



**CONSOLIDATED BALANCE SHEET**

31 December 2009

	2009 US\$ '000	2008 US\$ '000
<b>ASSETS</b>		
Cash and bank balances	1,142	410
Available-for-sale investments	368,911	324,990
Murabaha receivables	470,413	692,171
Ijarah receivables	879	1,683
Musharaka financing	2,144	3,616
Mudaraba	888	803
Ijarah	471,118	427,949
Equipment	367	40
Other assets	2,540	9,683
<b>TOTAL ASSETS</b>	<b>1,318,402</b>	<b>1,461,345</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Other liabilities	8,388	10,940
Murabaha payables	1,133,479	1,297,361
	<b>1,141,867</b>	<b>1,308,301</b>
<b>Equity</b>		
Share capital	132,500	132,500
Reserves	44,035	20,544
	<b>176,535</b>	<b>153,044</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,318,402</b>	<b>1,461,345</b>
<b>MEMORANDUM ITEMS</b>	<b>34,631</b>	<b>124,849</b>

**CONSOLIDATED STATEMENT OF INCOME**

Year ended 31 December 2009

	Three-month period ended 31 December		Year ended 31 December	
	2009 US\$ '000	2008 US\$ '000	2009 US\$ '000	2008 US\$ '000
<b>OPERATING INCOME</b>				
Income from available-for-sale investments	2,443	4,615	12,162	17,533
Income from Murabaha receivables	2,408	7,043	16,922	36,479
Income from Musharaka financing	45	66	208	279
Ijarah income – net	2,527	4,450	11,583	15,499
	<b>7,423</b>	<b>16,174</b>	<b>40,875</b>	<b>69,790</b>
Profit on Murabaha payables	(3,182)	(10,628)	(20,856)	(43,896)
	<b>4,241</b>	<b>5,546</b>	<b>20,019</b>	<b>25,894</b>
Gain on sale of available-for-sale investments - net	-	(51)	-	2,022
Fee and commission income	134	1,030	351	5,906
Total operating income	<b>4,375</b>	<b>6,525</b>	<b>20,370</b>	<b>33,822</b>
<b>OPERATING EXPENSES</b>				
Staff costs	(45)	468	3,009	3,222
Depreciation	10	11	36	51
Other expenses	656	404	1,941	1,709
Total operating expenses	<b>621</b>	<b>883</b>	<b>4,986</b>	<b>4,982</b>
Provision for impaired assets	-	(3,000)	(5,000)	(3,000)
<b>PROFIT BEFORE ZAKAH</b>	<b>3,754</b>	<b>2,642</b>	<b>10,384</b>	<b>25,840</b>
Zakah	(67)	(65)	(270)	(260)
<b>PROFIT</b>	<b>3,687</b>	<b>2,577</b>	<b>10,114</b>	<b>25,580</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended 31 December 2009

	2009 US\$ '000	2008 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Profit for the year	10,114	25,580
Adjustment for:		
Depreciation	36	51
Gain on sale of available-for-sale investments - net	-	(2,022)
Provision for impaired assets	5,000	3,000
	<b>15,150</b>	<b>26,609</b>
Changes in:		
Murabaha receivables	221,758	38,202
Ijarah receivables	804	(1,683)
Musharaka financing	1,472	(1,532)
Mudaraba	(85)	(803)
Ijarah	(43,169)	(162,888)
Other assets	7,143	25,233
Other liabilities	(2,552)	(3,356)
Murabaha payables	(163,882)	165,867
Net cash from operating activities	<b>36,639</b>	<b>85,649</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of available-for-sale investments	(48,044)	(90,869)
Proceeds from sale/redemption of available-for-sale investments	12,500	22,193
Purchase of equipment	(363)	(16)
Net cash used in investing activities	<b>(35,907)</b>	<b>(68,692)</b>
<b>FINANCING ACTIVITY</b>		
Dividends paid	-	(20,000)
Net cash used in financing activity	<b>-</b>	<b>(20,000)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>732</b>	<b>(3,043)</b>
Cash and cash equivalents at 1 January	410	3,453
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>1,142</b>	<b>410</b>
<b>OPERATIONAL CASH FLOWS FROM PROFITS</b>		
Profit paid	25,111	50,365
Profit received	46,836	76,153

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Year ended 31 December 2009

	Reserves				Total equity
	Share capital	Statutory reserve	Available-for-sale reserve	Retained earnings	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance at 1 January 2009	132,500	11,999	(53,976)	62,521	153,044
Cumulative changes in fair values					
Change in fair values	-	-	13,377	-	13,377
Profit for the year – 2009	-	-	-	10,114	10,114
Net income recognised during the year	-	-	13,377	10,114	23,491
Transfer to statutory reserve	-	1,011	-	(1,011)	-
<b>Balance at 31 December 2009</b>	<b>132,500</b>	<b>13,010</b>	<b>(40,599)</b>	<b>71,624</b>	<b>176,535</b>
Balance at 1 January 2008	132,500	9,441	17,652	59,499	219,092
Cumulative changes in fair values					
Transfer to statement of income	-	-	(18,450)	-	(18,450)
Change in fair values	-	-	(53,178)	-	(53,178)
	-	-	(71,628)	-	(71,628)
Profit for the year – 2008	-	-	-	25,580	25,580
Net income recognised during the year	-	-	(71,628)	25,580	(46,048)
Dividends paid	-	-	-	(20,000)	(20,000)
Transfer to statutory reserve	-	2,558	-	(2,558)	-
Balance at 31 December 2008	132,500	11,999	(53,976)	62,521	153,044

The above balances for the year ended 31 December 2009 and the year ended 31 December 2008 are extracted from the audited consolidated financial statements of ABC Islamic Bank (E.C.) on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain on 23 February 2010