

Consolidated Statement of Financial Position

	31 Dec 2009 BD 000	31 Dec 2008 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	41,111	69,791
Murabaha due from banks	24,612	64,421
Financing contracts with customers	658,748	578,482
Investments	227,381	204,643
Investment in associates	77,569	71,180
Investment properties	136,920	124,984
Receivables, prepayments and other assets	124,549	97,776
Goodwill and intangibles	25,172	10,599
Premises and equipment	24,358	31,409
	1,340,420	1,253,285
Assets of disposal group classified as held for sale	32,959	31,390
TOTAL ASSETS	1,373,379	1,284,675
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS & EQUITY LIABILITIES		
Murabaha and due to banks	152,738	301,452
Murabaha and due to non-banks	183,948	224,880
Customers' current accounts	52,155	53,236
Other liabilities	35,052	26,268
Subordinated Murabaha payable	97,189	-
	521,082	605,836
Liabilities associated with disposal group classified as held for sale	1,890	19,532
Total liabilities excluding unrestricted investment accounts	522,972	625,368
UNRESTRICTED INVESTMENT ACCOUNTS	499,293	310,474
Total liabilities including unrestricted investment accounts	1,022,265	935,842
EQUITY ATTRIBUTABLE TO SHARE HOLDERS OF THE PARENT		
Share capital	177,140	161,036
Share premium	71,403	71,403
Statutory reserve	12,420	11,807
General reserve	28,236	27,596
Available for sale reserve	(5,984)	(4,769)
Investment revaluation reserve	37,043	37,764
Foreign currency translation reserve	(1,688)	(1,383)
Retained earnings	6,239	16,743
	324,809	320,197
NON-CONTROLLING INTERESTS	26,305	26,997
NON-CONTROLLING INTERESTS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	-	1,639
	351,114	348,833
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS & EQUITY	1,373,379	1,284,675
RESTRICTED INVESTMENT ACCOUNTS	74,196	93,269
COMMITMENTS AND CONTINGENT ITEMS	80,610	198,017

Consolidated Statement of Income

	For the year ended	
	31 Dec 2009 BD 000	31 Dec 2008 BD 000
Income from retail and corporate banking activities	51,248	38,664
Income from investment activities	6,607	30,428
Share of income of associates	7,514	21,034
Other income	(289)	7,666
	65,080	97,792
Less: Profit on Murabaha due to banks, non-banks and subordinated Murabaha payable	9,194	14,870
	55,886	82,922
Staff costs	10,777	10,418
Depreciation	3,157	2,980
Provisions	1,007	8,453
Other operating expenses	14,700	11,688
	29,641	33,539
NET INCOME BEFORE PROFIT ON UNRESTRICTED INVESTMENT ACCOUNTS	26,245	49,383
Less: Profit on unrestricted investment accounts	20,817	9,865
Profit for the year from continuing operations	5,428	39,518
Loss for the year from discontinued operations	(2,266)	(1,084)
NET INCOME FOR THE YEAR	3,162	38,434
Attributable to non-controlling interests	2,970	(2,748)
ATTRIBUTABLE TO SHARE HOLDERS OF THE PARENT	6,132	35,686

Consolidated Statement of Comprehensive Income

	For the year ended	
	31 Dec 2009 BD 000	31 Dec 2008 BD 000
Net income for the year	3,162	38,434
Other comprehensive income:		
Net unrealized loss on available for sale investments	(716)	(1,592)
Net movement in foreign currency translation reserve	(305)	(1,383)
Share of other comprehensive income of associate	(499)	(3,177)
Other comprehensive income for the year	(1,520)	(6,152)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,642	32,282
Attributable to non-controlling interests	2,970	(2,748)
ATTRIBUTABLE TO SHARE HOLDERS OF THE PARENT	4,612	29,534

