

Consolidated Statement of
Financial Position

	31 Dec 2010 BD 000	31 Dec 2009 BD 000
ASSETS		
Cash and balances with banks and Central Bank of Bahrain	38,968	41,111
Murabaha and due from banks	51,370	24,612
Financing contracts with customers	640,391	658,748
Investments	257,340	227,381
Investment in joint venture and associates	85,994	77,569
Investment properties	143,073	136,920
Receivables, prepayments and other assets	158,331	124,549
Goodwill and intangibles	28,644	25,172
Premises and equipment	42,561	24,358
	1,446,672	1,340,420
Assets of disposal group classified as held for sale	-	32,959
TOTAL ASSETS	1,446,672	1,373,379
LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY		
LIABILITIES		
Customers' current accounts	55,780	52,155
Murabaha and due to banks	246,406	152,738
Murabaha and due to non-banks	187,785	183,948
Other liabilities	44,067	35,052
Subordinated murabaha payable	99,423	97,189
	633,461	521,082
Liabilities associated with disposal group classified as held for sale	-	1,890
Total liabilities excluding unrestricted investment accounts	633,461	522,972
Unrestricted investment accounts	452,963	499,293
Total liabilities including unrestricted investment accounts	1,086,424	1,022,265
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT		
Share capital	177,140	177,140
Share premium	71,403	71,403
Statutory reserve	13,353	12,420
General reserve	28,236	28,236
Available for sale reserve	(4,784)	(5,984)
Investment revaluation reserve	46,997	37,043
Foreign currency translation reserve	(1,446)	(1,688)
Retained earnings	4,677	6,239
	335,576	324,809
NON-CONTROLLING STAKEHOLDERS	24,672	26,305
	360,248	351,114
TOTAL LIABILITIES, UNRESTRICTED INVESTMENT ACCOUNTS AND EQUITY	1,446,672	1,373,379
RESTRICTED INVESTMENT ACCOUNTS	87,031	74,196
COMMITMENTS AND CONTINGENT ITEMS	44,850	80,610

Consolidated Statement
of Income

	Year ended 31 Dec 2010 BD 000	Year ended 31 Dec 2009 BD 000
Income from retail and corporate banking activities	49,616	51,248
Income from investment activities	19,115	6,607
Share of (loss) income of associates	(3,163)	7,514
Other income	10,103	6,599
Operating income	75,671	71,968
Profit paid to unrestricted investment account holders, net of mudarib share	(13,299)	(20,817)
Profit on murabaha and due to banks, murabaha and due to non-banks and subordinated murabaha payable	(12,380)	(9,194)
Net Operating Income	49,992	41,957
Staff costs	13,930	12,232
Depreciation	9,357	4,602
Provisions	512	1,007
Other operating expenses	18,775	20,954
Operating expenses	42,574	38,795
Net income before non-controlling stakeholders	7,418	3,162
Adjustment attributable to non-controlling stakeholders	1,907	2,970
NET INCOME ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	9,325	6,132

Consolidated Statement
of Comprehensive Income

	Year ended 31 Dec 2010 BD 000	Year ended 31 Dec 2009 BD 000
Net income before non-controlling stakeholders	7,418	3,162
Other comprehensive income:		
Net unrealised gain (loss) on available for sale investments	887	(716)
Net movement in foreign currency translation reserve	242	(305)
Share of other comprehensive income (loss) of associate	313	(499)
Total other comprehensive income (loss) for the year	1,442	(1,520)
Total comprehensive income for the year	8,860	1,642
Adjustment attributable to non-controlling stakeholders	1,907	2,970
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	10,767	4,612

