

CONSOLIDATED STATEMENT OF INCOME

Six months ended 30 June 2011 (Unaudited)

	Six months ended		Three months ended	
	30 June 2011	2010	30 June 2011	2010
	BD,000	BD,000	BD,000	BD,000
INCOME				
Income from Islamic finances	15,613	15,335	9,070	7,748
Income from Sukuk and Commodities	2,019	2,414	921	1,256
Gross return to equity of investment accountholders	17,632	17,749	9,991	9,004
Group's share as a Mudarib	14,368	15,110	8,016	7,493
Return on equity of investment accountholders	(6,423)	(5,664)	(3,976)	(2,705)
	7,945	9,446	4,040	4,788
Group's share of income from joint financing and investment accounts	9,687	8,303	5,951	4,216
Income from investments	1,409	(393)	521	(2,225)
Share of results of associates	26	151	73	157
Fees & Commissions	3,867	1,619	1,213	866
TOTAL INCOME	14,989	9,680	7,758	3,014
EXPENSES				
Staff costs	4,771	4,654	2,392	2,387
Depreciation	844	758	417	387
Other expenses	3,763	3,524	1,921	1,760
Total Expenses	9,378	8,936	4,730	4,534
NET INCOME (LOSS) BEFORE PROVISIONS	5,611	744	3,028	(1,520)
Provision for impairment - net	(2,421)	(6,421)	(1,345)	(5,359)
NET INCOME (LOSS) FOR THE PERIOD	3,190	(5,677)	1,683	(6,879)
BASIC AND DILUTED EARNINGS PER SHARE (filis)	4.40	(7.83)	2.32	(9.49)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30 June 2011 (Unaudited)

	30 June 2011	30 June 2010
	BD,000	BD,000
Balance at beginning of the year	100,061	140,501
Rights Issue	21,108	-
Purchase of Treasury Share	(242)	(134)
Zakah paid	(167)	(747)
Net income for the Period	3,190	(5,677)
Net movement in cumulative changes in fair values of investments	(2,554)	(714)
Balance at end of the period	121,396	133,229

Reviewed by Ernest & Young on 26 July 2011

Khalid Abdulla Al Bassam
Chairman

Nabil Ahmed Amin
Board Member

Mohammed Ebrahim Mohammed
Chief Executive Officer

CONSOLIDATED BALANCE SHEET

30 June 2011 (Unaudited)

	30 June 2011	31 Dec 2010
	BD,000	BD,000
ASSETS		Audited
Cash and balances with Central Bank of Bahrain and other banks	49,978	45,831
Murabaha receivables	358,947	431,692
Mudaraba investments	35,555	37,360
Musharaka investments	89,153	80,246
Non-trading investments	88,132	94,667
Investment in associates	7,039	6,778
Investments in Ijarah assets	9,562	9,635
Ijarah Muntahia Bittamleek	113,183	112,955
Investments in properties	105,180	105,192
Other assets	7,519	11,318
TOTAL ASSETS	864,248	935,674
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS' AND OWNERS EQUITY		
LIABILITIES		
Customers' current accounts	81,253	81,660
Other liabilities	12,399	12,571
TOTAL LIABILITIES	93,652	94,231
Equity of Investment Accountholders		
Bank and other financial institutions	123,706	141,358
Customers	525,494	600,024
TOTAL EQUITY OF INVESTMENT ACCOUNTHOLDERS	649,200	741,382
OWNERS' EQUITY		
Share capital	72,859	72,859
Treasury shares	(549)	(307)
Share premium	43,936	43,936
Funds received towards capital increase	21,108	-
Reserves	(15,958)	(16,594)
Proposed appropriations	-	167
TOTAL OWNERS' EQUITY	121,396	100,061
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS' AND OWNERS EQUITY	864,248	935,674
COMMITMENTS AND CONTINGENT LIABILITIES	11,252	13,230

CONSOLIDATED STATEMENT OF CASH FLOW

30 June 2011 (Unaudited)

	30 June 2011	30 June 2010
	BD,000	BD,000
OPERATING ACTIVITIES		
Net income for the period	3,190	(5,677)
Adjustments for:		
Depreciation	844	758
Provision for impairment - net	2,421	6,421
(Gain) loss on sale of available for sale investments	(900)	1,320
Share of results of associates	(26)	(151)
Unrealized loss on trading investments	285	-
Operating profit before changes in operating assets and liabilities	5,814	2,671
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(140)	(3,590)
Murabaha receivables	70,747	(59,972)
Mudaraba investments	761	204
Musharaka investments	(7,523)	5,729
Investment in Ijarah assets	2	-
Other assets	3,026	(3,716)
Customers' current accounts	(407)	11,490
Other liabilities	(154)	1,026
Net cash from (used in) operating activities	72,126	(46,158)
INVESTING ACTIVITIES		
Sale (purchase) of investments in properties	12	(153)
Ijarah Muntahia Bittamleek	(3,131)	15,751
Purchase of investments	(13,358)	(10,565)
Proceeds from disposal of investments	19,859	31,606
Net cash from investing activities	3,382	36,639
FINANCING ACTIVITIES		
Funds received towards capital increase	21,108	-
Purchase of treasury shares	(242)	(134)
Financial institutions' investment accounts	(17,652)	15,562
Customers' investment accounts	(74,530)	24,661
Dividends paid	(5)	(38)
Zakah paid	(180)	(457)
Net cash (used in) from financing activities	(71,501)	39,594
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,007	30,075
Cash and cash equivalents at 1 January	18,961	12,683
CASH AND CASH EQUIVALENTS AT 30 June	22,968	42,758
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash in hand	6,223	9,477
Balances with CBB, excluding mandatory reserve deposits	5,874	13,721
Balances with other banks and other financial institutions	10,871	19,560
	22,968	42,758