

alBaraka Bank Tunisia
Annual Report 2009



Your Partner Bank





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About alBaraka Bank Tunisia

alBaraka bank Tunisia :

Founded in 1983, al Baraka Bank Tunisia is established under Tunisian legalisation, notably law N° 76/63 of July 12, 1976, amended by laws N° 85/108 of December 6, 1985 and N° 2009/64 of August 12, 2009, regulating financial and banking institutions that operate mainly with non residents.

To meet the financial needs of communities across the Tunisian community, al Baraka Bank conducts business ethically in accordance with its beliefs, practice the highest professional standards and shares the mutual benefits with its customers, staff and shareholders who participate in its business success.

Al Baraka Bank aims to mobilize resources for profitable investments in Tunisia and other countries.

From its benefits, it encourages trade among countries in its areas of intervention and participates in the structuring and financing of profitable development projects.

Moreover, it offers an ideal base for joint business ventures in its geographic area.

The paid-up capital is 50 million US dollars and it is distributed as follow :

- . 10% Tunisian State
- . 10% National Social Security Office of Tunisia
- . 78,4% Al Baraka Banking Group Kingdom of Bahrain
- . 1,6% Private Investors from the Kingdom of Saudi Arabia



About alBaraka Bank Tunisia

BOARD OF DIRECTORS

Sheikh Salah ABDULLAH KAMEL	Honorary Chairman
Mr Abdulelah A. SABBAHI	Chairman
Mr Laroussi BAYOUDH	Deputy Chairman and General manager
Mr Adnan Ahmed YOUSSEF	Member
Mr Hedi BENCHEIKH	Member
Mr Chedly OUNIS	Member
Mr Moncef ZAAFRANE	Member

SHARIAA Board

Sheikh Mohamed Mokhtar SELLAMI	Chairman
Dr.Ahmed MOHYEDEEN	Member
Mr.Mohamed Abdul Latif AL-MAHMOOD	Member

AUDITORS

Mr.Salah DHIBI	Expertise, Finance & Conseil
Mr.Chérif BEN ZINA	CMC - DFK International



alBaraka Bank Tunisia Branches

Tunis

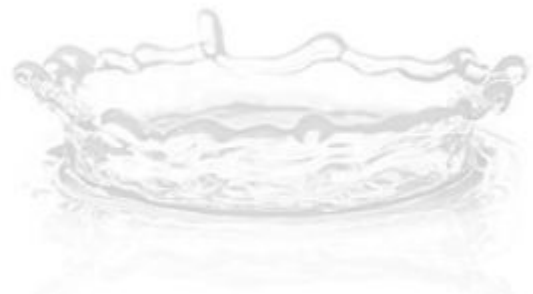
- . Head office Branch_____
88 Avenue Hédi Chaker Tunis 1002
Tél :71 790 000 Fax :71 791 613
- . Zitouna Branch_____
106,108 Rue Jemaa Ezzitouna Tunis 1008
Tél :71 200 954 Fax :71 200 948
- . Lac Branch_____
Rue Turkana Residence Les lilas lac Tunis 1053
Tél :71 860 131 Fax :71 861 543
- . Megrine Ryadh Branch_____
El Mootez Building GP1 Km 5 Ben Arous 2014
Tél :71 427 827\71 427 293 Fax :71 426 617
- . Manouba Branch_____
7 Avenue Habib Thameur Manouba 2010
Tél :71 609 309\71 607 126 Fax :71 609 521

Sfax

- . Sfax Bab Bhar Branch_____
6 Rue Dag Hammarskjöld Sfax 3000
Tél :74 296 401 Fax :74 296 402
- . Sfax Al Jadida Branch_____
Avenue des Martyrs Im.Palmarium Sfax 3000
Tél :74 404 990\74 404 991 Fax :74 296 402

