

**CONSOLIDATED BALANCE SHEET**

30 June 2007 (Unaudited)

	30 June 2007 US\$ 000	Audited 31 December 2006 US\$ 000	30 June 2006 US\$ 000
<b>ASSETS</b>			
Demand and call deposits with banks	95,908	47,073	60,371
Time deposits with banks	644,103	459,294	314,328
Investments carried at fair value through statement of income	330,145	344,001	281,441
Non-trading investments	449,200	526,452	489,070
Loans and advances	241,630	308,280	230,696
Investment properties	17,655	17,649	14,536
Other assets	65,246	50,329	45,118
Investments in associated companies	632,041	579,910	487,926
Property and equipment	9,083	6,971	5,453
Goodwill	10,775	10,775	10,672
<b>TOTAL ASSETS</b>	<b>2,495,786</b>	<b>2,350,734</b>	<b>1,939,611</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	547,645	723,521	655,601
Deposits from customers	362,626	391,652	302,841
Loans and murabaha payable	580,617	366,399	325,654
Other liabilities	87,851	52,138	48,533
Bonds	124,421	124,173	124,166
Subordinated debt	100,000	100,000	-
<b>TOTAL LIABILITIES</b>	<b>1,803,160</b>	<b>1,757,883</b>	<b>1,456,795</b>
<b>EQUITY</b>			
Share capital	202,391	200,526	200,386
Share premium	2,820	1,136	1,256
Treasury shares	(341)	(341)	(341)
Statutory reserve	46,681	46,681	36,534
General reserve	27,166	27,166	17,019
Treasury shares reserve	13,551	13,551	-
Fair value reserve	49,101	71,234	29,338
Foreign currency translation reserve	15,472	13,624	12,523
Retained earnings	213,880	115,584	90,159
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>570,721</b>	<b>489,161</b>	<b>386,874</b>
<b>MINORITY INTERESTS</b>	<b>121,905</b>	<b>103,690</b>	<b>95,942</b>
<b>TOTAL EQUITY</b>	<b>692,626</b>	<b>592,851</b>	<b>482,816</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,495,786</b>	<b>2,350,734</b>	<b>1,939,611</b>

**CONSOLIDATED STATEMENT OF INCOME**

For the six month period ended 30 June 2007 (Unaudited)

	Three month period ended 30 June		Six month period 30 June	
	2007 US\$ 000	2006 US\$ 000	2007 US\$ 000	2006 US\$ 000
Investment income	61,161	13,001	161,590	28,756
Interest income	10,806	8,379	22,246	14,893
	71,967	21,380	183,836	43,649
Fees and commissions	14,319	18,681	39,182	32,874
Foreign exchange revaluation gains, net	1,155	856	2,057	1,370
Share of results of associated companies	22,605	15,387	60,485	28,679
<b>Total income</b>	<b>110,046</b>	<b>56,304</b>	<b>285,560</b>	<b>106,572</b>
Interest expense	(18,754)	(15,456)	(39,609)	(28,765)
<b>Operating income before expenses, provisions and minority interests</b>	<b>91,292</b>	<b>40,848</b>	<b>245,951</b>	<b>77,807</b>
Salaries and benefits	(14,909)	(8,049)	(26,509)	(13,701)
General and administrative expenses	(6,039)	(4,604)	(14,508)	(8,611)
<b>Operating income before provisions</b>	<b>70,344</b>	<b>28,195</b>	<b>204,934</b>	<b>55,495</b>
Provision for doubtful loans and guarantees	(6,448)	(407)	(8,019)	(396)
<b>INCOME FOR THE PERIOD</b>	<b>63,896</b>	<b>27,788</b>	<b>196,915</b>	<b>55,099</b>
Income attributable to minority interests	11,087	4,906	28,647	9,662
Income attributable to equity holders of the parent	52,809	22,882	168,268	45,437
Basic earnings per share (US cents)	6.52	2.86	20.90	5.77
Diluted earnings per share (US cents)	6.47	2.84	20.65	5.72

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six month period ended 30 June 2007 (Unaudited)

