

Securities and Investment Company BSC (c)

**CONDENSED CONSOLIDATED BALANCE SHEET**  
as at 30 September 2008

Bahraini Dinars '000

	<b>30 September 2008</b> (Reviewed)	31 December 2007 (Audited)
<b>Assets</b>		
Cash and cash equivalents	61,493	63,174
Investments at fair value through profit or loss	14,027	20,392
Available-for-sale securities	10,294	13,776
Furniture and equipment	132	128
Fees receivable	1,302	5,096
Other assets	3,327	2,266
<b>Total assets</b>	<b>90,575</b>	<b>104,832</b>
<b>Liabilities</b>		
Short-term borrowings	1,131	566
Payables to customers	21,178	53,661
Deposits from customers	10,486	-
Other liabilities	2,014	8,499
<b>Total liabilities</b>	<b>34,809</b>	<b>62,726</b>
<b>Equity</b>		
Share capital (note 7)	42,346	13,921
Statutory reserve	3,809	3,415
General reserve	1,028	2,071
Available-for-sale securities revaluation reserve	(639)	3,384
Retained earnings	9,222	19,315
<b>Total equity (page 4)</b>	<b>55,766</b>	<b>42,106</b>
<b>Total liabilities and equity</b>	<b>90,575</b>	<b>104,832</b>
<b>Contingent and memorandum accounts</b>		
Securities under management custody	1,579,835	1,464,413
Funds under management	188,374	229,848

Shaikh Mohammed Bin Isa Al Khalifa  
Chairman

Hussain Al Hussaini  
Vice Chairman of the Board  
and the Executive Committee

Anthony C. Mallis  
Chief Executive Officer

The Board of Directors approved the interim financial information consisting of pages 2 to 7 on 28 October 2008.

Securities and Investment Company BSC (c)

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
for the nine month period ended 30 September 2008

Bahraini Dinars '000

	<b>Nine months ended</b> (January-September)		<b>Three months ended</b> (July-September)	
	<b>2008</b> (Reviewed)	2007 (Reviewed)	<b>2008</b> (Reviewed)	2007 (Reviewed)
<b>Income</b>				
Interest income	947	1,098	362	439
Interest expense	(112)	(524)	(31)	(192)
<b>Net interest income</b>	<b>835</b>	<b>574</b>	<b>331</b>	<b>247</b>
Net fee and commission income	2,356	1,573	832	572
Net investment income	1,628	4,066	(1,609)	1,728
Brokerage and other income	2,638	1,832	283	480
<b>Total income</b>	<b>7,457</b>	<b>8,045</b>	<b>(163)</b>	<b>3,027</b>
<b>Expenses</b>				
Staff and related expenses	2,125	1,328	744	442
General, administration and other operating expenses	761	779	280	228
<b>Total expenses</b>	<b>2,886</b>	<b>2,107</b>	<b>1,024</b>	<b>670</b>
<b>Net profit/ (loss) for the period</b>	<b>4,571</b>	<b>5,938</b>	<b>(1,187)</b>	<b>2,357</b>
<b>Earnings per share (fils)</b>	<b>13</b>	<b>19</b>	<b>(3)</b>	<b>7</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the nine month period ended 30 September 2008

