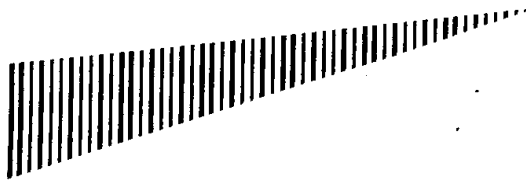




**ALBARAKA BANK (PAKISTAN) LIMITED
FORMERLY EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2011**

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of AlBaraka Bank Pakistan Limited (the Bank) as at 30 June 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and explanatory notes (here-in-after referred to as the "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

E. O. H. R. S. D. H.

Chartered Accountants

Karachi

Date : 21 August 2011

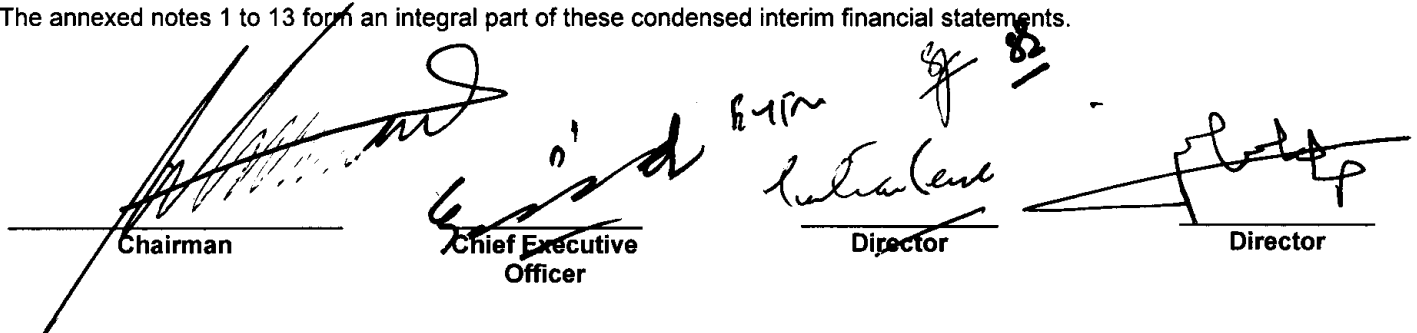
ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	30 June 2011 ----- (Rupees in '000)----- (Un-Audited)	31 December 2010 ----- (Rupees in '000)----- (Audited)
ASSETS			
Cash and balances with treasury banks		4,409,145	4,460,257
Balances with other banks		7,438,272	7,409,620
Due from financial institutions		-	80,000
Investments	4	21,312,917	15,617,589
Financings	5	29,277,304	26,897,198
Operating fixed assets	6	2,683,938	2,732,332
Deferred tax assets		969,749	1,029,055
Other assets		2,155,716	2,537,613
		68,247,041	60,763,664
LIABILITIES			
Bills payable		800,022	427,600
Due to financial institutions		2,054,721	2,756,892
Deposits and other accounts	7	57,037,728	49,324,209
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		11,001	19,303
Deferred tax liabilities		-	-
Other liabilities		1,903,421	2,116,583
		61,806,893	54,644,587
NET ASSETS		6,440,148	6,119,077
REPRESENTED BY			
Share capital		8,935,200	8,935,200
Discount on issuance of shares		(767,290)	(767,290)
Reserves		-	-
Accumulated loss		(1,727,099)	(2,052,024)
		6,440,811	6,115,886
(Deficit) / surplus on revaluation of assets - net of tax		(663)	3,191
		6,440,148	6,119,077

CONTINGENCIES AND COMMITMENTS

8

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

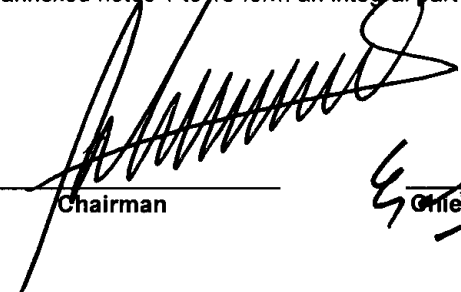


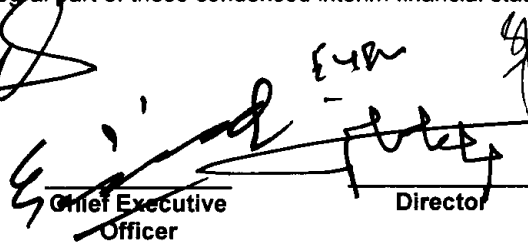
 _____ Chairman _____ Chief Executive Officer _____ Director _____ Director

