

FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

CONDENSED CONSOLIDATED INCOME STATEMENT for the nine months ended 30 September 2010

BD 000's

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 September 2010

	BD 000's	
	30 Sep 2010 (reviewed)	31 Dec 2009 (audited)
ASSETS		
Cash and bank balances	17,680	19,975
Placements with financial institutions	79,424	122,193
Islamic financing assets	193,773	192,085
Investment securities	106,519	92,354
Assets acquired for leasing	5,936	8,544
Lease rentals receivables	5,994	4,889
Asset held-for-sale	-	4,852
Investment in associates	6,272	6,521
Other assets	3,596	17,843
Equipment	3,461	4,348
Total assets	422,655	473,604
LIABILITIES		
Placements from financial and other institutions	77,807	101,730
Customers' current accounts	15,268	35,097
Other liabilities	8,260	6,615
Total liabilities	101,335	143,442
Unrestricted investment accounts	196,838	203,588
EQUITY		
Share capital	115,416	104,924
Share premium	958	958
Statutory reserve	6,298	6,298
Treasury shares	(5,765)	(5,216)
Unvested employee incentive scheme shares	(1,648)	(1,648)
Share grant reserve	526	367
Available-for-sale investments fair value reserve	69	30
Retained earnings	8,628	20,861
Total equity	124,482	126,574
Total liabilities, unrestricted investment accounts and equity	422,655	473,604
Restricted investment accounts	42,812	46,742

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September 2010

	BD 000's								
	Share Capital	Share Premium	Statutory reserve	Treasury shares	Unvested employee incentive scheme shares	Share grant reserve	Available-for-sale investments fair value reserve	Retained earnings	Total
Balance at 1 Jan 2010	104,924	958	6,298	(5,216)	(1,648)	367	30	20,861	126,574
Fair value changes	-	-	-	-	-	-	39	-	39
Profit for the period	-	-	-	-	-	-	-	350	350
Total recognised income and expense for the period	-	-	-	-	-	-	39	350	389
Treasury shares acquired	-	-	-	(730)	-	-	-	-	(730)
Treasury shares sold	-	-	-	181	-	-	-	-	181
Vesting charges for the period	-	-	-	-	-	159	-	-	159
Transfer to charity fund (2009)	-	-	-	-	-	-	-	(150)	(150)
Transfer to zakah fund	-	-	-	-	-	-	-	(1,941)	(1,941)
Bonus shares (2009)	10,492	-	-	-	-	-	-	(10,492)	-
Balance at 30 Sep 2010	115,416	958	6,298	(5,765)	(1,648)	526	69	8,628	124,482

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September 2009

	BD 000's								
	Share Capital	Share Premium	Statutory reserve	Treasury shares	Unvested employee incentive scheme shares	Share grant reserve	Available-for-sale investments fair value reserve	Retained earnings	Total
Balance at 1 Jan 2009	100,000	581	5,988	(4,915)	(2,380)	442	-	38,266	137,982
Fair value changes	-	-	-	-	-	-	87	-	87
Profit for the period	-	-	-	-	-	-	-	8,253	8,253
Total recognised income and expense for the period	-	-	-	-	-	-	87	8,253	8,340
Treasury shares acquired	-	-	-	(1,061)	-	-	-	-	(1,061)
Treasury shares sold	-	-	-	955	-	-	-	-	955
Vesting charges for the period	-	-	-	-	-	326	-	-	326
Adjustment for vesting and issue of shares	-	-	-	-	(5)	-	-	-	(5)
Transfer to charity fund (2008)	-	-	-	-	-	-	-	(250)	(250)
Bonus shares (2008)	4,924	-	-	-	-	-	-	(4,924)	-
Directors fees (2008)	-	-	-	-	-	-	-	(250)	(250)
Dividends declared (2008)	-	-	-	-	-	-	-	(14,771)	(14,771)
Balance at 30 Sep 2009	104,924	581	5,988	(5,021)	(2,385)	768	87	26,324	131,266

The financial statements were approved by the Board of Directors on 4th November 2010.

