

Bahrain Islamic Bank B.S.C.

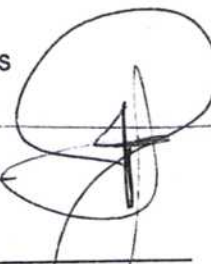
31 DECEMBER 2008

Bahrain Islamic Bank B.S.C.
CONSOLIDATED BALANCE SHEET
at 31 December 2008


	2008 <i>BD'000</i>	2007 <i>BD'000</i>
ASSETS		
Cash and balances with Central Bank of Bahrain and other banks	49,579	18,349
Murabaha receivables	368,563	337,055
Mudaraba investments	55,436	36,372
Musharaka investments	80,526	39,426
Investments	127,193	156,353
Investments in associates	7,423	7,045
Investments in Ijarah assets	9,901	5,893
Ijarah Muntahia Bittamleek	67,960	13,574
Investments in properties	97,829	34,950
Ijarah rental receivables	1,469	2,963
Other assets	8,088	6,989
TOTAL ASSETS	873,967	658,969
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
LIABILITIES		
Customers' current accounts	69,466	60,963
Other liabilities	13,935	7,615
TOTAL LIABILITIES	83,401	68,578
UNRESTRICTED INVESTMENT ACCOUNTS	624,119	403,215
EQUITY		
Share capital	66,235	60,214
Share premium	43,936	50,869
Reserves	42,387	62,460
Proposed appropriations	13,889	13,633
TOTAL EQUITY	166,447	187,176
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	873,967	658,969
COMMITMENTS AND CONTINGENT LIABILITIES	37,434	15,199



Khalid Abdulla Al Bassam
Chairman



Nabil Ahmed Amin
Board Member



Mohammed Ebrahim Mohammed
Chief Executive Officer

Bahrain Islamic Bank B.S.C.
CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2008

	2008 BD'000	2007 BD'000
INCOME		
Income from jointly financed Islamic finances	<u>36,934</u>	<u>31,463</u>
Return on unrestricted investment accounts before Group's share as a Mudarib	30,885	25,433
Group's share as a Mudarib	<u>(13,183)</u>	<u>(9,824)</u>
Return on unrestricted investment accounts	<u>17,702</u>	<u>15,609</u>
Group's share of income from joint financing and investment accounts	19,232	15,854
Income from investments	18,279	11,698
Gain on fair value adjustment for investments in properties	11,436	5,328
Share of results of associates	663	558
Fee and commission income	4,990	2,801
Other income	1,038	785
Total income	<u>55,638</u>	<u>37,024</u>
EXPENSES		
Staff costs	10,528	7,082
Depreciation	929	1,079
Other expenses	5,971	3,838
Total expenses	<u>17,428</u>	<u>11,999</u>
Net income before provisions	38,210	25,025
Provision for impairment	<u>(15,897)</u>	<u>-</u>
NET INCOME FOR THE YEAR	<u>22,313</u>	<u>25,025</u>
BASIC AND DILUTED EARNINGS PER SHARE (fils)	<u>33.69</u>	<u>55.76</u>

Bahrain Islamic Bank B.S.C.
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2008

	2008 BD'000	2007 BD'000
OPERATING ACTIVITIES	22,313	25,025
Net profit for the year		
Adjustments for non-cash items:	929	1,079
Depreciation	15,897	-
Provision for impairment	15	-
Amount written off during the year	(11,436)	(5,328)
Fair value gain on investment in properties	(663)	(558)
Share of results of associates		
	<u>27,055</u>	<u>20,218</u>
Operating profit before changes in operating assets and liabilities		
Working capital adjustments:	(18,963)	(4,770)
Mandatory reserve with Central Bank of Bahrain	(38,475)	(95,345)
Murabaha receivables	(22,485)	(21,429)
Mudaraba investments	(41,100)	(25,472)
Musharaka investments	1,494	(648)
Ijarah rental receivables	(1,893)	(377)
Other assets	8,503	9,570
Customers' current accounts	5,772	1,574
Other liabilities		
	<u>(80,092)</u>	<u>(116,679)</u>
Net cash used in operating activities		
INVESTING ACTIVITIES	(51,443)	(14,232)
Purchase of investments in properties	(54,386)	2,324
Ijarah Muntahia Bittamleek	(4,143)	(719)
Purchase of investments in Ijarah assets	(11,254)	(50,551)
Purchase of investments	480	-
Proceeds from associates		
	<u>(120,746)</u>	<u>(63,178)</u>
Net cash used in investing activities		
FINANCING ACTIVITIES		28,336
Increase in capital	-	56,581
Share premium	220,904	99,097
Increase in unrestricted investment accounts	(7,535)	(5,667)
Dividends paid	-	(210)
Directors' remuneration paid	(264)	(170)
Zakah paid		
	<u>213,105</u>	<u>177,967</u>
Net cash from financing activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,267	(1,890)
Cash and cash equivalents at 1 January	6,064	7,954
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u><u>18,331</u></u>	<u><u>6,064</u></u>

