

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	At 30 September 2009 (Reviewed)	At 31 December 2008 (Audited)
ASSETS		
Cash and cash equivalents	843,157	1,257,132
Investments in financings	2,046,672	2,058,034
Investment securities	824,830	617,228
Investment properties	432,453	273,786
Accounts receivable	175,736	161,773
Investments in associates	693,488	612,602
Property, plant and equipment	112,567	124,119
Intangible assets	262,150	275,752
Total assets	5,391,053	5,380,426
LIABILITIES		
Customer current accounts	427,152	470,602
Customer investment accounts	1,630,634	1,468,514
Due to banks and financial institutions	1,630,339	1,595,068
Other borrowings	358,327	410,074
Accounts payable	246,398	237,542
Current tax payable	19,164	7,137
Deferred tax liability	1,752	42,138
Total liabilities	4,313,766	4,231,075
EQUITY		
Capital and reserves attributable to the Bank's equity holders		
Share capital	571,305	527,956
Reserves	265,904	395,953
	837,209	923,909
Minority interests	240,078	225,442
Total equity	1,077,287	1,149,351
Total equity and liabilities	5,391,053	5,380,426
Funds under management	1,905,694	1,991,673

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2009 (Reviewed)	30 September 2008 (Reviewed)	30 September 2009 (Reviewed)	30 September 2008 (Reviewed)
Profit/(loss) for the period	(46,031)	125,573	(28,439)	(16,297)
Other comprehensive income				
Movement in fair value of available-for-sale investments	1,350	(59,841)	9,349	(40,388)
Transfer to income statement due to disposal of available-for-sale investments	(608)	(8,274)	241	1,164
Movement in deferred tax of available-for-sale investments	(3,146)	6,598	(944)	4,021
Foreign currency translation differences for foreign operations	(17,761)	(59,787)	(3,291)	(37,610)
Other comprehensive income/(loss) for the period	(20,165)	(121,304)	5,355	(72,813)
Total comprehensive income/(loss) for the period	(66,196)	4,269	(23,084)	(89,110)
Comprehensive income/(loss) attributable to:				
Equity holders of the Bank	(80,832)	(23,305)	(24,937)	(69,667)
Minority interests	14,636	27,574	1,853	(19,443)
	(66,196)	4,269	(23,084)	(89,110)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2009

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Attributable to the Bank's equity holders									
	Share capital	Share premium	Statutory reserve	General reserve	Fair Value reserve	Currency translation	Retained earnings	Total reserves	Minority interests	Total equity
At 1 January 2009 (Audited)	527,956	209,541	38,090	107,679	(42,450)	(48,653)	131,746	395,953	225,442	1,149,351
Issue of bonus shares	54,362	(54,362)	-	-	-	-	-	(54,362)	-	(62,228)
Treasury shares purchased	(16,545)	5,665	-	-	-	-	-	5,665	-	(10,880)
Treasury shares sold	5,532	34	-	-	-	-	34	-	-	5,566
Total comprehensive (loss)/income	-	-	-	-	(8,385)	(12,360)	(60,087)	(80,832)	14,636	(66,196)
Transfer to general reserve	-	-	-	43,148	-	-	(43,148)	-	-	-
Appropriation to Ithmaar Education and Training Fund	-	-	-	-	-	-	(554)	(554)	-	(554)
At 30 September 2009 (Reviewed)	571,305	160,878	38,090	150,827	(50,835)	(61,013)	27,957	265,904	240,078	1,077,287
At 1 January 2008 (Audited)	537,474	216,026	35,873	68,327	27,170	(3,079)	206,017	550,334	196,589	1,284,397
Treasury shares purchased	(24,120)	(38,108)	-	-	-	-	-	(38,108)	-	(62,228)
Treasury shares sold	20,430	34,797	-	-	-	-	34,797	-	-	55,227
Total comprehensive income/(loss)	-	-	-	-	(56,265)	(27,187)	60,147	(23,305)	27,574	4,269
Dividends paid	-	-	-	-	-	-	(52,435)	(52,435)	-	(52,435)
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	(12,317)	(12,317)
Transfer to general reserve	-	-	-	39,352	-	-	(39,352)	-	-	-
Minority interest relating to new subsidiaries	-	-	-	-	-	-	-	-	28,333	28,333
Appropriation to Ithmaar Education and Training Fund	-	-	-	-	-	-	(2,569)	(2,569)	-	(2,569)
At 30 September 2008 (Reviewed)	533,784	212,715	35,873	107,679	(29,095)	(30,266)	171,808	468,714	240,179	1,242,677

The interim condensed consolidated financial information was approved for issue by the Board of Directors on 11 November 2009. These are extracts from the interim condensed consolidated financial information for the nine month period ended 30 September 2009, reviewed by PricewaterhouseCoopers, Kingdom of Bahrain, who issued an unqualified review report on 11 November 2009.

