

CONSOLIDATED BALANCE SHEET as at 31 December 2008
 Bahraini Dinars '000

	2008	2007
Assets		
Cash and bank balances	78,013	63,174
Treasury bills	8,050	-
Investments at fair value through profit or loss	5,008	20,392
Available-for-sale investments	13,483	13,776
Furniture and equipment	168	128
Fee receivable and other assets	4,043	7,362
Total assets	108,765	104,832
Liabilities		
Short-term borrowings	-	566
Payables to customers	35,908	53,661
Deposits from customers	20,926	-
Other liabilities	2,072	8,499
Total liabilities	58,906	62,726
Equity		
Share capital	42,346	13,921
Statutory reserve	3,832	3,415
Other reserves	452	5,455
Retained earnings	3,229	19,315
Total equity (page 7)	49,859	42,106
Total liabilities and equity	108,765	104,832

 Shaikh Mohammed Bin Isa Al Khalifa
 Chairman

 Hussain Al Hussaini
 Vice Chairman of the Board and
 the Executive Committee

 Anthony C. Mallis
 Chief Executive Officer

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2008

Bahraini Dinars '000

	2008	2007
Interest income	1,313	1,563
Interest expense	(165)	(659)
Net interest income	1,148	904
Net fee and commission income	3,095	6,586
Net investment (loss)/ income	(2,975)	5,944
Brokerage and other income	3,409	2,547
Operating income	4,677	15,981
Impairment provision on investments	(2,173)	-
Staff and related expenses	(2,886)	(3,157)
General, administration and other operating expenses	(1,017)	(918)
(Loss)/ profit for the year	(1,399)	11,906
Basic and diluted earnings per share (fils)	(4)	38

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2008**

Bahraini Dinars '000

	Share capital	Statutory reserve	General reserve	Available-for-sale securities revaluation reserve	Retained earnings	Total equity
2008						
As at 1 January 2008	13,921	3,415	2,071	3,384	19,315	42,106
Available-for-sale securities						
Net changes in fair value	-	-	-	(4,487)	-	(4,487)
Impairment loss on AFS securities transferred to income statement	-	-	-	2,173	-	2,173
Net profit on disposal of AFS securities transferred to income statement	-	-	-	(1,646)	-	(1,646)
Total recognised income and expense directly in equity	-	-	-	(3,960)	-	(3,960)
Loss for the year	-	-	-	-	(1,399)	(1,399)
Total recognised income and expense for the year	-	-	-	(3,960)	(1,399)	(5,359)
Dividends for 2007	-	-	-	-	(1,392)	(1,392)
Transfer to general reserve for 2007	-	-	1,191	-	(1,191)	-
Remuneration paid to directors for 2007	-	-	-	-	(200)	(200)
Bonus shares issued	14,115	-	(2,234)	-	(11,881)	-
Rights issue	14,116	-	-	-	-	14,116
Issue of shares to employees scheme	194	394	-	-	-	588
Transfer to statutory reserve for 2008	-	23	-	-	(23)	-
Balance at 31 December 2008	42,346	3,832	1,028	(576)	3,229	49,859
2007						
As at 1 January 2007	13,910	2,212	1,666	648	10,233	28,669
Retained earnings adjustment of subsidiary	-	-	-	-	10	10
Available-for-sale securities						
Net changes in fair value	-	-	-	3,688	-	3,688
Net profit on disposal of AFS securities transferred to income statement	-	-	-	(952)	-	(952)
Total recognised income and expense directly in equity	-	-	-	2,736	-	2,736
Profit for the year	-	-	-	-	11,906	11,906
Total recognised income and expense for the year	-	-	-	2,736	11,906	14,642
Dividends for 2006	-	-	-	-	(1,113)	(1,113)
Transfer to general reserve for 2006	-	-	405	-	(405)	-
Remuneration paid to directors for 2006	-	-	-	-	(125)	(125)
Issue of shares to employees scheme	11	12	-	-	-	23
Transfer to statutory reserve for 2007	-	1,191	-	-	(1,191)	-
Balance at 31 December 2007	13,921	3,415	2,071	3,384	19,315	42,106

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2008

Bahraini Dinars '000

	2008	2007
Operating activities		
Net interest received	1,039	960
Sale of investments at fair value through profit or loss	113,934	33,823
Purchase of investments at fair value through profit or loss	(103,964)	(37,905)
Sale of available-for-sale investments	12,183	6,099
Purchase of available-for-sale investments	(16,377)	(4,818)
Net (decrease)/ increase in payables to customers	(17,706)	31,392
Deposit taken from customers	20,926	-
Subscription money received for units of own funds not yet allotted	-	3,345
Application of subscription money for allotment of units of own funds	(3,345)	-
Dividends received	793	693
Brokerage and other fees received	7,638	4,274
Payments for staff and related expenses	(3,187)	(1,991)
Payments for general and administrative expenses	(911)	(744)
Deposit with BSE Guarantee Contribution Fund	-	(450)
	11,023	34,678
Cash flows from operating activities		
Investing activities		
Net capital expenditure on furniture and equipment	(139)	(79)
	(139)	(79)
Cash flows utilised in investing activities		
Financing activities		
Proceeds from rights issue	14,163	-
Repayment of short-term borrowings	(566)	(1,127)
Dividends paid to shareholders	(1,392)	(1,113)
Remuneration paid to Board of Directors	(200)	(125)
	12,005	(2,365)
Cash flow from/ (utilised in) financing activities		
Net increase in cash and cash equivalents	22,889	32,234
Cash and cash equivalents at the beginning of the year	63,174	30,940
Cash and cash equivalents at the end of the year	86,063	63,174