

ALBARAKA ISLAMIC BANK B.S.C. (C)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
INTERIM CONDENSED BALANCE SHEET AS AT MARCH 31, 2010

		(Unaudited)	(Audited)
	Note	March 31, 2010	December 31, 2009
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		3,623,573	3,911,176
Balances with other banks		6,185,487	7,708,198
Due from financial institutions		-	-
Investments	6	1,703,721	1,702,599
Financing and investing assets	7	14,800,449	14,755,162
Operating fixed assets	8	309,941	302,611
Deferred tax assets		7,807	26,580
Other assets		1,010,346	898,634
		27,641,324	29,304,960
LIABILITIES			
Bills payable		184,197	194,771
Due to financial Institutions		2,304,530	2,263,689
Deposits and other accounts		20,949,417	22,636,323
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,431,565	1,457,160
		24,869,709	26,551,943
NET ASSETS		<u>2,771,615</u>	<u>2,753,017</u>
REPRESENTED BY			
Head office capital account	9	3,035,953	3,041,775
Reserves		-	-
Accumulated loss		(278,050)	(301,460)
		2,757,903	2,740,315
Surplus on revaluation of assets - net of tax	10	13,712	12,702
		<u>2,771,615</u>	<u>2,753,017</u>
CONTINGENCIES AND COMMITMENTS	11	-	-

The annexed notes 1 to 15 form an integral part of these financial statements.

SHAFQAAT AHMED
Country Head

AYYAZ AHMAD
Chief Financial Officer

ALBARAKA ISLAMIC BANK B.S.C. (C)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
INTERIM CONDENSED PROFIT & LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2010 (UNAUDITED)

	Note	Quarter Ended March 31, 2010	Quarter Ended March 31, 2009
Rupees in '000			
Profit / return on financings, investments and		661,069	618,071
Return on deposits and other dues expensed		463,654	538,738
Net spread		<u>197,415</u>	<u>79,333</u>
Provision against non-performing financings - net		(58,888)	(188,399)
Provision for diminution in the value of investments		-	(9,044)
Bad debts written off directly		-	-
		<u>(58,888)</u>	<u>(197,443)</u>
Net spread / (loss) after provisions		<u>138,527</u>	<u>(118,110)</u>
Non markup income			
Fee, commission and brokerage income		41,376	27,363
Dividend income		133	1,067
Income from dealing in foreign currencies		25,488	3,393
Gain on sale of securities - net		-	-
Unrealized gain/ (loss) on revaluation of investments classified as held for trading		-	25,236
Other income		8	626
Total non-markup income		<u>67,005</u>	<u>57,685</u>
		<u>205,532</u>	<u>(60,425)</u>
OTHER EXPENSES			
Administrative expenses		159,765	166,760
Other provisions / write offs		-	-
Other charges		30	14
Total non-mark up expenses		<u>159,795</u>	<u>166,774</u>
		<u>45,737</u>	<u>(227,199)</u>
Extra ordinary/unusual items		-	-
PROFIT / (LOSS) BEFORE TAXATION		<u>45,737</u>	<u>(227,199)</u>
Taxation – Current		3,666	107
- Prior years		-	-
- Deferred		18,661	(70,959)
		<u>22,327</u>	<u>(70,852)</u>
PROFIT / (LOSS) AFTER TAXATION		<u>23,410</u>	<u>(156,347)</u>
(Accumulated loss) / unremitted profit brought forward		(301,460)	(19,912)
(Accumulated loss) / unremitted profit		<u>(278,050)</u>	<u>(176,259)</u>
Basic Earnings per share	12	<u>-</u>	<u>-</u>
Diluted Earnings per share	12	<u>-</u>	<u>-</u>

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ALBARAKA ISLAMIC BANK B.S.C. (C)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter Ended March 31, 2010	Quarter Ended March 31, 2009
	Rupees in '000	
Profit / (Loss) for the year	23,410	(156,347)
Other comprehensive income	-	-
	<u>23,410</u>	<u>(156,347)</u>

