

FINANCIAL RESULTS FOR 2ND QUARTER 2009



CONSOLIDATED BALANCE SHEET

as at 30 June 2009
BD 000's

	30 June 2009 (Reviewed)	31 Dec 2008 (Audited)
ASSETS		
Cash and bank balances	48,708	23,378
Placements with financial institutions	103,402	131,952
Islamic Financing Assets	163,882	140,143
Investment Securities	106,663	102,398
Assets acquired for leasing	22,258	23,482
Investment in associates	6,522	6,385
Asset held-for-sale	5,655	5,655
Other assets	42,423	26,077
Equipment	4,949	5,523
Total assets	504,462	464,993
LIABILITIES		
Placements from financial and other institutions	96,834	30,229
Customers' current accounts	78,354	122,383
Other liabilities	8,226	11,583
Total liabilities	183,414	164,195
Unrestricted investment accounts	191,088	162,816
EQUITY		
Share capital	104,924	100,000
Share premium	581	581
Statutory reserve	5,988	5,988
Treasury shares	(4,999)	(4,915)
Unvested employee incentive scheme shares	(2,385)	(2,380)
Share grant reserve	659	442
Retained earnings	25,192	38,266
Total equity	129,960	137,982
Total liabilities, unrestricted investment accounts and equity	504,462	464,993
Off-balance sheet items		
Restricted investment accounts	47,092	47,445

STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2009
BD 000's

30 June 2009 (Reviewed)	Share Capital	Share Premium	Statutory Reserve	Treasury Shares	Unvested Employee Incentive Scheme Shares	Share Grants Reserve	Retained Earnings	Total
Balance at 1 January 2009	100,000	581	5,988	(4,915)	(2,380)	442	38,266	137,982
Profit for the period	-	-	-	-	-	-	7,121	7,121
Total recognized income and expense for the period	-	-	-	-	-	-	7,121	7,121
Treasury shares acquired	-	-	-	(898)	-	-	-	(898)
Treasury shares sold	-	-	-	814	-	-	-	814
Vesting charge for the period	-	-	-	-	-	217	-	217
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)
Dividend declared (2008)	-	-	-	-	-	-	(14,771)	(14,771)
Balance at 30 June 2009	104,924	581	5,988	(4,999)	(2,385)	659	25,192	129,960
30 June 2008 (Reviewed)	Share Capital	Share Premium	Statutory Reserve	Treasury Shares	Unvested Employee Incentive Scheme Shares	Share Grants Reserve	Retained Earnings	Total
Balance at 1 January 2008	100,000	-	3,258	-	-	2,630	29,102	134,990
Profit for the Period	-	-	-	-	-	-	26,181	26,181
Total Recognised income and expense for the period	-	-	-	-	-	-	26,181	26,181
Treasury shares acquired	-	-	-	(6,691)	-	-	-	(6,691)
Treasury shares sold	-	-	-	2,629	-	-	-	2,629
Treasury shares acquired for employee incentive scheme	-	-	-	-	(3,648)	-	-	(3,648)
Reserve utilised towards acquisition of shares for employee incentive scheme	-	-	-	-	-	(2,106)	-	(2,106)
Vesting charge for the period	-	-	-	-	-	12	-	12
Shares vested as per employee incentive scheme	-	206	-	-	541	(206)	-	541
Transfer to charity fund (2007)	-	-	-	-	-	-	(250)	(250)
Directors fees (2007)	-	-	-	-	-	-	(160)	(160)
Dividend declared (2007)	-	-	-	-	-	-	(15,000)	(15,000)
Balance at 30 June 2008	100,000	206	3,258	(4,062)	(3,107)	330	39,873	136,498

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2009
BD 000's

	30 June 2009 (Reviewed)	30 June 2008 (Reviewed)
Income from investment banking services	11,645	25,825
Placement, management and arrangement fees	575	1062
Income from placements with financial institutions	746	1,668
Income from Islamic financing assets and assets acquired for leasing	7,142	4,693
Income from investment securities	922	3,689
Share of profit from associate companies	136	763
Other income	346	241
Total income before return on unrestricted investment accounts and investors funds	21,512	37,941
Less: Return on unrestricted investment accounts	(4,714)	(2,695)
Total income	16,798	35,246
Staff cost	2,461	5,021
Financing expense	523	1056
Impairment allowances	3,972	1,472
Investments related expenses	721	321
Other expenses	2000	1,195
Total expenses	9,677	9,065
PROFIT FOR THE PERIOD	7,121	26,181
Basic earnings per share (fills)	7.03	25.62
Diluted earnings per share (fills)	6.94	25.40

CONSOLIDATED STATEMENT OF CASH FLOW

for the six months ended 30 June 2009
BD 000's

	30 June 2009 (Reviewed)	30 June 2008 (Reviewed)
OPERATING ACTIVITIES		
Proceeds from investment banking services	-	13,860
Islamic financing disbursed, net	(19,626)	(38,778)
Placement management and arrangement fees received	575	1,062
Income from placements with financial institutions received	746	1,668
Payments to unrestricted investment accounts	(4,714)	(2,205)
Receipts from unrestricted investment account holders, net	28,272	88,340
Payments for expenses	(7,332)	(8,704)
Rapayments / (disbursements) on Ijara assets, net	1,224	(8,292)
Directors fees paid	(250)	(160)
Contribution towards charity paid	(100)	-
Net (decrease)/increase in customers' current accounts	(43,307)	131,305
Other receipts of income	346	-
Cash flows from operating activities	(44,166)	178,096
INVESTING ACTIVITIES		
Purchase of available-for-sale investments	(18,720)	(19,668)
Proceeds from sale of investment in associates	-	1,060
Proceeds from sale of available-for-sale investments	16,411	3,151
Dividend from available-for-sale investments received	62	2,690
Proceeds from sale of investment in properties	-	621
Advances towards investments	(9,583)	-
Proceeds from redemption of held-to-maturity investments	361	2,086
Held-to-maturity investments profits received	989	947
Purchase of equipment	(69)	(770)
Cash flows from investing activities	(10,549)	(9,883)
FINANCING ACTIVITIES		
Placements from financial institutions and others	66,605	(10,902)
Net payment for treasury shares	(84)	(3,840)
Purchase of treasury shares for employee incentive scheme	-	(2,106)
Financing expenses paid	(523)	(1,056)
Dividend paid	(14,503)	(15,000)
Cash flows from financing activities	51,495	(32,904)
Net Increase in cash and cash equivalents	(3,220)	135,309
Cash and cash equivalents at 1st January	155,330	85,234
Cash and cash equivalents at 30 June	152,110	220,543
Cash and cash equivalents comprise:		
Cash and bank balances	48,708	32,639
Placements with financial institutions	103,402	187,904
	152,110	220,543

The financial statements were approved by the Board of Directors on 8th August 2009.

Dr. Fuad Abdulla Al-Omar
Chairman

Dr. Esam Yousif Janahi
Vice 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 June 2009, which were reviewed by KPMG.