



CONSOLIDATED BALANCE SHEET

30 September 2007 (Unaudited)

	30 September 2007 US\$ 000	Audited 31 December 2006 US\$ 000	30 September 2006 US\$ 000
ASSETS			
Demand and call deposits with banks	90,505	47,073	78,136
Time deposits with banks	470,274	459,294	414,147
Investments carried at fair value through statement of income	348,567	344,001	277,492
Non-trading investments	519,856	526,452	460,577
Loans and advances	244,351	308,280	215,648
Investment properties	17,704	14,649	14,657
Other assets	45,389	50,329	58,039
Investments in associated companies	738,176	579,910	501,413
Property and equipment	10,059	6,971	6,798
Goodwill	10,775	10,775	10,672
TOTAL ASSETS	2,495,656	2,350,734	2,037,579
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	520,839	723,521	753,065
Deposits from customers	404,289	391,652	255,397
Loans and murabaha payable	554,796	366,399	315,246
Other liabilities	93,236	52,138	73,587
Bonds	70,613	124,173	124,154
Subordinated debt	100,000	100,000	-
TOTAL LIABILITIES	1,743,773	1,757,883	1,521,449
EQUITY			
Share capital	203,713	200,526	200,444
Share premium	4,321	1,136	1,459
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	13,551
Fair value reserve	53,487	71,234	31,527
Foreign currency translation reserve	30,253	13,624	13,103
Retained earnings	240,675	115,584	101,680
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	619,506	489,161	414,976
MINORITY INTERESTS	132,377	103,690	101,154
TOTAL EQUITY	751,883	592,851	516,130
TOTAL LIABILITIES AND EQUITY	2,495,656	2,350,734	2,037,579

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 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	-	-	-	-	-	-	(17,747)	-	-	(17,747)	6,516	(11,231)
Foreign currency translation adjustment	-	-	-	-	-	-	16,629	-	16,629	16,629	-	16,629
Other movements in equity of subsidiaries and associated companies	-	-	-	-	-	-	-	(1,419)	(1,419)	(1,419)	-	(1,419)
Net income recognised directly in equity	-	-	-	-	-	-	(17,747)	16,629	(1,419)	(2,537)	6,516	3,979
Income for the period	-	-	-	-	-	-	-	-	195,043	195,043	38,321	233,364
Total recognised income and expense for the period	-	-	-	-	-	-	(17,747)	16,629	193,624	192,506	44,837	237,343
Other movements in minority interests	-	-	-	-	-	-	-	-	-	-	(2,299)	(2,299)
Shares issued	3,187	3,185	-	-	-	-	-	-	6,372	6,372	-	6,372
Effect of employee share option plan under IFRS 2	-	-	-	-	-	-	-	-	1,226	1,226	-	1,226
Dividends	-	-	-	-	-	-	-	-	(69,759)	(69,759)	-	(69,759)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(13,851)	(13,851)
Balance at 30 September 2007	203,713	4,321	(341)	46,681	27,166	13,551	53,487	30,253	240,675	619,506	132,377	751,883
Balance at 1 January 2006	200,114	673	(12,052)	36,534	17,019	1,280	39,180	9,338	84,252	376,338	95,803	472,141
Net movement in cumulative changes in fair values	-	-	-	-	-	-	(7,653)	-	-	(7,653)	(4,620)	(12,273)
Directors remunerations paid	-	-	-	-	-	-	-	-	(420)	(420)	-	(420)
Donations paid to charities	-	-	-	-	-	-	-	-	(500)	(500)	-	(500)
Foreign currency translation adjustment	-	-	-	-	-	-	3,765	-	3,765	3,765	-	3,765
Other movements in equity of subsidiaries and associated companies	-	-	-	-	-	-	-	-	278	278	-	278
Net income recognised directly in equity	-	-	-	-	-	-	(7,653)	3,765	(642)	(4,530)	(4,620)	(9,150)
Income for the period	-	-	-	-	-	-	-	-	71,123	71,123	15,760	86,883
Total recognised income and expense for the period	-	-	-	-	-	-	(7,653)	3,765	70,481	66,593	11,140	77,733
Other movements in minority interests	-	-	-	-	-	-	-	-	-	-	4,162	4,162
Sale of treasury shares	-	-	11,711	-	-	12,271	-	-	-	23,982	-	23,982
Shares issued	330	786	-	-	-	-	-	-	1,116	1,116	-	1,116
Dividends	-	-	-	-	-	-	-	-	(53,053)	(53,053)	-	(53,053)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(9,951)	(9,951)
Balance at 30 September 2006	200,444	1,459	(341)	36,534	17,019	13,551	31,527	13,103	101,680	414,976	101,154	516,130

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 23 October 2007 and signed on their behalf by:

Faisal Hamad Al-Ayyar
Chairman

Masaud Jowhar Hayat
Managing Director

William Khouri
Chief Executive Officer

CONSOLIDATED STATEMENT OF INCOME

For the nine month period ended 30 September 2007 (Unaudited)

	Three month period ended 30 September		Nine month period ended 30 September	
	2007 US\$ 000	2006 US\$ 000	2007 US\$ 000	2006 US\$ 000
Investment income	19,364	28,319	180,954	57,075
Interest income	12,451	10,131	34,697	25,024
	31,815	38,450	215,651	82,099
Fees and commissions	12,150	10,983	51,332	43,857
Foreign exchange revaluation gains, net	2,158	702	4,215	2,072
Share of results of associated companies	32,497	10,907	92,982	39,586
Total income	78,620	61,042	364,180	167,614
Interest expense	(20,655)	(18,208)	(60,264)	(46,973)
Operating income before expenses, provisions and minority interests	57,965	42,834	303,916	120,641
Salaries and benefits	(8,944)	(6,821)	(35,453)	(20,522)
General and administrative expenses	(7,701)	(4,501)	(22,209)	(13,112)
Operating income before provisions	41,320	31,512	246,254	87,007
(Provision) writeback for non-trading investments	(2,000)	148	(2,000)	148
(Provision) writeback for doubtful loans and guarantees	(2,871)	124	(10,890)	(272)
INCOME FOR THE PERIOD	36,449	31,784	233,364	86,883
Income attributable to minority interests	9,674	6,098	38,321	15,760
Income attributable to equity holders of the parent	26,775	25,686	195,043	71,123
Basic earnings per share (US cents)	3.30	3.24	24.15	9.01
Diluted earnings per share (US cents)	3.25	3.23	23.87	8.95

Major Subsidiaries



Major Associates

