



## FINANCIAL RESULTS - At 31 March 2007

### Consolidated Balance Sheet

### Consolidated Income Statement

|   | Unaudited<br>31 March 2007<br>BD'000 | Audited<br>31 December 2006<br>BD'000 |
|---|--------------------------------------|---------------------------------------|
| <b>ASSETS</b>   |                                      |                                       |
| Cash and balances with banks and Central Bank of Bahrain                                | 23,179                               | 21,383                                |
| Murabaha and Mudaraba contracts with banks  | 21,963                               | 66,654                                |
| Murabaha, Istisna'a and Ijarah Muntahia Bittamleek contracts<br>- relating to customers | 175,982                              | 161,956                               |
| Non-trading investments   | 82,558                               | 83,063                                |
| Investments in associates   | 22,475                               | 15,385                                |
| Investment properties   | 26,604                               | 27,623                                |
| Receivables and prepayments   | 22,364                               | 11,268                                |
| Goodwill and intangibles  | 2,558                                | 2,508                                 |
| Premises and equipment  | 15,576                               | 13,204                                |
| <b>TOTAL ASSETS</b>   | <b>393,259</b>                       | <b>403,044</b>                        |
| <b>LIABILITIES AND EQUITY</b>   |                                      |                                       |
| <b>Liabilities</b>  |                                      |                                       |
| Murabaha contracts with banks   | 95,648                               | 110,366                               |
| Murabaha contracts with non banks   | 88,331                               | 99,345                                |
| Customers' current accounts   | 51,550                               | 46,549                                |
| Other liabilities   | 12,038                               | 12,875                                |
|   | <b>247,567</b>                       | <b>269,135</b>                        |
| Unrestricted investment accounts  | 48,757                               | 44,375                                |
| <b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF PARENT</b>                                    |                                      |                                       |
| Share capital   | 49,016                               | 44,560                                |
| Share premium   | 760                                  | 760                                   |
| Statutory reserve   | 5,098                                | 5,098                                 |
| General reserve   | 20,171                               | 13,800                                |
| Investment revaluation reserve  | 11,839                               | 12,058                                |
| Retained earnings   | 7,682                                | 10,827                                |
|   | <b>94,566</b>                        | <b>87,103</b>                         |
| <b>MINORITY INTEREST</b>  |                                      |                                       |
|   | <b>2,369</b>                         | <b>2,431</b>                          |
|   | <b>96,935</b>                        | <b>89,534</b>                         |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>393,259</b>                       | <b>403,044</b>                        |
| <b>CREDIT COMMITMENTS AND CONTINGENT ITEMS</b>  | <b>40,833</b>                        | <b>31,003</b>                         |
| <b>RESTRICTED INVESTMENT ACCOUNTS</b>   | <b>24,330</b>                        | <b>19,109</b>                         |

|   | Unaudited<br>Three months ended 31 March<br>2007<br>BD'000 | Unaudited<br>31 March<br>2006<br>BD'000 |
|---|--|---|
| Income from investment activities                                   | 2,635  | 3,438                                   |
| Income from retail and corporate banking activities                 | 4,350  | 3,130                                   |
| Share of income of associates                                       | 7,090  | 392                                     |
| Other income  | 306  | 161                                     |
|   | <b>14,381</b>  | <b>7,121</b>                            |
| Less: Profit on Murabaha contracts                                  | <b>2,689</b>   | <b>1,573</b>                            |
|   | <b>11,692</b>  | <b>5,548</b>                            |
| Staff costs   | 1,362  | 978                                     |
| Depreciation  | 378  | 351                                     |
| Provisions  | 150  | (115)                                   |
| Other operating expenses  | 2,081  | 1,035                                   |
|   | <b>3,971</b>   | <b>2,249</b>                            |
| <b>NET INCOME BEFORE PROFIT OF UNRESTRICTED INVESTMENT ACCOUNTS</b> | <b>7,721</b>   | <b>3,299</b>                            |
| Profit on unrestricted investment accounts                          | (321)  | (208)                                   |
| <b>INCOME FOR THE PERIOD</b>  | <b>7,400</b>   | <b>3,091</b>                            |
| Minority interest   | 63   | 40                                      |
| <b>INCOME ATTRIBUTABLE TO SHAREHOLDERS OF PARENT</b>                | <b>7,463</b>   | <b>3,131</b>                            |

### Consolidated Statement of Changes in Equity

|  | Attributable to shareholders of the Parent |                         |                             |                           |  |                             |                 |                             |                        |
|--|--|-------------------------|-----------------------------|---------------------------|--|-----------------------------|-----------------|-----------------------------|------------------------|
|  | Share capital<br>BD'000                    | Share premium<br>BD'000 | Statutory reserve<br>BD'000 | General reserve<br>BD'000 | Investment revaluation reserve<br>BD'000 | Retained earnings<br>BD'000 | Total<br>BD'000 | Minority interest<br>BD'000 | Total equity<br>BD'000 |
| Balance at 31 December 2006                          | 44,560                                     | 760                     | 5,098                       | 13,800                    | 12,058                                   | 10,827                      | 87,103          | 2,431                       | 89,534                 |
| Income for the period                                | -  | -                       | -                           | -                         | -  | 7,463                       | 7,463           | (63)                        | 7,400                  |
| Transfer to retained earnings on sale of investments | -  | -                       | -                           | -                         | (219)                                    | 219                         | -               | -                           | -                      |
| Net movement in minority interest                    | -  | -                       | -                           | -                         | -  | -                           | -               | 1                           | 1                      |
| Transfer to general reserve                          | -  | -                       | -                           | 10,827                    | -  | (10,827)                    | -               | -                           | -                      |
| Bonus shares issued                                  | 4,456                                      | -                       | -                           | (4,456)                   | -  | -                           | -               | -                           | -                      |
| <b>BALANCE AT 31 MARCH 2007</b>                      | <b>49,016</b>                              | <b>760</b>              | <b>5,098</b>                | <b>20,171</b>             | <b>11,839</b>                            | <b>7,682</b>                | <b>94,566</b>   | <b>2,369</b>                | <b>96,935</b>          |
| Balance at 31 December 2005                          | 38,500                                     | -                       | 2,985                       | -                         | 3,992                                    | 18,325                      | 63,802          | 2,777                       | 66,579                 |
| Income for the period                                | -  | -                       | -                           | -                         | -  | 3,131                       | 3,131           | (40)                        | 3,091                  |
| Transfer to investment revaluation reserve           | -  | -                       | -                           | -                         | 3,017                                    | (3,017)                     | -               | -                           | -                      |
| Net movement in minority interest                    | -  | -                       | -                           | -                         | -  | -                           | -               | 11                          | 11                     |
| Balance at 31 March 2006                             | <b>38,500</b>                              | <b>-</b>                | <b>2,985</b>                | <b>-</b>                  | <b>7,009</b>                             | <b>18,439</b>               | <b>66,933</b>   | <b>2,748</b>                | <b>69,681</b>          |