

INTERIM FINANCIAL INFORMATION

For the 6 months ended 30 June 2010

Condensed Statement of Financial Position

As at 30 June 2010	BD Millions		
	June 2010 (Reviewed)	December 2009 (Audited)	June 2009 (Reviewed)
Assets			
Cash and balances at central banks	82.04	81.21	60.41
Treasury bills	76.56	124.93	41.36
Placements with banks and other financial institutions	606.29	246.09	291.19
Trading securities	0.16	1.64	0.42
Loans and advances	1,107.17	1,151.42	1,153.22
Investment securities	476.76	483.12	376.21
Accrued interest receivable and other assets	10.33	12.48	10.92
Property and equipment	16.35	16.86	16.90
Total assets	2,375.66	2,117.75	1,950.63
Liabilities			
Due to banks and other financial institutions	137.21	259.82	214.40
Borrowings under repurchase agreements	159.10	125.58	74.07
Customers' deposits	1,826.65	1,480.39	1,433.77
Other liabilities	11.97	10.59	12.26
Total liabilities	2,134.93	1,876.38	1,734.50
Equity			
Share capital	77.76	77.76	77.76
Statutory reserve	38.88	38.88	38.88
General reserve	32.40	32.40	32.40
Other reserves and retained earnings	91.69	92.33	67.09
Total equity	240.73	241.37	216.13
Total liabilities and equity	2,375.66	2,117.75	1,950.63

Condensed Income Statement

For the 6 months ended 30 June 2010 (Reviewed)	BD Millions			
	Six months (January-June)		Three months (April-June)	
	2010	2009	2010	2009
Interest Income	32.60	34.56	16.22	16.80
Interest Expenses	(9.12)	(9.42)	(4.45)	(4.08)
Net interest income	23.48	25.14	11.77	12.72
Other income	13.69	13.32	5.67	5.51
Operating income	37.17	38.46	17.44	18.23
Staff Expenses	(9.68)	(9.62)	(4.77)	(4.76)
Other Expenses	(3.17)	(3.07)	(1.62)	(1.57)
Operating expenses	(12.85)	(12.69)	(6.39)	(6.33)
Profit before provisions	24.32	25.77	11.05	11.90
Impairment provisions on Loans and advances	(0.06)	-	(0.01)	-
Impairment provisions on investments	(1.00)	(0.17)	(1.00)	-
Profit for the period	23.26	25.60	10.04	11.90
Basic and diluted earnings per share	29.9 fils	32.9 fils	12.9 fils	15.3 fils

Condensed Statement of Comprehensive Income

For the 6 months ended 30 June 2010 (Reviewed)	BD Millions			
	Six months (January-June)		Three months (April-June)	
	2010	2009	2010	2009
Profit for the period	23.26	25.60	10.04	11.90
Other comprehensive income:				
Revaluation reserve (available-for-sale securities):				
Net change in fair value	4.14	(0.30)	(0.99)	5.44
Net amount transferred to profit or loss	(0.26)	(2.16)	0.06	(1.24)
Other comprehensive income for the period	3.88	(2.46)	(0.93)	4.20
Total Comprehensive income for the period	27.14	23.14	9.11	16.10

Operating Segments Information

For the 6 months ended 30 June 2010 (Reviewed)	BD Millions							
	Personal Banking		Business Banking		Treasury & Investment		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
External revenue	13.58	13.24	11.91	13.27	11.68	11.95	37.17	38.46
Inter-segment interest income/(expense)	1.54	2.29	1.23	1.06	(2.77)	(3.35)	-	-
Total revenue	15.12	15.53	13.14	14.33	8.91	8.60	37.17	38.46
Result	9.26	9.66	9.07	10.06	6.33	6.96	24.66	26.68
Unallocated corporate expenses							(1.40)	(1.08)
Profit for the period							23.26	25.60

Abdulla Ali Kanoo

Chairman

11 July 2010

Abdul Razak A. Hassan Al Qassim

Chief Executive Officer & Director

Accounting Policies and Notes:

- Significant Accounting Policies and Financial Risk Management:** There have been no changes in the Bank's Significant Accounting Policies and Risk Management Framework as set out on pages 56 to 65 of the Bank's 2009 annual report.
- Statement of Compliance:** This interim financial information has been prepared in compliance with International Accounting Standard 34 "Interim Financial Reporting".
- Dividend Income:** For 6 months ended 30 June 2010, Other Income includes BD 2.70 million (June 2009: BD 2.74 million) of dividend income received from the Bank's investments in equity securities. This income is of a seasonal nature.
- Related Parties:** Certain related parties (major shareholders, directors of the Bank and their families and companies of which they are principal owners, and key management personnel) were customers of the Bank in the ordinary course of business. The transactions with these parties were made on an arm's length basis.
- Appropriations:** At the annual general meeting for the year 2009 which was held on 3 March 2010, the following appropriations were approved and effected during the period: BD 27.22 million for cash dividend, BD 2.14 million for donations and charity and BD 0.35 million for directors' remuneration.

