

# FINANCIAL RESULTS FOR THE YEAR 2009



## CONSOLIDATED BALANCE SHEET

as at 31st December 2009  
BD 000's

	31 Dec 2009 (Audited)	31 Dec 2008 (Audited)
<b>ASSETS</b>		
Cash and bank balances	19,975	23,378
Placements with financial institutions	122,193	131,952
Islamic financing assets	192,085	140,143
Investment securities	92,354	102,398
Assets acquired for leasing	8,544	18,511
Lease rentals receivables	4,889	4,971
Asset held-for-sale	4,852	5,655
Investment in associates	6,521	6,385
Other assets	17,843	26,077
Equipment	4,348	5,523
<b>Total assets</b>	<b>473,604</b>	<b>464,993</b>
<b>LIABILITIES</b>		
Placements from financial and other institutions	101,730	30,229
Customers' current accounts	35,097	122,383
Other liabilities	6,615	11,583
<b>Total liabilities</b>	<b>143,442</b>	<b>164,195</b>
<b>Unrestricted Investment Accounts</b>	<b>203,588</b>	<b>162,816</b>
<b>EQUITY</b>		
Share capital	104,924	100,000
Share premium	958	581
Statutory reserve	6,298	5,988
Treasury shares	(5,216)	(4,915)
Unvested employee incentive scheme shares	(1,648)	(2,380)
Share grant reserve	367	442
Available-for-sale investment fair value reserve	30	-
Retained earnings	20,861	38,266
<b>Total equity</b>	<b>126,574</b>	<b>137,982</b>
<b>Total liabilities, unrestricted investment accounts, and equity</b>	<b>473,604</b>	<b>464,993</b>
<b>Off-balance sheet items:</b>		
Restricted Investment Accounts	46,742	47,445

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31st Dec 2009  
BD 000's

31 Dec 2009 (Audited)	Share capital	Share premium	Statutory reserve	Treasury shares	Unvested employee incentive scheme shares	Share grants reserve	Available- for-sale investment fair value reserve	Retained earnings	Total
Balance at 1 January 2009	100,000	581	5,988	(4,915)	(2,380)	442	-	38,266	137,982
Fair value gain	-	-	-	-	-	-	30	-	30
Profit for the year	-	-	-	-	-	-	-	3,100	3,100
<b>Total recognized income and expense for the year</b>	-	-	-	-	-	-	30	3,100	3,130
Transfer to statutory reserve	-	-	310	-	-	-	-	(310)	-
Treasury shares acquired	-	-	-	(1,581)	-	-	-	-	(1,581)
Treasury shares sold	-	-	-	1,280	-	-	-	-	1,280
Vesting charge for the year	-	-	-	-	-	434	-	-	434
Adjustments for vesting and issue of shares	-	377	-	-	732	(509)	-	-	600
Transfer to charity fund (2008)	-	-	-	-	-	-	-	(250)	(250)
Bonus shares (2008)	4,924	-	-	-	-	-	-	(4,924)	-
Directors fees (2008)	-	-	-	-	-	-	-	(250)	(250)
Dividend declared (2008)	-	-	-	-	-	-	-	(14,771)	(14,771)
<b>Balance at 31 Dec 2009</b>	<b>104,924</b>	<b>958</b>	<b>6,298</b>	<b>(5,216)</b>	<b>(1,648)</b>	<b>367</b>	<b>30</b>	<b>20,861</b>	<b>126,574</b>
31 Dec 2008 (Audited)	Share capital	Share premium	Statutory reserve	Treasury shares	Unvested employee incentive scheme shares	Share grants reserve	Available- for-sale investment fair value reserve	Retained earnings	Total
Balance at 1 January 2008	100,000	-	3,258	-	-	2,630	-	29,102	134,990
Profit for the year	-	-	-	-	-	-	-	27,304	27,304
<b>Total recognised income and expense for the year</b>	-	-	-	-	-	-	-	27,304	27,304
Transfer to statutory reserve	-	-	2,730	-	-	-	-	(2,730)	-
Treasury shares acquired	-	-	-	(8,368)	-	-	-	-	(8,368)
Treasury shares sold	-	-	-	3,453	-	-	-	-	3,453
Treasury shares acquired for employee incentive scheme	-	-	-	-	(3,648)	-	-	-	(3,648)
Reserve utilized towards acquisition of shares for employee incentive scheme	-	-	-	-	-	(2,106)	-	-	(2,106)
Vesting charge for the year	-	-	-	-	-	499	-	-	499
Adjustment for vesting and issue of shares	-	581	-	-	1,268	(581)	-	-	1,268
Transfer to charity fund (2007)	-	-	-	-	-	-	-	(250)	(250)
Directors fees (2007)	-	-	-	-	-	-	-	(160)	(160)
Dividend declared (2007)	-	-	-	-	-	-	-	(15,000)	(15,000)
<b>Balance at 31 Dec 2008</b>	<b>100,000</b>	<b>581</b>	<b>5,988</b>	<b>(4,915)</b>	<b>(2,380)</b>	<b>442</b>	<b>-</b>	<b>38,266</b>	<b>137,982</b>

The financial statements were approved by the Board of Directors on 9th February 2010.