Sousse

- . Sousse Branch_____
67 Ave Abdelhamid Khadhi 4001 Sousse
Tél :73 201 023\73 201 021 Fax :73 201 022



alBaraka Banking Group Global Network

alBaraka Bank Tunisia

88 avenue hedi chaker 1002 Tunis Tunisia
Tel : 21671 790000
Fax : 21671 780235
site web : www.albarakabank.com.tn

alBaraka Turkish Finance Housse

N°78 cad 80290 mecidiyekoy Istanbul Turkey
Tel : 90212 2749900
Fax : 90212 2724470
site web : www.albarakaturk.com.tr

alBaraka islamic Bank Bahrain

alBaraka tower p.o box 1882 Manama bahrain
Tel : 97317 535300
Fax : 97317 530695
site web : www.barakaonline.com

alBaraka Bank LTD

1st floor, 134 commercial road Durban South Africa
Tel : 2731 3072 972
Fax : 2731 3052 631
site web : www.albaraka.co.za

alBaraka Bank Lebanon

verdun commercial center, verdun street beirut lebanon
Tel : 9611 808 008
Fax : 9611 806 499
site web : www.al-baraka.com

alBaraka Bank Pakistan

95 b, hali road, Gulberg 2 p.o box 1686 lahore 5400
Tel : 0092 42 111 742 742
Fax : 0092 42 357 568 76
site web : www.albaraka.com.pk

Jordan Islamic Bank

p.o box 926225 amman jordan
Tel : 9626 5677377
Fax : 9626 5666326
site web : www.islamicbank.com.jo

The Egyptian Saudi Finance Bank

60 MDAE ¹Str p.o box 455 dokki cairo egypt
Tel : 202 7481 222
Fax : 202 7611 436
site web : www.albaraka-bank.com.eg

alBaraka Bank Syria

9 tulaytulah street, almaliki square damascud, syria ²
Tel : 96311322 1980
Fax : 96311331 0081
site web : www.albarakasyria.com

alBaraka Bank Sudan

albaraka kasr p.o box 2583 khartoum sudan
Tel : 249183780288
Fax : 249183788585
site web : www.albaraka.com.sd

Banque alBaraka Algeria

32, rue des freres djillali birkhadem algeria
Tel : 21321 9164505
Fax : 21321 9164578
site web : www.albaraka-bank.com

alBaraka Bank Indonesia

ravindo building, 10th floor jalan kebon sirih jakarta
Tel : 0062 21 316 1345
Fax : 0062 21 316 1074
site web : www.albaraka.com

1. Mohie El Deen Abou ElEzz

2. 2sd : P.O.BOX 100 hijaz post center Damascud, Syria

Economic Context

International Context :

The financial crisis which started in 2007 and which was still in progress in 2009 has greatly weakened the World economy. It has affected the international financial system, caused a credit crunch and increased its cost. These financial and business pressures, exacerbated by declining consumer confidence, led to a sharp decline in world production and international trade. The international community responded with a serie of measures to support the demand, restore the confidence of economic operators and to avoid systemic risk in international financial markets. Thus, thanks to the gradual recovery of economic activity in industrialized countries, that started in the third quarter of 2009, the recession of the global economy has been limited, ultimately, to 0.6% in 2009 against a 3% growth recorded the previous year. However, a high number of bankruptcies of firms and financial institutions has been recorded, in addition to an increasing budget deficits and public debt, especially in industrialized countries. Moreover, the contraction of the international application and the credit crunch, particularly during the first months of 2009, caused a decrease in the volume of world trade in goods and services, that is to say -10.7% after a rise of 2,8% a year earlier. For their part, international investment flows showed a fall of 39% in 2009, falling to 1.040 milliard dollars against 1.697 milliard a year earlier. This decline has affected developed countries -41% but also emerging countries -35% especially those of Latin America -41% and Africa -36%. International trade of goods and services have substantially reduced since October 2008. The decline in imports of developed countries has intensified, due to the worsening financial crisis in a context characterized by limited access to trade credits and a tightening of credit

