>Audited</i>	
	<i>30 June</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Mudaraba financing	<b>640,098</b>	638,858
Musharaka financing	<b>189,608</b>	159,100
	<b>829,706</b>	<b>797,958</b>

### 5 INVESTMENTS

	<i>Audited</i>	
	<i>30 June</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Investment properties	<b>95,508</b>	92,618
Investment in associates	<b>34,600</b>	24,100
Trading securities	<b>7,719</b>	25,200
Available for sale investments	<b>297,667</b>	294,403
Held to maturity investments	<b>534,737</b>	361,045
	<b>970,231</b>	<b>797,366</b>

### 6 OTHER ASSETS

	<i>Audited</i>	
	<i>30 June</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Bills receivables	<b>133,082</b>	143,415
Goodwill	<b>62,718</b>	46,906
Collateral pending sale	<b>47,611</b>	34,960
Prepayments	<b>22,153</b>	9,792
Deferred taxation	<b>17,725</b>	18,800
Good Faith Qard Fund	<b>17,765</b>	23,903
Intangible assets	<b>6,913</b>	5,770
Others	<b>56,569</b>	50,422
Total	<b>364,536</b>	333,968
Provisions	<b>(12,762)</b>	(16,249)
	<b>351,774</b>	<b>317,719</b>

# Albaraka Banking Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

At 30 June 2009

### 7 OTHER LIABILITIES

	<b>30 June 2009 US\$ '000</b>	<i>Audited</i> <b>31 December 2008 US\$ '000</b>
Payables	237,679	183,046
Cash margins	57,533	84,266
Other provisions	7,660	7,151
Current taxation	23,772	56,298
Deferred taxation	11,959	20,328
Accrued expenses	26,912	35,024
Charity fund	11,169	10,961
Others	116,663	100,697
	<b>493,347</b>	<b>497,771</b>

### 8 CREDIT RELATED COMMITMENTS

	<b>30 June 2009 US\$ '000</b>	<i>Audited</i> <b>31 December 2008 US\$ '000</b>
Letters of credit	617,170	511,961
Guarantees	2,116,638	1,898,406
Acceptances	51,377	43,910
Undrawn Commitments	122,254	132,988
Others	35,839	59,331
	<b>2,943,278</b>	<b>2,646,596</b>

### 9 RELATED PARTY TRANSACTIONS

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

The income and expenses in respect of related parties are as follows:

	<i>Six months ended</i>	
	<b>30 June 2009 US\$ '000</b>	<b>30 June 2008 US\$ '000</b>
Net income from jointly financed contracts and investments	826	1,307
Net income from self financed contracts and investments	356	348
Return on unrestricted investment accounts	6	35

# Albaraka Banking Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

At 30 June 2009

### 9 RELATED PARTY TRANSACTIONS (continued)

The significant balances with related parties were as follows:

	<i>Audited</i>
	<i>30 June 31 December</i>
	<i>2009 2008</i>
	<i>US\$ '000 US\$ '000</i>
<b>Assets:</b>	
Cash and balances with banks	36 1,612
Receivables	15,975 55,634
Mudaraba and Musharaka financing	16,216 9,724
Investments	82,614 85,930
Ijarah Muntahia Bittamleek	- 262
Other assets	790 9,020
<b>Liabilities:</b>	
Customer current and other accounts	828 2,323
Other liabilities	- 1,825
Unrestricted investment accounts	3,111 8,460
Restricted investment accounts	8,130 14,226

All related party exposures are performing and are free of any provision for possible credit losses.

### 10 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing net income for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period as follows:

	<i>Six months ended</i>		<i>Three months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
Net income attributable to the equity shareholders of the parent for the period - US\$ '000	49,272	62,190	25,432	33,948
Weighted average number of shares outstanding during the period - (in thousands)	744,000	744,000	744,000	744,000
Earnings per share - US cents	6.62	8.36	3.42	4.56

The weighted average number of shares of the previous year has been adjusted on account of the bonus issue made in 2009 and 2008.

# Albaraka Banking Group B.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

At 30 June 2009

### 11 APPROPRIATIONS

	2009 US\$ '000	2008 US\$ '000
Cash dividend, 4% (2008: 9%)	27,900	58,590
Bonus shares	46,500	46,500
Directors' remuneration	500	500
	<u>74,900</u>	<u>105,590</u>

At the Annual General Meeting held on 28 March 2009 (2008: 26 March 2008), the shareholders of the Group resolved to distribute the above appropriations.

### 12 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's geographical segments. The geographical segments are based upon the location of the units responsible for recording the transactions and reflects the manner in which financial information is evaluated by management and the Board of Directors.

For financial reporting purposes, the Group is divided into the following geographic segments:

Middle East  
North Africa  
Europe  
Others

The results reported for the geographic segments are based on the Group's internal financial reporting systems. The accounting policies of the segments are the same as those applied in the preparation of the Group's interim condensed consolidated financial statements as set out in note 2. Transactions between segments are conducted at estimated market rates on an arm's length basis.

No business segment are presented as that is not applicable to the Group.

Segment assets, liabilities and unrestricted investment accounts was as follows:

Segment	June 2009			Audited December 2008		
	Assets US\$ '000	Liabilities US\$ '000	Unrestricted investment accounts US\$ '000	Assets US\$ '000	Liabilities US\$ '000	Unrestricted investment accounts US\$ '000
Middle East	5,455,413	1,077,273	3,576,585	5,855,240	1,326,330	3,652,678
North Africa	1,548,277	609,512	728,834	1,424,057	570,233	655,249
Europe	3,629,001	501,117	2,708,357	3,134,536	521,917	2,205,894
Others	878,623	384,090	348,880	506,455	218,906	218,920
	<u>11,511,314</u>	<u>2,571,992</u>	<u>7,362,656</u>	<u>10,920,288</u>	<u>2,637,386</u>	<u>6,732,741</u>

**Albaraka Banking Group B.S.C.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

At 30 June 2009

**12 SEGMENTAL INFORMATION (continued)**

Segment operating income, net operating income and net income was as follows:

	<i>June 2009</i>			<i>June 2008</i>		
	<i>Total operating income</i>	<i>Net operating income</i>	<i>Net income</i>	<i>Total operating income</i>	<i>Net operating income</i>	<i>Net income</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
<b>Segment</b>						
Middle East	97,879	42,605	14,676	113,404	62,192	31,193
North Africa	51,312	32,695	30,588	44,935	32,952	25,773
Europe	130,346	77,887	43,059	130,037	72,948	47,715
Others	22,761	8,281	3,663	19,335	6,865	3,296
	<b>302,298</b>	<b>161,468</b>	<b>91,986</b>	<b>307,711</b>	<b>174,957</b>	<b>107,977</b>