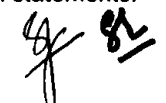
ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2011


	Note	Half year ended		Quarter ended	
		30 June 2011	30 June 2010	30 June 2011	30 June 2010
		----- (Rupees in '000) -----			
Profit / return earned on financings, investments and placements	9	3,175,097	914,071	1,696,985	424,796
Return on deposits and other dues expensed		2,338,976	613,538	1,208,792	311,420
Net spread earned		836,121	300,533	488,193	113,376
(Reversal) / provision against non-performing financings - net		(149,319)	497,105	(110,450)	177,185
Provision for diminution in the value of investments		3,284	2,334	-	-
Bad debts written off directly		10	-	-	-
Net spread after provisions		982,146	(198,906)	598,643	(63,809)
Other income					
Fee, commission and brokerage income		108,822	26,971	53,775	8,536
Dividend income		696	-	209	-
Income from dealing in foreign currencies		167,639	49,534	62,216	22,723
Gain on sale of securities - net		17,674	27,768	16,206	32,320
Unrealised gain / (loss) on revaluation of investments classified as held for trading		-	-	-	-
Other income		8,058	5,628	4,597	2,905
Total other income		302,889	109,901	137,003	66,484
		1,285,035	(89,005)	735,646	2,675
Other expenses					
Administrative expenses		913,357	666,957	459,667	329,937
(Reversal of provision) / other provisions / write offs		(48,800)	24,720	(48,800)	24,720
Other charges		136	370	103	198
Total other expenses		864,693	692,047	410,970	354,855
		420,342	(781,052)	324,676	(352,180)
Extra ordinary / unusual items		-	-	-	-
Profit / (loss) before taxation		420,342	(781,052)	324,676	(352,180)
Taxation - Current		(36,185)	(11,633)	(19,591)	(8,970)
- Prior years		-	15,633	-	15,633
- Deferred		(59,232)	263,756	(60,663)	97,153
		(95,417)	267,756	(80,254)	103,816
Profit / (loss) after taxation		324,925	(513,296)	244,422	(248,364)
Accumulated loss brought forward		(2,052,024)	(1,012,429)	(1,971,521)	(1,277,361)
Accumulated loss carried forward		(1,727,099)	(1,525,725)	(1,727,099)	(1,525,725)
Basic and diluted loss per share (Rupees)		0.36	(1.14)	0.27	(0.55)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


 Chairman


 Chief Executive Officer


 Director

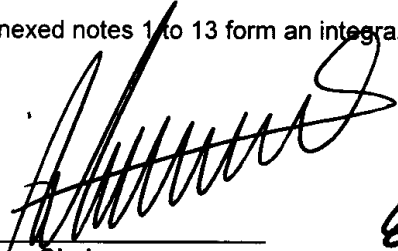
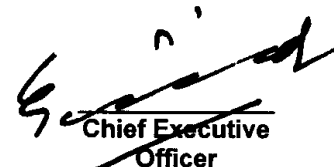
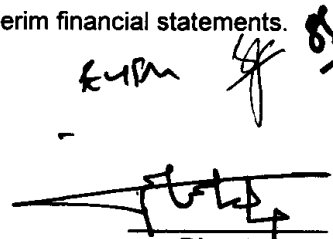


 Director

ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2011

	Half year ended		Quarter ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	----- (Rupees in '000) -----			
Profit / (loss) for the period - after taxation	324,925	(513,296)	244,422	(248,364)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss) for the period	324,925	(513,296)	244,422	(248,364)

As per the requirement of the State Bank of Pakistan, surplus / deficit on revaluation of available-for-sale securities is required to be taken to a separate account 'surplus / deficit on revaluation of assets' shown in the statement of financial position below equity. Accordingly, it has not been included in statement of comprehensive income.

