

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2010



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2010 USD 000's

| | 31 March 2010 (Unaudited) | 31 December 2009 (Audited) |
|--|------------------------------|-------------------------------|
| ASSETS | | |
| Cash and balances with banks | 5,507 | 14,287 |
| Placements with financial institutions | 32,509 | 50,789 |
| Investment securities | 139,166 | 129,259 |
| Investment in associates and joint venture | 37,438 | 36,814 |
| Investment properties | 9,130 | 62,884 |
| Receivable from investment banking services | 11,545 | 9,925 |
| Short term financing to project companies | 24,921 | 14,418 |
| Other assets | 24,077 | 23,618 |
| Property and equipment | 13,506 | 14,007 |
| Total assets | 295,599 | 356,001 |
| LIABILITIES | | |
| Islamic financing payables | 135 | 13,428 |
| Payable on acquisition of investment property | - | 41,737 |
| Employee accruals | 5,039 | 5,767 |
| Other liabilities | 6,609 | 9,272 |
| Total liabilities | 11,783 | 70,204 |
| EQUITY | | |
| Share capital | 250,000 | 173,250 |
| Share premium | 28,429 | 13,533 |
| Funds received towards capital increase | - | 64,905 |
| Unvested shares of employee share ownership plan | (22,764) | (15,000) |
| Statutory reserve | 10,414 | 10,414 |
| Investment fair value reserve | 1,601 | 1,496 |
| Employee share ownership plan reserve | 4,495 | 4,211 |
| Retained earnings | 11,641 | 32,988 |
| Total equity | 283,816 | 285,797 |
| TOTAL LIABILITIES AND EQUITY | 295,599 | 356,001 |
| OFF BALANCE SHEET ITEMS | | |
| Restricted investment accounts | 17,417 | 16,779 |

Extracted from the interim condensed consolidated financial information for the three months ended 31 March 2010 which have been reviewed by Ernst & Young and which were approved by the Board on 12 May 2010.

Dr. Ghassan Al Sulaiman
Chairman

Abdulatif M. Janahi
Director and Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF INCOME

Three months ended 31 March 2010 USD 000's

| | (Unaudited) Three months ended | |
|--|-----------------------------------|----------------|
| | 31 March 2010 | 31 March 2009 |
| INCOME | | |
| Income from investment banking services | 2,005 | 1,525 |
| Income from placements with financial institutions | 269 | 77 |
| (Loss) income from investment securities | (46) | 626 |
| Share of results of associates and joint venture | (858) | (86) |
| Other income | 362 | 242 |
| Total income | 1,732 | 2,384 |
| EXPENSES | | |
| Staff costs | 2,372 | 2,763 |
| Travel and business development expenses | 391 | 342 |
| Impairment allowances | - | 941 |
| Finance costs | 215 | 7 |
| Depreciation | 418 | 312 |
| Other expenses | 706 | 573 |
| Total expenses | 4,102 | 4,938 |
| LOSS FOR THE PERIOD | (2,370) | (2,554) |

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended 31 March 2010 USD 000's

| | (Unaudited) Three months ended | |
|---|-----------------------------------|----------------|
| | 31 March 2010 | 31 March 2009 |
| LOSS FOR THE PERIOD | (2,370) | (2,554) |
| Other comprehensive income | | |
| Changes in fair value of available for sale investments | 105 | 165 |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (2,265) | (2,389) |

