

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2009



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2009 USD 000's

| | 31 March 2009 (reviewed) | 31 December 2008 (audited) |
|--|-----------------------------|-------------------------------|
| ASSETS | | |
| Cash and balances with banks | 1,209 | 1,093 |
| Placements with financial institutions | 22,944 | 31,718 |
| Investment securities | 113,470 | 116,068 |
| Investment in associates and joint ventures | 17,421 | 17,147 |
| Assets held-for-sale | 22,843 | 22,843 |
| Investment property | 9,130 | 8,442 |
| Receivable from investment banking services | 5,818 | 9,316 |
| Short term financing to project companies | 12,249 | 9,192 |
| Other assets | 20,449 | 22,605 |
| Equipment | 4,947 | 5,171 |
| Total assets | 230,480 | 243,595 |
| LIABILITIES | | |
| Islamic financing payables | 258 | 288 |
| Employee accruals | 3,611 | 14,535 |
| Dividend payable | 16,500 | - |
| Other liabilities | 4,968 | 3,572 |
| Total liabilities | 25,337 | 18,395 |
| EQUITY | | |
| Share capital | 173,250 | 165,000 |
| Share premium | 13,533 | 13,533 |
| Unvested shares of employee share ownership plan | (15,000) | (15,000) |
| Statutory reserve | 9,314 | 9,314 |
| Investments fair value reserve | 80 | (85) |
| Employee share ownership plan reserve | 3,439 | 3,073 |
| Retained earnings | 20,514 | 49,352 |
| Total equity attributable to shareholders of parent | 205,130 | 225,187 |
| Non-controlling Interest | 13 | 13 |
| Total equity | 205,143 | 225,200 |
| Total liabilities and equity | 230,480 | 243,595 |
| Off balance sheet items | | |
| Restricted investment account | 4,467 | 4,615 |

Extracted from the interim consolidated financial information reviewed by KPMG and approved by the Board of Directors on 29 April 2009.

Dr. Ghassan Al Saleiman
Chairman

Abdul Latif M. Jenahi
Director and Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2009 USD 000's

| | Three months ended | |
|--|-----------------------------|-----------------------------|
| | 31 March 2009 (reviewed) | 31 March 2008 (reviewed) |
| Income from investment banking services | 1,525 | 18,535 |
| Income from placements with financial institutions | 77 | 443 |
| Income / (Loss) from investment securities | 626 | (22) |
| (Loss) / Income from investment in associates and joint ventures | (86) | 100 |
| Other income | 242 | 4 |
| Total income | 2,384 | 19,060 |
| Staff costs | 2,763 | 3,310 |
| Travel and business development expenses | 342 | 453 |
| Impairment allowances | 941 | 337 |
| Finance expense | 7 | 7 |
| Other expenses | 885 | 1,108 |
| Total expenses | 4,938 | 5,215 |
| (Loss) / Profit for the period | (2,554) | 13,845 |
| Attributable to: | | |
| Shareholders of the parent | (2,554) | 13,182 |
| Non-controlling Interests | - | 663 |
| | (2,554) | 13,845 |
| (Loss) / Earnings per share (US cents) | | |
| Basic | (1.64) | 8.37 |
| Diluted | (1.64) | 8.20 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2009 USD 000's

| | Three months ended | |
|--|-----------------------------|-----------------------------|
| | 31 March 2009 (reviewed) | 31 March 2008 (reviewed) |
| (Loss) / Profit for the period | (2,554) | 13,845 |
| Other comprehensive income | | |
| Changes in available-for-sale investments fair value reserve | 165 | 259 |
| Total comprehensive (loss) / profit for the period | (2,389) | 14,104 |
| Attributable to: | | |
| Shareholders of the parent | (2,389) | 13,441 |
| Non-controlling Interest | - | 663 |
| Total comprehensive (loss) / profit for the period | (2,389) | 14,104 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the three months ended 31 March 2009 USD 000's

| | 31 March 2009 (reviewed) | 31 March 2008 (reviewed) |
|--|-----------------------------|-----------------------------|
| OPERATING ACTIVITIES | | |
| Murabaha profits received | 77 | 443 |
| Dividends received | 70 | 235 |
| Other income received | 242 | 727 |
| Placement, management and advisory fees received | 678 | 651 |
| Investment banking fees received | 4,705 | 31,794 |
| Project costs recovered | 2,891 | 5,087 |
| Purchase of investment securities | (10) | (11,714) |
| Payments for investment properties | (688) | - |
| Sale of investment securities | 1,804 | 387 |
| Advances to acquire investments | (460) | (12,687) |
| Directors remuneration paid | - | (1,310) |
| Payments for staff cost | (13,322) | (9,602) |
| Payments for other expenses | (1,053) | (2,887) |
| Cash flows from operating activities | (5,066) | 1,124 |
| INVESTING ACTIVITIES | | |
| Purchase of equipment | (88) | (1,182) |
| Cash flows from investing activities | (88) | (1,182) |
| FINANCING ACTIVITIES | | |
| Short-term financing to project companies | (3,466) | (593) |
| Islamic financing payables, net | (38) | (38) |
| Dividends paid | - | (22,530) |
| Cash flows from financing activities | (3,504) | (23,161) |
| DECREASE IN CASH AND CASH EQUIVALENTS | | |
| | (8,658) | (23,219) |
| Cash and cash equivalents at beginning of the period | 32,811 | 69,993 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 24,153 | 46,774 |
| Cash and cash equivalents per statement of financial position | | |
| Cash and balances with banks | 1,209 | 10,794 |
| Placements with financial institutions | 22,944 | 35,980 |
| | 24,153 | 46,774 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2009

USD 000's

| 31 March 2009 | Attributable to the shareholders of the bank | | | | | | | | | |
|--|--|---------------|----------------------|-------------------|--------------------------------|--------------|-------------------|----------|---------------------------|----------|
| | Share capital | Share premium | Unvested ESOP shares | Statutory reserve | Investments fair value reserve | ESOP reserve | Retained earnings | Total | Non-controlling Interests | Total |
| Balance at 1 January 2009 | 165,000 | 13,533 | (15,000) | 9,314 | (85) | 3,073 | 49,352 | 225,187 | 13 | 225,200 |
| Total comprehensive income | - | - | - | - | 165 | - | (2,554) | (2,389) | - | (2,389) |
| Dividends declared (2008) | - | - | - | - | - | - | (16,500) | (16,500) | - | (16,500) |
| Directors remuneration (2008) | - | - | - | - | - | - | (1,534) | (1,534) | - | (1,534) |
| Bonus shares issued (2008) | 8,250 | - | - | - | - | - | (8,250) | - | - | - |
| Employee share ownership plan vesting charge | - | - | - | - | - | 366 | - | 366 | - | 366 |
| Balance at 31 March 2009 | 173,250 | 13,533 | (15,000) | 9,314 | 80 | 3,439 | 20,514 | 205,130 | 13 | 205,143 |