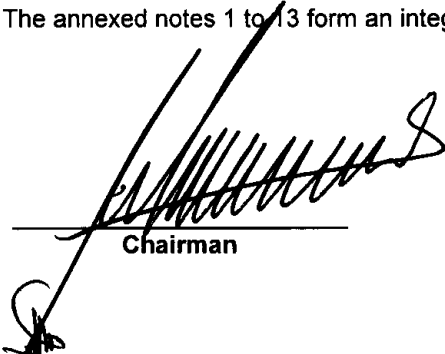
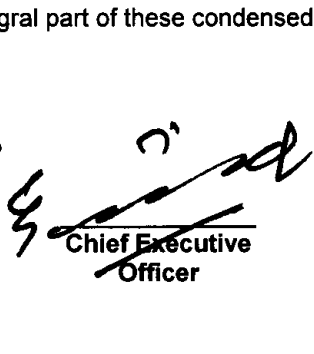
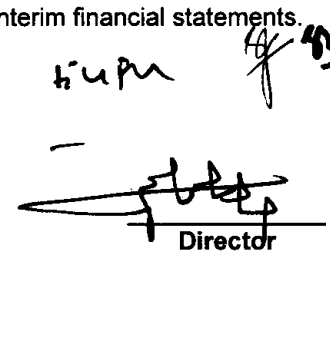
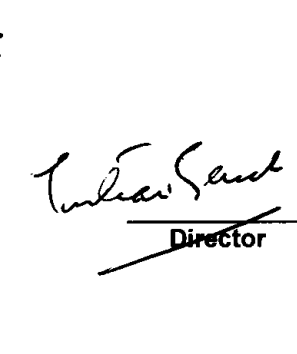
The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

 <hr style="width: 20%; margin: 0 auto;"/> <p>Chairman</p>	 <hr style="width: 20%; margin: 0 auto;"/> <p>Chief Executive Officer</p>	 <hr style="width: 20%; margin: 0 auto;"/> <p>Director</p>	 <hr style="width: 20%; margin: 0 auto;"/> <p>Director</p>
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ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2011

	30 June 2011	30 June 2010
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	420,342	(781,052)
Adjustments for non-cash and other items:		
Depreciation	69,111	57,155
Amortisation	13,061	16,833
(Reversal of provision) / provision against non-performing financings	(149,309)	497,105
Provision for diminution in the value of investments	3,284	2,334
(Reversal of provision) / provision against other assets	(48,800)	24,720
Gain on the disposal of fixed assets	(1,143)	-
Finance charges on leased assets	13,165	13,595
	(100,631)	611,742
	319,711	(169,310)
(Increase) / decrease in operating assets		
Due from financial institutions	80,000	1,000,000
Financings	(1,862,705)	(1,868,878)
Others assets (excluding advance taxation)	95,391	(157,247)
	(1,687,314)	(1,026,125)
Increase / (decrease) in operating liabilities		
Bills payable	372,422	(60,679)
Borrowings	(702,171)	1,180,000
Deposits and other accounts	7,713,519	(132,948)
Other liabilities	(221,182)	(150,642)
	7,162,588	835,731
Income tax paid	(60,877)	677
Net cash inflow / (outflow) from operating activities	5,734,108	(359,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(5,702,466)	(153,267)
Net investments in operating fixed assets	(32,635)	(39,572)
Net cash outflow on investing activities	(5,735,101)	(192,839)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease obligations	(21,467)	(26,426)
Net cash outflow on financing activities	(21,467)	(26,426)
Net decrease in cash and cash equivalents	(22,460)	(578,292)
Cash and cash equivalents at beginning of the period	11,869,877	2,296,970
Cash and cash equivalents at end of the period	11,847,417	1,718,678

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

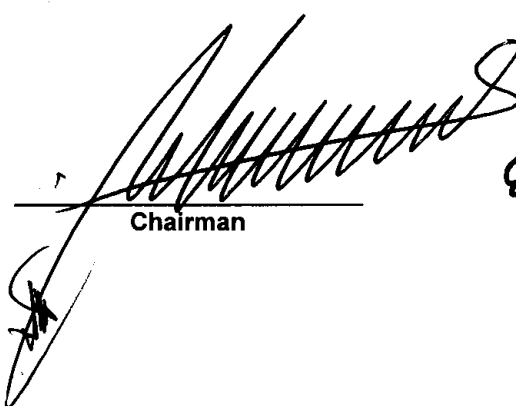






_____ Chairman _____ Chief Executive Officer _____ Director _____ Director

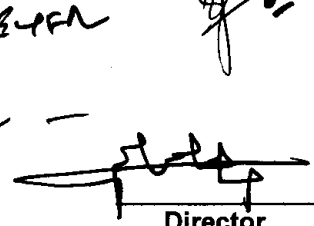
ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2011