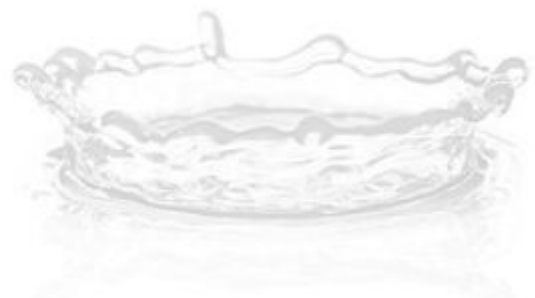
granting. In addition, there are uncertainties about global economic prospects that have caused a drop in investment. Thus, the volume of world trade in goods shrank by 11.8% in 2009 against an increase of 2.4% the previous year. In value terms, exports showed a reduction of 22.5% against an increase of 14.8% in 2008 to 12.285 milliard dollars due to lower export quantities as well as prices, particularly those Commodities. Similarly, the value of services exports in 2009 decreased by 11.8% after an increase of 12.4% a year earlier, and returned to 3.431 milliard dollars. This decline has affected the financial services and international transport, however tourism has been doubly affected by the effects of global financial and economic crisis and the spread of flu outbreak A (H1N1).

National Context :

The Tunisian economy has been lightly affected by the consequences of the global financial crisis, mainly in production and exports from manufacturing industries , tourism, air transport and maritime transport as well as in flow foreign investment, in particular due to the deteriorating economy situation of key European partner countries of Tunisia. Thanks to structural reforms and measures to stimulate the economy taken by the state to protect it against the negative effects of the global financial crisis, economic growth has been maintained in 2009 to 3.1% in real terms, against 4.5% the previous year and financial balances have been saved. Achieving this level of growth despite the global recession, due to buoyant domestic demand, particularly private consumption and public investment, while the contribution of external demand to growth economy has been negative, due to declining exports and imports of goods and services in real terms by 6.9% and 8.2% respectively compared with 2008.

Economic Context

Economic growth was driven in particular by the agriculture and fisheries whose value rose by 6% in real terms, against a 0.7% decline in 2008, thanks mainly to an exceptional grain production, which reached 25.3 million quintals comparing to about 12 million a year earlier. Similarly, growth in non-manufacturing industries has been strengthened in 2009 to 3.7% against 0.2% in the previous year in connection with the recovery in the hydrocarbon sector outside of oil refining 3.5% against -5.1% and progress made in the construction industry and civil engineering 5.5% against 6.6%. Conversely, manufacturing, affected by the contraction in external demand, experienced a decline in value added of 3.3% in real terms, against a growth of 3.5% a year earlier. This decline has affected the main export sectors, especially the engineering industries -6% against 8.4% in 2008, the textiles, clothing, leather and footwear -10% against -3.1% and chemical industries -0.9% against -2.2%. Similarly, agro-industries have experienced a negative growth of 1.2% against an increase of 6.5% in 2008. Also, growth in services market was affected by the sluggish global economy. She came back from one year to another, from 6.6% to 4.7% in real terms following the slowdown in the sectors of transport 0.5% against 5.5% in 2008 and the slight decline in tourism value added -0.3% against 4%. In contrast, growth in the communications sector has continued at a steady pace, that is to say 16% in real terms for the second straight year against 13.4% in 2007, reflecting the great advances that are constantly aware of new Information Technology and Communication. Similarly, growth in non-manufacturing industries has been strengthened in 2009 to 3.7% against 0.2% last year in connection with the recovery in the hydrocarbon sector outside of oil refining 3.5% against -5.1% and progress made in the construction industry and civil engineering 5.5% against 6.6%³.



3. source : Centrale Bank of Tunisia

The Statement of the Chairman of the Board

Dear Shareholders,

In the name of the board of directors, I'm pleased to present to you the bank's activity report as well as the audited statements at December 31th, 2009.