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ALBARAKA ISLAMIC BANK B.S.C. (C)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2010 (UNAUDITED)

	Quarter Ended Note March 31, 2010	Quarter Ended March 31, 2009
	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	45,737	(227,199)
Dividend income	(133)	(1,067)
	<u>45,604</u>	<u>(228,266)</u>
Adjustments:		
Depreciation (including Ijarah assets)	48,927	19,510
Amortization	282	465
Provision against non-performing financings	58,888	188,399
Provision for diminution in the value of investments - net	-	9,044
Gain on sale of fixed assets	(8)	(626)
Unrealized loss / (gain) on revaluation of investments classified as held for trading	-	(25,236)
Other provisions / write offs	-	-
	<u>108,089</u>	<u>191,556</u>
	153,693	(36,710)
(Increase) / decrease in operating assets		
Held-for-trading securities	-	(7,325)
Financings	(143,334)	285,000
Others assets (excluding advance taxation)	(60,222)	(207,800)
	<u>(203,556)</u>	<u>69,875</u>
Increase / (decrease) in operating liabilities		
Bills payable	(10,574)	(46,332)
Due to financial institutions	40,841	240,620
Deposits and other accounts	(1,686,906)	(112,563)
Other liabilities (excluding current taxation)	(29,125)	198,681
	<u>(1,685,764)</u>	<u>280,406</u>
	(1,735,627)	313,571
Income tax paid	(55,284)	(4,311)
Net cash used in / generated from operating activities	<u>(1,790,911)</u>	<u>309,260</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend received	262	1,267
Investments in operating fixed assets	(17,517)	(40,242)
Sale proceeds from disposal of fixed assets	145	632
Net cash used in investing activities	<u>(17,110)</u>	<u>(38,343)</u>
Increase / (decrease) in cash and cash equivalents	<u>(1,808,021)</u>	<u>270,917</u>
Cash and cash equivalents at beginning of the period	9,327,599	6,226,363
Cash and cash equivalents at end of the period	13 <u>7,519,578</u>	<u>6,497,280</u>

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ALBARAKA ISLAMIC BANK B.S.C. (C)
(Incorporated in Bahrain with limited liability)
PAKISTAN BRANCHES
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2010 (UNAUDITED)

	Head office capital account	Unremitted profit / (Accumulated loss)	Total
	-----Rupees in '000-----		
Balance as at January 01, 2009	2,420,129	(19,912)	2,400,217
Loss for the period	-	(156,347)	(156,347)
Remittances made to head office	-	-	-
Exchange gain on revaluation of capital deposit	29,478	-	29,478
Balance as at March 31, 2009	2,449,607	(176,259)	2,273,348
Loss for the period	-	(125,201)	(281,548)
Remittances from head office	510,601	-	510,601
Exchange gain on revaluation of capital deposit	81,567	-	111,045
Balance as at January 01, 2010	3,041,775	(301,460)	2,740,315
Profit for the period	-	23,410	23,410
Remittances from head office	-	-	-
Exchange loss on revaluation of capital deposit	(5,822)	-	(5,822)
Balance as at March 31, 2010	3,035,953	(278,050)	2,757,903

The annexed notes 1 to 15 form an integral part of these financial statements.

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Chief Financial Officer

ALBARAKA ISLAMIC BANK B.S.C. (C)
(Incorporated in Bahrain with limited liability) - PAKISTAN BRANCHES
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010