	Share capital	Discount on issue of shares	Share Subscription money	Accumulated loss	Total
	(Rupees in '000)				
Balance as at 01 January 2010	4,500,000	-	657	(1,012,429)	3,488,228
Loss for the period	-	-	-	(513,296)	(513,296)
Other comprehensive income / (loss)	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(513,296)	(513,296)
Balance as at 30 June 2010	4,500,000	-	657	(1,525,725)	2,974,932
Shares issued during the year upon amalgamation	4,435,200	-	-	-	4,435,200
Transfer to other liabilities	-	-	(657)	-	(657)
Discount on shares issued during the year	-	(767,290)	-	-	(767,290)
Loss for the period	-	-	-	(526,299)	(526,299)
Other comprehensive income / (loss)	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(526,299)	(526,299)
Balance as at 31 December 2010	8,935,200	(767,290)	-	(2,052,024)	6,115,886
Profit for the period	-	-	-	324,925	324,925
Other comprehensive income / (loss)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	324,925	324,925
Balance as at 30 June 2011	8,935,200	(767,290)	-	(1,727,099)	6,440,811

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


 Chairman


 Chief Executive Officer


 Director


 Director

ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AlBaraka Bank (Pakistan) Limited [formerly Emirates Global Islamic Bank Limited] (the Bank) was incorporated in Pakistan on 20 December 2004 as a public limited company under the Companies Ordinance, 1984.

The main objective of the Bank is to carry on Islamic banking business in Pakistan in accordance and in conformity with Shariah. The Bank was granted an Islamic Banking License BL(i)-01(07), issued by the Banking Policy and Regulations Department of the State Bank of Pakistan (SBP) vide their letter no. BPRD (LCGD-02)1625-761D/2007/521 dated 18 January 2007 under section 27 of the Banking Companies Ordinance, 1962 read with Islamic Banking Department circular no. 2 of 2004. Subsequently, the Bank was also granted approval for commencement of business as a scheduled bank with effect from 13 February 2007 by the SBP vide their letter no. BPRD (LCGD-02)1625-76/X/JD/2007/1269 dated 12 February 2007.

The Bank is a subsidiary of AlBaraka Islamic Bank B.S.C. (c) incorporated and domiciled in Bahrain (the parent company) and a member of AlBaraka Banking Group.

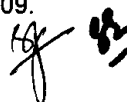

The name of the Bank was changed from Emirates Global Islamic Bank Limited to AlBaraka Bank (Pakistan) Limited with effect from close of business on 29 October 2010 as notified by SBP through notification no. BPRD (R&P - 01) / 8365 / 2010.

The Bank's registered office is located at 162, Bangalore Town, Main Sharah-e-Faisal, Karachi. The Bank operates 87 branches and 2 sub-branches (31 December 2010 : 87 branches and 2 sub branches) in Pakistan.

- 1.2** According to the BSD Circular No. 7 of 2009 dated 15 April 2009 of the SBP, the Minimum Capital Requirement (MCR) for Banks / Development Financial Institutions as of 31 December 2010, 2011, 2012 and 2013 is Rs.7 billion , Rs.8 billion , Rs.9 billion and Rs.10 billion respectively. The paid up capital of the Bank (free of losses) as of 30 June 2011 amounts to Rs. 6,440.811 million. However, the Bank 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 Bank shall maintain paid up capital (free of losses) of at least Rs 6 billion at all times and raise the paid up capital (free of losses) to Rs 6.5 billion in the year 2011, Rs 8 billion in the year 2012 and Rs 10 billion in the year 2013;
- ii) The Bank shall maintain Capital Adequacy ratio (CAR) of 15% or above during the period;
- iii) There would be moratorium on dividend payments until the Bank meets existing regulatory capital requirements;
- iv) The Bank shall not undertake related party transaction (as defined under note 43 of the annual financial statements circulated vide BCD Circular No 4 of February 17, 2006.

