

### Interim Condensed Consolidated Statement of Financial Position

	31 March 2009 BD 000s	Audited 31 December 2008 BD 000s
<b>ASSETS</b>		
Cash and balances with banks and Central Bank of Bahrain	59,550	69,791
Murabaha due from banks	6,329	64,421
Financing contracts with customers	612,724	578,482
Investments	193,603	204,643
Investment in associates	73,510	71,180
Investment properties	121,813	124,984
Receivables, prepayments and other assets	126,401	97,776
Goodwill and intangibles	10,596	10,599
Premises and equipment	34,416	31,409
	<b>1,238,942</b>	<b>1,253,285</b>
Assets of disposal group classified as held for sale	31,758	31,390
<b>TOTAL ASSETS</b>	<b>1,270,700</b>	<b>1,284,675</b>
<b>LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>		
<b>LIABILITIES</b>		
Murabaha and due to banks	260,768	301,452
Murabaha due to non-banks	110,626	224,880
Customers' current accounts	45,467	53,236
Other liabilities	42,007	26,268
	<b>458,868</b>	<b>605,836</b>
Liabilities directly associated with disposal group classified as held for sale	18,395	19,532
Total liabilities excluding unrestricted investment accounts	477,263	625,368
Unrestricted investment accounts	441,911	310,474
Total liabilities including unrestricted investment accounts	919,174	935,842
<b>EQUITY ATTRIBUTABLE TO SHARE HOLDERS OF THE PARENT</b>		
Share capital	161,036	161,036
Share premium	71,403	71,403
Statutory reserve	11,807	11,807
General reserve	27,596	27,596
Investment revaluation reserve	27,939	32,995
Foreign currency translation reserve	(1,383)	(1,383)
Surplus on revaluation of premises	2,730	-
Retained earnings	22,006	16,743
	<b>323,134</b>	<b>320,197</b>
<b>NON CONTROLLING INTEREST</b>	<b>26,544</b>	<b>26,997</b>
<b>NON CONTROLLING INTEREST IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE</b>	<b>1,848</b>	<b>1,639</b>
	<b>351,526</b>	<b>348,833</b>
<b>TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY</b>	<b>1,270,700</b>	<b>1,284,675</b>
<b>RESTRICTED INVESTMENT ACCOUNTS</b>	<b>87,960</b>	<b>93,269</b>
<b>COMMITMENTS AND CONTINGENT ITEMS</b>	<b>168,714</b>	<b>198,017</b>

### Interim Condensed Consolidated Statement of Income

	Three months ended 31 March	
	2009 BD 000s	2008 BD 000s
Income from retail and corporate banking activities	13,898	8,160
Income from investment activities	1,072	10,158
Share of income of associates	89	2,811
Other income	3,205	2,034
	<b>18,264</b>	<b>23,163</b>
Less: Profit on Murabaha due to banks and non-banks	2,657	3,830
	<b>15,607</b>	<b>19,333</b>
Staff costs	2,476	2,778
Depreciation	658	1,177
Provisions	100	629
Other operating expenses	4,461	2,918
	<b>7,695</b>	<b>7,502</b>
<b>NET INCOME BEFORE PROFIT ON UNRESTRICTED INVESTMENT ACCOUNTS</b>	<b>7,912</b>	<b>11,831</b>
Less: Profit on unrestricted investment accounts	4,946	849
	<b>2,966</b>	<b>10,982</b>
<b>INCOME FOR THE PERIOD</b>	<b>2,966</b>	<b>10,982</b>
Attributable to:		
Share holders of the Parent	3,308	10,475
Non controlling interests	(342)	507
	<b>2,966</b>	<b>10,982</b>

### Interim Condensed Consolidated Statement of Comprehensive Income

	Three months ended 31 March	
	2009 BD 000s	2008 BD 000s
<b>INCOME FOR THE PERIOD</b>	<b>2,966</b>	<b>10,982</b>
<b>Other comprehensive income:</b>		
Net unrealized loss on available for sale investments	(1,345)	-
Surplus on revaluation of premises	2,730	-
Share of other comprehensive income of associate	(1,756)	-
Other comprehensive income for the period	(371)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,595</b>	<b>10,982</b>
Attributable to:		
Share holders of the Parent	2,937	10,475
Non controlling interests	(342)	507
	<b>2,595</b>	<b>10,982</b>