Dr. Fuad Abdulla Al Omar
Chairman

Ebrahim H. Ebrahim
Chief Executive Officer and Board Member

These statements have been extracted from the condensed consolidated financial information for the period ended 30 September 2010, which were reviewed by KPMG

	Nine months ended		Three months ended	
	30 Sep 2010 (reviewed)	30 Sep 2009 (reviewed)	30 Sep 2010 (reviewed)	30 Sep 2009 (reviewed)
Income from investment banking services	47	13,798	-	2,153
Placement, management and arrangement fees	995	797	301	222
Income from placements with financial institutions	704	1,137	218	391
Income from Islamic financing assets and assets acquired for leasing	12,103	10,846	4,004	3,704
Income from investment securities	1,917	1,286	232	364
Share of (losses)/profits of associate companies	(249)	136	-	-
Other income	55	444	61	98
Total income before return on unrestricted investment accounts	15,572	28,444	4,816	6,932
Return on unrestricted investment accounts before bank's share as a Mudarib	(5,744)	(8,337)	(1,440)	(2,799)
Bank's share as a Mudarib	1,673	1,211	497	387
Return on unrestricted investment accounts	(4,071)	(7,126)	(943)	(2,412)
Expense on placement from financial and other institutions	(992)	(931)	(329)	(408)
Total net income	10,509	20,387	3,544	4,112
Staff cost	3,805	3,578	1,231	1,117
Investments related expenses	266	800	24	79
Other expenses	3,645	3,087	1,141	1,087
Total expenses	7,716	7,465	2,396	2,283
Profit for the period before impairment allowances	2,793	12,922	1,148	1,829
Impairment allowances	2,443	4,669	1,818	697
PROFIT/(LOSS) FOR THE PERIOD	350	8,253	(670)	1,132
Earnings per share				
Basic earnings per share (fils)	0.31	8.15	(0.60)	1.12
Diluted earnings per share (fils)	0.31	8.05	(0.60)	1.10

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW for the nine months ended 30 September 2010

BD 000's

	Nine months ended	
	30 Sep 2010 (reviewed)	30 Sep 2009 (reviewed)
OPERATING ACTIVITIES		
Proceeds from investment banking services	3,227	28,765
Repayment/Disbursements for Islamic financing, net	8,260	(45,523)
Proceeds from asset acquired for leasing, net	1,503	9,784
Placement, management and arrangement fees received	497	797
Income from short-term placements received	704	1,137
Returns paid to unrestricted investment accounts (Withdrawal) by/receipts from unrestricted investment account holders, net	(4,447)	(7,126)
Payments for expenses	(6,246)	(11,278)
Other receipts	95	444
Directors fees paid	-	(250)
Payments to charitable organisation	(473)	(100)
Net withdrawals from customers' current accounts	(19,829)	(90,274)
Net (withdrawal)/receipts from CBB reserve account	(330)	4,564
Net cash used in operating activities	(23,759)	(77,318)
INVESTING ACTIVITIES		
Purchase of available-for-sale investments	(9,855)	(22,350)
Proceeds from sale of available-for sale investments	1,352	27,561
Advance towards purchase of investment	-	(9,583)
Dividend from available-for-sale investments received	47	132
Proceeds from asset-held-for-sale	223	1,071
Purchase of held-to-maturity investments	(943)	-
Proceeds from redemption of held-to-maturity investments	12,546	963
Sukuk profits received	586	1,357
Purchase of equipment	(129)	(241)
Net cash generated from/(used in) investing activities	3,827	(1,090)
FINANCING ACTIVITIES		
Placements from financial institutions and others, net	(23,922)	64,785
Purchase of treasury shares, net	(549)	(106)
Expenses paid on placement from financial institutions	(992)	(931)
Dividends paid	-	(14,581)
Net cash (used in)/generated from financing activities	(25,463)	49,167
Net decrease in cash and cash equivalents	(45,395)	(29,241)
Cash and cash equivalents at beginning of the period	135,234	142,716
Cash and cash equivalents at end of the period	89,839	113,475
Cash and cash equivalents comprise:		
Cash and bank balances (excluding CBB reserve)	10,415	23,284
Placement with financial institutions	79,424	90,191
Total	89,839	113,475