

Interim Consolidated Statement of Financial Position

	31 March 2011 BD 000	Audited 31 Dec 2010 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	42,612	38,968
Murabaha and due from banks	111,400	51,370
Financing contracts with customers	640,361	640,391
Investments	254,243	257,340
Investment in joint venture and associates	87,098	85,994
Investment properties	144,586	143,073
Receivables, prepayments and other assets	161,356	158,331
Goodwill and intangibles	29,367	28,644
Premises and equipment	41,457	42,561
TOTAL ASSETS	1,512,480	1,446,672
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	56,905	55,780
Murabaha and due to banks	258,116	246,406
Murabaha and due to non-banks	242,524	187,785
Other liabilities	39,301	44,067
Subordinated murabaha payable	100,533	99,423
TOTAL LIABILITIES	697,379	633,461
EQUITY OF INVESTMENT ACCOUNT HOLDERS	453,004	452,963
OWNERS' EQUITY		
Share capital	177,140	177,140
Share premium	71,403	71,403
Statutory reserve	13,353	13,353
General reserve	28,236	28,236
Available for sale reserve	(4,683)	(4,784)
Investment revaluation reserve	46,617	46,997
Foreign currency translation reserve	(1,466)	(1,446)
Retained earnings	7,382	4,677
	337,982	335,576
NON - CONTROLLING STAKEHOLDERS	24,115	24,672
	362,097	360,248
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,512,480	1,446,672
OFF-BALANCE SHEET ITEMS:		
EQUITY OF INVESTMENT ACCOUNTHOLDERS	93,374	87,031
COMMITMENTS AND CONTINGENT ITEMS	49,387	44,850

Interim Consolidated Statement of Income

	Three months ended 31 March	
	2011 BD 000	2010 BD 000
Income from retail and corporate banking activities	12,166	12,661
Income from investment activities	2,543	9,513
Share of income (loss) of joint venture and associates	1,039	(469)
Other income	2,680	205
Operating income	18,428	21,910
Return on equity of investment accountholders, net of mudarib share	(3,283)	(3,814)
Profit on murabaha and due to banks, murabaha and due to non-banks and subordinated murabaha payable	(3,451)	(2,807)
Net operating income	11,694	15,289
Staff costs	3,553	3,245
Depreciation	1,831	1,081
Other expenses	4,605	2,560
Operating expenses	9,989	6,886
Net income for the period from continuing operations	1,705	8,403
Loss for the period from discontinued operations	-	(546)
Net income before adjustment for non-controlling stakeholders	1,705	7,857
Adjustment attributable to non-controlling stakeholders	620	591
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	2,325	8,448

Interim Consolidated Statement of Comprehensive Income

	Three months ended 31 March	
	2011 BD 000	2010 BD 000
Net income before adjustment for non-controlling stakeholders	1,705	7,857
Other comprehensive income:		
Net unrealised gain (loss) on available for sale investments	(428)	2,536
Net movement in foreign currency translation reserve	(20)	168
Share of other comprehensive income of joint venture	529	554
Other comprehensive income for the period	81	3,258
Total comprehensive income for the period	1,786	11,115
Adjustment attributable to non-controlling stakeholders	620	591
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	2,406	11,706

Interim Consolidated Statement of Cash Flows

	Three months ended 31 March	
	2011 BD 000	2010 BD 000
OPERATING ACTIVITIES		
Net income before adjustment for non-controlling stakeholders	1,705	7,857
Adjustments for:		
Depreciation	1,831	1,081
Share of loss (income) of joint venture and associates	(1,039)	469
Gain on sale of investments	(2,057)	-
Unrealised loss (gain) on investments	676	(81)
Operating income before changes in operating assets and liabilities	1,116	9,326
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(2,205)	265
Financing contracts with customers	30	526
Receivables, prepayments and other assets	(1,503)	(2,852)
Assets of disposal group classified as held for sale	-	1,262
Customers' current accounts	1,125	61,756
Murabaha and due to banks	11,710	913
Murabaha and due to non-banks	54,739	(3,627)
Other liabilities	(4,766)	(7,208)
Subordinated murabaha payable	1,110	(455)
Liabilities of disposal group classified as held for sale	-	56
Net cash flows from operating activities	61,356	59,962
INVESTING ACTIVITIES		
Purchase of investments	(2,457)	(17,560)
Proceeds from sale of investments	4,769	-
Amount paid for the construction of investment properties	(1,513)	(935)
Purchase of premises and equipment - net	(727)	(300)
Net cash flows from (used in) investing activities	72	(18,795)
FINANCING ACTIVITY		
(Decrease) increase in equity of investment account holders	41	(44,450)
Net cash flows from (used in) financing activity	41	(44,450)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	61,469	(3,283)
Cash and cash equivalents at 1 January	66,718	41,493
CASH AND CASH EQUIVALENTS AT 31 MARCH	128,187	38,210

Interim Consolidated Statement of Changes in Equity

	Attributable to shareholders of the parent										
	Share capital BD 000	Share premium BD 000	Statutory reserve BD 000	General reserve BD 000	Available for sale reserve BD 000	Investment revaluation reserve BD 000	Foreign currency translation reserve BD 000	Retained earnings BD 000	Total BD 000	Non-controlling stakeholders BD 000	Total equity BD 000
Balance at 1 January 2011	177,140	71,403	13,353	28,236	(4,784)	46,997	(1,446)	4,677	335,576	24,672	360,248
Income (loss) for the period	-	-	-	-	-	-	-	2,325	2,325	(620)	1,705
Other comprehensive income (loss) for the period	-	-	-	-	101	-	(20)	-	81	-	81
Total comprehensive income (loss) for the period	-	-	-	-	101	-	(20)	2,325	2,406	(620)	1,786
Transfer to investment revaluation reserve	-	-	-	-	-	(380)	-	380	-	-	-
Net movement in non-controlling stakeholders	-	-	-	-	-	-	-	-	-	63	63
Balance at 31 March 2011	177,140	71,403	13,353	28,236	(4,683)	46,617	(1,466)	7,382	337,982	24,115	362,097
Balance at 1 January 2010	177,140	71,403	12,420	28,236	(5,427)	37,043	(1,688)	6,239	325,366	26,305	351,671
Income (loss) for the period	-	-	-	-	-	-	-	8,448	8,448	(591)	7,857
Other comprehensive income for the period	-	-	-	-	3,090	-	168	-	3,258	-	3,258
Total comprehensive income (loss) for the period	-	-	-	-	3,090	-	168	8,448	11,706	(591)	11,115
Transfer to investment revaluation reserve	-	-	-	-	-	81	-	(81)	-	-	-
Transfer to retained earnings on sale of investments	-	-	-	-	-	6,261	-	(6,261)	-	-	-
Net movement in non-controlling stakeholders	-	-	-	-	-	-	-	-	-	(283)	(283)
Balance at 31 March 2010	177,140	71,403	12,420	28,236	(2,337)	43,385	(1,520)	8,345	337,072	25,431	362,503

These statements have been extracted from the interim condensed consolidated financial statements for the period ended 31 March 2011, reviewed by Ernst & Young.

Bader Abdul Muhsen Al-Mukhaizeem
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhatay
Managing Director & Chief Executive Officer

