

# FINANCIAL RESULTS

As of 30 June 2007 (Unaudited\*)

## CONSOLIDATED BALANCE SHEET

## CONSOLIDATED STATEMENT OF INCOME

	30 June 2007	Audited 31 December 2006
	BD 000	BD 000
<b>ASSETS</b>		
Cash and balances with banks and Central Bank of Bahrain	51,620	21,383
Murabaha and Mudaraba contracts with banks	116,901	66,654
Murabaha, Istisna'a and Ijarah Muntahia Bittamleek contracts relating to customers	193,621	161,956
Non-trading investments	102,641	83,063
Investments in associates	27,237	15,385
Investment properties	57,371	27,623
Receivables and prepayments	15,314	11,268
Goodwill and intangibles	4,841	2,508
Premises and equipment	13,237	13,204
<b>TOTAL ASSETS</b>	<b>582,783</b>	<b>403,044</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Murabaha contracts with banks	94,258	110,366
Murabaha contracts with non banks	167,762	99,345
Customers' current accounts	47,756	46,549
Other liabilities	35,090	12,875
	<b>344,866</b>	<b>269,135</b>
Unrestricted investment accounts	100,271	44,375
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>		
Share capital	70,016	44,560
Share premium	15,040	760
Statutory reserve	5,098	5,098
General reserve	20,173	13,800
Investment revaluation reserve	13,791	12,058
Retained earnings	11,472	10,827
	<b>135,590</b>	<b>87,103</b>
<b>MINORITY INTEREST</b>	<b>2,056</b>	<b>2,431</b>
	<b>137,646</b>	<b>89,534</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>582,783</b>	<b>403,044</b>
<b>CREDIT COMMITMENTS AND CONTINGENT ITEMS</b>	<b>71,662</b>	<b>31,003</b>
<b>RESTRICTED INVESTMENT ACCOUNTS</b>	<b>33,721</b>	<b>19,109</b>

	Six months ended 30 June	
	2007	2006
	BD 000	BD 000
Income from investment activities	7,218	10,971
Income from retail and corporate banking activities	9,930	7,336
Share of income of associates	10,082	778
Other income	617	484
	<b>27,847</b>	<b>19,569</b>
Less: Profit on Murabaha contracts	5,627	3,463
	<b>22,220</b>	<b>16,106</b>
Staff costs	2,841	2,123
Depreciation	887	751
Provisions	395	324
Other operating expenses	4,438	2,370
	<b>8,561</b>	<b>5,568</b>
<b>NET INCOME BEFORE PROFIT ON UNRESTRICTED INVESTMENT ACCOUNTS</b>	<b>13,659</b>	<b>10,538</b>
Profit on unrestricted investment accounts	(827)	(412)
<b>INCOME FOR THE PERIOD</b>	<b>12,832</b>	<b>10,126</b>
Minority interest	375	59
<b>INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>13,207</b>	<b>10,185</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Parent							Minority interest BD 000	Total Equity BD 000
	Share capital BD 000	Share premium BD 000	Statutory reserve BD 000	General reserve BD 000	Investment revaluation reserve BD 000	Retained earnings BD 000	Total BD 000		
Balance at 1 January 2007	44,560	760	5,098	13,800	12,058	10,827	87,103	2,431	89,534
Income for the period	-	-	-	-	-	13,207	13,207	-	13,207
Transfer to investment revaluation reserve	-	-	-	-	3,118	(3,118)	-	-	-
Transfer to retained earnings on sale of investments	-	-	-	-	(1,385)	1,385	-	-	-
Net movement in minority interest	-	-	-	-	-	-	-	(375)	(375)
Transfer to general reserve	-	-	-	10,829	-	(10,829)	-	-	-
Bonus shares issued	4,456	-	-	(4,456)	-	-	-	-	-
Increase in share capital	21,000	14,280	-	-	-	-	35,280	-	35,280
<b>Balance at 30 June 2007</b>	<b>70,016</b>	<b>15,040</b>	<b>5,098</b>	<b>20,173</b>	<b>13,791</b>	<b>11,472</b>	<b>135,590</b>	<b>2,056</b>	<b>137,646</b>
Balance at 1 January 2006	38,500	-	2,985	-	3,992	18,325	63,802	2,777	66,579
Income for the period	-	-	-	-	-	10,185	10,185	(59)	10,126
Transfer to statutory reserve	-	-	1,017	-	-	(1,017)	-	-	-
Transfer to general reserve	-	-	-	18,300	-	(18,300)	-	-	-
Transfer to share capital	4,500	-	-	(4,500)	-	-	-	-	-
Transfer to investment revaluation reserve	-	-	-	-	10,033	(10,033)	-	-	-
Net movement in minority interest	-	-	-	-	-	-	-	19	19
Balance at 30 June 2006	43,000	-	4,002	13,800	14,025	(840)	73,987	2,737	76,724

\*These statements have been extracted from the condensed Consolidated Financial Statements for six months ended 30 June 2007 reviewed by Ernst & Young.

