

CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008



CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 September 2008

USD 000's

	30 Sep 2008 (reviewed)	31 Dec 2007 (audited)
ASSETS		
Cash and balances with banks	2,719	170
Placements with financial institutions	25,014	69,823
Islamic financing receivables	4,400	6,084
Investment securities	98,803	69,376
Investments in associates and joint ventures under equity method	2,541	3,034
Assets held-for-sale	33,512	-
Investment property	9,380	9,380
Receivables from investment banking services	26,330	34,509
Other assets	26,191	26,503
Property and equipment	4,334	3,127
Total assets	233,224	222,006
LIABILITIES		
Islamic financing payables	319	8,674
Liabilities directly associated with assets held-for-sale	358	-
Employee accruals	11,061	8,821
Other liabilities	1,977	1,896
Total liabilities	13,715	19,391
EQUITY		
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	4,552	4,552
Investments fair value reserve	(1,224)	180
Employee share ownership plan reserve	2,761	1,800
Retained earnings	45,620	31,887
Total equity attributable to shareholders of the Parent	215,242	201,952
Minority interest	4,267	663
Total equity	219,509	202,615
Total liabilities and equity	233,224	222,006
OFF BALANCE SHEET ITEM		
Restricted investment accounts	4,902	5,110

Extracted from the interim consolidated financial information reviewed by KPMG and approved by the Board of Directors on 21 October 2008.

Dr. Ghassan Al Sulaiman
Chairman

Abdul Latif M. Janahi
Director and Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT

for the nine months ended 30 September 2008

USD 000's

	Nine months ended		Three months ended	
	30 Sep 2008 (reviewed)	30 Sep 2007 (reviewed)	30 Sep 2008 (reviewed)	30 Sep 2007 (reviewed)
Continuing operations				
Income from investment banking services	56,455	1,294	14,170	936
Income from placements with financial institutions	946	1,022	250	804
Income from Islamic financing	457	2,875	457	9
Income/(Loss) from investment securities, net	1,956	4,837	(495)	304
Income from investment in associates and joint ventures under equity method	407	425	150	200
Other Income	205	230	201	71
Total income	60,426	10,683	14,733	2,324
Staff cost	14,978	4,246	5,144	1,574
Travel and business development expenses	1,483	1,198	505	391
Impairment losses on available-for-sale investments	1,351	575	342	-
Finance expense	21	341	7	118
Other operating expenses	3,191	1,309	817	314
Total expenses	21,024	7,669	6,815	2,397
Profit/(Loss) from continuing operations	39,402	3,014	7,918	(73)
Loss from assets held-for-sale	(528)	-	(396)	-
Profit/(Loss) for the period	38,874	3,014	7,522	(73)
Attributable to:				
Shareholders of the Parent	39,128	2,979	7,713	(73)
Minority interest	(254)	35	(191)	-
	38,874	3,014	7,522	(73)
Earnings per share (US cents)				
Basic	25.92	4.30	4.97	(0.11)
Diluted	24.32	4.30	4.53	(0.11)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the nine months ended 30 September 2008

USD 000's

	30 Sep 2008 (reviewed)	30 Sep 2007 (reviewed)
Cash flows from operating activities	(22,971)	(6,430)
Cash flows from investing activities	(1,738)	(2,175)
Cash flows from financing activities	(17,551)	81,136
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(42,260)	72,531
Cash and cash equivalents at beginning of the period	69,993	12,638
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	27,733	85,169
Cash and cash equivalents per the balance sheet		
Cash and balances with banks	2,719	2,538
Placements with financial institutions	25,014	82,631
	27,733	85,169

	30 Sep 2008	30 Sep 2007
TOTAL INCOME	60,426	10,683
NET INCOME	38,874	3,014
	30 Sep 2008	31 Dec 2007
TOTAL ASSETS	233,224	222,006
TOTAL SHAREHOLDERS' EQUITY	219,509	202,615

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine months ended 30 September 2008

USD 000's

30 September 2008 (reviewed)	Attributable to the shareholders of the Parent										Minority interest	Total
	Share Capital	Proposed increase in share capital	Share premium	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	Retained earnings	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 on available-for-sale investments	-	-	-	-	-	(1,404)	-	-	(1,404)	-	(1,404)	
Net expense recognised directly in equity	-	-	-	-	-	(1,404)	-	-	(1,404)	-	(1,404)	
Profit for the period	-	-	-	-	-	-	-	39,128	39,128	(254)	38,874	
Total recognised income and expense	-	-	-	-	-	(1,404)	-	39,128	37,724	(254)	37,470	
Dividends declared for 2007	-	-	-	-	-	-	-	(23,775)	(23,775)	-	(23,775)	
Directors remuneration declared for 2007	-	-	-	-	-	-	-	(1,310)	(1,310)	-	(1,310)	
Employee share ownership plan vesting charge	-	-	-	-	-	-	961	-	961	-	961	
Zakat contribution during the period	-	-	-	-	-	-	-	(310)	(310)	-	(310)	
Minority interest attributable to assets held-for-sale	-	-	-	-	-	-	-	-	-	3,398	3,398	
Contributions during the period	-	-	-	-	-	-	-	-	-	460	460	
Balance at 30 September 2008	165,000	-	13,533	(15,000)	4,552	(1,224)	2,761	45,620	215,242	4,267	219,509	
30 September 2007 (reviewed)												
Balance at 1 January 2007	66,000	-	-	-	1,322	-	-	11,901	79,223	614	79,837	
Profit for the period	-	-	-	-	-	-	-	2,979	2,979	35	3,014	
Total recognised income and expense	-	-	-	-	-	-	-	2,979	2,979	35	3,014	
Advances for proposed increase in share capital	-	85,626	-	-	-	-	-	-	85,626	-	85,626	
Dividends declared for 2006	-	-	-	-	-	-	-	(4,950)	(4,950)	-	(4,950)	
Bonus shares for 2006	3,300	-	-	-	-	-	-	(3,300)	-	-	-	
Directors remuneration declared for 2006	-	-	-	-	-	-	-	(835)	(835)	-	(835)	
Contributions during the period	-	-	-	-	-	-	-	-	-	13	13	
Balance at 30 September 2007	69,300	85,626	-	-	1,322	-	-	5,795	162,043	662	162,705	