

**Statement of Income**

Year ended 31 December 2007

	2007 US\$ '000	2006 US\$ '000
<b>INCOME</b>		
Investment banking fees	22,776	17,147
Exit income	-	4,300
Income on due from financial institutions	4,307	1,792
Unrealised loss on available for sale securities	(283)	-
(Loss)/gain on sale of investments, net	(14)	1,046
Gain on investment property	1,368	-
Gain on financial assets fair valued through statement of income	456	85
Gain on foreign exchange	2,162	148
Dividend income	326	39
Share of profit of associate	3,177	-
<b>TOTAL INCOME</b>	<b>34,275</b>	<b>24,557</b>
<b>EXPENSES</b>		
Corporate expenses	3,256	3,278
Underwriting fees	2,223	-
Deal acquisition expenses	2,031	2,702
Selling expenses	2,155	1,974
Expense on due to financial institutions	90	288
Asset management expenses	946	906
General and administration expenses	2,100	1,650
Depreciation	365	294
<b>TOTAL EXPENSES</b>	<b>13,166</b>	<b>11,092</b>
<b>NET INCOME FOR THE YEAR</b>	<b>21,109</b>	<b>13,465</b>

**Balance Sheet**

31 December 2007

	2007 US\$ '000	2006 US\$ '000
<b>ASSETS</b>		
Cash and balances with banks	3,668	9,250
Due from financial institutions	211,396	53,473
Investments	24,113	13,157
Investment property	-	3,284
Investment in associates	12,288	-
Other assets	4,789	14,596
Equipment	1,066	772
<b>TOTAL ASSETS</b>	<b>257,320</b>	<b>94,532</b>
<b>LIABILITIES AND EQUITY</b>		
Due to financial institutions	-	20,000
Other liabilities	40,926	13,117
<b>Total Liabilities</b>	<b>40,926</b>	<b>33,117</b>
<b>Equity</b>		
Share capital	109,996	43,000
Treasury shares	(113)	(113)
Share premium	71,867	-
Reserves	24,418	14,238
Proposed appropriations	10,226	4,290
<b>TOTAL EQUITY</b>	<b>216,394</b>	<b>61,415</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>257,320</b>	<b>94,532</b>

The audited financial statements were approved by the Board of Directors on 2 March 2008 and signed on their behalf by:

Saeed Abdul Jalil Al Fahim  
Chairman

Aabed Al-Zeera  
Chief Executive Officer

**Statement of Changes in Equity**

Year ended 31 December 2007

	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Reserves				Total reserves US\$ '000	Proposed appropriations US\$ '000	Total US\$ '000
				Statutory reserve US\$ '000	Cumulative changes in fair value reserve US\$ '000	Investment fair value reserve US\$ '000	Retained earnings US\$ '000			
<b>Balance at 1 January 2007</b>	43,000	(113)	-	2,125	703	304	11,106	14,238	4,290	61,415
Cumulative changes in fair value	-	-	-	-	(703)	-	-	(703)	-	(703)
Transfer to retained earnings on realisation	-	-	-	-	-	(304)	304	-	-	-
Transfer of fair value gain to reserve	-	-	-	-	-	67	(67)	-	-	-
<b>Income recognised directly in equity</b>	-	-	-	-	(703)	(237)	237	(703)	-	(703)
Net income for the year	-	-	-	-	-	-	21,109	21,109	-	21,109
<b>Total income and expenses for the year</b>	-	-	-	-	(703)	(237)	21,346	20,406	-	20,406
Transfer to liability	-	-	-	-	-	-	-	-	(4,290)	(4,290)
Transfer to statutory reserve	-	-	-	2,111	-	-	(2,111)	-	-	-
Proceeds from issue of share capital net of share issue expenses	66,996	-	71,867	-	-	-	-	-	-	138,863
Proposed appropriation	-	-	-	-	-	-	(10,226)	(10,226)	10,226	-
<b>Balance at 31 December 2007</b>	<b>109,996</b>	<b>(113)</b>	<b>71,867</b>	<b>4,236</b>	<b>-</b>	<b>67</b>	<b>20,115</b>	<b>24,418</b>	<b>10,226</b>	<b>216,394</b>
Balance at 1 January 2006	43,000	-	-	779	-	343	3,230	4,352	3,440	50,792
Cumulative changes in fair value	-	-	-	-	703	-	-	703	-	703
Transfer of fair value loss to reserve	-	-	-	-	-	(39)	39	-	-	-
Income recognised directly in equity	-	-	-	-	703	(39)	39	703	-	703
Net income for the year	-	-	-	-	-	-	13,465	13,465	-	13,465
<b>Total income and expenses for the year</b>	-	-	-	-	703	(39)	13,504	14,168	-	14,168
Transfer to liability	-	-	-	-	-	-	-	-	(3,432)	(3,432)
Dividend on treasury shares transferred to retained earnings	-	-	-	-	-	-	8	8	(8)	-
Transfer to statutory reserve	-	-	-	1,346	-	-	(1,346)	-	-	-
Purchase of treasury shares	-	(113)	-	-	-	-	-	-	-	(113)
Proposed appropriation	-	-	-	-	-	-	(4,290)	(4,290)	4,290	-
<b>Balance at 31 December 2006</b>	<b>43,000</b>	<b>(113)</b>	<b>-</b>	<b>2,125</b>	<b>703</b>	<b>304</b>	<b>11,106</b>	<b>14,238</b>	<b>4,290</b>	<b>61,415</b>

The above has been extracted from the audited Financial Statements on which Ernst & Young, Public Accountants, have expressed an unqualified audit opinion.