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended 31 March 2010 USD 000's

| | (Unaudited) Three months ended | |
|---|-----------------------------------|----------------|
| | 31 March 2010 | 31 March 2009 |
| OPERATING ACTIVITIES | | |
| Loss for the year | (2,370) | (2,554) |
| Adjustments for non-cash items: | | |
| Loss (income) from investment securities | 46 | (626) |
| Share of results of associates and joint venture | 858 | 86 |
| Employee share ownership plan vesting charge | 284 | 366 |
| Depreciation | 418 | 312 |
| Operating loss before changes in operating assets and liabilities | (764) | (2,416) |
| Changes in operating assets and liabilities: | | |
| Investment securities | (9,848) | 3,389 |
| Receivable from investment banking services | (1,620) | 3,498 |
| Short term financing to project companies | (10,503) | (2,705) |
| Other assets | (459) | 1,804 |
| Employee accruals | (728) | (12,458) |
| Other liabilities | (5,909) | 1,396 |
| Net cash used in operating activities | (27,851) | (7,492) |
| INVESTING ACTIVITIES | | |
| Net movement in equipment | 85 | (88) |
| Investment in associates and joint venture | (1,482) | (360) |
| Payable on acquisition of investment property | (41,737) | - |
| Proceeds from sale of investment property | 55,000 | (688) |
| Net cash from (used in) investing activities | 11,864 | (1,136) |
| FINANCING ACTIVITIES | | |
| Repayment of Islamic financing payables | (13,293) | (30) |
| Net cash used in financing activities | (13,293) | (30) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | |
| | (29,260) | (8,658) |
| Cash and cash equivalents at the beginning of the period | | |
| | 65,076 | 32,811 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | |
| | 35,816 | 24,153 |
| Cash and cash equivalents per the balance sheet | | |
| Cash and balances with banks | 3,507 | 1,209 |
| Placements with financial institutions | 32,509 | 22,944 |
| | 35,816 | 24,153 |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 2010 (Unaudited) USD 000's

| | Attributable to the shareholders of the parent | | | | | | | | | | |
|--|--|---------------|---|----------------------|-------------------|--------------------------------|--------------|-------------------|--|---------------------------|----------------|
| | Share capital | Share premium | Funds received towards capital increase | Unvested ESOP shares | Statutory reserve | Investments fair value reserve | ESOP reserve | Retained earnings | Total before Non-controlling interests | Non-controlling interests | Total |
| 31 March 2010 | | | | | | | | | | | |
| Balance at 1 January 2010 | 173,250 | 13,533 | 64,905 | (15,000) | 10,414 | 1,496 | 4,211 | 32,988 | 285,797 | - | 285,797 |
| Issue of share capital | 57,773 | 14,896 | (64,905) | (7,764) | - | - | - | - | - | - | - |
| Issue of bonus shares | 18,977 | - | - | - | - | - | - | (18,977) | - | - | - |
| Loss for the period | - | - | - | - | - | - | - | (2,370) | (2,370) | - | (2,370) |
| Other comprehensive income item for the period | - | - | - | - | - | 105 | - | 105 | 105 | - | 105 |
| Total comprehensive income for the period | - | - | - | - | - | 105 | - | (2,370) | (2,265) | - | (2,265) |
| Employee share ownership plan vesting charge | - | - | - | - | - | - | 284 | - | 284 | - | 284 |
| Balance at 31 March 2010 | 250,000 | 28,429 | - | (22,764) | 10,414 | 1,601 | 4,495 | 11,641 | 283,816 | - | 283,816 |
| 31 March 2009 | | | | | | | | | | | |
| Balance at 1 January 2009 | 165,000 | 13,533 | - | (15,000) | 9,314 | (85) | 3,073 | 49,352 | 225,187 | 13 | 225,200 |
| Dividends declared (2008) | - | - | - | - | - | - | - | (16,500) | (16,500) | - | (16,500) |
| Directors' remuneration 2008 | - | - | - | - | - | - | - | (1,534) | (1,534) | - | (1,534) |
| Issue of bonus shares | 8,250 | - | - | - | - | - | - | (8,250) | - | - | - |
| Loss for the period | - | - | - | - | - | - | - | (2,554) | (2,554) | - | (2,554) |
| Other comprehensive income item for the period | - | - | - | - | - | 165 | - | 165 | 165 | - | 165 |
| Total comprehensive income for the period | - | - | - | - | - | 165 | - | (2,554) | (2,389) | - | (2,389) |
| 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 | 205,150 | 13 | 205,143 |