### Interim Condensed Consolidated Statement of Cash Flows

	Three months ended 31 March	
	2009 BD 000s	2008 BD 000s
<b>OPERATING ACTIVITIES</b>		
Net income for the period	2,966	10,982
Adjustments for:		
Provisions	100	629
Depreciation	658	1,177
Share of income of associates	(89)	(2,811)
Gain on sale of investments	-	(9)
Gain on sale of investment properties	-	(3)
Unrealised loss / (gain) on investments	1,955	(1,413)
Unrealised gain on investment properties	-	(7,521)
Operating income before changes in operating assets and liabilities	5,590	1,031
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	8,794	(8,863)
Financing contracts with customers	(34,342)	(40,698)
Receivables, prepayments and other assets	(28,601)	(3,035)
Murabaha and due to banks	(40,684)	12,007
Murabaha due to non-banks	(114,254)	27,673
Customers' current accounts	(7,769)	(35,303)
Other liabilities	15,739	(1,214)
Net cash flows used in operating activities	(195,527)	(48,402)
<b>INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary - net of cash and bank balances acquired	-	(8,758)
Purchase of investments	(1,529)	(548)
Purchase of investments in associates	(850)	-
Refund of advance paid for purchase of investment	7,766	-
Proceeds from sale of investments	-	798
Payments for purchase of investment properties	-	(5,953)
Proceeds from sale of investment properties	-	264
Purchase of intangibles	-	(147)
Purchase of premises and equipment	(934)	(766)
Net cash flows from (used in) investing activities	4,453	(15,110)
<b>FINANCING ACTIVITIES</b>		
Increase in unrestricted investment accounts	131,437	80,637
Net movement in non controlling interests	98	2,106
Net cash flows from financing activities	131,535	82,743
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(59,539)</b>	<b>19,231</b>
Cash and cash equivalents at 1 January	102,488	92,510
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>42,949</b>	<b>111,741</b>

### Interim Condensed Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Parent										Non Controlling Interest in subsidiary held for sale BD 000s	Total equity BD 000s
	Share capital BD 000s	Share premium BD 000s	Statutory reserve BD 000s	General reserve BD 000s	Investment revaluation reserve BD 000s	Foreign currency translation reserve BD 000s	Surplus on revaluation of premises BD 000s	Retained Earnings BD 000s	Total BD 000s	Non Controlling Interests BD 000s		
Balance at 1 January 2009	161,036	71,403	11,807	27,596	32,995	(1,383)	-	16,743	320,197	26,997	1,639	348,833
Total comprehensive income for the period	-	-	-	-	(3,101)	-	2,730	3,308	2,937	(582)	240	2,595
Transfer to investment revaluation reserve	-	-	-	-	(1,955)	-	-	1,955	-	-	-	-
Net movement in non controlling interest	-	-	-	-	-	-	-	-	-	129	(31)	98
<b>Balance at 31 March 2009</b>	<b>161,036</b>	<b>71,403</b>	<b>11,807</b>	<b>27,596</b>	<b>27,939</b>	<b>(1,383)</b>	<b>2,730</b>	<b>22,006</b>	<b>323,134</b>	<b>26,544</b>	<b>1,848</b>	<b>351,526</b>
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 period	-	-	-	-	-	-	-	10,475	10,475	507	-	10,982
Transfer to investment revaluation reserve	-	-	-	-	6,947	-	-	(6,947)	-	-	-	-
Transfer to retained earnings on sale of investment property	-	-	-	-	(182)	-	-	182	-	-	-	-
Net movement in non controlling interest due to new subsidiary	-	-	-	-	-	-	-	-	-	6,290	-	6,290
Transfer to general reserve	-	-	-	17,926	-	-	-	(17,926)	-	-	-	-
Bonus shares issued	10,502	-	-	(10,502)	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2008</b>	<b>80,518</b>	<b>15,040</b>	<b>8,238</b>	<b>27,597</b>	<b>29,155</b>	<b>-</b>	<b>-</b>	<b>3,709</b>	<b>164,257</b>	<b>17,276</b>	<b>-</b>	<b>181,533</b>

Bader Abdul Muhsen Al-Mukhaizeem  
Chairman

Mohammed AlShaikh Ishaq  
Vice Chairman

Abdulhakeem Yaqoub Alkhayyat  
Managing Director & Chief Executive Officer