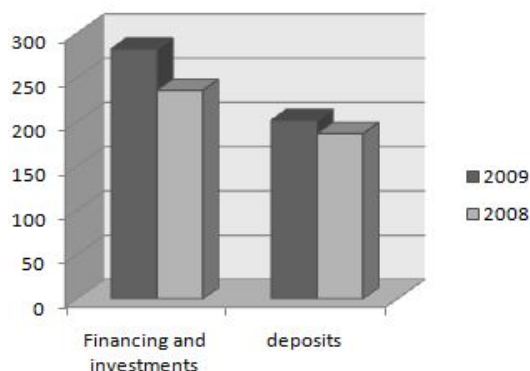
Thanks to God, the figures hereafter show a significant progress of the bank's activity and results :

- The total balance reached USD 523.26 million against USD 461.31 million at the end of 2008 representing an increase of 13.45% while the deposits reached USD 430.529 million against USD 379.02 in 2009.
- The Total operating income was USD 27.199 million compared to the previous year's USD 27.094 million.
- The total amount representing the bank's financing, investments, participations, reached USD 493.07 million compared to USD 431.41 million in 2008.
- The Bank's net profits reached 11.823 million USD against USD 10.096 million in 2008.

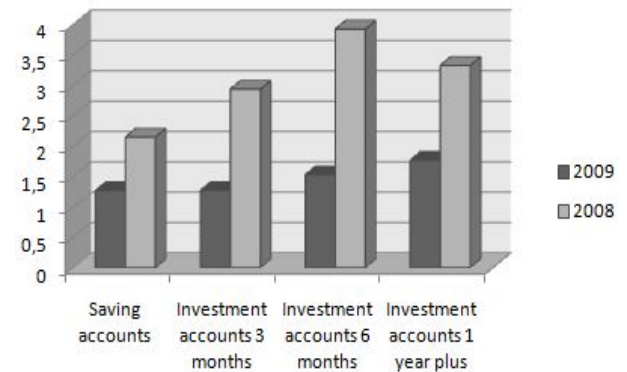
Chairman of the board of directors
Mr.Abdulelah A. SABBAHI

Activity in foreign currency

Financing and investments in foreign currency at the end of 2009 were USD 282.32 million, against USD 235.43 in 2008. At the same time, deposits increased to USD 201.68 million from USD 186.53 million the previous year.

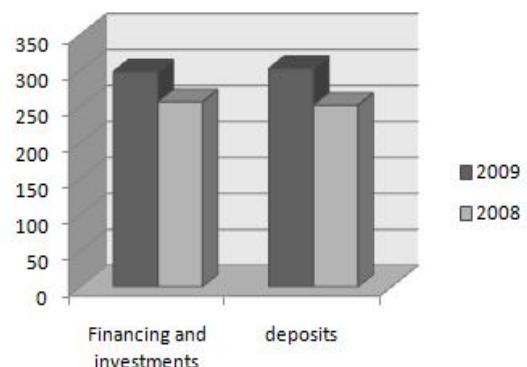


Profits distributions to investors USD in % were as follow :

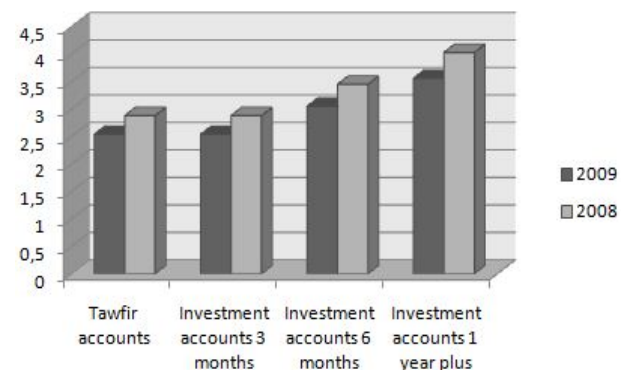


Activity in Tunisian Dinars

As regards to the bank's activity in Tunisian Dinars, financings and Investments reached TND 298.827 million in 2009, against TND 256.720 TND million in 2008 while deposits were at TND 303.34 in 2009, against TND 252.18 in 2008.



