

Interim Consolidated Statement of Financial Position

	30 June 2011 BD 000	Audited 31 Dec 2010 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	38,939	38,968
Murabaha and due from banks	122,940	51,370
Financing contracts with customers	627,561	640,391
Investments	261,461	257,340
Investment in joint ventures and associates	125,110	85,994
Investment properties	156,634	143,073
Receivables, prepayments and other assets	170,399	158,331
Goodwill and intangibles	28,913	28,644
Premises and equipment	36,905	42,561
TOTAL ASSETS	1,568,862	1,446,672
LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY		
LIABILITIES		
Customers' current accounts	58,475	55,780
Murabaha and due to banks	328,520	246,406
Murabaha and due to non-banks	201,722	187,785
Other liabilities	41,984	44,067
Subordinated murabaha payable	101,651	99,423
Total liabilities	732,352	633,461
EQUITY OF INVESTMENT ACCOUNT HOLDERS	471,668	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	(5,366)	(4,784)
Investment revaluation reserve	44,718	46,997
Foreign currency translation reserve	(1,451)	(1,446)
Retained earnings	13,019	4,677
NON - CONTROLLING STAKEHOLDERS	364,842	360,248
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,568,862	1,446,672
OFF-BALANCE SHEET ITEMS:		
EQUITY OF INVESTMENT ACCOUNTHOLDERS	87,657	87,031
COMMITMENTS AND CONTINGENT ITEMS	49,581	44,850

Interim Consolidated Statement of Income

	Three months ended 30 June		Six months ended 30 June	
	2011 BD 000	2010 BD 000	2011 BD 000	2010 BD 000
Income from retail and corporate banking activities	11,081	11,757	23,247	24,418
Income from investment activities	6,153	2,901	8,696	12,414
Share of income (loss) of joint ventures and associates	(1,031)	(899)	8	(1,368)
Other income	2,691	1,325	5,371	1,530
Operating income	18,894	15,084	37,322	36,994
Return on equity of investment accountholders, net of mudarib share	(3,026)	(3,242)	(6,309)	(7,056)
Profit on murabaha and due to banks, murabaha and due to non-banks and subordinated murabaha payable	(3,248)	(3,048)	(6,699)	(5,855)
Net operating income	12,620	8,794	24,314	24,083
Other expenses	4,225	3,729	8,830	6,289
Staff costs	3,367	2,741	6,920	5,986
Depreciation	1,893	1,091	3,724	2,172
Provisions	500	113	500	113
Operating expenses	9,985	7,674	19,974	14,560
Net income for the period from continuing operations	2,635	1,120	4,340	9,523
Loss for the period from discontinued operations	-	(190)	-	(736)
Net income before adjustment for non-controlling stakeholders	2,635	930	4,340	8,787
Adjustment attributable to non-controlling stakeholders	1,103	377	1,723	968
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	3,738	1,307	6,063	9,755

Interim Consolidated Statement of Comprehensive Income

	Three months ended 30 June		Six months ended 30 June	
	2011 BD 000	2010 BD 000	2011 BD 000	2010 BD 000
Net income before adjustment for non-controlling stakeholders	2,635	930	4,340	8,787
Other comprehensive income:				
Net unrealised (loss) gain on available for sale investments	(625)	(1,238)	(1,053)	1,298
Net movement in foreign currency translation reserve	15	(547)	(5)	(379)
Share of other comprehensive (loss) income of joint venture	(58)	(846)	471	(247)
Other comprehensive (loss) income for the period	(668)	(2,631)	(587)	672
Total comprehensive income (loss) for the period	1,967	(1,701)	3,753	9,459
Adjustment attributable to non-controlling stakeholders	1,103	377	1,723	968
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	3,070	(1,324)	5,476	10,427

Interim Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2011 BD 000	2010 BD 000
OPERATING ACTIVITIES		
Net income before adjustment for non-controlling stakeholders	4,340	8,787
Adjustments for:		
Provisions	500	113
Depreciation	3,724	2,172
Share of loss (income) of joint venture and associates	(8)	1,368
Gain on sale of investments	-	(11,751)
Gain on sale of investment property	(12,228)	-
Unrealised loss on investments	2,279	1,795
Operating (loss) income before changes in operating assets and liabilities	(1,393)	2,484
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	(1,810)	695
Financing contracts with customers	12,830	17,671
Receivables, prepayments and other assets	(14,030)	(19,512)
Customers' current accounts	2,695	13,266
Murabaha and due to banks	82,114	44,155
Murabaha and due to non-banks	13,937	17,389
Other liabilities	(2,083)	7,331
Subordinated murabaha payable	2,228	(1,237)
Net cash flows from operating activities	94,488	82,242
INVESTING ACTIVITIES		
Purchase of investments	(6,225)	(17,560)
Proceeds from sale / maturity of investments	4,769	17,761
Purchase of investment in joint venture	(39,961)	-
Purchase of investment properties	(106)	-
Amount paid for the construction of investment properties	(871)	(1,455)
Purchase of premises and equipment - net	(1,070)	(881)
Net cash used in investing activities	(43,464)	(2,135)
FINANCING ACTIVITY		
Increase (Decrease) in equity of investment accountholders	18,705	(53,956)
Net cash flows from (used in) financing activity	18,705	(53,956)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,729	26,151
Cash and cash equivalents at 1 January	66,718	41,493
CASH AND CASH EQUIVALENTS AT 30 JUNE	136,447	67,644

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	-	-	-	-	-	-	-	6,063	6,063	(1,723)	4,340
Other comprehensive income (loss) for the period	-	-	-	-	(582)	-	(5)	-	(587)	-	(587)
Total comprehensive income (loss) for the period	-	-	-	-	(582)	-	(5)	6,063	5,476	(1,723)	3,753
Transfer to investment revaluation reserve	-	-	-	-	-	(2,279)	-	2,279	-	-	-
Net movement in non-controlling stakeholders	-	-	-	-	-	-	-	-	-	841	841
Balance at 30 June 2011	177,140	71,403	13,353	28,236	(5,366)	44,718	(1,451)	13,019	341,052	23,790	364,842
Balance at 1 January 2010	177,140	71,403	12,420	28,236	(5,984)	37,043	(1,688)	6,239	324,809	26,305	351,114
Income (loss) for the period	-	-	-	-	-	-	-	9,755	9,755	(968)	8,787
Other comprehensive income for the period	-	-	-	-	1,051	-	(379)	-	672	-	672
Total comprehensive income (loss) for the period	-	-	-	-	1,051	-	(379)	9,755	10,427	(968)	9,459
Transfer to investment revaluation reserve	-	-	-	-	-	(1,795)	-	1,795	-	-	-
Transfer to retained earnings on sale of investment	-	-	-	-	-	6,261	-	(6,261)	-	-	-
Net movement in non-controlling stakeholders	-	-	-	-	-	-	-	-	-	(471)	(471)
Balance at 30 June 2010	177,140	71,403	12,420	28,236	(4,933)	41,509	(2,067)	11,528	335,236	24,866	360,102

These statements have been extracted from the interim condensed consolidated financial statements for the period ended 30 June 2011, reviewed by Ernst & Young.

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

Abdulhakeem Yaqoub Alkhatayy
Managing Director and Chief Executive Officer