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

2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Bank for the half year ended 30 June 2011 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - "Interim Financial Reporting", provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2** The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, International Financial Reporting Standard 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified, accounted for and valued in accordance with the requirement of various circulars issued by the SBP.
- 2.3** The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP, vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2010.

3. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Bank has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IAS 24 – Related Party Disclosure (Revised)

IAS 32 – Financial Instruments: Presentation – Classification of Right Issues (Amendment)

IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

Improvements to various standards issued by IASB in May 2010

IFRS 3 – Business Combinations

IAS 27 – Consolidated and Separate Financial Statements

IFRS 7 – Financial Instrument Disclosures

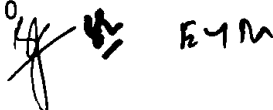
IAS 1 – Presentation of Financial Statements

IFRIC 13 – Customer Loyalty Programmes

IAS 34 – Interim Financial Reporting

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on these condensed interim financial statements.

The basis of the significant accounting estimates and judgements adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Bank for the year ended 31 December 2010.



ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
CONDENSED INTERIM FINANCIAL STATEMENTS

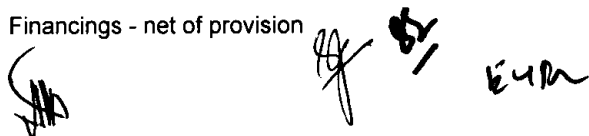
4. INVESTMENTS

	30 June 2011 (Un-Audited)			31 December 2010 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
	----- (Rupees in '000) -----					
Available-for-sale securities						
Sukuk certificates / bonds	20,389,209	-	20,389,209	14,560,752	-	14,560,752
Ordinary shares of listed company	3,768	-	3,768	3,768	-	3,768
Ordinary shares of unlisted company Takaful Pakistan Limited (a related party)	52,200	-	52,200	52,200	-	52,200
Mutual funds - open ended	10,440	-	10,440	36,546	-	36,546
	20,455,617	-	20,455,617	14,653,266	-	14,653,266
Held to maturity securities						
Sukuk certificates / bonds	913,044	-	913,044	1,012,500	-	1,012,500
	21,368,661	-	21,368,661	15,665,766	-	15,665,766
Investments at cost						
Provision for diminution in the value of investments	(55,007)	-	(55,007)	(51,723)	-	(51,723)
Investments (net of provision)	21,313,654	-	21,313,654	15,614,043	-	15,614,043
(Deficit) / surplus on revaluation of available-for-sale securities	(737)	-	(737)	3,546	-	3,546
Total investments at market value*	21,312,917	-	21,312,917	15,617,589	-	15,617,589

* Unlisted investments are carried at cost less provision for diminution in value of investment, if any.

5. FINANCINGS

	Note	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
		---- (Rupees in '000) ----	
In Pakistan			
- Murabaha financing		18,643,066	16,109,537
- Export refinance under islamic scheme		2,397,396	3,070,538
- Ijarah under IFAS 2		2,197,869	1,990,987
- Net investment in ijarah		868,403	1,230,113
- Diminishing musharaka financing		4,778,049	5,101,946
- Overdue acceptance payment		1,335,502	633,978
- Payment against guarantees		9,901	5,901
- Salam financing		799,067	653,157
- Musawamah financing		4,666	5,166
- Qarz-e-Hasna		17,234	18,911
- Financing in respect of rahnuma travel services		12	144
Financings - gross		31,051,165	28,820,378
Provision for non-performing financings - specific	5.1	1,759,000	1,907,248
Provision for non-performing financings - general	5.1	14,861	15,932
		1,773,861	1,923,180
Financings - net of provision		29,277,304	26,897,198



ALBARAKA BANK (PAKISTAN) LIMITED
[Formerly Emirates Global Islamic Bank Limited]
CONDENSED INTERIM FINANCIAL STATEMENTS

- 5.1 Financings include Rs. 3,966.773 million (31 December 2010 : Rs. 3,735.780 million) which have been placed under non-performing status as detailed below:

Category of classification	30 June 2011 (Un-Audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Substandard	126,472	-	126,472	7,798	7,798
Doubtful	824,976	-	824,976	211,628	211,628
Loss	3,015,325	-	3,015,325	1,539,574	1,539,574
	<u>3,966,773</u>	<u>-</u>	<u>3,966,773</u>	<u>1,759,000</u>	<u>1,759,000</u>

Category of classification	31 December 2010 (Audited)			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Substandard	346,981	-	346,981	55,939	55,939
Doubtful	903,539	-	903,539	285,335	285,335
Loss	2,485,260	-	2,485,260	1,565,974	1,565,974
	<u>3,735,780</u>	<u>-</u>	<u>3,735,780</u>	<u>1,907,248</u>	<u>1,907,248</u>

Particulars of provisions against non-performing financings

	30 June 2011 (Un-Audited)			31 December 2010 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	1,907,248	15,932	1,923,180	313,387	7,582	320,969
Charge for the period / year	164,609	-	164,609	767,704	206	767,910
Reversals	(312,857)	(1,071)	(313,928)	(8,405)	(204)	(8,609)
	(148,248)	(1,071)	(149,319)	759,299	2	759,301
Transfer upon amalgamation	-	-	-	834,562	8,348	842,910
Closing balance	<u>1,759,000</u>	<u>14,861</u>	<u>1,773,861</u>	<u>1,907,248</u>	<u>15,932</u>	<u>1,923,180</u>

- 5.2 The above provision against non-performing financings has been worked out after considering the benefit of forced sale value of collateral amounting to Rs. 1,908.936 million (31 December 2010 : Rs. 1,116.527 million). In addition, SBP vide its letters BSD/BRP-5/X/8787/2011 and BSD/BRP-2/X/955/2011 dated 06 July 2011 and 25 July 2011 respectively has allowed relaxation till 31 August 2011 from provisioning requirement against certain credit facilities having a provisioning impact of Rs. 136.889 million as of 30 June 2011.

6. OPERATING FIXED ASSETS	Note	30 June 2011	31 December 2010
		(Un-Audited)	(Audited)
Capital work-in-progress	6.1	667,045	645,112
Property and equipment		1,220,524	1,278,491
Intangible assets		796,369	808,729
		<u>2,683,938</u>	<u>2,732,332</u>
6.1 Capital work-in-progress			
Advances to supplier and contractors	6.1.1	390,200	368,332
Advance against purchase of property	6.1.2	276,845	276,780
		<u>667,045</u>	<u>645,112</u>

- 6.1.1 This includes expenditure amounting to Rs. 205.586 million (31 December 2010 : Rs. 195.292 million) for implementation of new core banking system of the Bank.

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6.1.2 This includes advance payment made by the Bank amounting to Rs. 251.680 million for the purchase of two floors in the Karachi Financial Towers (KFT) against an aggregate purchase price of Rs. 533.408 million. The KFT project is being developed by Ensha NLC Developers (Private) Limited and is currently suspended. However, in terms of the deed of indemnity issued by Ensha LLC to the Bank, Ensha LLC shall indemnify the Bank for any loss suffered or required to be booked in the financial statements in respect of the above advance payment. Further, in the event that the KFT project is not revived and substantial progress is not made within a period of three years commencing from the date of the deed of indemnity, Ensha LLC will pay to the Bank the full extent of the advance payment. In view of the above indemnity, no provision against the aforesaid advance payment has been considered necessary in these condensed interim financial statements.