Profits distributions to investors (TND) in % were as follows :



FINANCIAL STATEMENTS

balance sheet as at December 31st, 2009

expressed in thousands of USD

	2009	2008
ASSETS		
Cash and balances at CBT, Post Office and TGT	11 865	6 670
Banks and financial institutions balances	132 016	131 361
Clients receivables	229 796	227 928
Trading securities	134 654	81 752
Investment securities	6 880	7 165
Fixed assets	5 159	4 291
Other assets	2 892	2 146
Total assets	523 261	461 313
LIABILITIES		
Central Bank	1 713	330
Banks and financial institutions Deposits	36 506	13 608
Customer Deposits	395 566	369 749
Loans and special funds	332	228
Interests to be liquidated	56	147
Other liabilities	6 909	2 972
Total liabilities	441 082	386 887
SHAREHOLDERS EQUITY		
Capital	50 000	50 000
Reserves	20 355	14 331
Other equity	-	-
Retained earning	-	-
Net income (loss) for the year	11 823	10 096
Total shareholders equity	82 178	74 427
Total liabilities and shareholders equity	523 261	461 314

FINANCIAL STATEMENTS

Off balance sheet as at December 31st, 2009

expressed in thousands of USD

	2009	2008
Contingent Liabilities		
Guarantees	38 211	41 208
Letters of credit	18 365	15 137
Total contingent liabilities	56 576	56 345
Commitments Granted		
Financing commitments to customers	36 571	34 524
Total commitments granted	36 571	34 524
Commitments Received		
Guarantees received	125 564	75 446
Total commitments received	125 564	75 446

FINANCIAL STATEMENTS

Income Statement as at December 31st, 2009

expressed in thousands of USD

	2009	2008
Operating income		
Profits and assimilated revenues	19 427	19 479
Commission income	3 590	3 107
G.A.F.T.S.F.O ⁴	3 404	4 018
Income from investment securities	750	490
Total Operating income	27 199	27 094
Operating Expenses		
Profits to depositors and assimilated charges	(9 154)	(10 428)
Commission expenses	(1 242)	(954)
Total Operating Expenses	(11 383)	(10 396)
Net banking income	16 803	15 711
P.A.F.D.L.C.L.C.L ⁵	648	439
P.A.O.I.S ⁶	98	(5)
Other operating income	0	14
Staff costs	4 049	(4 557)
General administrative expenses	(1258)	(1 110)
Depreciation and amortisation	(738)	(714)
Operating income	11 476	9 779
Gains (losses) from other ordinary activities	595	335
Income tax	(248)	(18)
Income on ordinary activities	11 823	10 096
Net income for the year	11 823	10 096

4. Gains arising from trading securities and financial operations

5. Provisions and adjustments for doubtful loans, contingent liabilities, commitments and liabilities

6. Provisions and adjustments on investment securities

FINANCIAL STATEMENTS

Cash-Flow Statement as at December 31st, 2009

expressed in thousands of USD

	2008	2007
Operating Activities		
Net Profit	11 823	10 096
Adjustments for :		
Amortizations	738	714
Provisions	(982)	(439)
Profit /Sale Investment	(127)	55
Changes in :		
Clients and financial institution receivables	(8 166)	(22 415)
Clients Deposits	44 171	41 433
Other assets	(746)	199
Other liabilities	(4 050)	(242)
Trading securities	(52 873)	(10 520)
Net cash flows from operating activities	(2226)	18 829
Investment Activities		
Acquisitions / Transfer on investment portfolio	384	(100)
Acquisitions / Transfer on fixed assets	(1 621)	(333)
Net cash flows for investment activities	(1 237)	(433)
Financing Activities		
Dividends paid	(4 000)	(4 000)
Net cash flows for financing activities	(4 000)	(4 000)
N.I.C.C.E.D.Y ⁷	(7 463)	14 396
C.C.E.B.Y ⁸	16 352	1 956
Cash and cash equivalents at the end of the year	8889	16 352

