



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2010 (UNAUDITED)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

	Reviewed 31 March 2010 US\$ '000	Audited 30 June 2009 US\$ '000
Assets		
Cash and short term funds	127,638	191,199
Receivables	1,105,370	1,562,482
Investments	2,466,109	2,562,891
Other assets	80,859	55,716
Total Assets	3,779,976	4,372,288
Liabilities, unrestricted investment accounts and equity		
Liabilities		
Due to financial and other institutions	1,139,747	1,338,937
Medium-term financing facility	1,092,705	1,091,120
Other liabilities	84,992	111,340
Total liabilities excluding unrestricted investment accounts	2,317,444	2,541,397
Unrestricted investment accounts	196,859	232,296
	2,514,303	2,773,693
Equity		
Share capital and premium	1,072,992	879,177
Reserves	187,867	534,209
Share subscription pending allotment	4,814	185,209
	1,265,673	1,598,595
Total liabilities, unrestricted investment accounts and equity	3,779,976	4,372,288

CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTHS ENDED 31 MARCH 2010

	Reviewed Three month period from 1 January to 31 March 2010 US\$ '000	Reviewed Three month period from 1 January to 31 March 2009 US\$ '000	Reviewed Nine month period from 1 July 2009 to 31 March 2010 US\$ '000	Reviewed Nine month period from 1 July 2008 to 31 March 2009 US\$ '000
Acquisition, placement and exit income	13,952	(6,076)	7,436	60,741
Management fees	9,786	22,697	57,877	69,587
Recurring and other income	16,933	94,672	68,953	134,483
Total Income	40,671	111,293	134,266	264,811
Arising from financial institutions	-	2,429	-	7,308
Relating to financial and other institutions	(19,828)	(26,253)	(65,715)	(70,489)
Relating to unrestricted investment accounts	(14,308)	(895)	(19,907)	(5,031)
Relating to medium term financing	(4,211)	(8,476)	(14,037)	(35,060)
Net funding cost	(38,347)	(33,195)	(99,659)	(103,272)
Net operating income/(loss)	2,324	78,098	34,607	161,539
Operating expenses				
Staff compensation and benefits	(21,064)	(21,255)	(59,870)	(52,496)
General and administration expenses	(12,496)	(12,092)	(38,998)	(42,262)
	(33,560)	(33,347)	(98,868)	(94,758)
Fair value changes	(35,748)	(141,060)	(141,447)	(122,877)
Net foreign exchange (loss) gain	(93,713)	22,667	(83,233)	25,195
Allowance for doubtful receivable	-	-	(62,471)	-
Net loss for the period	(160,697)	(73,642)	(351,412)	(30,901)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2010

	Reviewed Nine month period from 1 July 2009 to 31 March 2010 US\$ '000	Reviewed Nine month period from 1 July 2008 to 31 March 2009 US\$ '000
Operating activities		
Net loss for the period	(351,412)	(30,901)
Adjustments for non-cash items:		
Share-based compensation expense	5,070	5,772
Allowance for doubtful receivable	62,471	-
Changes in fair value of investments carried at fair value through statement of income	141,447	122,877
Operating income/(loss) before changes in operating assets and liabilities	(142,424)	97,748
Changes in operating assets and liabilities:		
Receivables	375,170	(336,722)
Investments	(44,665)	(68,404)
Due to financial and other institutions	(199,190)	(764,524)
Other assets	(25,143)	223,258
Other liabilities	(24,763)	(25,841)
Net cash used in operating activities	(61,015)	(874,485)
Financing activities		
Dividends paid	-	(90,190)
Share subscription received and issue of shares	32,891	82,700
Issue of shares	-	16,177
Movement in unrestricted investment accounts	(35,437)	(97,981)
Net cash used in financing activities	(2,546)	(89,294)
Net movement in cash and cash equivalents	(63,561)	(963,779)
Cash and cash equivalents at beginning of the period	191,199	1,304,559
Cash and cash equivalents at end of the period	127,638	340,780
Cash and cash equivalents comprise:		
Cash and balances with banks	19,761	340,780
Transitory funds	107,877	-
	127,638	340,780

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2010

	Share Capital & Premium				Total Reserves US\$ '000	Share Subscription pending allotment US\$ '000	Proposed dividend US\$ '000	Total equity US\$ '000
	Share capital US\$ '000	Share premium US\$ '000	Bank funded employee shares US\$ '000	Total share capital & premium US\$ '000				
Balance at 1 July 2009	282,243	765,155	(168,221)	879,177	534,209	185,209	-	1,598,595
Net loss for the period	-	-	-	-	(351,412)	-	-	(351,412)
Share subscription received	-	-	-	-	-	32,891	-	32,891
Issue of shares	28,438	184,848	-	213,286	-	(213,286)	-	-
Share-based compensation expense	-	-	-	-	5,070	-	-	5,070
Net movement in unallocated employee shares	-	-	(19,471)	(19,471)	-	-	-	(19,471)
Balance at 31 March 2010	310,681	950,003	(187,692)	1,072,992	187,867	4,814	-	1,265,673
Balance at 1 July 2008	225,474	416,047	(15,967)	625,554	614,063	100,000	90,190	1,429,807
Share subscription received	-	-	-	-	(30,901)	82,700	-	51,799
Issue of shares	56,769	349,108	-	405,877	-	(100,000)	-	305,877
Share-based compensation expense	-	-	-	-	5,772	-	-	5,772
Net movement in unallocated employee shares	-	-	(153,466)	(153,466)	-	-	-	(153,466)
Dividends paid	-	-	-	-	-	-	(90,190)	(90,190)
Balance at 31 March 2009	282,243	765,155	(169,433)	877,965	588,934	82,700	-	1,549,599

These statements are extracted from the reviewed Interim Condensed Consolidated Financial Statements of Arcapita Bank B.S.C.(c) as at 31 March 2010.