	30 June 2011	31 December 2010
	----- Rupees in'000-----	
	(Un-Audited)	(Audited)
7. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	27,307,937	24,606,329
Savings deposits	17,604,353	14,415,110
Current accounts - non-remunerative	7,784,718	7,252,480
Margin deposits	295,917	299,045
	52,992,925	46,572,964
Financial Institutions		
Remunerative deposits	4,028,387	2,742,064
Non-remunerative deposits	16,416	9,181
	4,044,803	2,751,245
	57,037,728	49,324,209
8. CONTINGENCIES AND COMMITMENTS		
8.1 Transaction related contingent liabilities		
Includes performance bonds, bid bonds, shipping guarantees favouring:		
i) Government	4,431,081	4,043,731
ii) Banking companies and other financial institutions	7,285	2,700
iii) Others	422,590	468,706
	4,860,956	4,515,137
8.2 Trade related contingent liabilities		
Letters of credit	2,431,339	3,056,606
Others - Shipping Guarantees	12,976	5,855
Acceptances	1,307,990	1,163,589
8.3 Other Contingencies		
There has been no material changes in the status of contingencies as disclosed in note 22.7 to the annual financial statements of the Bank for the year ended 31 December 2010.		
8.4 Commitments in respect of forward exchange contracts		
Purchase	3,609,223	1,823,726
Sale	3,990,287	3,639,681
8.5 Commitments for lease liability		
Commitments in respect of ijarah payments under ijarah are:		
- not later than one year	18,763	20,036
- later than one year and not later than five years	18,178	26,206
- later than five years	-	-
	36,941	46,242
8.6 Commitments for acquisition of operating fixed assets		
Commitments in respect of purchase of property	281,728	281,728
Commitments in respect of construction of new premises	-	178

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	Half year ended	
	30 June 2011	30 June 2010
	-----Rupees in'000----- (Un-Audited)	
9. PROFIT / RETURN EARNED ON FINANCINGS, INVESTMENTS AND PLACEMENTS		
On financings to:		
- Customers	1,686,407	598,926
- Employees	8,598	5,031
On investments in:		
- Available-for-sale and Held-to-maturity securities	1,260,184	241,748
On deposits with banks	207,728	9,939
On placements under commodity murabaha	-	58,427
On wakala transactions	12,180	-
	3,175,097	914,071

10. RELATED PARTY TRANSACTIONS

10.1 Details of transactions with related parties and balances as at the period / year end are as follows:

	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
	-----Rupees in'000-----	
<u>Key management personnel</u>		
Financings		
At beginning of the period / year	129,408	95,869
Disbursed during the period / year	6,089	29,236
Repaid during the period / year	(87,284)	(12,224)
Transfer on amalgamation	-	16,527
At end of the period / year	48,213	129,408
Deposits		
At beginning of the period / year	87,338	20,227
Deposited during the period / year	261,979	314,394
Withdrawn during the period / year	(247,767)	(297,508)
Transfer on amalgamation	-	50,225
At end of the period / year	101,550	87,338
Other Balances		
Return payable on deposit	2,954	1,670
Profit receivable on financing	91	17

	Half year ended		Quarter ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	-----Rupees in'000----- (Un-Audited)			
Transactions, income and expenses				
Profit earned on financing	3,291	1,698	1,031	1,698
Return on deposits expenses	11,040	523	6,717	523
Salaries and allowances	127,050	55,509	68,349	41,718





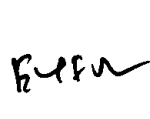


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	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
	-----Rupees in'000-----	
<u>Parent Bank</u>		
Other balances		
At beginning of the period / year	310,694	-
Transfer upon amalgamation	-	310,694
Remitted during the period / year	(214,990)	-
At end of the period / year	95,704	310,694
<u>Associates / major shareholders</u>		
Financings		
At beginning of the period / year	82,790	12,845
Disbursed during the period / year	-	-
Repayment during the period / year	(82,790)	(9,863)
Transfer on amalgamation	-	79,808
At end of the period / year	-	82,790
Deposits		
At beginning of the period / year	299,740	225,686
Deposited during the period / year	45,423	366,682
Withdrawn during the period / year	(47,303)	(459,926)
Transfer on amalgamation	-	167,298
At end of the period / year	297,860	299,740
Other Payables		
At beginning of the period / year	1,861	5,514
Disbursed during the period	-	5,557
Repaid during the period	-	(9,210)
At end of the period / year	1,861	1,861
Other balances		
Return payable on deposit	13	13
Profit receivable on financing	9	293
Investments	52,200	52,200
Provision for diminution in value of investment	30,007	26,723

	Half year ended		Quarter ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	----- Rupees in'000 -----			
	----- (Un-Audited) -----			
Transactions, income and expenses				
Profit earned on financing	2,795	1,085	2,743	527
Return on deposits expenses	127	4,639	52	4,074