1. STATUS AND NATURE OF BUSINESS

- 1.1 Al-Baraka Islamic Bank B.S.C. (C.) - Pakistan Branches (the Bank), operates as a branch of a foreign bank incorporated and domiciled in Bahrain on February 21, 1984 and is a member of Al-Baraka Banking Group. The Bank commenced its operations in Pakistan in December 1991. The Pakistan branches operate as scheduled Islamic Bank under a license issued by the State Bank of Pakistan (SBP) and are principally engaged in business of banking as defined in the Banking Companies Ordinance, 1962.
- 1.2 The Registered office of the Bank is situated at 95- B Hali Road Gulberg II, Lahore and it presently operates through 29 branches (2008: 29 branches) in Pakistan.
- 1.3 The Bank is currently operating with Head Office capital (net of losses) of Rs. 2.758. However, as per the requirements of SBP BSD circular No. 07 of 2009 dated 15 April 2009, the Bank is required to raise its assigned capital to Rs. 7 billion latest by 31 December 2010. In order to comply with the above minimum capital requirement, the management is considering either to transfer its operations to locally incorporated bank or merge with another Islamic Bank for which negotiations are under process. The license for locally incorporated bank expired on 20 February 2010 for which the Bank has applied for extension to SBP for six months. The management expects to finalize either one of the option within six months.

2. BASIS OF PRESENTATION

- 2.1 These interim condensed financial statements are prepared in accordance with the requirements of the SBP and approved accounting standards as applicable in Pakistan for Interim Financial Reporting.
- 2.2 The Bank provides financing mainly through shariah compliant financial products. Except for Murabaha transactions (which are accounted for under the Islamic Financial Accounting Standard - 1), the purchases, sales and rentals arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of rental / profit thereon. Income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable.
- 2.3 The disclosures made in these interim condensed 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 the information required in the annual financial statements. Accordingly, these interim condensed financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2009.

3. STATEMENT OF COMPLIANCE

- 3.1 These interim condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the SECP and the SBP differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives shall prevail.
- 3.2 The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirement of various circulars issued by the SBP.

4. BASIS OF MEASUREMENT

These interim condensed financial statements are prepared on the historical cost convention except for quoted investments which are stated on a marked to market basis, commitments in respect of forward exchange contracts which are carried at fair value and certain staff retirement benefits being carried at present value.

5. ACCOUNTING POLICIES

5.1 The accounting policies adopted in the preparation of these condensed interim financial statements are the same as applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2009.

5.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE:

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

Standard or interpretation	Effective date (accounting periods beginning on or after)
IAS 24 Related Party Disclosures (Revised).	January 1, 2011
IAS 27 Consolidated and Separate Financial Statements (Amendment).	July 1, 2009
IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment).	February 1, 2010
IFRS 2 Share-based Payments: Amendments relating to Group Cash-settled Share-Based Payment Transactions.	January 1, 2010
IFRS 3 Business Combinations (Revised).	July 1, 2009
IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.	January 1, 2011
IFRIC 17 Distributions of Non-cash Assets to owners.	July 1, 2009
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.	July 1, 2010

The Bank expects that the adoption of the above revisions, amendments and interpretations of the standards will not materially affect the Bank's financial statements in the period of initial application

In addition to the above, amendments to various accounting standards have also been issued by the IASB as a result of its annual improvement project in April 2009. Such improvements are generally effective for accounting periods beginning on or after January 01, 2010. The Bank expects that such improvements to the standards will not have any material impact on the Bank's financial statements in the period of initial application.

5.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2009.

ALBARAKA ISLAMIC BANK B.S.C.(C) - PAKISTAN BRANCHES

Note	March 31, 2010			December 31, 2009		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
-----Rupees in '000-----						
6. INVESTMENTS						
6.1 Investments by types :						
Held-for-trading securities						
Fully paid up ordinary shares - listed	-	-	-	-	-	-
Available-for-sale securities						
Investment in mutual funds - open ended	70,000	-	70,000	70,000	-	70,000
Fully paid ordinary shares - unlisted	4,447	-	4,447	4,447	-	4,447
Government of Pakistan Sukuk	600,000	-	600,000	600,000	-	600,000
	674,447	-	674,447	674,447	-	674,447
Held-to-maturity securities						
Sukuk bonds	(6.1.1) 1,050,000	-	1,050,000	1,050,000	-	1,050,000
Investment- at cost	1,724,447	-	1,724,447	1,724,447	-	1,724,447
Less: Provision for diminution in value of investments	35,961	-	35,961	35,961	-	35,961
Investments (net of provisions)	1,688,486	-	1,688,486	1,688,486	-	1,688,486
Surplus on revaluation of Available for sale securities	15,235	-	15,235	14,113	-	14,113
Total investments at market value	<u>1,703,721</u>	<u>-</u>	<u>1,703,721</u>	<u>1,702,599</u>	<u>-</u>	<u>1,702,599</u>

