

INTERIM CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

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

	At 31 March 2009 (Reviewed)	At 31 December 2008 (Audited)
ASSETS		
Cash and cash equivalents	1,481,560	1,257,132
Investments in financings	2,246,295	2,058,034
Investment securities	648,502	617,228
Investment properties	300,745	273,786
Accounts receivable	256,414	161,773
Investments in associates	620,384	612,602
Property, plant and equipment	123,750	124,119
Intangible assets	270,589	275,752
Total assets	5,948,239	5,380,426
LIABILITIES		
Customer current accounts	391,838	470,602
Customer investment accounts	1,566,183	1,468,514
Due to banks and financial institutions	2,187,859	1,595,068
Other borrowings	378,889	410,074
Accounts payable	214,730	237,542
Current tax payable	7,245	7,137
Deferred tax liability	41,926	42,138
Total liabilities	4,788,670	4,231,075
EQUITY		
Capital and reserves attributable to the Bank's equity holders		
Share capital	569,971	527,956
Reserves	350,520	395,953
	920,491	923,909
Minority interests	239,078	225,442
Total equity	1,159,569	1,149,351
Total equity and liabilities	5,948,239	5,380,426
Funds under management	1,852,019	1,991,673

INTERIM CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

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

	Three months ended	
	31 March 2009 (Reviewed)	31 March 2008 (Reviewed)
Profit for the period	16,430	59,300
Other comprehensive income		
Movement in fair value of available-for-sale investments	14,329	(19,205)
Transfer to income statement due to disposal of available-for-sale investments	(1,632)	(17)
Movement in deferred tax of available-for-sale investments	(902)	(11,208)
Foreign currency translation differences for foreign operations	(10,456)	1,939
Other comprehensive income/(loss) for the period	1,339	(28,491)
Total comprehensive income for the period	17,769	30,809
Attributable to:		
Equity holders of the Bank	4,133	1,868
Minority interests	13,636	28,941
	17,769	30,809

INTERIM CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2009

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

	Share capital		Attributable to the Bank's equity holders				Retained earnings	Total reserves	Minority interests	Total equity
	Share premium	Statutory reserve	General reserve	Fair Value reserve	Currency translation					
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)		
Treasury shares purchased	(13,222)	5,583						5,583		(7,639)
Treasury shares sold	875	(233)						(233)		642
Total comprehensive income					8,175	(7,482)	3,440	4,133	13,636	17,769
Transfer to general reserve			54,548				(54,548)			
Appropriation to Ithmaar Education and Training Fund							(554)	(554)		(554)
At 31 March 2009 (Reviewed)	569,971	160,529	38,090	162,227	(34,275)	(56,135)	80,084	350,520	239,078	1,159,569
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	(6,961)	(11,201)						(11,201)		(18,162)
Treasury shares sold	2,128	4,078						4,078		6,206
Total comprehensive income					(33,983)	3,838	32,013	1,868	28,941	30,809
Dividends paid							(53,579)	(53,579)	(7,012)	(60,591)
Transfer to general reserve			39,352				(39,352)			
Minority interest relating to new subsidiaries									16,500	16,500
Changes of ownership interest in subsidiary							134	134		134
Appropriation to Ithmaar Education and Training Fund							(2,569)	(2,569)		(2,569)
At 31 March 2008 (Reviewed)	532,641	208,903	35,873	107,679	(6,813)	759	142,664	489,065	235,018	1,256,724

INTERIM CONSOLIDATED CONDENSED STATEMENT OF INCOME

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

	Three months ended	
	31 March 2009 (Reviewed)	31 March 2008 (Reviewed)
INCOME		
Income from short term deposits	23,771	10,844
Income from investments in financings	48,647	50,490
Fee and commission income	7,545	9,455
Fund management and services	2,188	4,814
Income from investments	24,464	61,742
Net trading income/(loss)	1,819	(249)
Other income	3,854	2,513
	112,288	139,609
Distribution to investment account holders and borrowing costs	(63,026)	(38,846)
Operating income	49,262	100,763
EXPENSES		
Staff costs	(16,297)	(20,502)
General and administrative expenses	(8,501)	(14,069)
Depreciation and amortisation	(7,055)	(6,168)
Provision for impairment	(4,197)	(2,712)
Exchange (loss)/gain	(4,131)	5,647
Total expenses	(40,181)	(37,804)
Operating profit	9,081	62,959
Share of profit of associated companies	8,999	670
Profit before income taxes	18,080	63,629
Taxes	(1,650)	(4,329)
Profit after income taxes	16,430	59,300
Attributable to:		
Equity holders of the Bank	3,828	32,013
Minority interests	12,602	27,287
	16,430	59,300
Basic and diluted earnings per share	US cts 0.17	US cts 1.37

INTERIM CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

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

	Three months ended	
	31 March 2009 (Reviewed)	31 March 2008 (Reviewed)
Cash flows from operating activities		
Profit before taxes and minority interests	18,080	63,629
Adjustments for:		
Provision for share based payments	-	3,580
Depreciation and amortisation	7,054	6,168
Changes in fair value of investment properties	(22,987)	(51,311)
Share of profit of associated companies	(8,999)	(670)
Provision for impairment	4,197	2,712
Operating (loss)/profit before changes in operating assets and liabilities	(2,655)	24,108
Increase in investments in financings	(192,356)	(53,434)
Increase in investment securities	(41,048)	(371,868)
Increase in accounts receivable	(99,483)	(15,468)
(Decrease)/increase in accounts payable, excluding taxes	(23,471)	39,946
Increase in customer accounts	18,904	348,385
Increase in due to banks and financial institutions	592,791	118,984
Taxes paid	(1,307)	(11,120)
Net cash provided by operating activities	251,375	79,533
Cash flows from investing activities		
Dividends from associated companies	10,916	720
Purchase of investment properties	(7,735)	(12,458)
Sale of investment properties	-	45,524
Purchase of property, plant and equipment	(3,453)	(3,777)
Sale of property, plant and equipment	619	42
Net cash provided by investing activities	347	30,051
Cash flows from financing activities		
Other borrowings	(31,184)	(51,350)
Treasury shares purchased	(7,639)	(18,162)
Treasury shares sold	642	6,206
Dividends paid	-	(53,579)
Dividends paid to minority shareholders of subsidiaries	-	(7,012)
Net cash used in financing activities	(38,181)	(123,897)
Foreign currency translation adjustments	10,887	2,494
Net increase/(decrease) in cash and cash equivalents	224,428	(11,819)
Cash and cash equivalents at beginning of period	1,257,132	591,476
Cash and cash equivalents at end of period	1,481,560	579,657

The interim consolidated condensed financial information was approved for issue by the Board of Directors on 12 May 2009. These are extracts from the interim consolidated condensed financial information for the three month period ended 31 March 2009, reviewed by PricewaterhouseCoopers, Kingdom of Bahrain, who issued an unqualified review report on 12 May 2009.

 Khalid Abdulla-Janahi
Chairman

 Khalil Nooruddin
Director

 Michael P. Lee
CEO and Director