	Attributable to equity holders of the parent											
	Share capital US\$ 000	Share premium US\$ 000	Treasury shares US\$ 000	Statutory reserve US\$ 000	General reserve US\$ 000	Treasury shares reserve US\$ 000	Fair value reserve US\$ 000	Foreign currency translation reserve US\$ 000	Retained earnings US\$ 000	Total US\$ 000	Minority interest US\$ 000	Total equity US\$ 000
Balance at 1 January 2007	200,526	1,136	(341)	46,681	27,166	13,551	71,234	13,624	115,584	489,161	103,690	592,851
Net movement in cumulative changes in fair values	-	-	-	-	-	-	(22,133)	-	-	(22,133)	4,895	(17,238)
Foreign currency translation adjustment	-	-	-	-	-	-	-	1,848	-	1,848	-	1,848
Other movements in equity of subsidiaries and associated companies	-	-	-	-	-	-	-	-	(1,140)	(1,140)	-	(1,140)
Net income recognised directly in equity	-	-	-	-	-	-	(22,133)	1,848	(1,140)	(21,425)	4,895	(16,530)
Income for the period	-	-	-	-	-	-	-	-	168,268	168,268	28,647	196,915
Total recognized income and expense for the period	-	-	-	-	-	-	(22,133)	1,848	167,128	146,843	33,542	180,385
Transfers during the period	-	-	-	-	-	-	-	-	-	-	-	-
Other movements in minority interests	-	-	-	-	-	-	-	-	-	-	(2,018)	(2,018)
Sale of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Shares issued	1,865	1,684	-	-	-	-	-	-	927	3,549	-	3,549
Effect of employee share option plan under IFRS 2	-	-	-	-	-	-	-	-	927	927	-	927
Dividends	-	-	-	-	-	-	-	-	(69,759)	(69,759)	-	(69,759)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(13,309)	(13,309)
<b>Balance at 30 June 2007</b>	<b>202,391</b>	<b>2,820</b>	<b>(341)</b>	<b>46,681</b>	<b>27,166</b>	<b>13,551</b>	<b>49,101</b>	<b>15,472</b>	<b>213,880</b>	<b>570,721</b>	<b>121,905</b>	<b>692,626</b>
Balance at 1 January 2006	200,114	673	(12,052)	28,434	8,919	-	39,180	9,338	101,732	376,338	95,803	472,141
Net movement in cumulative changes in fair values	-	-	-	-	-	-	(9,842)	-	-	(9,842)	(4,164)	(14,006)
Directors remunerations paid	-	-	-	-	-	-	-	-	(420)	(420)	-	(420)
Donations paid to charities	-	-	-	-	-	-	-	-	(500)	(500)	-	(500)
Foreign currency translation adjustment	-	-	-	-	-	-	-	3,185	-	3,185	-	3,185
Other movements in equity of subsidiaries and associated companies	-	-	-	-	-	-	-	-	892	892	-	892
Net income recognised directly in equity	-	-	-	-	-	-	(9,842)	3,185	(28)	(6,685)	(4,164)	(10,849)
Income for the period	-	-	-	-	-	-	-	-	45,437	45,437	9,662	55,099
Total recognized income and expense for the period	-	-	-	-	-	-	(9,842)	3,185	45,409	38,752	5,498	44,250
Transfers during the period	-	-	-	8,100	8,100	-	-	-	(16,200)	-	-	-
Other movements in minority interests	-	-	-	-	-	-	-	-	-	-	4,620	4,620
Sale of treasury shares	-	-	11,711	-	-	-	-	-	12,271	23,982	-	23,982
Shares issued	272	583	-	-	-	-	-	-	855	855	-	855
Dividends	-	-	-	-	-	-	-	-	(53,053)	(53,053)	-	(53,053)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(9,979)	(9,979)
<b>Balance at 30 June 2006</b>	<b>200,386</b>	<b>1,256</b>	<b>(341)</b>	<b>36,534</b>	<b>17,019</b>	<b>-</b>	<b>29,338</b>	<b>12,523</b>	<b>90,159</b>	<b>386,874</b>	<b>95,942</b>	<b>482,816</b>

The above has been extracted from the interim condensed consolidated financial statements which have been reviewed by Ernst & Young. The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 22 July 2007 and signed on their behalf by:

Faisal Hamad Al-Ayyar  
Chairman

Masaud Jowhar Hayat  
Managing Director

William Khouri  
Chief Executive Officer

**Major Subsidiaries**

**Major Associates**
