

# FINANCIAL RESULTS FOR SECOND QUARTER 2008



Khaleeji  
Commercial Bank

## CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 June 2008

BD 000's

	30 June 2008 (reviewed)	31 December 2007 (audited)
<b>ASSETS</b>		
Cash and bank balances	32,639	6,169
Placements with financial institutions	187,904	79,065
Investment in properties	-	621
Islamic financing assets	117,613	75,462
Available-for-sale investments	54,592	38,227
Assets acquired for leasing	21,277	12,986
Investment in associates	6,385	6,683
Held-to-maturity investments	30,726	32,812
Other assets	29,888	16,107
Equipment	1,940	1,379
<b>Total assets</b>	<b>482,964</b>	<b>269,511</b>
<b>LIABILITIES</b>		
Investors' funds	81,378	11,953
Placements from financial and other institutions	30,659	41,561
Customers' current accounts	72,603	10,724
Other liabilities	9,386	6,183
<b>Total liabilities</b>	<b>194,026</b>	<b>70,421</b>
<b>Unrestricted investment accounts</b>	<b>152,440</b>	<b>64,100</b>
<b>EQUITY</b>		
Share capital	100,000	100,000
Share premium	206	-
Statutory reserve	3,258	3,258
Treasury shares	(4,062)	-
Unvested employee incentive scheme shares	(3,107)	-
Share grant reserve	330	2,630
Retained earnings	39,873	29,102
<b>Total equity</b>	<b>136,498</b>	<b>134,990</b>
<b>Total liabilities, unrestricted investment accounts and equity</b>	<b>482,964</b>	<b>269,511</b>
<b>Off-balance sheet items</b>		
Restricted investment accounts	47,806	42,965

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2008

BD 000's

30 June 2008 (reviewed)	Share Capital	Share Premium	Statutory Reserve	Treasury Shares	Unvested Employee Incentive Scheme Shares	Share Grants Reserve	Retained Earnings	Total
Balance at 1 January 2008	100,000	-	3,258	-	-	2,630	29,102	134,990
Profit for the period	-	-	-	-	-	-	26,181	26,181
<b>Recognised income and expense for the period</b>	-	-	-	-	-	-	26,181	26,181
Treasury shares acquired	-	-	-	(6,691)	-	-	-	(6,691)
Treasury shares sold	-	-	-	2,629	-	-	-	2,629
Treasury shares acquired for employee incentive scheme	-	-	-	-	(3,648)	-	-	(3,648)
Reserve utilised towards acquisition of shares for employee incentive scheme	-	-	-	-	-	(2,106)	-	(2,106)
Vesting charge for the period	-	-	-	-	-	12	-	12
Shares vested as per employee incentive scheme	-	206	-	-	541	(206)	-	541
Transfer to charity fund (2007)	-	-	-	-	-	-	(250)	(250)
Directors fees (2007)	-	-	-	-	-	-	(160)	(160)
Dividend declared for 2007	-	-	-	-	-	-	(15,000)	(15,000)
<b>Balance at 30 June 2008</b>	<b>100,000</b>	<b>206</b>	<b>3,258</b>	<b>(4,062)</b>	<b>(3,107)</b>	<b>330</b>	<b>39,873</b>	<b>136,498</b>

30 June 2007 (reviewed)	Share Capital	Share Premium	Statutory Reserve	Treasury Shares	Unvested Employee Incentive Scheme Shares	Share Grants Reserve	Retained Earnings	Total
Balance at 1 January 2007	30,154	-	1,174	-	-	680	10,565	42,573
Profit for the period	-	-	-	-	-	-	8,074	8,074
<b>Recognised income and expense for the period</b>	-	-	-	-	-	-	8,074	8,074
Shares issued during the period	69,846	-	-	-	-	-	-	69,846
Vesting charge for the period	-	-	-	-	-	11	-	11
Transfer to charity fund (2006)	-	-	-	-	-	-	(150)	(150)
Directors fees (2006)	-	-	-	-	-	-	(65)	(65)
<b>Balance at 30 June 2007</b>	<b>100,000</b>	<b>-</b>	<b>1,174</b>	<b>-</b>	<b>-</b>	<b>691</b>	<b>18,424</b>	<b>120,289</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2008

BD 000's

	Six months ended		Three months ended	
	30 June 2008 (reviewed)	30 June 2007 (reviewed)	30 June 2008 (reviewed)	30 June 2007 (reviewed)
Income from investment banking services	25,825	4,396	12,253	181
Placement, management and arrangement fees	1,062	292	800	58
Income from placements with financial institutions	1,668	1,390	807	994
Income from Islamic financing assets and assets acquired for leasing	4,693	1,067	2,714	726
Income from available-for-sale investments	2,690	3,340	2,556	3,247
Income from held-to-maturity investments	999	582	475	305
Share of profit from associate companies	763	-	763	-
Other income	241	-	185	-
<b>Total income before return on unrestricted investment accounts</b>	<b>37,941</b>	<b>11,067</b>	<b>20,553</b>	<b>5,511</b>
Less: Return on unrestricted investment accounts	(2,695)	(740)	(1,649)	(384)
<b>Total income</b>	<b>35,246</b>	<b>10,327</b>	<b>18,904</b>	<b>5,127</b>
Staff cost	5,021	745	3,847	441
Financing expense	1,056	626	556	264
Impairment allowances	1,472	-	-	-
Investments related expenses	321	215	151	28
Other expenses	1,195	667	757	336
<b>Total expenses</b>	<b>9,065</b>	<b>2,253</b>	<b>5,311</b>	<b>1,069</b>
<b>PROFIT FOR THE PERIOD</b>	<b>26,181</b>	<b>8,074</b>	<b>13,593</b>	<b>4,058</b>
Basic earnings per share (fils)	26.39	26.78	13.81	13.46
Diluted earnings per share (fils)	25.82	26.34	13.45	13.24

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

for the six months ended 30 June 2008

BD 000's

	30 June 2008 (reviewed)	30 June 2007 (reviewed)
Cash flows from operating activities	178,096	541
Cash flows from investing activities	(9,883)	(4,759)
Cash flows from financing activities	(32,904)	45,369
<b>Increase in cash and cash equivalents</b>	<b>135,309</b>	<b>41,151</b>
Cash and cash equivalents at beginning of the period	85,234	36,122
<b>Cash and cash equivalents at the end of the period</b>	<b>220,543</b>	<b>77,273</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and balances with banks	32,639	5,329
Placements with financial institutions	187,904	71,944
	220,543	77,273

The financial statements were approved by the Board of directors on 23 July 2008.

Dr. Fuad Abdulla Al-Omar  
Chairman

Esam Yousif A. Janahi  
Vice Chairman

Ebrahim Hussain Ebrahim  
Chief Executive Officer and Board member

These statements have been extracted from the condensed interim financial information for the six months ended June 2008, which were reviewed by KPMG.

