

### Consolidated Balance Sheet

as at 31 December 2008 - US\$ 000's

	2008	2007
<b>ASSETS</b>		
Cash and bank balances	13,863	15,383
Placements with financial institutions	1,275,675	711,978
Financing assets	69,189	96,179
Assets held-for-sale	611,996	446,882
Investment in associates	451,024	288,047
Available-for-sale investments	406,892	246,346
Receivable from investment banking services	222,343	171,183
Other assets	434,065	269,069
<b>Total assets</b>	<b>3,485,047</b>	<b>2,245,067</b>
<b>LIABILITIES</b>		
Investors' funds	538,784	139,876
Placements from financial and other institutions	937,538	355,548
Financing liabilities	634,895	586,620
Liabilities directly associated with assets held-for-sale	317,186	167,019
Other liabilities	87,826	115,674
<b>Total liabilities</b>	<b>2,516,229</b>	<b>1,364,737</b>
Unrestricted investment accounts	1,945	826
<b>EQUITY</b>		
Share capital	262,813	238,921
Treasury shares	(17,364)	(8,926)
Share premium	180,382	180,382
Statutory reserve	106,700	83,529
Share grants reserve	23,508	-
Investments fair value reserve	1,132	2,799
Retained earnings	409,702	382,799
<b>Total equity</b>	<b>966,873</b>	<b>879,504</b>
<b>Total liabilities, unrestricted investment accounts and equity</b>	<b>3,485,047</b>	<b>2,245,067</b>
<b>Off-balance sheet items</b>		
Restricted investment accounts	74,222	77,038

### Consolidated Income Statement

for the year ended 31 December 2008 - US\$ 000's

	2008	2007
Income from investment banking services	453,191	400,180
Placement, arrangement and management fees	33,233	13,421
Income from placements with financial institutions	29,555	38,821
Income from financing assets	1,533	10,118
Income from investment in associates	94,968	21,883
Income from available-for-sale investments	1,830	12,683
Income from partial sale of a subsidiary	-	83,826
Other income / (losses), net	3,276	5,400
<b>Total income</b>	<b>617,586</b>	<b>586,332</b>
Staff costs	134,542	103,798
Investment advisory expenses	48,524	48,351
Allowance for impairment	39,712	15,362
Finance cost	63,507	56,482
Other expenses	39,416	19,081
<b>Total expenses</b>	<b>325,701</b>	<b>243,074</b>
<b>Profit for the year</b>	<b>291,885</b>	<b>343,258</b>
<b>Attributable to:</b>		
Shareholders of the parent Bank	291,885	340,063
Minority interest	-	3,195
	291,885	343,258
<b>Earnings per share (US cents)</b>		
Basic	<b>37.01</b>	<b>42.79</b>

The Directors approved the consolidated financial information on 28 January 2009.

**Esam Yousif A. Janahi**  
Chairman

**Hamad A. Aziz Al-Shaya**  
Vice Chairman

**Salah H. Rahimi**  
Deputy Chief Executive Officer

These statements have been extracted from the consolidated financial information for the year ended 31 December, 2008, which were audited by KPMG.

### Consolidated Statement of Changes in Equity

for the year ended 31 December 2008 - US\$ 000's

	Share Capital	Share premium	Treasury shares	Statutory reserve	Share grants reserve	Investments fair value reserve	Retained earnings	Total equity
<b>2008</b>								
Balance at 1 January 2008	238,921	180,382	(8,926)	83,529	-	2,799	382,799	879,504
Net fair value changes during the year	-	-	-	-	-	(1,667)	-	(1,667)
Net income recognised directly in equity	-	-	-	-	-	(1,667)	-	(1,667)
Profit for the year	-	-	-	-	-	-	291,885	291,885
<b>Total recognised income and expense</b>	-	-	-	-	-	<b>(1,667)</b>	<b>291,885</b>	<b>290,218</b>
Issue of bonus shares	23,892	-	-	-	-	-	(23,892)	-
Share grants vesting expense	-	-	-	-	23,508	-	-	23,508
Dividend declared for 2007	-	-	-	-	-	-	(203,083)	(203,083)
Charity contribution declared for 2007	-	-	-	-	-	-	(3,000)	(3,000)
Board remuneration declared for 2007	-	-	-	-	-	-	(5,000)	(5,000)
Zakah contribution declared for 2007	-	-	-	-	-	-	(281)	(281)
Profit on sale of treasury shares	-	-	-	(6,555)	-	-	-	(6,555)
Purchase of treasury shares	-	-	(24,300)	-	-	-	-	(24,300)
Sale of treasury shares	-	-	15,862	-	-	-	-	15,862
Transfer to statutory reserve	-	-	-	29,726	-	-	(29,726)	-
<b>Balance at 31 December 2008</b>	<b>262,813</b>	<b>180,382</b>	<b>(17,364)</b>	<b>106,700</b>	<b>23,508</b>	<b>1,132</b>	<b>409,702</b>	<b>966,873</b>

