

Securities and Investment Company BSC (c)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2009**

Bahraini Dinars '000

	Note	2009	2008
<b>Assets</b>			
Cash and bank balances	6	47,848	78,013
Treasury bills	7	280	8,050
Investments at fair value through profit or loss	8	6,260	5,008
Available-for-sale investments	9	19,867	13,483
Held to maturity investments	10	4,740	-
Furniture and equipment	11	149	168
Fees receivable	12	660	1,130
Other assets	13	2,773	2,913
<b>Total assets</b>		<b>82,577</b>	<b>108,765</b>
<b>Liabilities and equity</b>			
Short-term bank borrowings	14	1,131	-
Payables to customers	15	20,332	35,908
Deposits from customers	16	5,314	20,926
Other liabilities	17	2,046	2,072
<b>Total liabilities</b>		<b>28,823</b>	<b>58,906</b>
<b>Equity</b>			
Share capital	18	42,420	42,346
Statutory reserve	19	4,153	3,832
General reserve	20	1,051	1,028
Available-for-sale investments fair value reserve		154	(576)
Retained earnings		5,976	3,229
<b>Total equity (page 7)</b>		<b>53,754</b>	<b>49,859</b>
<b>Total liabilities and equity</b>		<b>82,577</b>	<b>108,765</b>

Shaikh Mohammed Bin Isa Al Khalifa  
Chairman

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

Anthony C. Mallis  
Chief Executive Officer

Securities and Investment Company BSC (c)

**CONSOLIDATED INCOME STATEMENT**  
for the year ended 31 December 2009

Bahraini Dinars '000

	Note	2009	2008
Interest income	21	1,754	1,313
Interest expense	21	(23)	(165)
<b>Net interest income</b>		<b>1,731</b>	<b>1,148</b>
Net fee and commission income	22	2,357	2,845
Net investment income/ (loss)	23	795	(2,975)
Brokerage and other income	24	1,484	3,659
<b>Operating income</b>		<b>6,367</b>	<b>4,677</b>
Impairment provision on investments	9	-	(2,173)
Staff and related expenses	25	(2,464)	(2,886)
General, administrative and other operating expenses	26	(825)	(1,017)
<b>Profit / (loss) for the year</b>		<b>3,078</b>	<b>(1,399)</b>
<b>Basic earnings per share (fils)</b>	31	<b>7</b>	<b>(4)</b>

Shaikh Mohammed Bin Isa Al Khalifa  
Chairman

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

Anthony C. Mallis  
Chief Executive Officer

**Securities and Investment Company BSC (c)**

The consolidated financial statements consist of pages 4 to 40.

Securities and Investment Company BSC (c)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2009

Bahraini Dinars '000

	2009	2008
<b>Profit for the year</b>	<b>3,078</b>	(1,399)
<b>Other comprehensive income</b>		
Fair value reserve (available-for-sale investments)		
- Net change in fair value	1,029	(4,487)
- Impairment loss on AFS securities transferred to income statement	-	2,173
- Net amount transferred to income statement on disposal of securities	(299)	(1,646)
<b>Total other comprehensive income for the year</b>	<b>730</b>	(3,960)
<b>Total comprehensive income for the year</b>	<b>3,808</b>	(5,359)

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2009**

Bahraini Dinars '000

	Share capital	Statutory reserve	General reserve	Available-for-sale investments fair value reserve	Retained earnings	Total equity
<b>2009</b>						
As at 1 January 2009	42,346	3,832	1,028	(576)	3,229	49,859
<b><u>Total comprehensive income for the year</u></b>						
Profit for the year	-	-	-	-	3,078	3,078
Other comprehensive income:						
Available-for-sale investments	-	-	-	1,029	-	1,029
Net changes in fair value						
Impairment loss on AFS securities transferred to income statement	-	-	-	-	-	-
Net profit on disposal of AFS securities transferred to income statement	-	-	-	(299)	-	(299)
<b>Total comprehensive income for the year</b>	-	-	-	730	3,078	3,808
Dividends for 2008	-	-	-	-	-	-
Transfer to general reserve for 2008	-	-	23	-	(23)	-
Remuneration paid to directors for 2008	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-
Issue of shares to employees scheme	74	13	-	-	-	87
Transfer to statutory reserve for 2009	-	308	-	-	(308)	-
<b>Balance at 31 December 2009</b>	<b>42,420</b>	<b>4,153</b>	<b>1,051</b>	<b>154</b>	<b>5,976</b>	<b>53,754</b>
<b>2008</b>						
As at 1 January 2008	13,921	3,415	2,071	3,384	19,315	42,106
Total comprehensive income for the year	-	-	-	-	(1,399)	(1,399)
Loss for the year						
Other comprehensive income:						
Available-for-sale investments						
Net changes in fair value	-	-	-	(4,487)	-	(4,487)
Impairment loss on AFS securities transferred to income statement	-	-	-	2,173	-	2,173
Net profit on disposal of AFS securities transferred to income statement	-	-	-	(1,646)	-	(1,646)
Total comprehensive income for the year	-	-	-	(3,960)	(1,399)	(5,359)
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
Transfer to statutory reserve for 2008	-	23	-	-	(23)	-
<b>Balance at 31 December 2008</b>	<b>42,346</b>	<b>3,832</b>	<b>1,028</b>	<b>(576)</b>	<b>3,229</b>	<b>49,859</b>

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2009**

Bahraini Dinars '000

	Note	2009	2008
<b>Operating activities</b>			
Net interest received		1,552	1,039
Sale of investments at fair value through profit or loss		64,816	113,934
Purchase of investments at fair value through profit or loss		(65,808)	(103,964)
Sale of available-for-sale investments		20,404	12,183
Purchase of available-for-sale investments		(25,460)	(16,377)
Purchase of assets held to maturity		(4,625)	-
Net (decrease)/ increase in payables to customers		(15,576)	(17,706)
Net (decrease)/ increase in deposits taken from customers		(15,612)	20,926
Application of subscription money for allotment of units of own funds		-	(3,345)
Dividends received		235	793
Brokerage and other fees received		4,627	7,638
Payments for staff and related expenses		(2,799)	(3,187)
Payments for general and administrative expenses		(722)	(911)
Deposit with BSE Guarantee Contribution Fund		-	-
		<b>(38,968)</b>	<b>11,023</b>
<b>Investing activities</b>			
Net capital expenditure on furniture and equipment		(98)	(139)
		<b>(98)</b>	<b>(139)</b>
<b>Financing activities</b>			
Proceeds from rights issue		-	14,163
Proceeds /Repayment of short-term bank borrowings		1,131	(566)
Dividends paid		-	(1,392)
Remuneration paid to Directors		-	(200)
		<b>1,131</b>	<b>12,005</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(37,935)</b>	<b>22,889</b>
Cash and cash equivalents at the beginning of the year		86,063	63,174
<b>Cash and cash equivalents at the end of the year</b>		<b>48,128</b>	<b>86,063</b>
Cash and cash equivalents comprise:			
Cash and bank balances	6	47,848	78,013
Treasury bills	7	280	8,050

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48,128

86,063

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