

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2009



CONDENSED CONSOLIDATED BALANCE SHEET

as at 30 June 2009 USD 000's

| | 30 June 2009 (reviewed) | 31 December 2008 (audited) |
|--|----------------------------|-------------------------------|
| ASSETS | | |
| Cash and balances with banks | 1,418 | 1,093 |
| Placements with financial institutions | 24,690 | 31,718 |
| Investment securities | 117,212 | 116,068 |
| Investment in associates and joint ventures | 16,907 | 17,147 |
| Assets held-for-sale | 22,843 | 22,843 |
| Investment property | 9,130 | 8,442 |
| Receivable from investment banking services | 6,590 | 9,316 |
| Short-term financing to project companies | 17,903 | 9,544 |
| Other assets | 29,483 | 22,253 |
| Equipment | 4,502 | 5,171 |
| Total assets | 250,678 | 243,595 |
| LIABILITIES | | |
| Islamic financing | 227 | 288 |
| Employee accruals | 5,033 | 14,535 |
| Dividend payable | 9,863 | - |
| Other liabilities | 2,281 | 3,572 |
| Total liabilities | 17,404 | 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) |
| Funds received towards capital increase in progress | 17,082 | - |
| Statutory reserve | 9,314 | 9,314 |
| Investments fair value reserve | 926 | (85) |
| Employee share ownership plan reserve | 3,708 | 3,073 |
| Retained earnings | 30,454 | 49,352 |
| Total equity attributable to shareholders of parent | 233,267 | 225,187 |
| Non-controlling interest | 7 | 13 |
| Total equity | 233,274 | 225,200 |
| Total liabilities and equity | 250,678 | 243,595 |
| Off balance sheet items | | |
| Restricted investment account | 4,501 | 4,615 |

Extracted from the reviewed interim financial information approved for issue by the Board on 10 August 2009 and on which KPMG has issued an unqualified review report.

Dr. Ghassan Al Salouman
Chairman

Abdul Latif M. Janahi
Director and Chief Executive Officer

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009 USD 000's

| | Six months ended | | Three months ended | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | 30 June 2009 (reviewed) | 30 June 2008 (reviewed) | 30 June 2009 (reviewed) | 30 June 2008 (reviewed) |
| Income from investment banking services | 12,943 | 42,285 | 11,418 | 23,750 |
| Income from placements with financial institutions | 133 | 696 | 56 | 253 |
| Income from investment securities | 3,264 | 2,451 | 2,638 | 2,473 |
| Share of (loss) / profit of investments in associates and joint ventures | (623) | 257 | (537) | 157 |
| Other income | 515 | 4 | 274 | 4 |
| Total income | 16,232 | 45,693 | 13,849 | 26,637 |
| Staff costs | 5,144 | 9,834 | 2,381 | 6,524 |
| Travel and business development expenses | 980 | 978 | 638 | 525 |
| Impairment allowances | 941 | 1,009 | - | 672 |
| Finance expense | 14 | 14 | 7 | 7 |
| Other expenses | 1,980 | 2,374 | 1,095 | 1,270 |
| Total expenses | 9,059 | 14,209 | 4,121 | 8,998 |
| Profit from continuing operations | 7,173 | 31,484 | 9,727 | 17,639 |
| Loss from assets held-for-sale | - | (132) | - | (132) |
| Profit for the period | 7,173 | 31,352 | 9,727 | 17,507 |
| Attributable to: | | | | |
| Shareholders of the parent | 7,179 | 31,415 | 9,733 | 17,570 |
| Non-controlling interest | (6) | (63) | (6) | (63) |
| | 7,173 | 31,352 | 9,727 | 17,507 |
| Earnings per share (US cents) | | | | |
| Basic | 4.55 | 19.91 | 6.18 | 11.12 |
| Diluted | 4.40 | 19.21 | 5.96 | 10.73 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009 USD 000's