Consolidated Statement
of Cash Flows

	Year ended 31 Dec 2010 BD 000	Year ended 31 Dec 2009 BD 000
OPERATING ACTIVITIES		
Net income before non-controlling stakeholders	7,418	3,162
Adjustments for:		
Provisions	512	1,007
Depreciation	9,357	4,602
Gain on sale of investment properties	65	-
Share of loss (income) of associates	3,163	(7,514)
Unrealised loss (gain) on investments	(2,406)	850
Gain on sale of investments	(14,294)	-
Unrealised gain on investments properties	-	(158)
Other movements	-	1,299
Operating income before changes in operating assets and liabilities	3,815	3,248
Changes in operating assets and liabilities:		
Mandatory reserve with Central Bank of Bahrain	610	7,494
Financing contracts with customers	17,845	(80,028)
Receivables, prepayments and other assets	(28,983)	(25,182)
Murabaha and due to banks	93,668	(160,689)
Murabaha and due to non-banks	3,837	(40,932)
Customers' current accounts	3,625	(1,081)
Other liabilities	11,333	5,883
Net cash from (used in) operating activities	105,750	(291,287)
INVESTING ACTIVITIES		
Purchase of investments	(41,591)	(43,049)
Purchase of investment in associates	(3,855)	(850)
Purchase of investment properties	(5,472)	(7,705)
Proceeds from sale / maturity of investments	20,364	7,400
Proceeds from refund of advance paid for investment	-	7,766
Proceeds from sale of investment properties	415	167
Purchase of equipment	(4,330)	(20,084)
Net cash used in investing activities	(34,469)	(56,355)
FINANCING ACTIVITIES		
Net movement in unrestricted investment accounts	(46,330)	188,819
Net movement in non-controlling stakeholders	274	639
Subordinated murabaha payable	-	97,189
Net cash (used in) from financing activities	(46,056)	286,647
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	25,225	(60,995)
Cash and cash equivalents at 1 January	41,493	102,488
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	66,718	41,493

Consolidated Statement of Changes in Equity

	Attributable to shareholders of the Parent										Non-controlling stakeholders in investment held for sale BD 000	Total equity BD 000
	Share capital BD 000	Share premium BD 000	Statutory reserve BD 000	General reserve BD 000	Available for sale reserve BD 000	Investment revaluation reserve BD 000	Foreign currency translation reserve BD 000	Retained earnings BD 000	Total BD 000	Non-controlling stakeholders BD 000		
Balance at 1 January 2010	177,140	71,403	12,420	28,236	(5,984)	37,043	(1,688)	6,239	324,809	26,305	-	351,114
Total comprehensive income for the year	-	-	-	-	1,200	-	242	9,325	10,767	(1,907)	-	8,860
Transfer to investment revaluation reserve	-	-	-	-	-	2,406	-	(2,406)	-	-	-	-
Transfer to retained earnings on sale of investments	-	-	-	-	-	7,548	-	(7,548)	-	-	-	-
Transfer to statutory reserve	-	-	933	-	-	-	-	(933)	-	-	-	-
Net movement in non-controlling stakeholders	-	-	-	-	-	-	-	-	-	(274)	-	274
Balance at 31 December 2010	177,140	71,403	13,353	28,236	(4,784)	46,997	(1,446)	4,677	335,576	24,672	-	360,248
Balance at 1 January 2009	161,036	71,403	11,807	27,596	(4,769)	37,764	(1,383)	16,743	320,197	26,997	1,639	348,833
Total comprehensive income for the year	-	-	-	-	(1,215)	-	(305)	6,132	4,612	(3,245)	275	1,642
Transfer to investment revaluation reserve	-	-	-	-	-	(721)	-	721	-	-	-	-
Transfer to general reserve	-	-	-	16,744	-	-	-	(16,744)	-	-	-	-
Bonus shares issued	16,104	-	-	(16,104)	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	613	-	-	-	-	(613)	-	-	-	-
Net movement in non-controlling stakeholders	-	-	-	-	-	-	-	-	-	2,553	(1,914)	639
Balance at 31 December 2009	177,140	71,403	12,420	28,236	(5,984)	37,043	(1,688)	6,239	324,809	26,305	-	351,114

These statements have been extracted from the consolidated financial statements for the year ended 31 December 2010, audited by Ernst & Young.

Bader Abdul Muhsen Al-Mukhaizeem
Chairman of the Board of Directors

Abdulhakeem Yaqoub Alkhayyat
Managing Director & Chief Executive Officer

Consumer Banking • Corporate Finance • Priority Banking • Investment