	30 June 2011 (Un-Audited)	30 June 2010 (Audited)
	-----Rupees in'000-----	
<u>Retirement benefit plan</u>		
Contributions to defined contribution plan	19,093	12,266
Contributions to defined benefit plan	19,894	10,389

11. SEGMENT BY CLASS OF BUSINESS

The segment analysis with respect to business activity is as follows:

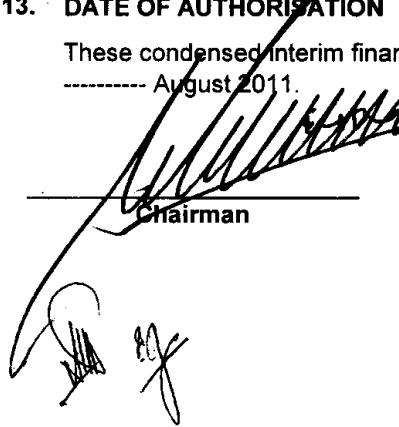
Half year ended 30 June 2011 (Un-Audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
----- (Rupees in'000)-----					
Total income	18,838	805,211	166,888	1,737,156	749,893
Total expenses	152,507	258,455	2,227,323	514,776	-
Net income / (loss)	(133,669)	546,756	(2,060,435)	1,222,380	749,893
As at 30 June 2011 (Un-Audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
----- (Rupees in'000)-----					
Segment assets (gross of provisions)	61,474	29,153,198	7,725,739	17,862,454	15,218,037
Segment non - performing loans (NPL)	-	-	403,220	3,563,553	-
Segment provision required against NPL	-	-	100,399	1,673,462	-
Segment liabilities	13,815	15,456	47,586,680	13,517,846	673,096
Half year ended 30 June 2010 (Un-Audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
----- (Rupees in'000)-----					
Total income	574	386,618	40,728	596,052	-
Total expenses	4,094	40,655	758,800	1,001,475	-
Net income / (loss)	(3,520)	345,963	(718,072)	(405,423)	-
As at 31 December 2010 (Audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement
----- (Rupees in'000)-----					
Segment assets (gross of provisions)	1,732,243	22,554,225	8,131,499	17,945,594	12,323,283
Segment non - performing loans (NPL)	-	-	263,550	3,472,230	-
Segment provision required against NPL	-	-	134,106	1,789,074	-
Segment liabilities	1,683	20,727	52,579,701	1,799,783	242,693

12. GENERAL

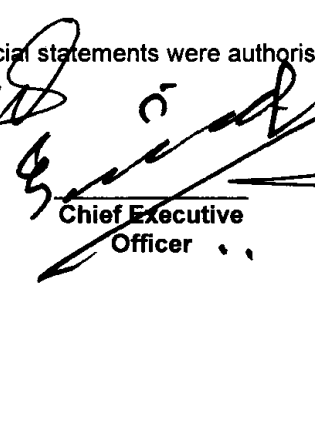
- 12.1 Figures of condensed interim profit and loss account for the quarters ended 30 June 2011 and 30 June 2010 have not been subjected to limited scope review by the auditors.
- 12.2 Certain prior period's figures have been reclassified for the purpose of comparison. However, there were no material reclassifications to report.
- 12.3 Figures have been rounded off to the nearest thousand Rupees.

13. DATE OF AUTHORISATION

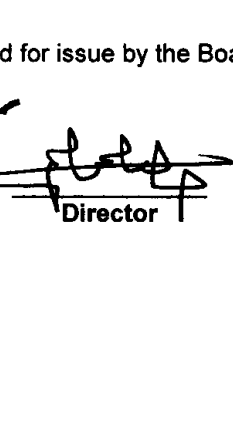
These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on ---
 ----- August 2011.



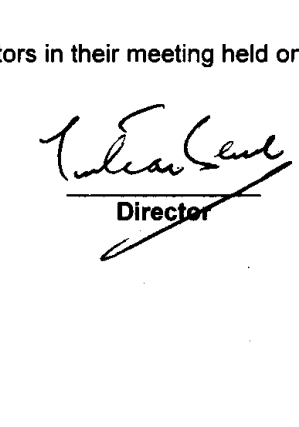
 Chairman



 Chief Executive Officer



 Director



 Director