



TAIB Bank B.S.C.(c)

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Consolidated income statement

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Year ended 31 December	
	2008 (Audited)	2007 (Audited)
Interest and similar income	10,374	12,201
Interest expense	(5,847)	(7,820)
	4,527	4,381
Fees and commission income	18,534	12,805
Net trading (loss)/income	(20,255)	9,556
(Loss)/ gain on disposal of available-for-sale financial assets	(160)	5,621
Changes in fair value of investment property	(5,458)	6,984
Foreign exchange income	501	1,653
Finance income	4,182	-
Other operating income	5,061	3,693
Total operating income	6,932	44,693
Staff costs	(23,904)	(13,344)
Other operating costs	(13,992)	(10,351)
Finance cost	-	(1,687)
Provisions for impairment of loans, investments and other assets	(35,530)	(4,025)
Share of profit from an associate	2,024	-
(Loss)/profit before taxation	(64,470)	15,286
Overseas income tax	(836)	(68)
(Loss)/profit for the period	(65,306)	15,218
Attributable to:		
Equity holders of the Bank	(64,463)	15,082
Minority interest	(843)	136
	(65,306)	15,218
Earnings per share for (loss)/profit attributable to the equity holders of the Bank during the period (expressed in United States Dollars per share – Basic and diluted)	\$ (0.606)	\$ 0.154

Consolidated balance sheet

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	As at	
	31 December 2008 (Audited)	31 December 2007 (Audited)
ASSETS		
Cash and balances with central banks	32,448	71,133
Placements with banks	132,833	142,958
Financial assets at fair value through profit or loss	6,592	39,506
Loans and advances	28,413	25,808
Available-for-sale financial assets	92,350	98,006
Investment in associate	16,024	9,000
Investment property	29,026	55,587
Property and equipment	22,507	21,193
Intangible assets	1,551	-
Goodwill	3,645	-
Other assets	5,098	10,443
Total assets	370,487	473,634
LIABILITIES		
Deposits from banks	51,930	88,652
Deposits from customers	155,743	135,879
Other liabilities	18,779	28,160
Long-term debt	7,616	6,894
	234,068	259,585
Minority Interest - Funds	3,372	8,240
Total liabilities	237,440	267,825
EQUITY		
Capital and reserves attributable to equity holders of the Bank		
Share capital	112,362	107,012
Less: Treasury shares	(4,530)	(2,600)
Reserves	24,241	99,460
	132,073	203,872
Minority interest	974	1,937
Total equity	133,047	205,809
Total equity and liabilities	370,487	473,634

Consolidated cash flow statement

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Year ended 31 December	
	2008	2007
Cash flows from operating activities:		
(Loss)/ income for the year before taxation and minority interest	(64,470)	15,286
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Unrealized gain on financial assets at fair value through profit or loss	1,319	(1,269)
Changes in fair value of derivative financial instruments	(9)	92
Changes in fair value of investment properties	5,458	(6,984)
Provision for impairment	35,530	4,025
Share of profit from associate	(2,024)	-
Depreciation	1,566	994
Cash flows from operating profits before changes in operating assets and liabilities	(22,630)	12,144
Movements in operating assets and liabilities:		
Financial assets at fair value through profit or loss	31,595	(2,583)
Loans and advances	(6,240)	446
Other assets	1,996	(7,883)
Deposits from banks	(36,722)	10,448
Deposits from customers	19,864	(16,837)
Other liabilities	(15,204)	334
Securities sold under agreements to repurchase	-	(2,904)
Currency translation and other adjustment	(1,720)	2,827
Net cash (used in)/provided by operating activities	(29,061)	(4,008)
Cash flows from investing activities:		
Net movement in available-for-sale financial assets	(25,251)	(37,730)
Acquisition of subsidiary	(2,490)	(6,556)
Net investment in associate	(5,000)	-
Net movement in Investment property	21,103	-
Net acquisition of property and equipment	(2,211)	(1,755)
Net cash (used in)/provided by investing activities	(13,849)	(46,041)
Cash flows from financing activities:		
Dividend paid	-	(283)
Net movement in treasury shares	(6,622)	7,724
Net movement in long term debt	722	(223)
Net cash provided by financing activities	(5,900)	7,218
Net (decrease)/increase in cash and cash equivalents	(48,810)	(42,831)
Cash and cash equivalents from acquisition of subsidiary	-	12,456
Cash and cash equivalents at beginning of the year	214,091	244,466
Cash and cash equivalents at end of the year	165,281	214,091

Consolidated statement of changes in equity for the year ended 31 December 2008

(All amounts expressed in thousands of United States Dollars unless otherwise stated)

	Attributable to equity holders of the Bank										Minority interest	Total
	Share capital	Treasury shares	Share premium	Capital reserve	Statutory reserve	Revaluation reserve	General reserve	Fair value reserve	Retained earnings	Total		
At 1 January 2008 as adjusted	107,012	(2,600)	5,151	476	22,479	9,561	6,706	1,786	53,301	99,460	1,937	205,809
Movement in the fair value of available-for-sale financial assets	-	-	-	-	-	-	-	(8,229)	-	(8,229)	-	(8,229)
Fair value loss transferred from equity to the income statement	-	-	-	-	-	-	-	5,789	-	5,789	-	5,789
Revaluation of property and equipment	-	-	-	-	-	417	-	-	-	417	-	417
Currency translation adjustment	-	-	-	-	(7)	(11)	(100)	-	(1,552)	(1,670)	(50)	(1,720)
Net gains/ (losses) recognised directly in equity	-	-	-	-	(7)	406	(100)	(2,440)	(1,552)	(3,693)	(50)	(3,743)
Loss for the year ended 31 December 2008	-	-	-	-	-	-	-	-	(64,463)	(64,463)	(843)	(65,306)
Total recognised loss for the year ended 31 December 2008	-	-	-	-	(7)	406	(100)	(2,440)	(66,015)	(68,156)	(893)	(69,049)
Bonus shares for 2007 approved on 30 March 2008	5,350	-	-	-	-	-	-	-	(5,350)	(5,350)	-	-
Movement in treasury shares	-	(1,930)	(1,954)	-	37	-	280	-	(76)	(1,713)	-	(3,643)
Movement in minority interest	-	-	-	-	-	-	-	-	-	-	(70)	(70)
At 31 December 2008	112,362	(4,530)	3,197	476	22,509	9,967	6,886	(654)	(18,140)	24,241	974	133,047

These consolidated financial statements have been approved for issue by the Board of Directors and signed on its behalf on 15 February 2009 by:

Soud Ahmed Abdulrahman Ba'alawy
Chairman

Iqbal G. Mamdani
Vice Chairman

The above position and results are extracted from the consolidated financial statements for the year ended 31 December 2008, which were audited by PricewaterhouseCoopers – Bahrain.