Bahraini Dinars '000

	Share capital	Statutory reserve	General reserve	Available-for-sale securities revaluation reserve	Retained earnings	Total equity
<b>2008</b>						
As at 1 January 2008	13,921	3,415	2,071	3,384	19,315	42,106
Available-for-sale securities						
Net changes in fair value	-	-	-	(2,168)	-	(2,168)
Net profit on disposal of AFS securities transferred to income statement	-	-	-	(1,855)	-	(1,855)
<b>Total recognised income and expense directly in equity</b>	-	-	-	<b>(4,023)</b>	-	<b>(4,023)</b>
Net profit for the period	-	-	-	-	4,571	4,571
<b>Total recognised income and expense for the period</b>	-	-	-	<b>(4,023)</b>	<b>4,571</b>	<b>548</b>
Dividends for 2007	-	-	-	-	(1,392)	(1,392)
Transfer to general reserve for 2007	-	-	1,191	-	(1,191)	-
Remuneration paid to directors for 2007	-	-	-	-	(200)	(200)
Bonus shares issued	14,115	-	(2,234)	-	(11,881)	-
Rights issue	14,116	-	-	-	-	14,116
Issue of shares to employees scheme	194	394	-	-	-	588
<b>Balance at 30 September 2008</b>	<b>42,346</b>	<b>3,809</b>	<b>1,028</b>	<b>(639)</b>	<b>9,222</b>	<b>55,766</b>
<b>2007</b>						
As at 1 January 2007	13,910	2,212	1,666	648	10,233	28,669
Retained earnings adjustment of subsidiary	-	-	-	-	10	10
Available-for-sale securities						
Net changes in fair value	-	-	-	2,276	-	2,276
Net profit on disposal of AFS securities transferred to income statement	-	-	-	(860)	-	(860)
<b>Total recognised income and expense directly in equity</b>	-	-	-	<b>1,416</b>	-	<b>1,416</b>
Net profit for the period	-	-	-	-	5,938	5,938
<b>Total recognised income and expense for the period</b>	-	-	-	<b>1,416</b>	<b>5,938</b>	<b>7,354</b>
Dividends for 2006	-	-	-	-	(1,113)	(1,113)
Transfer to general reserve for 2006	-	-	405	-	(405)	-
Remuneration paid to directors for 2006	-	-	-	-	(125)	(125)
Issue of shares to employees scheme	11	12	-	-	-	23
<b>Balance at 30 September 2007</b>	<b>13,921</b>	<b>2,224</b>	<b>2,071</b>	<b>2,064</b>	<b>14,538</b>	<b>34,818</b>

The interim financial information consists of pages 2 to 7.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the nine month period ended 30 September 2008**

Bahraini Dinars '000

	<b>30 September 2008</b> (Reviewed)	30 September 2007 (Reviewed)
<b>Operating activities</b>		
Net interest received	769	625
Sale of investments at fair value through profit or loss	83,090	27,622
Purchase of investments at fair value through profit or loss	(77,706)	(28,619)
Sale of available-for-sale investments	12,183	5,947
Purchase of available-for-sale investments	(10,869)	(4,183)
Net decrease in payables to customers	(32,531)	13,363
Deposit taken from customers	10,486	-
Subscription money for units in funds, yet to be allotted	(307)	-
Application of subscription money for allotment of units of own funds	(3,345)	-
Dividends received	754	688
Brokerage and other fees received	6,039	4,386
Payments for staff and related expenses	(2,521)	(1,264)
Payments for general and administrative expenses	(786)	(736)
Deposit with BSE Guarantee Contribution Fund	-	(450)
<b>Cash flows (utilised in)/ from operating activities</b>	<b>(14,744)</b>	17,379
<b>Investing activities</b>		
Net capital expenditure on furniture and equipment	(73)	(68)
<b>Cash flows utilised in investing activities</b>	<b>(73)</b>	(68)
<b>Financing activities</b>		
Proceeds from rights issue	14,163	-
Borrowings	565	2,623
Dividends paid to shareholders	(1,392)	(1,113)
Remuneration paid to Board of Directors	(200)	(125)
<b>Cash flow from financing activities</b>	<b>13,136</b>	1,385
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,681)</b>	18,696
Cash and cash equivalents at the beginning of the period	63,174	30,940
<b>Cash and cash equivalents at the end of the period</b>	<b>61,493</b>	49,636
Represented by:		
Cash and bank	14,650	15,832
Call deposits	4,657	759
Short-term placements with original maturities of 3 months or less	43,563	33,045
Bank overdraft	(1,377)	-
<b>Total cash and cash equivalents</b>	<b>61,493</b>	49,636

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