

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 months ended 31 March 2013



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | USD 000's | |
|---|------------------------------|-------------------------------|
| | 31 March 2013 (Unaudited) | 31 December 2011 (Audited) |
| ASSETS | | |
| Balances with banks | 1,877 | 3,286 |
| Placements with financial institutions | 1,930 | 10,652 |
| Investments | 130,875 | 112,954 |
| Investments in associates and a joint venture accounted under the equity method | 27,571 | 29,474 |
| Investment property | 9,130 | 9,130 |
| Receivable from investment banking services | 16,568 | 6,550 |
| Funding to project companies | 3,883 | 5,839 |
| Other assets | 14,306 | 9,673 |
| Property and equipment | 9,967 | 10,977 |
| Total assets | 216,107 | 198,535 |
| LIABILITIES | | |
| Islamic financing payables | 8,600 | 8,631 |
| Employee accruals | 4,068 | 6,323 |
| Other liabilities | 4,225 | 3,865 |
| Total liabilities | 16,893 | 18,819 |
| EQUITY | | |
| Share capital | 250,000 | 250,000 |
| Share premium | 28,429 | 28,429 |
| Unvested shares of employee share ownership plan | (22,764) | (22,764) |
| Statutory reserve | 10,414 | 10,414 |
| Investments fair value reserve | (45) | 628 |
| Employee share ownership plan reserve | 5,349 | 5,349 |
| Accumulated losses | (72,169) | (92,340) |
| Total equity | 199,214 | 179,716 |
| Total liabilities and equity | 216,107 | 198,535 |
| Off statement of financial position items | | |
| Equity of investment account holders | 3,693 | 16,846 |

Extracted from the reviewed interim financial information approved for issue by the Board on 04 June 2013 and on which Ernst & Young have issued an unqualified review report.

Dr. Ghassan Al Sulaiman
Chairman

Abdullatif M. Janahi
Board Member and Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF INCOME

| | USD 000's | | | |
|---|------------------------------|------------------------------|------------------------------|-------------------------------|
| | Three months ended | | 15 months ended | |
| | 31 March 2013 (Unaudited) | 31 March 2012 (Unaudited) | 31 March 2013 (Unaudited) | 31 December 2011 (Audited) |
| REVENUE | | | | |
| Income from investment banking services | 2,529 | 10,362 | 31,658 | 2,966 |
| Finance income | 108 | 126 | 531 | 574 |
| Dividend income | 1,601 | 308 | 3,777 | 358 |
| Rental and other miscellaneous income | 845 | 549 | 5,641 | 2,820 |
| Total revenue | 5,083 | 11,345 | 39,607 | 6,718 |
| OTHER GAINS (LOSSES) | | | | |
| Fair value gains (losses) on investments at fair value through profit or loss - net | 8 | 274 | (2,012) | (15,413) |
| Other gains on investments - net | - | - | 1,124 | 906 |
| | 5,091 | 11,619 | 38,719 | (7,789) |
| EXPENSES | | | | |
| Staff costs | 1,715 | 1,608 | 7,079 | 8,422 |
| Travel and business development expenses | 66 | 235 | 733 | 766 |
| Legal and professional fees | 150 | 222 | 833 | 1,435 |
| Finance expense | 47 | 27 | 203 | 75 |
| Depreciation | 329 | 350 | 1,665 | 1,509 |
| Other expenses | 559 | 824 | 2,989 | 2,323 |
| Total expenses | 2,866 | 3,266 | 13,502 | 14,530 |
| Profit (loss) before impairment allowances and share of loss of associates and joint venture | | | | |
| | 2,225 | 8,353 | 25,217 | (22,319) |
| Impairment allowances | (390) | - | (3,402) | (35,172) |
| Share of losses of associates and joint venture - net | (171) | (352) | (1,644) | (1,179) |
| Net profit (loss) for the period | 1,664 | 8,001 | 20,171 | (58,670) |

