

FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2011

	BD 000's	
	30 June 2011 (reviewed)	31 December 2010 (audited)
ASSETS		
Cash and bank balances	14,340	12,290
Placements with financial institutions	59,496	74,959
Financing assets	200,553	203,210
Investment securities	107,212	100,279
Assets acquired for leasing	6,983	5,979
Lease rentals receivable	2,137	2,001
Investment in associates	3,360	4,113
Investment property	6,583	3,943
Other assets	2,102	2,476
Property and equipment	9,721	9,966
Total assets	412,487	419,216
LIABILITIES		
Placements from financial institutions and others	87,317	84,935
Customers' current accounts	17,119	10,928
Other liabilities	6,818	6,975
Total liabilities	111,254	102,838
Equity of investment account holders	182,224	198,220
OWNERS' EQUITY		
Share capital	115,416	115,416
Share premium	1,213	1,213
Statutory reserve	6,298	6,298
Treasury shares	(6,072)	(6,018)
Unvested employee incentive scheme shares	(937)	(937)
Share grant reserve	378	324
Investments fair value reserve	110	117
Retained earnings	2,603	1,745
Total owners' equity	119,009	118,158
Total liabilities, equity of investment account holders and owners' equity	412,487	419,216

CONDENSED CONSOLIDATED INCOME STATEMENT for the six months ended 30 June 2011

	BD 000's			
	Six months ended 30 June 2011 (reviewed)	Six months ended 30 June 2010 (reviewed)	Three months ended 30 June 2011 (reviewed)	Three months ended 30 June 2010 (reviewed)
Income from investment advisory services	-	47	-	47
Placement, management and arrangement fees	535	694	270	265
Income from placements with financial institutions	131	486	47	242
Income from financing assets and assets acquired for leasing	7,864	8,099	4,038	4,280
Income from investment securities	3,781	1,685	3,182	241
Share of loss of associate companies	(753)	(249)	(785)	(249)
Other income/(loss)	273	(5)	117	92
Total income before return to investment account holders	11,831	10,757	6,869	4,918
Less: Return to investment account holders before Bank's share as Mudarib	(4,454)	(4,304)	(2,267)	(821)
Bank's share as a Mudarib	1,243	1,176	616	(39)
Return to investment account holders	(3,211)	(3,128)	(1,651)	(860)
Expense on placements from financial institutions and others	(620)	(663)	(340)	(288)
Total net income	8,000	6,966	4,878	3,770
Staff cost	3,122	2,574	1,759	1,295
Depreciation	573	683	284	335
Other expenses	1,753	2,064	925	1,078
Total expenses	5,448	5,321	2,968	2,708
Profit for the period before impairment allowances	2,552	1,645	1,910	1,062
Impairment allowances	1,445	625	1,445	551
PROFIT FOR THE PERIOD	1,107	1,020	465	511
Earnings per share				
Basic earnings per share (fils)	1.00	0.91	0.42	0.46
Diluted earnings per share (fils)	1.00	0.91	0.42	0.46

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2011

	BD 000's								
30 June 2011 (reviewed)	Share Capital	Share Premium	Statutory reserve	Treasury shares	Unvested employee incentive scheme shares	Share grant reserve	Investments fair value reserve	Retained earnings	Total
Balance at 1 January 2011	115,416	1,213	6,298	(6,018)	(937)	324	117	1,745	118,158
Fair value changes	-	-	-	-	-	-	(7)	-	(7)
Profit for the period	-	-	-	-	-	-	-	1,107	1,107
Total recognised income and expense for the period	-	-	-	-	-	-	(7)	1,107	1,100
Treasury shares acquired	-	-	-	(113)	-	-	-	-	(113)
Treasury shares sold	-	-	-	59	-	-	-	-	59
Vesting charge for the period	-	-	-	-	-	54	-	-	54
Transfer to zakah fund	-	-	-	-	-	-	-	(249)	(249)
Balance at 30 June 2011	115,416	1,213	6,298	(6,072)	(937)	378	110	2,603	119,009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2010

	BD 000's								
30 June 2010 (reviewed)	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 January 2010	104,924	958	6,298	(5,216)	(1,648)	367	30	20,861	126,574
Fair value changes	-	-	-	-	-	-	4	-	4
Profit for the period	-	-	-	-	-	-	-	1,020	1,020
Total recognised income and expense for the period	-	-	-	-	-	-	4	1,020	1,024
Treasury shares acquired	-	-	-	(730)	-	-	-	-	(730)
Treasury shares sold	-	-	-	181	-	-	-	-	181
Vesting charge for the period	-	-	-	-	-	106	-	-	106
Transfer to charity fund (2009)	-	-	-	-	-	-	-	(150)	(150)
Transfer to Zakah fund	-	-	-	-	-	-	-	(1,941)	(1,941)
Bonus share (2009)	10,492	-	-	-	-	-	-	(10,492)	-
Balance at 30 June 2010	115,416	958	6,298	(5,765)	(1,648)	473	34	9,298	125,064

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the six months ended 30 June 2011

	BD 000's	
	Six months ended 30 June 2011 (reviewed)	Six months ended 30 June 2010 (reviewed)
OPERATING ACTIVITIES		
Proceeds from investment advisory services	-	3,227
Receipt/(disbursements) for Islamic financing, net	6,138	(621)
(Payments)/proceeds from asset acquired for leasing, net	(1,140)	1,630
Placement, management and arrangement fees received	535	294
Income from short-term placements received	131	486
Returns paid to investment account holders	(3,226)	(3,571)
Withdrawal by investment account holders, net	(16,165)	(10,757)
Payment for expenses	(4,742)	(4,431)
Other receipts	273	82
Payment for charity	(551)	(9)
Net withdrawals from customers' current accounts	6,190	(18,147)
Net receipt from CBB reserve account	61	195
Cash flows used in operating activities	(12,496)	(31,622)
INVESTING ACTIVITIES		
Purchase of investment securities	(5,881)	(9,315)
Proceeds from sale of investment securities	4,665	8,577
Purchase of investment property	(2,640)	-
Dividend from available-for-sale investments received	673	19
Proceeds from asset-held-for-sale	-	223
Sukuk profits received	947	284
Purchase of equipment	(329)	(29)
Cash flows used in investing activities	(2,565)	(241)
FINANCING ACTIVITIES		
Placements from financial institutions and others, net	2,382	(22,237)
Purchase of treasury shares, net	(54)	(549)
Financing expenses paid	(620)	(663)
Cash flows from/(used in) financing activities	1,708	(23,449)
Decrease in cash and cash equivalents	(13,353)	(55,312)
Cash and cash equivalents at beginning of the period	78,894	135,234
Cash and cash equivalents at the end of the period	65,541	79,922
Cash and cash equivalent comprise:		
Cash and bank balances (excluding CBB reserve)	6,045	7,437
Placement with financial institutions	59,496	72,485
Total	65,541	79,922

The financial statements were approved by the Board of Directors on the 4th August 2011.

Dr. Fuad Abdulla Al Omar
Chairman

Abdulrahman Mohamed Jamsheer
Vice Chairman

Ebrahim Hussain Ebrahim
Chief Executive Officer and Board Member

These statements have been extracted from the condensed consolidated financial information for the period ended 30 June 2011, which were reviewed by KPMG.