7. Net increase in cash and cash equivalents during the year

8. Cash and cash equivalents at the beginning of the year

Auditors Reports

General Report

In compliance with the assignment entrusted to us by your General Meeting held, we present below our report on the financial statements of al Baraka Bank Tunisia for the year ended December 31, 2009 and on the specific procedures as prescribed by law and professional standards.

Opinion on the financial statements

We have audited the accompanying financial statements of al Baraka Bank Tunisia as of December 31st, 2009. These financial statements are the responsibility of the company's management and its board of directors. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Tunisian Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of al Baraka Bank Tunisia as of December 31st, 2009 and of the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Tunisia.

Specific examinations

We have also carried out the specific procedures prescribed by law and professional standards. We have nothing to report on with respect to the consistency of the financial information in the management report with the financial statements. We have also reviewed, in connection with our audit, the internal control procedures related to the financial information processing and reporting. Our report, based on our review and as required by the article 3 of the law n° 94-117 dated November 14th, 1994 as amended by the law n° 2005-96 dated October 18th, 2005, that we have not pointed out major weaknesses which might affect our opinion on the financial statement. Furthermore, in accordance with the article 19 of the decree 2001-2728 dated November 20, 2001, we have performed the required examination and have no observation regarding the conformity of al Baraka Bank Tunisia with the regulatory requirements relating to securities accounts.

Tunis, February 25th, 2010

Expertise, Finance
& Conseil

Salah DHIBI

CMC - DFK
International

Chérif BEN ZINA

REPORT OF THE CHAIRMAN SHARIA BOARD

In the name of Allah, Most Gracious, Most Merciful.

His Excellency Abdulelah A. SABBAHI,
Chairman of the General Assembly and Chairmain
of Al Baraka Bank at Tunis,
Dear members of the board,
Peace be upon you

I am pleased to present to you the legal report concerning the bank activities for the 2009 financial year. To begin with, I would like to stress the following points :

1. The year 2009 was marked by the intensification of the cooperation that is the consultations between the administration, especially the legal department, and me.
2. The legal consultation was reinforced by the designation of two advisers to the supervisory board, raising the team of advisers to three specialized members. The advisory board met twice after the designation of the new members and studied the submitted files.
3. The implementation of the general assembly recommendation concerning the designation of an internal legal Sharia supervisor whose responsibility lies in the follow up of the implementation of the articles of the contracts and the assistance to the executive administration in abiding by the legal aspects and the decisions of the board. The said adviser was placed in an internship within the Baraka group for six months, as agreed upon by Doctor Ahmed Mohieddine Ahmed.
4. As a result, I would like to report that I examined all the contracts submitted to me and delivered all appropriate legal advice to be followed so that the Bank activities comply with the Sharia Law. The administration of the Bank is in charge of the implementation side.
5. I went carefully through the financial data closed on 31/12/2009 which will be submitted to the board to be approved of and noticed the following : Page 24, clarification 17 : The modern Leasing Company. Nothing about the company in question was submitted to me concerning its transactions and whether it abides or not by the provisions of the Sharia Law. As far as I know, all leasing companies in Tunisia do not comply with the provisions of the Sharia Law except The Tunisian Saudia Leasing. As a result, the gains of the said company which amount to 45 (2008) and 28 (2009) are not determined as far as the compliance with the provisions of the Sharia Law are concerned. In this respect, the institutions participating in the activities of the group must comply with the provisions of the Sharia Law.
6. What I personally find remarkable is the separation between the financial lists whereby interest money is generated from those where no interest money is generated in conformity with what I suggested. Money generated by interests should be spent in the general public good which does not bring profits to the Bank and the assistance to the Coranic schools fund on a fifty percent basis for each of the two as of the beginning of the bank activities in Tunis.
7. Since the investors did not delegate to the bank the collection and distribution of their "zakat", distribution of the said "Zakat" is something the investors perform by themselves, and I would advise reminding them of that.