6.1.1 Sukuk bonds

Note	March 31, 2010			December 31, 2009		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
-----Rupees in '000-----						
WAPDA First Sukuk Company Limited	750,000	-	750,000	750,000	-	750,000
Sitara Chemical Industries Limited	150,000	-	150,000	150,000	-	150,000
Karachi Shipyard and Engineering Works	100,000	-	100,000	100,000	-	100,000
Government of Pakistan Sukuk	50,000	-	50,000	50,000	-	50,000
	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>

6.1.2 Details of investment in sukuk bonds:

	Maturity	Expected return (%)	Certificates No.	Value per certificate Rs.	Face Value Rs. in '000'
Federal Government Securities:					
Government of Pakistan Sukuk	2012	Six months market	6,000	100,000	600,000
WAPDA First Sukuk Company Limited *	2012	Treasury Bills Six months Kibor plus 35 basis points	150,000	5,000	750,000
Karachi Shipyard and Engineering Works	2015	Six months Kibor plus 40 basis points	20,000	5,000	100,000
Government of Pakistan Sukuk	2011	Six months market Treasury Bills	500	100,000	50,000
					<u>1,500,000</u>
Others					
Sitara Chemical Industries Limited	2012	Three months Kibor plus 100 basis points	30,000	5,000	150,000
					<u>1,650,000</u>

* These certificates have been pledged with SBP on account of capital in pursuance of its letter No. BSD/SU-16/607/3350/2006 dated July 06, 2006.

ALBARAKA ISLAMIC BANK B.S.C.(C) - PAKISTAN BRANCHES

	March 31, 2010	December 31, 2009
7 FINANCINGS AND INVESTING ASSETS	Rupees in '000	
In Pakistan		
Murabaha financing	9,682,237	9,667,814
Export refinance under Islamic scheme	2,776,790	2,577,874
Musharaka financing	1,284,837	1,327,475
Payment against guarantees	5,674	5,674
	<u>13,749,538</u>	<u>13,578,837</u>
Net investment in ijarah - In Pakistan		
Ijarah financing	1,125,650	1,323,577
Ijarah assets - net (7.1)	446,437	319,322
	<u>1,572,087</u>	<u>1,642,899</u>
Financings against bills - payable outside Pakistan	298,742	294,457
Financings - gross	<u>15,620,367</u>	<u>15,516,193</u>
Specific provision for non-performing financing	811,648	752,925
General provision against consumer financing	8,270	8,106
	<u>819,918</u>	<u>761,031</u>
Financings - net of provision	<u><u>14,800,449</u></u>	<u><u>14,755,162</u></u>

7.1 This represents net book value of the assets given on Ijarah.

7.2 Financings and investing assets include Rs. 1,348,557 thousands (2009:Rs. 1,383,296 thousands) which have been placed under non-performing status as detailed below:-

	March 31, 2010			
	Classified Financings		Specific Provision	
Category of Classification	Domestic	Overseas	Required	Held
Substandard	239,397	-	32,001	32,001
Doubtful	183,397	-	58,842	58,842
Loss	925,763	-	720,805	720,805
	<u>1,348,557</u>	<u>-</u>	<u>811,648</u>	<u>811,648</u>

8. OPERATING FIXED ASSETS		March 31, 2010	December 31, 2009
Property and equipment (8.1)		179,747	184,975
Capital work-in-progress		126,832	114,821
Intangible assets		3,362	2,815
		<u>309,941</u>	<u>302,611</u>