Khalid Abdulla-Janahi
Chairman

Khalil Nooruddin
Director

Mohamed Hussain
CEO and Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2009 (Reviewed)	30 September 2008 (Reviewed)	30 September 2009 (Reviewed)	30 September 2008 (Reviewed)
INCOME				
Income from short term deposits	65,005	36,055	19,321	15,313
Income from investments in financings	140,746	144,366	46,131	45,834
Fee and commission income	25,994	36,218	6,688	7,370
Fund management and services	6,747	13,434	1,296	3,539
Income from investments	37,689	155,077	8,725	15,427
Net trading income	5,456	3,825	2,954	2,372
Other income	7,635	9,428	1,132	1,339
	289,272	398,403	86,247	91,194
Distribution to investment account holders and borrowing costs	(176,087)	(126,341)	(54,869)	(47,518)
Operating income	113,185	272,062	31,378	43,676
EXPENSES				
Staff costs	(51,234)	(56,685)	(16,938)	(14,404)
General and administrative expenses	(37,273)	(43,449)	(12,395)	(12,394)
Depreciation and amortisation	(26,331)	(25,598)	(11,328)	(13,331)
Provision for impairment	(53,122)	(18,005)	(19,374)	(10,226)
Exchange (loss)/gain	(2,479)	(132)	854	(4,149)
Total expenses	(170,439)	(143,869)	(59,181)	(54,504)
Operating profit/(loss)	(57,254)	128,193	(27,803)	(10,828)
Share of profit/(loss) of associated companies	20,321	7,750	3,368	(3,303)
Profit/(loss) before income taxes	(36,933)	135,943	(24,435)	(14,131)
Taxes	(9,098)	(10,370)	(4,004)	(2,166)
Profit/(loss) after income taxes	(46,031)	125,573	(28,439)	(16,297)
Profit/(loss) attributable to:				
Equity holders of the Bank	(59,470)	60,013	(29,472)	(20,544)
Minority interests	13,439	65,560	1,033	4,247
	(46,031)	125,573	(28,439)	(16,297)
Basic and diluted earnings per share	US cts (2.60)	US cts 2.55	US cts (1.29)	US cts (0.87)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Nine months ended	
	30 September 2009 (Reviewed)	30 September 2008 (Reviewed)
Cash flows from operating activities		
(Loss)/profit before taxes and minority interests	(36,933)	135,943
Adjustments for:		
Provision for share based payments	-	7,911
Depreciation and amortisation	26,331	25,598
Changes in fair value of investment properties	(23,441)	(115,692)
Share of profit of associated companies	(20,321)	(7,750)
Provision for impairment	53,122	18,005
Operating (loss)/profit before changes in operating assets and liabilities	(1,242)	64,015
(Decrease)/increase in investments in financings	(16,303)	1,041
Increase in investment securities	(197,369)	(57,402)
Increase in accounts receivable	(48,377)	(80,535)
Decrease in accounts payable, excluding taxes	(41,760)	(17,969)
Increase/(decrease) in customer accounts	118,669	(265,952)
Increase in due to banks and financial institutions	35,271	1,264,655
Taxes paid	(38,220)	(31,811)
Net cash (used in)/provided by operating activities	(189,331)	876,042
Cash flows from investing activities		
Dividends from associated companies	11,237	720
Investments in associated companies	(80,064)	(434,234)
Purchase of investment properties	(79,738)	(51,165)
Sale of investment properties	149	98,304
Purchase of property, plant and equipment	(7,929)	(8,927)
Sale of property, plant and equipment	5,931	2,515
Net cash used in investing activities	(150,414)	(392,787)
Cash flows from financing activities		
Other borrowings	(51,749)	288,504
Treasury shares purchased	(10,880)	(62,228)
Treasury shares sold	5,566	55,227
Dividends paid	-	(52,435)
Dividends paid to minority shareholders of subsidiaries	-	(12,317)
Net cash (used in)/provided by financing activities	(57,063)	216,751
Foreign currency translation adjustments	(17,167)	61,231
Net (decrease)/increase in cash and cash equivalents	(413,975)	761,237
Cash and cash equivalents at beginning of period	1,257,132	591,476
Cash and cash equivalents at end of period	843,157	1,352,713