

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2009



CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 September 2009

USD 000's

	30 September 2009 (reviewed)	31 December 2008 (audited)
ASSETS		
Cash and balances with banks	1,856	1,093
Placements with financial institutions	33,802	31,718
Investment securities	130,061	116,068
Investment in associates and joint ventures	16,276	17,147
Assets held-for-sale	22,843	22,843
Investment property	9,130	8,442
Receivable from investment banking services	7,042	9,316
Short-term financing to project companies	14,258	9,544
Other assets	23,760	22,253
Equipment	4,222	5,171
Total assets	263,250	243,595
LIABILITIES		
Islamic financing	197	288
Employee accruals	5,181	14,535
Dividend payable	1,768	-
Other liabilities	4,245	3,572
Total liabilities	11,391	18,395
EQUITY		
Share capital	173,250	165,000
Share premium	13,533	13,533
Unvested shares of employee share ownership plan	(15,000)	(15,000)
Funds received towards capital increase in progress	32,803	-
Statutory reserve	9,314	9,314
Investments fair value reserve	1,595	(85)
Employee share ownership plan reserve	3,959	3,073
Retained earnings	32,401	49,352
Total equity attributable to shareholders of parent	251,855	225,187
Non-controlling interest	4	13
Total equity	251,859	225,200
Total liabilities and equity	263,250	243,595
Off balance sheet items		
Restricted investment accounts	16,603	4,615

Extracted from the reviewed interim financial information approved for issue by the Board on 22 October 2009 and on which KPMG have issued an unqualified review report.

Dr. Ghassan Al Sulaiman
Chairman

Abdul Latif M. Janahi
Director and Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2009

USD 000's

	Nine months ended		Three months ended	
	30 September 2009 (reviewed)	30 September 2008 (reviewed)	30 September 2009 (reviewed)	30 September 2008 (reviewed)
Income from investment banking services	14,170	56,455	1,227	14,170
Income from placements with financial institutions	308	946	175	250
Income from Islamic financing	-	457	-	457
Income/(loss) from investment securities	8,082	1,956	4,818	(495)
(Loss)/income from investment in associates and joint ventures	(1,252)	407	(629)	150
Other income	712	205	197	201
Total income	22,020	60,426	5,788	14,733
Staff cost	7,400	14,978	2,256	5,144
Travel and business development expenses	1,377	1,483	397	505
Impairment allowances	941	1,351	-	342
Finance expense	21	21	7	7
Other expenses	2,974	3,191	994	817
Total expenses	12,713	21,024	3,654	6,815
Profit from continued operations	9,307	39,402	2,134	7,918
Loss from assets held-for-sale	-	(528)	-	(396)
Profit for the period	9,307	38,874	2,134	7,522
Attributable to:				
Shareholders of the parent	9,316	39,128	2,137	7,713
Non-controlling interest	(9)	(254)	(3)	(191)
	9,307	38,874	2,134	7,522
Earnings per share (US cents)				
Basic	5.91	24.68	1.35	4.78
Diluted	5.70	23.82	1.31	4.61

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2009

USD 000's

	Nine months ended		Three months ended	
	30 September 2009 (reviewed)	30 September 2008 (reviewed)	30 September 2009 (reviewed)	30 September 2008 (reviewed)
Profit for the period	9,307	38,874	2,134	7,522
Other comprehensive income				
Changes in available-for-sale investments fair value reserve	1,680	(1,404)	669	(2,167)
Total comprehensive income for the period	10,987	37,470	2,803	5,355
Attributable to:				
Shareholders of the parent	10,996	37,724	2,806	5,546
Non-controlling interest	(9)	(254)	(3)	(191)
	10,987	37,470	2,803	5,355

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2009

USD 000's

	30 September 2009 (reviewed)	30 September 2008 (reviewed)
OPERATING ACTIVITIES		
Murabaha profits received	308	3,546
Dividends received	428	2,010
Other receipts	712	206
Placement, management and advisory fees received	678	1,118
Investment banking fees received	22,537	62,245
Project costs recovered	5,073	-
Acquisition of assets held-for-sale	-	(28,742)
Purchase of investment securities	(2,870)	(38,637)
Payments for investment properties	(688)	-
Sale of investment securities	3,779	8,760
Advances to acquire investments	(22,306)	(12,892)
Directors remuneration paid	(1,534)	(1,310)
Short term funding to project companies	(1,052)	-
Payments for staff cost	(17,534)	(14,945)
Payments for other expenses	(4,285)	(4,330)
Cash flows from operating activities	(16,754)	(22,971)
INVESTING ACTIVITIES		
Purchase of equipment	(270)	(1,738)
Cash flows from investing activities	(270)	(1,738)
FINANCING ACTIVITIES		
Funds received towards capital increase in progress	32,803	-
Contribution from non-controlling interest	-	3,398
Islamic financing payables, net	(113)	(113)
Dividends paid	(12,629)	(20,527)
Zakat paid	(190)	(309)
Cash flows from financing activities	19,871	(17,551)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,847	(42,260)
Cash and cash equivalents at beginning of the period	32,811	69,993
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	35,658	27,733
Cash and cash equivalents per the statement of financial position		
Cash and balances with banks	1,856	2,719
Placements with financial institutions	33,802	25,014
	35,658	27,733

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2009

USD 000's

Attributable to the shareholders of the Bank											
	Share capital	Share premium	Unvested ESOP shares	Funds received towards capital increase in progress	Statutory reserve	Investments fair value reserve	ESOP reserve	Retained earnings	Total	Non-controlling interest	Total equity
30 September 2009											
Balance at 1 January 2009	165,000	13,533	(15,000)	-	9,314	(85)	3,073	49,352	225,187	13	225,200
Total comprehensive income	-	-	-	-	-	1,680	-	9,316	10,996	(9)	10,987
Dividends declared (2008)	-	-	-	-	-	-	-	(16,293)	(16,293)	-	(16,293)
Directors remuneration (2008)	-	-	-	-	-	-	-	(1,534)	(1,534)	-	(1,534)
Bonus shares issued (2008)	8,250	-	-	-	-	-	-	(8,250)	-	-	-
Zakat contribution	-	-	-	-	-	-	-	(190)	(190)	-	(190)
Capital increase in progress	-	-	-	32,803	-	-	-	-	32,803	-	32,803
Employee share ownership plan vesting charge	-	-	-	-	-	-	886	-	886	-	886
Balance at 30 September 2009	173,250	13,533	(15,000)	32,803	9,314	1,595	3,959	32,401	251,855	4	251,859
Attributable to the shareholders of the Bank											
	Share capital	Share premium	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	Retained earnings	Total	Non-controlling interest	Total equity	
30 September 2008											
Balance at 1 January 2008	165,000	13,533	(15,000)	4,552	180	1,800	31,887	201,952	663	202,615	
Total comprehensive income	-	-	-	-	(1,404)	-	39,128	37,724	(254)	37,470	
Dividends declared (2007)	-	-	-	-	-	-	(23,775)	(23,775)	-	(23,775)	
Directors remuneration declared (2007)	-	-	-	-	-	-	(1,310)	(1,310)	-	(1,310)	
Employee share ownership plan vesting charge	-	-	-	-	-	961	-	961	-	961	
Zakat contribution during the period	-	-	-	-	-	-	(310)	(310)	-	(310)	
Non-controlling interest attributable to assets held-for-sale	-	-	-	-	-	-	-	-	3,398	3,398	
Contributions during the period	-	-	-	-	-	-	-	-	460	460	
Balance at 30 September 2008	165,000	13,533	(15,000)	4,552	(1,224)	2,761	45,620	215,242	4,267	219,509	