ALBARAKA ISLAMIC BANK B.S.C.(C) - PAKISTAN BRANCHES

8.1 Operating fixed assets

Particulars	COST			DEPRECIATION			Book value as at March 31, 2010	Rate %
	Balance as at January 01, 2010	Additions / (Deletions)	Balance as at March 31, 2010	Balance as at January 01, 2010	For the period / (adjustment for deletion)	Balance as at March 31, 2010		
	-----Rupees in '000-----							
Furniture and fixture	37,553	72 (12)	37,613	14,417	797 (10)	15,204	22,409	10
Computer and office equipments	133,268	3,359 (161)	136,466	79,903	4,187 (26)	84,064	52,402	20
Vehicles	40,993	1,239 -	42,232	20,673	1,793 -	22,466	19,766	20
Leasehold improvements	128,148	10 -	128,158	39,994	2,994	42,988	85,170	10
2010	339,962	4,680 (173)	344,469	154,987	9,771 (36)	164,722	179,747	
2009	265,008	79,816 (4,862)	339,962	122,394	37,287 (4,694)	154,987	184,975	

ALBARAKA ISLAMIC BANK B.S.C.(C) - PAKISTAN BRANCHES

9. HEAD OFFICE CAPITAL ACCOUNT

March 31, December 31,
2010 2009
Rupees in '000

Capital held as:

1. Interest free deposit in cash in Pak Rupees		-	-
2. Interest free deposit in approved foreign exchange :			
i) Revalued remittance from head office	(9.1)	2,291,775	2,180,730
ii) Revaluation surplus allowed by the State Bank of Pakistan		(5,822)	111,045
		2,285,953	2,291,775
3. Deposit of unencumbered approved securities		750,000	750,000
		<u>3,035,953</u>	<u>3,041,775</u>

9.1 This represents an amount of US dollar 27.204 (2009: US dollar 27.204) million deposited with the State Bank of Pakistan in compliance with sub section (3) of section 13 of the Banking Companies Ordinance, 1962.

9.2 In accordance with the requirements of BSD Circular no. 6 dated Oct 28, 2005 and BSD Circular no. 19 dated September 05, 2008, the Bank was required to increase Head Office capital to Rs. 6 billion by December 31, 2009. However, the Bank had been granted specific exemption in this regard from State Bank of Pakistan (SBP) vide its letter no. BSD/SU-1/608/3595/2007 dated 24 December 2007 due to the fact that the capital of Bank's Head Office in Bahrain amounts to US \$ 100 million and Capital adequacy ratio of above 9% is maintained at Head office level. This relaxation would no more be applicable if the Pakistan branches are converted into a locally incorporated bank and in this case, the locally incorporated bank would require an increase in paid up

9.3 The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the Prudential Regulations issued by the SBP.

9.4 The primary objectives of the Bank's capital management are to ensure the Bank complies with externally imposed capital requirements and that the Bank maintains credit ratings and healthy capital ratios in order to

9.5 The Bank manages its capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the bank may adjust the amount of remittance of profit. No changes were made in the objectives, policies and processes from previous

10. SURPLUS ON REVALUATION OF ASSETS

March 31, December 31,
2010 2009
Rupees in '000

Surplus on revaluation of available-for-sale securities

National Investment Trust Units	(10.1)	1,139	-
Meezan Islamic Income Fund		596	613
Government of Pakistan Sukuk		13,500	13,500
		15,235	14,113
Less : related deferred tax		(1,524)	(1,411)
Net surplus		<u>13,712</u>	<u>12,702</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Direct credit substitutes - Guarantees of indebtedness

i) Government		2,928,933	2,509,398
ii) Financial institutions			-
iii) Others		199,253	181,100
		<u>3,128,186</u>	<u>2,690,498</u>