Reviewed by: KPMG
11 July 2010

Condensed Statement of Cash Flows

For the 6 months ended 30 June 2010 (Reviewed)	BD Millions	
	June 2010 (Reviewed)	June 2009 (Reviewed)
Operating activities:		
Profit for the period	23.26	25.60
Adjustments for depreciation and impairment provisions for loans and advances and investments	1.99	1.21
Profit for the period after adjustments	25.25	26.81
Changes in operating assets and liabilities:		
Balances with central banks (mandatory cash reserves)	(12.43)	16.79
Treasury bills	1.55	(0.94)
Placements with banks and other financial institutions	19.27	(48.35)
Trading securities	1.48	(0.04)
Loans and advances	44.19	(57.51)
Investments at fair value through profit or loss	0.22	17.89
Available-for-sale securities	9.10	2.43
Other assets	2.15	1.58
Due to banks and other financial institutions	(89.10)	2.69
Customers' deposits	346.26	(85.48)
Other liabilities	1.29	0.58
Net cash from / (used in) operating activities	349.23	(123.55)
Investing activities:		
Purchase of property & equipment, net	(0.42)	(1.04)
Net cash used in investing activities	(0.42)	(1.04)
Financing activities:		
Dividends	(27.22)	(23.33)
Directors' remuneration	(0.35)	(0.35)
Donations and charities paid during the period	(0.20)	(0.72)
Net cash used in financing activities	(27.77)	(24.40)
Net increase / (decrease) in cash and cash equivalents	321.04	(148.99)
Cash and cash equivalents at 1 January	322.52	412.93
Cash and cash equivalents at 30 June	643.56	263.94

Contingent Liabilities and Banking Commitments

As at 30 June 2010	BD Millions		
	June 2010 (Reviewed)	December 2009 (Audited)	June 2009 (Reviewed)
Contingent liabilities			
Letters of credits	38.51	41.40	53.16
Guarantees	64.66	61.22	67.73
Sub-total	103.17	102.62	120.89
Banking commitments			
Undrawn loan commitments	20.50	5.14	25.11
Forward commitments	47.32	3.65	1.87
Interest rate contracts	-	-	22.56
Foreign exchange contracts	193.53	328.51	153.70
Sub-total	261.35	337.30	203.24
Total	364.52	439.92	324.13

Condensed Statement of Changes in Equity

For the 6 months ended 30 June 2010 (Reviewed)	BD Millions						
	Share capital	Statutory reserve	General reserve	Revaluation reserve	Donation & charity reserve	Retained earnings	Total
At 1 January 2010	77.76	38.88	32.40	19.42	7.26	65.65	241.37
2009 appropriations	-	-	-	-	-	(27.22)	(27.22)
Dividend at 35%	-	-	-	-	-	(2.14)	-
Donations and charity	-	-	-	-	2.14	(0.35)	(0.35)
Directors' remuneration	-	-	-	-	-	(0.35)	(0.35)
Balance after 2009 appropriations	77.76	38.88	32.40	19.42	9.40	35.94	213.80
Profit for the period	-	-	-	-	-	23.26	23.26
Other comprehensive income:							
Revaluation reserve (available-for-sale securities)							
Net change in fair value	-	-	-	4.14	-	-	4.14
Net amount transferred to profit or loss	-	-	-	(0.26)	-	-	(0.26)
Total other comprehensive income	-	-	-	3.88	-	-	3.88
Total comprehensive income	-	-	-	3.88	-	23.26	27.14
Foreign currency translation movement	-	-	-	-	-	(0.01)	(0.01)
Utilisation of donation and charity reserve	-	-	-	-	(0.20)	-	(0.20)
As at 30 June 2010	77.76	38.88	32.40	23.30	9.20	59.19	240.73

For the 6 months ended 30 June 2009 (Reviewed)	BD Millions						
	Share capital	Statutory reserve	General reserve	Revaluation reserve	Donation & charity reserve	Retained earnings	Total
At 1 January 2009	77.76	38.88	32.40	13.15	6.95	48.25	217.39
2008 appropriations	-	-	-	-	-	(23.33)	(23.33)
Dividend at 30%	-	-	-	-	-	(1.74)	-
Donations and charity	-	-	-	-	1.74	(0.35)	(0.35)
Directors' remuneration	-	-	-	-	-	(0.35)	(0.35)
Balance after 2008 appropriations	77.76	38.88	32.40	13.15	8.69	22.83	193.71
Profit for the period	-	-	-	-	-	25.60	25.60
Other comprehensive income:							
Revaluation reserve (available-for-sale securities)							
Net change in fair value	-	-	-	(0.30)	-	-	(0.30)
Net amount transferred to profit or loss	-	-	-	(2.16)	-	-	(2.16)
Total other comprehensive income	-	-	-	(2.46)	-	-	(2.46)
Total comprehensive income	-	-	-	(2.46)	-	25.60	23.14
Utilization of donation and charity reserve	-	-	-	-	(0.72)	-	(0.72)
At 30 June 2009	77.76	38.88	32.40	10.69	7.97	48.43	216.13