Consolidated Statement of Cash Flows

	For the year ended	
	31 Dec 2009 BD 000	31 Dec 2008 BD 000
OPERATING ACTIVITIES		
Net income for the year	3,162	38,434
Adjustments for:		
Provisions	1,007	8,453
Depreciation	3,157	2,980
Gain on sale of investment properties	-	(2,026)
Loss on sale of investments	-	302
Share of income of associates	(7,514)	(21,034)
Unrealised loss / (gain) on investments	850	(9,783)
Unrealised gain on investment properties	(158)	(9,220)
Other movements	2,744	597
Operating income before changes in operating assets and liabilities	3,248	8,703
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	7,494	(19,909)
Financing contracts with customers	(80,028)	(305,942)
Receivables, prepayments and other assets	(25,182)	(28,760)
Murabaha and due to banks	(160,689)	224,123
Murabaha due to non-banks	(40,932)	(65,002)
Customers' current accounts	(1,081)	(53,914)
Other liabilities	5,883	984
Net cash used in operating activities	(291,287)	(239,717)
INVESTING ACTIVITIES		
Acquisition of a subsidiary - net of cash and bank balances	-	(8,758)
Purchase of investments	(43,049)	(74,904)
Purchase of investment in associates	(850)	(13,999)
Purchase of subsidiary classified as held for sale	-	(11,602)
Purchase of investment properties	(7,705)	(42,206)
Proceeds from sale / maturity of investments	7,400	5,607
Proceeds from refund of advance paid for investment	7,766	-
Proceeds from sale of investments properties	167	8,315
Purchase of intangibles	-	(4,859)
Purchase of premises and equipment	(20,084)	(15,933)
Net cash used in investing activities	(56,355)	(158,339)
FINANCING ACTIVITIES		
Proceeds from issue of shares	-	136,881
Cash contributed by minorities in new subsidiaries	-	13,770
Increase in unrestricted investment accounts	188,819	257,383
Net movement in non-controlling interests	639	-
Subordinated Murabaha payable	97,189	-
Net cash from financing activities	286,647	408,034
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(60,995)	9,978
Cash and cash equivalents at 1 January	102,488	92,510
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	41,493	102,488

Consolidated Statement of Changes in Equity

	Attributable to Shareholders of the Parent											Non controlling interests in investment held for sale	Total equity	
	Share capital	Share premium	Statutory reserve	General reserve	Available for sale reserve	Investment revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non controlling interests				
	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000	BD 000
Balance at 1 January 2009	161,036	71,403	11,807	27,596	(4,769)	37,764	(1,383)	16,743	320,197	26,997	1,639	348,833		
Total comprehensive income for the year	-	-	-	-	(1,215)	-	(305)	6,132	4,612	(3,245)	275	1,642		
Transfer to investment revaluation reserve	-	-	-	-	-	(721)	-	721	-	-	-	-		
Transfer to general reserve	-	-	-	16,744	-	-	-	(16,744)	-	-	-	-		
Bonus shares issued @10%	16,104	-	-	(16,104)	-	-	-	-	-	-	-	-		
Transfer to statutory reserve	-	-	613	-	-	-	-	(613)	-	-	-	-		
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	2,553	(1,914)	639		
Balance at 31 December 2009	177,140	71,403	12,420	28,236	(5,984)	37,043	(1,688)	6,239	324,809	26,305	-	351,114		
Balance at 1 January 2008	70,016	15,040	8,238	20,173	-	22,390	-	17,925	153,782	10,479	-	164,261		
Total comprehensive income for the year	-	-	-	-	(4,769)	-	(1,383)	35,686	29,534	2,748	(618)	31,664		
Transfer to investment revaluation reserve	-	-	-	-	-	17,119	-	(17,119)	-	-	-	-		
Transfer to retained earnings on sale of investments	-	-	-	-	-	(1,745)	-	1,745	-	-	-	-		
Increase in non-controlling interests due to new subsidiaries	-	-	-	-	-	-	-	-	-	13,770	2,257	16,027		
Transfer to general reserve	-	-	-	17,925	-	-	-	(17,925)	-	-	-	-		
Bonus shares issued @15%	10,502	-	-	(10,502)	-	-	-	-	-	-	-	-		
Issue of new shares	80,518	56,363	-	-	-	-	-	-	136,881	-	-	136,881		
Transfer to statutory reserve	-	-	3,569	-	-	-	-	(3,569)	-	-	-	-		
Balance at 31 December 2008	161,036	71,403	11,807	27,596	(4,769)	37,764	(1,383)	16,743	320,197	26,997	1,639	348,833		

These statements have been extracted from the consolidated financial statements for the year ended 31 December 2009, audited by Ernst & Young.

Bader Abdul Muhsen Al-Mukhaizeem
Chairman

Mohamed AlShaikh Ishaq
Vice Chairman

Abdulhakeem Yaqoub Alkhayyat
Managing Director and Chief Executive Officer