Dr. Fuad Abdulla Al-Omar  
Chairman

Ebrahim H. Ebrahim  
Chief Executive Officer and Board member

## CONSOLIDATED INCOME STATEMENT

for the year ended 31st Dec 2009  
BD 000's

	31 Dec 2009 (Audited)	31 Dec 2008 (Audited)
Income from investment banking services	13,798	34,487
Placement, management and arrangement fees	1,013	1,349
Income from placements with financial institutions	1,477	3,612
Income from Islamic financing assets and assets acquired for leasing	15,024	10,628
Income from investment securities	1,280	2,651
Share of profit from associate companies	136	762
Other income	504	1,289
<b>Total income before return on unrestricted investment accounts</b>	<b>33,232</b>	<b>54,778</b>
Less: Return on unrestricted investment accounts	(9,331)	(7,050)
<b>Total income</b>	<b>23,901</b>	<b>47,728</b>
Staff cost	5,073	7,992
Financing expenses	1,270	2,190
Investments related expenses	664	861
Other expenses	4,537	3,557
<b>Total expenses</b>	<b>11,544</b>	<b>14,600</b>
<b>Profit for the year before impairment allowances</b>	<b>12,357</b>	<b>33,128</b>
Impairment allowances	(9,257)	(5,824)
<b>PROFIT FOR THE YEAR</b>	<b>3,100</b>	<b>27,304</b>
Basic earnings per share (fills)	3.04	26.52
Diluted earnings per share (fills)	3.04	26.32

## CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st Dec 2009  
BD 000's

	31 Dec 2009 (Audited)	31 Dec 2008 (Audited)
<b>OPERATING ACTIVITIES</b>		
Proceeds from investment banking services	27,422	28,390
Islamic financing, net	(43,392)	(56,881)
Placement, management and arrangement fees received	1,013	2,480
Income from placements with financial institutions received	1,477	3,612
Returns paid to unrestricted investment accounts	(8,938)	(6,159)
Receipts from unrestricted investment account holders, net	40,772	98,716
Payment for expenses	(12,798)	(9,846)
Receipts from / (disbursements) for ijara assets, net	10,049	(10,339)
Directors fees paid	(250)	(160)
Net (decrease) / increase in customers' current accounts	(87,286)	98,831
Proceeds from other income	504	324
Net receipt/(payment) in CBB reserve account	5,679	(9,549)
<b>Cash flows from operating activities</b>	<b>(65,748)</b>	<b>139,419</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments securities	(7,663)	(50,150)
Proceeds from sale of investment securities	17,897	11,912
Payment for advance towards investment securities	(9,583)	-
Dividend/income from investments securities received	1,481	5,045
Distributions from investment in associates received	-	1,060
Purchase of asset held-for-sale	-	(5,655)
Proceeds from sale of asset held-for-sale	1,070	-
Proceeds from sale of investment in properties	-	621
Purchase of equipment and capital advances mode	(135)	(4,620)
<b>Cash flows from investing activities</b>	<b>3,067</b>	<b>(41,787)</b>
<b>FINANCING ACTIVITIES</b>		
Placement from financial institutions and others, net	71,501	(11,332)
Net payment for treasury shares	(301)	(4,915)
Purchase of treasury shares for employee incentive scheme	-	(3,648)
Finance expenses paid	(1,270)	(2,190)
Dividends paid	(14,732)	(15,000)
<b>Cash flows from financing activities</b>	<b>55,198</b>	<b>(37,085)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>(7,483)</b>	<b>60,547</b>
Cash and cash equivalents at 1st January	142,716	82,169
<b>Cash and cash equivalents at 31 December</b>	<b>135,233</b>	<b>142,716</b>
Cash and cash equivalents comprise:		
Cash and bank balances (excluding CBB reserve account)	13,040	10,764
Placements with financial institutions	122,193	131,952
	<b>135,233</b>	<b>142,716</b>

These statements have been extracted from the consolidated financial information for the year ended 31st December 2009, which were audited by KPMG.