11.2 Transaction-related contingent liabilities

i) Letters of credit		2,161,281	1,856,629
ii) Others - Shipping Guarantees		39,614	21,308
		<u>2,200,895</u>	<u>1,877,937</u>

11.3 Trade-related contingent liabilities

Acceptances		<u>1,093,718</u>	<u>863,871</u>
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11.4 Other contingencies

This represent additional income tax amounting to Rs. 236.863 million which has not been acknowledged by the Bank. The Bank has filed appeals before CIT (Appeals) and Income Tax Tribunal against the orders in respect of tax years 2003 to 2008. Moreover, the Income Tax Department has also filed appeals before IncomeTax Tribunal against the orders in respect of assessment years 2001-2002, 2002-2003 and tax year 2003 to 2006 issued by CIT (Appeals). Appeals filed by the Bank and the Income Tax Department are pending for decision. Management of the Bank has evaluated, after consulting their income tax advisor, that the appeals are likely to be decided in favor of the Bank and, hence no provision has been made for the same in these financial statements.

11 Commitments in respect of forward exchange contracts

Purchase	<u>1,555,823</u>	<u>598,884</u>
Sale	<u>1,670,580</u>	<u>708,980</u>

The bank utilizes foreign exchange instruments to meet the needs of its customers and generates trading revenues as part of its asset and liability management to hedge its own exposure to currency risk. At the year end, all foreign exchange contracts have a remaining maturity of less than one year.

11.1 Other Commitments

The bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

Commitment against capital expenditure amounts to Rs. 44.567 million (2009: Rs. 51.901 million).

12. BASIC EARNINGS PER SHARE

Albaraka Islamic Bank B.S.C (C)- Pakistan branches, being branches of a foreign entity do not have share capital. Therefore, no figures of basic and diluted loss/ earning per share have been reported in these financial

	Note	March 31, 2010	March 31, 2009
'Rupees in '000			
13. CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	(13.1)	1,337,620	1,395,499
Balance with other banks		6,185,487	5,101,781
Overdrawn nostro accounts		<u>(3,529)</u>	<u>-</u>
		<u>7,519,578</u>	<u>6,497,280</u>
13.1 Cash and balance with treasury banks			
Cash and balances with treasury banks		3,623,573	3,095,106
Foreign currency capital deposit account with SBP		<u>(2,285,953)</u>	<u>(1,699,607)</u>
		<u>1,337,620</u>	<u>1,395,499</u>

ALBARAKA ISLAMIC BANK B.S.C. (C)- PAKISTAN BRANCHES

14. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes key management personnel, retirement benefit funds and head office. A number of banking transactions were entered into with related parties in the normal course of business. These include loans, deposits and foreign currency transactions. These transactions were carried out on commercial terms and at market rates.

	March 31, 2010		December 31, 2009	
	Country Head & Executives	Other related parties	Country Head & Executives	Other related parties
	Rupees in '000			
Assets				
Cash and cash equivalents		504,527		505,450
Financing	15,902	58,810	16,866	46,142
Other receivables				17,074
Liabilities				
Deposits	39,209	113,756	40,181	91,762
Unremitted head office expenses		221,527		221,527
Mark-up/ Return payable	1,177	2,132	3,867	6,569

Other significant transactions with related parties during the year were as follows:

	March 31, 2010	March 31, 2009
	Rupees in '000	
Deposits received during the year	79,047	260,459
Deposits withdrawn during the year	73,043	2,638,826
Mark-up/return expensed	6,964	40,892
Mark-up/return earned	1,002	3,489

15. GENERAL

- 15.1** Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.
- 15.2** In general captions in respect of which there are no amounts, have not been reproduced in these accounts except in case of balance sheet and profit and loss account.
- 15.3** Corresponding figures have been rearranged or reclassified where ever necessary. However, no material rearrangement or reclassification has been made.
- 15.4** These financial statements were authorised for issue on **April 27, 2010**.

SHAFQAAT AHMED
Country Head

AYYAZ AHMAD
Chief Financial Officer