

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2012



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	USD 000's	
	30 September 2012 (unaudited)	31 December 2011 (audited)
ASSETS		
Balance with banks	2,375	3,286
Placements with financial institutions	3,578	10,652
Investments	122,537	112,954
Investments in associates and a joint venture accounted under the equity method	28,185	29,474
Investment property	9,130	9,130
Receivable from investment banking services	17,843	6,550
Funding to project companies	3,837	5,839
Other assets	9,876	9,673
Property and equipment	10,213	10,977
Total assets	207,574	198,535
LIABILITIES		
Islamic financing payables	5,000	8,631
Employee accruals	4,795	6,323
Other liabilities	3,710	3,865
Total liabilities	13,505	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	(25)	628
Employee share ownership plan reserve	5,349	5,349
Accumulated losses	(77,334)	(92,340)
Total equity	194,069	179,716
Total liabilities and equity	207,574	198,535
Off statement of financial position items		
Equity of investment account holders	3,679	16,846

Extracted from the reviewed interim financial information approved for issue by the Board on 5 November 2012 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		Nine months ended	
	30 September 2012 (unaudited)	30 September 2011 (unaudited)	30 September 2012 (unaudited)	30 September 2011 (unaudited)
REVENUE				
Income from investment banking services	6,110	490	24,280	2,011
Finance income	118	150	312	481
Dividend income	1,681	8	2,003	54
Rental and other miscellaneous income	293	798	1,258	1,700
Total revenue	8,202	1,446	27,853	4,246
Other gains (losses)				
Fair value gains (losses) on investments at fair value through profit or loss - net	(1,993)	(123)	(2,023)	1,037
Other gains (losses) on investments - net	-	-	1,124	885
	6,209	1,323	26,954	6,168
EXPENSES				
Staff costs	1,194	1,990	4,057	5,991
Travel and business development expenses	56	161	504	742
Legal and professional fees	148	384	411	1,051
Finance expense	46	39	133	62
Depreciation	322	364	1,010	1,146
Other expenses	325	503	1,792	1,959
Total expenses	2,091	3,441	7,907	10,951
Profit (loss) before impairment allowances and share of loss of associates and joint venture	4,118	(2,118)	19,047	(4,783)
Impairment allowances	(1,710)	(500)	(3,012)	(4,735)
Share of losses of associates and joint venture - net	(407)	(213)	(1,029)	(796)
Net profit (loss) for the period	2,001	(2,831)	15,006	(10,314)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	USD 000's			
	Three months ended		Nine months ended	
	30 September 2012 (unaudited)	30 September 2011 (unaudited)	30 September 2012 (unaudited)	30 September 2011 (unaudited)
Net profit (loss) for the period	2,001	(2,831)	15,006	(10,314)
Other comprehensive income (loss)				
Recycling of the gain on sale of available-for-sale investments to the consolidated statement of income	-	-	(1,124)	(867)
Changes in fair value of available-for-sale investments	(1)	(250)	471	(1,169)
Other comprehensive (loss) for the period	(1)	(250)	(653)	(2,036)
Total comprehensive income (loss) for the period	2,000	(3,081)	14,353	(12,350)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	USD 000's	
	30 September 2012 (unaudited)	30 September 2011 (unaudited)
OPERATING ACTIVITIES		
Net profit (loss) for the period	15,006	(10,314)
Adjustments for non-cash items:		
Gain on investment	(1,124)	(1,940)
Share of results of associates and joint venture accounted under the equity method	1,029	796
Employee share ownership plan vesting charge	-	285
Impairment allowances	3,012	4,735
Depreciation	1,010	1,146
(Gain) Loss on disposal of property and equipment	(100)	-
Dividend income	(2,003)	-
Operating profit (loss) before changes in operating assets and liabilities	16,830	(5,292)
Changes in operating assets and liabilities:		
Investment	(12,327)	(2,392)
Receivable from investment banking services	(11,318)	2,062
Funding to project companies	(333)	(5,833)
Other assets	1,202	1,617
Employee accruals	(1,528)	(298)
Other liabilities	(155)	687
Net cash used in operating activities	(7,629)	(9,449)
INVESTING ACTIVITIES		
Proceeds from sale of investments - net	3,099	1,454
Dividend received	424	35
Purchase of property and equipment	(248)	(100)
Net cash from investing activities	3,275	1,389
FINANCING ACTIVITY		
Islamic financing (repaid) raised	(3,631)	4,956
Net cash (used in) from financing activity	(3,631)	4,956
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,985)	(3,104)
Cash and cash equivalents at beginning of the period	13,938	13,939
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,953	10,835
Cash and cash equivalents per the statement of financial position		
Cash and balances with banks	2,375	2,826
Placements with financial institutions	3,578	8,009
Total	5,953	10,835

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
30 September 2012								
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	-	-	-	-	-	-	15,006	15,006
Other comprehensive loss for the period	-	-	-	-	(653)	-	-	(653)
Total comprehensive (loss) income for the period	-	-	-	-	(653)	-	15,006	14,353
Balance at 30 September 2012	250,000	28,429	(22,764)	10,414	(25)	5,349	(77,334)	194,069
30 September 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 period	-	-	-	-	-	-	(10,314)	(10,314)
Other comprehensive loss for the period	-	-	-	-	(2,036)	-	-	(2,036)
Total comprehensive loss for the period	-	-	-	-	(2,036)	-	(10,314)	(12,350)
Employee share ownership plan vesting charge	-	-	-	-	-	285	-	285
Balance at 30 September 2011	250,000	28,429	(22,764)	10,414	193	5,349	(43,984)	227,637