

# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## For the six months ended 30 June 2010



### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2010

USD 000's

	30 June 2010 (reviewed)	31 December 2009 (audited)
<b>ASSETS</b>		
Cash and balances with banks	4,457	14,287
Placements with financial institutions	18,425	50,789
Investment securities	138,145	129,259
Investment in associates and joint ventures accounted under the equity method	36,800	36,814
Investment properties	9,130	62,884
Receivable from investment banking services	12,505	9,925
Short-term financing to project companies	21,246	14,418
Other assets	35,154	23,618
Property and equipment	13,139	14,007
<b>Total assets</b>	<b>288,801</b>	<b>356,001</b>
<b>LIABILITIES</b>		
Islamic financing payables	104	13,428
Payable on acquisition of investment property	-	41,737
Employee accruals	5,292	5,767
Other liabilities	4,340	9,272
<b>Total liabilities</b>	<b>9,736</b>	<b>70,204</b>
<b>EQUITY</b>		
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
Investments fair value reserve	1,170	1,496
Employee share ownership plan reserve	4,779	4,211
Retained earnings	7,057	32,988
<b>Total equity</b>	<b>279,065</b>	<b>285,797</b>
<b>Total liabilities and equity</b>	<b>288,801</b>	<b>356,001</b>
<b>Off balance sheet items</b>		
Restricted investment accounts	17,154	16,779

Extracted from the reviewed interim financial information approved for issue by the Board on 12 August 2010 and on which Ernst & Young have issued an unqualified review report.

Dr. Ghassan Al Sulaiman  
Chairman

Abdullatif M. Janahi  
Director and Chief Executive Officer

### INTERIM CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2010

USD 000's

	Three months ended		Six months ended	
	30 June 2010 (reviewed)	30 June 2009 (reviewed)	30 June 2010 (reviewed)	30 June 2009 (reviewed)
<b>INCOME</b>				
Income from investment banking services	1,821	11,418	3,826	12,943
Income from placements with financial institutions	201	56	470	133
(Loss) income from investment securities	(139)	2,638	(185)	3,264
Share of results of associates and joint ventures	(638)	(537)	(1,496)	(623)
Other income	1,140	273	1,502	515
<b>Total income</b>	<b>2,385</b>	<b>13,848</b>	<b>4,117</b>	<b>16,232</b>
<b>EXPENSES</b>				
Staff costs	3,204	2,381	5,576	5,144
Travel and business development expenses	477	638	868	980
Impairment allowances	2,319	-	2,319	941
Finance costs	7	7	222	14
Depreciation	391	327	809	639
Other expenses	591	768	1,297	1,341
<b>Total expenses</b>	<b>6,989</b>	<b>4,121</b>	<b>11,091</b>	<b>9,059</b>
<b>(Loss) profit for the period</b>	<b>(4,604)</b>	<b>9,727</b>	<b>(6,974)</b>	<b>7,173</b>

### INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2010

USD 000's

	Three months ended		Six months ended	
	30 June 2010 (reviewed)	30 June 2009 (reviewed)	30 June 2010 (reviewed)	30 June 2009 (reviewed)
<b>(Loss)/Profit for the period</b>	<b>(4,604)</b>	<b>9,727</b>	<b>(6,974)</b>	<b>7,173</b>
Other comprehensive income changes in available-for-sale investments fair value reserve	(451)	846	(326)	1,011
<b>Total comprehensive loss for the period</b>	<b>(5,035)</b>	<b>10,573</b>	<b>(7,300)</b>	<b>8,184</b>

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2010

USD 000's

	30 June 2010 (reviewed)	30 June 2009 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Loss for the year	(6,974)	7,173
Adjustments for non-cash items:		
Loss (income) from investment securities	185	(3,264)
Proceeds from sale of investment securities		
Share of results of associates and joint venture accounted under the equity method	1,496	623
Employee share ownership plan vesting charge	568	635
Impairment allowances	2,319	941
Depreciation	809	639
Operating loss before changes in operating assets and liabilities	(1,597)	6,747
Changes in operating assets and liabilities:		
Investment securities	(11,716)	(1,195)
Receivable from investment banking services	(2,380)	2,726
Short term financing to project companies	(6,828)	(8,359)
Other assets	(11,536)	(7,230)
Employee accruals	(475)	(9,502)
Other liabilities	(5,649)	(1,291)
<b>Net cash used in operating activities</b>	<b>(58,181)</b>	<b>(18,104)</b>
<b>INVESTING ACTIVITIES</b>		
Net movement in equipment	59	30
Investment in associates and joint venture accounted under the equity method	(1,482)	(383)
Proceed from sale of investment securities	-	3,385
Purchase of investment properties	-	(688)
Proceeds from sale of investment property	53,754	-
<b>Net cash from (used in) investing activities</b>	<b>52,331</b>	<b>2,344</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Islamic financing payables	(13,324)	(61)
Advance for capital increase	-	17,082
Payable on acquisition of investment property	(41,737)	-
Dividend payable	(1,283)	(7,964)
<b>Net cash used in financing activities</b>	<b>(56,344)</b>	<b>9,057</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>(62,194)</b>	<b>(6,703)</b>
Cash and cash equivalents at beginning of the period	65,076	32,811
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>22,882</b>	<b>26,108</b>
<b>Cash and cash equivalents per the balance sheet</b>		
Cash and balances with banks	4,457	1,418
Placements with financial institutions	18,425	24,690
	<b>22,882</b>	<b>26,108</b>

### INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2010

USD 000's

30 June 2010	Attributable to the shareholders of the parent										
	Share capital	Share premium	Funds received towards capital increase in progress	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	Retained earnings	Total before non-controlling interests	Non-controlling interests	Total
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
Loss for the period	-	-	-	-	-	-	-	(6,974)	(6,974)	-	(6,974)
Comprehensive income for the period	-	-	-	-	-	(326)	-	-	(326)	-	(326)
Total comprehensive income	-	-	-	-	-	(326)	-	(6,974)	(7,300)	-	(7,300)
Issue of share capital	57,773	14,896	(64,905)	(7,764)	-	-	-	-	-	-	-
Bonus shares issued (2009)	18,977	-	-	-	-	-	-	(18,977)	-	-	-
Employee share ownership plan vesting charge	-	-	-	-	-	-	568	-	568	-	568
<b>Balance at 30 June 2010</b>	<b>250,000</b>	<b>28,429</b>	<b>-</b>	<b>(22,764)</b>	<b>10,414</b>	<b>1,170</b>	<b>4,779</b>	<b>7,057</b>	<b>279,065</b>	<b>-</b>	<b>279,065</b>
30 June 2009											
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
<b>Balance at 30 June 2009</b>	<b>173,250</b>	<b>13,533</b>	<b>17,082</b>	<b>(15,000)</b>	<b>9,314</b>	<b>926</b>	<b>3,708</b>	<b>30,454</b>	<b>233,267</b>	<b>7</b>	<b>233,274</b>