	Attributable to the shareholders of the parent										
	Share Capital	Advance towards share capital	Treasury Shares	Share premium	Subsidiary company share grants	Statutory reserve	Investments fair value reserve	Retained earnings	Total	Minority interest	Total equity
<b>2007</b>											
Balance at 1 January 2007	212,674	2,708	(14,127)	178,321	1,804	46,337	364	239,663	667,744	-	667,744
Net fair value changes during the year	-	-	-	-	-	-	2,406	-	2,406	-	2,406
Transfer to income statement on disposal of available-for-sale investments	-	-	-	-	-	-	29	-	29	-	29
Net income recognised directly in equity	-	-	-	-	-	-	2,435	-	2,435	-	2,435
Net profit for the year	-	-	-	-	-	-	-	340,063	340,063	3,195	343,258
Total recognised income and expense	-	-	-	-	-	-	-	2,435	340,063	3,195	345,693
Issue of bonus shares	25,600	-	-	-	-	-	-	(25,600)	-	-	-
Increase in share capital	647	(2,708)	-	2,061	-	-	-	-	-	-	-
Share grants vesting charge for the period	-	-	-	-	90	-	-	-	90	-	90
Dividend declared for 2006	-	-	-	-	-	-	-	(134,391)	(134,391)	-	(134,391)
Charity contribution declared for 2006	-	-	-	-	-	-	-	(1,598)	(1,598)	-	(1,598)
Board remuneration declared for 2006	-	-	-	-	-	-	-	(1,375)	(1,375)	-	(1,375)
Zakah contribution declared for 2006	-	-	-	-	-	-	-	(1,402)	(1,402)	-	(1,402)
Profit on sale of treasury shares	-	-	-	-	-	-	2,737	-	2,737	-	2,737
Purchase of treasury shares	-	-	(50,193)	-	-	-	-	-	(50,193)	-	(50,193)
Sale of treasury shares	-	-	55,394	-	-	-	-	-	55,394	-	55,394
Allocation of minority interest on partial sale of shares in a subsidiary during the period	-	-	-	-	-	-	-	-	-	192,011	192,011
De-recognition on sale of controlling stake in a subsidiary	-	-	-	-	(1,894)	(2,999)	-	4,893	-	(195,206)	(195,206)
Transfer to statutory reserve	-	-	-	-	-	37,454	-	(37,454)	-	-	-
<b>Balance at 31 December 2007</b>	<b>238,921</b>	<b>-</b>	<b>(8,926)</b>	<b>180,382</b>	<b>-</b>	<b>83,529</b>	<b>2,799</b>	<b>382,799</b>	<b>879,504</b>	<b>-</b>	<b>879,504</b>

### Consolidated Statement of Cash Flows

for the year ended 31 December 2008 - US\$ 000's

	2008	2007
<b>OPERATING ACTIVITIES</b>		
Proceeds from investment banking services	281,785	292,396
Placements from financial and other institutions, net	586,625	334,745
Cash receipts from 'water park' operations	5,980	-
Net increase in customers' current accounts	-	63,682
Islamic financing assets, net	11,504	(116,256)
Short term financing of projects	(91,368)	(98,202)
Investors' funds paid, net	391,416	(324,562)
Placement, arrangement and management fees received	31,430	9,484
Income from Islamic financing	519	-
Income from short-term placements	29,555	38,821
Finance expense	(63,700)	(56,483)
Payments for expenses	(255,188)	(160,217)
<b>Cash flows from operating activities</b>	<b>928,558</b>	<b>(16,592)</b>
<b>INVESTING ACTIVITIES</b>		
Net cash flows from partial sale of shares of a subsidiary	-	(30,204)
Net cash flow from available-for-sale investments	(62,307)	(41,063)
Purchase of investment in associates, net	(113,003)	(114,509)
Distributions received from associates	28,252	-
Acquisition of a subsidiary held-for-sale, net	(38,627)	(239,171)
Proceeds from sale of trading and investment property	-	34,207
Income from sukuk received	-	4,523
Acquisition of a subsidiary	(8,351)	(50,000)
Payment for purchase of equipment and capital work-in-progress	(11,939)	(11,661)
Dividends received and other income	6,139	5,326
<b>Cash flows from investing activities</b>	<b>(199,836)</b>	<b>(442,552)</b>
<b>FINANCING ACTIVITIES</b>		
Islamic financing liabilities, net	50,218	498,758
Net receipts from unrestricted investment accounts	1,119	82,946
Acquisition of treasury shares, net	(14,993)	14,106
Cash paid to charitable organisations	(1,313)	(1,857)
Board remuneration paid	(5,000)	(1,375)
Dividends paid	(196,576)	(130,075)
<b>Cash flows from financing activities</b>	<b>(166,545)</b>	<b>462,503</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>562,177</b>	<b>3,359</b>
Cash and cash equivalents at 1 January	727,361	724,002
<b>Cash and cash equivalents at 31 December</b>	<b>1,289,538</b>	<b>727,361</b>
Cash and balances with banks	13,863	15,383
Placements with financial institutions	1,275,675	711,978
	1,289,538	727,361

# US\$ 291M

## Net Profit for the year ended 31 December 2008