| | Six months ended | | Three months ended | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | 30 June 2009 (reviewed) | 30 June 2008 (reviewed) | 30 June 2009 (reviewed) | 30 June 2008 (reviewed) |
| Profit for the period | 7,173 | 31,352 | 9,727 | 17,507 |
| Other comprehensive income | | | | |
| Changes in fair value of available-for-sale investments | 1,011 | 2,068 | 855 | 1,809 |
| Transferred to income statement on impairment of available-for-sale investments | - | (305) | - | (305) |
| Total comprehensive income for the period | 8,184 | 33,115 | 10,682 | 19,011 |
| Attributable to: | | | | |
| Shareholders of the parent | 8,190 | 33,178 | 10,688 | 19,074 |
| Non-controlling interest | (6) | (63) | (6) | (63) |
| Total comprehensive income for the period | 8,184 | 33,115 | 10,682 | 19,011 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009 USD 000's

| | 30 June 2009 (reviewed) | 30 June 2008 (reviewed) |
|--|----------------------------|----------------------------|
| OPERATING ACTIVITIES | | |
| Murabaha profits received | 133 | 1,297 |
| Dividends received | 355 | 330 |
| Other income received | 515 | 904 |
| Placement, management and advisory fees received | 678 | 988 |
| Investment banking fees received | 15,421 | 61,780 |
| Project costs recovered | 1,133 | - |
| Purchase of investment securities | (2,870) | (46,846) |
| Payments for investment properties | (688) | - |
| Sale of investment securities | 5,839 | 8,759 |
| Advances to acquire investments | (10,746) | (11,972) |
| Directors remuneration paid | (1,534) | (1,310) |
| Short term funding to project companies | (8,081) | (76) |
| Payments for staff cost | (15,660) | (12,733) |
| Payments for other expenses | (2,940) | (3,178) |
| Cash flows from operating activities | (18,445) | (2,057) |
| INVESTING ACTIVITIES | | |
| Purchase of equipment | (232) | (2,149) |
| Cash flows from investing activities | (232) | (2,149) |
| FINANCING ACTIVITIES | | |
| Funds received towards capital increase in progress | 17,186 | - |
| Islamic financing, net | (75) | (76) |
| Dividends paid | (5,137) | (20,901) |
| Cash flows from financing activities | 11,974 | (20,977) |
| DECREASE IN CASH AND CASH EQUIVALENTS | (6,703) | (25,183) |
| Cash and cash equivalents at beginning of the period | 32,811 | 69,993 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 26,108 | 44,810 |
| Cash and cash equivalents per the balance sheet | | |
| Cash and balances with banks | 1,418 | 682 |
| Placements with financial institutions | 24,690 | 44,128 |
| | 26,108 | 44,810 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

USD 000's

| 30 June 2009 | Attributable to the shareholders of the parent | | | | | | | | | | |
|---|--|---------------|----------------------|---|-------------------|--------------------------------|--------------|-------------------|----------------|--------------------------|----------------|
| | Share capital | Share premium | Unvested ESOP shares | Funds received towards capital increase in progress | Statutory reserve | Investments fair value reserve | ESOP reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| 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 | - | - | - | - | - | 1,011 | - | 7,179 | 8,190 | (6) | 8,184 |
| Dividends declared (2008) | - | - | - | - | - | - | - | (16,293) | (16,293) | - | (16,293) |
| Directors remuneration (2008) | - | - | - | - | - | - | - | (1,534) | (1,534) | - | (1,534) |
| Bonus shares issued (2008) | 8,250 | - | - | - | - | - | - | (8,250) | - | - | - |
| Funds received towards capital increase in progress | - | - | - | 17,082 | - | - | - | - | 17,082 | - | 17,082 |
| Employee share ownership plan vesting charge | - | - | - | - | - | - | 635 | - | 635 | - | 635 |
| Balance at 30 June 2009 | 173,250 | 13,533 | (15,000) | 17,082 | 9,314 | 926 | 3,708 | 30,454 | 233,267 | 7 | 233,274 |