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | USD 000's | | | |
|---|------------------------------|------------------------------|------------------------------|-------------------------------|
| | Three months ended | | 15 months ended | |
| | 31 March 2013 (Unaudited) | 31 March 2012 (Unaudited) | 31 March 2013 (Unaudited) | 31 December 2011 (Audited) |
| Net profit (loss) for the period | 1,664 | 8,001 | 20,171 | (58,670) |
| Other comprehensive income (loss) | | | | |
| Recycling of the gain on sale of available-for-sale investments to the consolidated statement of income | - | (266) | (1,124) | (867) |
| Changes in fair value of available-for-sale investments | (44) | 387 | 451 | (734) |
| Other comprehensive (loss) income for the period | (44) | 121 | (673) | (1,601) |
| Total comprehensive income (loss) for the period | 1,620 | 8,122 | 19,498 | (60,271) |

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| | USD 000's | |
|--|--|---|
| | 15 months ended 31 March 2013 (Unaudited) | 12 months ended 31 December 2011 (Audited) |
| OPERATING ACTIVITIES | | |
| Net profit (loss) for the year | 20,171 | (58,670) |
| Adjustments for non-cash items: | | |
| (Gain) / loss on investments | (1,124) | 14,149 |
| Share of results of associates and joint venture accounted under the equity method | 1,644 | 1,179 |
| Employee share ownership plan vesting charge | - | 285 |
| Impairment allowances | 3,402 | 35,172 |
| Depreciation | 1,665 | 1,509 |
| Gain on disposal of property and equipment | (100) | - |
| Dividend income | (3,777) | - |
| Operating profit (loss) before changes in operating assets and liabilities | 21,881 | (6,376) |
| Changes in operating assets and liabilities: | | |
| Investments | (17,587) | 469 |
| Receivable from investment banking services | (10,198) | 1,907 |
| Funding to project companies | (614) | (6,944) |
| Other assets | (2,472) | 1,804 |
| Employee accruals | (2,255) | 538 |
| Other liabilities | 360 | 150 |
| Net cash used in operating activities | (11,085) | (8,452) |
| INVESTING ACTIVITIES | | |
| Dividend received | 1,642 | - |
| Property and equipment - net | (657) | (136) |
| Net cash from (used in) investing activities | 985 | (136) |
| FINANCING ACTIVITY | | |
| Islamic financing (repaid) raised | (31) | 8,587 |
| Net cash (used in) from financing activity | (31) | 8,587 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | |
| | (10,131) | (1) |
| Cash and cash equivalents at beginning of the period | 13,938 | 13,939 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 3,807 | 13,938 |
| Cash and cash equivalents per the statement of financial position | | |
| Cash and balances with banks | 1,877 | 3,286 |
| Placements with financial institutions | 1,930 | 10,652 |
| Total | 3,807 | 13,938 |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | USD 000's | | | | | | | |
|--|----------------|---------------|----------------------|-------------------|--------------------------------|--------------|--------------------|----------------|
| | Share capital | Share premium | Unvested ESOP shares | Statutory reserve | Investments fair value reserve | ESOP reserve | Accumulated losses | Total |
| 31 March 2013 | | | | | | | | |
| Balance at 1 January 2012 | 250,000 | 28,429 | (22,764) | 10,414 | 628 | 5,349 | (92,340) | 179,716 |
| Net profit for the period | - | - | - | - | - | - | 20,171 | 20,171 |
| Other comprehensive loss for the period | - | - | - | - | (673) | - | - | (673) |
| Total comprehensive (loss) income for the period | - | - | - | - | (673) | - | 20,171 | 19,498 |
| Balance at 31 March 2013 (Unaudited) | 250,000 | 28,429 | (22,764) | 10,414 | (45) | 5,349 | (72,169) | 199,214 |
| 31 December 2011 | | | | | | | | |
| Balance at 1 January 2011 | 250,000 | 28,429 | (22,764) | 10,414 | 2,229 | 5,064 | (33,670) | 239,702 |
| Net loss for the year | - | - | - | - | - | - | (58,670) | (58,670) |
| Other comprehensive loss for the year | - | - | - | - | (1,601) | - | - | (1,601) |
| Total comprehensive loss for the year | - | - | - | - | (1,601) | - | (58,670) | (60,271) |
| Employee share ownership plan vesting charge | - | - | - | - | - | 285 | - | 285 |
| Balance at 31 December 2011 (Audited) | 250,000 | 28,429 | (22,764) | 10,414 | 628 | 5,349 | (92,340) | 179,716 |