

# CONSOLIDATED FINANCIAL STATEMENTS 2008



## CONSOLIDATED BALANCE SHEET

as at 31 December 2008

USD' 000

	31 Dec 2008	31 Dec 2007
<b>ASSETS</b>		
Cash and balances with banks	1,093	170
Placements with financial institutions	31,718	69,823
Islamic financing receivables	5,720	6,084
Investment securities	116,068	69,376
Investments in associates and joint ventures	16,946	3,034
Assets held-for-sale	23,044	-
Investment property	8,442	9,380
Receivable from investment banking services	9,316	34,509
Other assets	26,077	26,503
Equipment	5,171	3,127
<b>Total assets</b>	<b>243,595</b>	<b>222,006</b>
<b>LIABILITIES</b>		
Islamic financing payables	288	8,674
Employee accruals	14,535	8,821
Other liabilities	3,572	1,896
<b>Total liabilities</b>	<b>18,395</b>	<b>19,391</b>
<b>EQUITY</b>		
Share capital	165,000	165,000
Share premium	13,533	13,533
Unvested shares of employee share ownership plan	(15,000)	(15,000)
Statutory reserve	9,314	4,552
Investments fair value reserve	(85)	180
Employee share ownership plan reserve	3,073	1,800
Retained earnings	49,352	31,887
<b>Total equity attributable to shareholders of the parent</b>	<b>225,187</b>	<b>201,952</b>
<b>Minority interest</b>	<b>13</b>	<b>663</b>
<b>Total equity</b>	<b>225,200</b>	<b>202,615</b>
<b>Total liabilities and equity</b>	<b>243,595</b>	<b>222,006</b>

### Off-balance sheet items

Restricted investment accounts	4,615	5,110
--------------------------------	-------	-------

Extracted from the audited financial statements for the year ended 31 December 2008 which were approved for issue by the Board on 4 February 2009 and on which KPMG have expressed an unqualified opinion.

Dr. Ghassan Al Sulaiman  
Chairman

Abdullatif M. Janahi  
Director and Chief Executive Officer

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2008

USD' 000

	2008	2007
Income from investment banking services	67,523	39,143
Income from placements with financial institutions	1,077	2,073
Income from Islamic financing	457	2,735
Income from investment securities	10,368	9,179
Income from sale of investment property	1,462	-
Income from investment in associates and joint ventures	365	900
Other income	795	368
<b>Total income</b>	<b>82,047</b>	<b>54,398</b>
Staff cost	20,481	15,245
Travel and business development expenses	2,306	2,432
Impairment allowances	6,563	1,708
Finance expense	28	459
Other expenses	4,420	2,218
<b>Total expenses</b>	<b>33,798</b>	<b>22,062</b>
<b>Profit for the year from continuing operations</b>	<b>48,249</b>	<b>32,336</b>
Loss on assets held-for-sale	(1,208)	-
<b>Profit for the year</b>	<b>47,041</b>	<b>32,336</b>
<b>Attributable to:</b>		
Shareholders of the parent	47,621	32,301
Minority interest	(580)	35
	<b>47,041</b>	<b>32,336</b>
<b>Earnings per share (US cents)</b>		
Basic	31.75	39.10
Diluted	30.60	37.78

	2008	2007
<b>TOTAL INCOME</b>	<b>82,047</b>	<b>54,398</b>
<b>NET INCOME</b>	<b>47,041</b>	<b>32,336</b>
<b>TOTAL ASSETS</b>	<b>243,595</b>	<b>222,006</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>225,200</b>	<b>202,615</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2008

USD' 000

	2008	2007
<b>OPERATING ACTIVITIES</b>		
Murabaha profits received	1,077	2,073
Dividends received	1,158	352
Other income received	795	229
Profits received from Islamic financing receivables	457	2,735
Islamic financing assets, net	(742)	1,956
Placement, management and advisory fees received	1,600	-
Investment banking fees received	92,892	8,324
Purchase of investment securities	(62,553)	(46,475)
Purchase of investment property	-	(93)
Acquisition of assets held-for-sale	(22,516)	-
Sale of investment securities	10,332	27,796
Advances to acquire investments	(13,446)	(8,943)
Directors remuneration paid	(1,310)	(835)
Payments for staff cost	(13,473)	(6,353)
Payments for other expenses	(5,573)	(4,207)
<b>Cash flows from operating activities</b>	<b>(11,302)</b>	<b>(23,441)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(2,845)	(3,121)
<b>Cash flows from investing activities</b>	<b>(2,845)</b>	<b>(3,121)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of additional ordinary shares	-	93,881
Minority interest	-	13
Islamic financing payables, net	(151)	392
Dividends paid	(22,575)	(4,875)
Zakat paid	(309)	-
<b>Cash flows from financing activities</b>	<b>(23,035)</b>	<b>89,411</b>
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS(37,182)</b>		<b>62,849</b>
Cash and cash equivalents at beginning of the year	69,993	7,144
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>32,811</b>	<b>69,993</b>
<b>CASH AND CASH EQUIVALENTS PER THE BALANCE SHEET</b>		
Cash and balances with banks	1,093	170
Placements with financial institutions	31,718	69,823
	<b>32,811</b>	<b>69,993</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2008

USD' 000

2008	Attributable to the shareholders of the parent									
	Share Capital	Share premium	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	Retained earnings	Total	Minority interest	Total
Balance at 1 January 2008	165,000	13,533	(15,000)	4,552	180	1,800	31,887	201,952	663	202,615
Fair value changes	-	-	-	-	(265)	-	-	(265)	-	(265)
Net expense recognised directly in equity	-	-	-	-	(265)	-	-	(265)	-	(265)
Profit for the year	-	-	-	-	-	-	47,621	47,621	(580)	47,041
<b>Total recognised income and expense</b>	-	-	-	-	(265)	-	47,621	47,356	(580)	46,776
Transfer to statutory reserve	-	-	-	4,762	-	-	(4,762)	-	-	-
Dividends declared (2007)	-	-	-	-	-	-	(23,775)	(23,775)	-	(23,775)
Directors remuneration (2007)	-	-	-	-	-	-	(1,310)	(1,310)	-	(1,310)
Employee share ownership plan vesting charge	-	-	-	-	-	1,273	-	1,273	-	1,273
Zakat contribution (2007)	-	-	-	-	-	-	(309)	(309)	-	(309)
Minority interest attributable to asset held-for-sale	-	-	-	-	-	-	-	-	3,858	3,858
Deconsolidation of minority on partial sale of stake in a subsidiary	-	-	-	-	-	-	-	-	(3,928)	(3,928)
<b>Balance at 31 December 2008</b>	<b>165,000</b>	<b>13,533</b>	<b>(15,000)</b>	<b>9,314</b>	<b>(85)</b>	<b>3,073</b>	<b>49,352</b>	<b>225,187</b>	<b>13</b>	<b>225,200</b>