Bahrain Islamic Bank B.S.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2008

	Reserves									
	Share capital BD'000	Share premium BD'000	Statutory reserve BD'000	General reserve BD'000	Investments in properties fair value reserve of investments BD'000	Cumulative changes in fair value of investments BD'000	Retained earnings BD'000	Proposed appropriations BD'000	Total equity BD'000	
Balance at 1 January 2008	60,214	50,869	8,037	1,000	7,133	30,217	16,073	13,633	187,176	
Bonus shares issued	6,021	(309)	-	-	-	-	-	(5,712)	-	
Dividends paid	-	-	-	-	-	-	(216)	(7,615)	(7,831)	
Zakah paid	-	-	-	-	-	-	-	(306)	(306)	
Net income for the year	-	-	-	-	-	-	22,313	-	22,313	
Transfer to statutory reserve	-	-	2,231	-	-	-	(2,231)	-	-	
Unrealized gain on investments in properties:	-	-	-	-	11,436	-	(11,436)	-	-	
Realized gain on investments in properties:	-	-	-	-	(476)	-	476	-	-	
Net movement in cumulative changes in fair values	-	-	-	-	-	(34,905)	-	-	(34,905)	
Appropriations	-	(6,624)	-	-	-	-	(7,265)	13,889	-	
Balance at 31 December 2008	66,235	43,936	10,268	1,000	18,093	(4,688)	17,714	13,889	166,447	
Balance at 1 January 2007	28,336	-	5,534	1,000	3,255	21,860	5,350	9,589	74,924	
Right shares issued	28,336	56,581	-	-	-	-	-	(3,542)	84,917	
Bonus shares issued	3,542	-	-	-	-	-	-	(5,667)	-	
Dividends paid	-	-	-	-	-	-	-	(210)	(210)	
Directors' remuneration paid	-	-	-	-	-	-	-	(170)	(170)	
Zakah paid	-	-	-	-	-	-	-	-	-	
Net income for the year	-	-	-	-	-	-	25,025	-	25,025	
Transfer to statutory reserve	-	-	2,503	-	-	-	(2,503)	-	-	
Unrealized gain on investments in properties:	-	-	-	-	5,328	-	(5,328)	-	-	
Realized gain on investments in properties:	-	-	-	-	(1,450)	-	1,450	-	-	
Net movement in cumulative changes in fair values	-	-	-	-	-	8,357	(7,921)	-	8,357	
Appropriations	-	(5,712)	-	-	-	-	-	13,633	-	
Balance at 31 December 2007	60,214	50,869	8,037	1,000	7,133	30,217	16,073	13,633	187,176	

Bahrain Islamic Bank B.S.C.

CONSOLIDATED STATEMENT OF SOURCES AND USES OF GOOD FAITH
QARD FUND

for the year ended 31 December 2008

	Qard hasan receivables BD'000	Funds available for qard hasan BD'000	Total BD'000
Balance at 1 January 2008	27	101	128
Uses of qard fund			
Marriage	17	(17)	-
Refurbishment	16	(16)	-
Medical treatment	14	(14)	-
Others	11	(11)	-
Total uses during the year	58	(58)	-
Repayments	(75)	75	-
Balance at 31 December 2008	10	118	128
Balance at 1 January 2007	35	93	128
Uses of qard fund			
Marriage	20	(20)	-
Refurbishment	16	(16)	-
Medical treatment	17	(17)	-
Others	12	(12)	-
Total uses during the year	65	(65)	-
Repayments	(73)	73	-
Balance at 31 December 2007	27	101	128
		2008	2007
		BD'000	BD'000
Sources of Qard fund		125	125
Contribution by the Bank		3	3
Donation			
Total of sources during the year		128	128

Bahrain Islamic Bank B.S.C.

CONSOLIDATED STATEMENT OF SOURCES AND USES OF ZAKAH AND CHARITY FUND

for the year ended 31 December 2008

	2008 BD'000	2007 BD'000
Sources of zakah and charity funds		
Undistributed zakah and charity funds at the beginning of the year	486	365
Zakah due from the Bank for the year	641	306
Non-Islamic income	-	25
Donations / late fee	238	14
Total sources of funds during the year	<u>1,365</u>	<u>710</u>
Uses of zakah and charity funds		
Philanthropic societies	33	76
Aid to needy families	283	148
Total uses of funds during the year	<u>316</u>	<u>224</u>
Undistributed zakah and charity funds at end of the year	<u>1,049</u>	<u>486</u>