Finally, I would like to congratulate the chairman of the board, all the managers and their assistants on their success this year and the positive results of their efforts, despite the world wide financial crisis. A particular congratulation

REPORT OF THE SHARIA ADVISOR

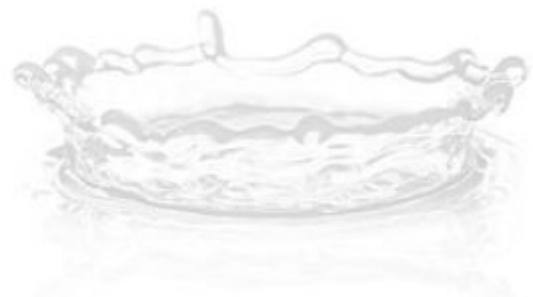
goes to Mr. Mahfoudh Barouni for the great role he played since he joined the Bank till he reached the age of sixty in October 2010. I would like to congratulate him and his assistants who, I remain certain, will abide by the principles he set for them, in my name and yours asking Allah to help him in his mission at the Zitouna Bank.

May Allah pave the ways of success and prosperity to the Bank under its new name.

Peace be upon you and Allah's mercy and blessings.

The Chairmain of the Sharia Board

Sheikh Mohamed Mokhtar SELLAMI



General Assembly Resolutions

FIRST RESOLUTION

After reviewing the report of the Board of Directors on the Bank's activity and its financial situation for the year 2009, and after reviewing the balance sheets, and the profits and loss, accounts as at December 31st 2009, and after listening to the Auditor's Report on the 2009 accounts, the Ordinary General Assembly agreed on all the above, and released all the members of the Board of Directors, including the President and the Vice President from any responsibility without any reserve, for the year 2009. The resolution is adopted unanimously.

SECOND RESOLUTION

The Ordinary General Assembly has reviewed the special report of the Auditors, regarding the operation subject to articles 200 and article 29 of the Law n° 2001-65 dated July 10th, 2001, relating to credit institutions. The resolution is adopted unanimously.

THIRD RESOLUTION

The Ordinary General Assembly has reviewed the Shariaa Advising and Control Committee Report, addressed to the shareholders, by the respected Sheikh Mohamed Mokhtar SELLAMI (President of this Committee), the Bank's Shariaa Advisor, on the Bank's 2009 activity, and welcomes the foundation of this Committee and thanks all its members for their efforts and advises, enabling the Bank to act in conformity with the shariaa. The resolution is adopted unanimously.

FOURTH RESOLUTION

The Ordinary General Assembly has decided, upon proposal from the Board of Directors, the distribution of the profits resulted from the activity of 2009, amounting to USD 11 823 653 as follows(in USD) :

- Legal provision : 55776
- Profits to distribute to shareholders : 4000000
- General provisions : 7447877
- Social Fund : 200000
- Social Services : 120000

FIFTH RESOLUTION

The Ordinary General Assembly, has decided, upon recommendation from the the Shariaa Advising and Control Committee, to spend the interest income issued from the activity of the Bank, amounting to USD 56 528 to the public benefit as in the past. The resolution is adopted unanimously.

SIXTH RESOLUTION

the Ordinary General Assembly agreed the project of the bank's statute as revised according to the law n°2009-16 dated Marsh 16th 2009.

EIGHTH RESOLUTION

The Ordinary General Assembly delegates all the powers to the holder of the copies of these resolutions to affect all the registration and publishing required by law. The resolution is adopted unanimously.





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