

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2010



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 September 2010

USD 000's

	30 September 2010 (reviewed)	31 December 2009 (audited)
ASSETS		
Cash and balances with banks	1,667	14,287
Placements with financial institutions	16,350	50,789
Investment securities	141,855	129,259
Investment in associates and joint ventures accounted under the equity method	36,544	36,814
Investment property	9,130	62,884
Receivable from investment banking services	8,054	9,925
Short-term financing to project companies	25,060	14,418
Other assets	34,995	23,618
Property and equipment	12,739	14,007
Total assets	286,154	356,001
LIABILITIES		
Islamic financing payables	74	13,428
Payable on acquisition of investment property	-	41,737
Employee accruals	5,458	5,767
Other liabilities	3,899	9,272
Total liabilities	9,431	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
Investments fair value reserve	1,192	1,496
Employee share ownership plan reserve	5,064	4,211
Retained earnings	4,388	32,988
Total equity	276,723	285,797
Total liabilities and equity	286,154	356,001
Off balance sheet items		
Restricted investment account	16,487	16,779

Extracted from the reviewed interim financial information approved for issue by the Board on 8 November 2010 and on which Ernst & Young have issued an unqualified review report.

Dr. Ghassan Al Sulaiman
Chairman

Abdullah M. Janahi
Board Member and Chief Executive Officer

INTERIM CONSOLIDATED STATEMENT OF INCOME for the nine months ended 30 September 2010

USD 000's

	Three months ended		Nine months ended	
	30 September 2010 (reviewed)	30 September 2009 (reviewed)	30 September 2010 (reviewed)	30 September 2009 (reviewed)
INCOME				
Income from investment banking services	1,086	1,227	4,912	14,170
Income from placements with financial institutions	132	175	602	308
Gain/(Loss) Income from investment securities	102	4,818	(83)	8,082
Share of results of associates and joint ventures	(456)	(629)	(1,952)	(1,252)
Other income	425	197	1,927	712
Total income	1,289	5,788	5,406	22,020
EXPENSES				
Staff costs	2,413	2,256	7,989	7,400
Travel and business development expenses	515	397	1,385	1,377
Impairment allowances	30	-	2,349	941
Finance costs	7	7	229	21
Depreciation	401	320	1,210	959
Other expenses	493	674	1,790	2,015
Total expenses	5,859	3,654	14,950	12,713
(Loss) Profit for the period	(2,570)	2,134	(9,544)	9,307

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the nine months ended 30 September 2010

USD 000's

	Three months ended		Nine months ended	
	30 September 2010 (reviewed)	30 September 2009 (reviewed)	30 September 2010 (reviewed)	30 September 2009 (reviewed)
(Loss)/Profit for the period	(2,570)	2,134	(9,544)	9,307
Other comprehensive income				
Changes in available-for-sale investments fair value reserve	22	669	(304)	1,680
Total comprehensive loss for the period	(2,548)	2,803	(9,848)	10,987

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended 30 September 2010

USD 000's

	30 September 2010 (reviewed)	30 September 2009 (reviewed)
OPERATING ACTIVITIES		
(Loss) Profit for the period	(9,544)	9,307
Adjustments for non-cash items:		
Loss (income) from investment securities	83	(8,082)
Share of results of associates and joint venture accounted under the equity method	1,952	1,252
Employee share ownership plan vesting charge	853	886
Impairment allowances	2,349	941
Depreciation	1,210	958
Operating (loss) profit before changes in operating assets and liabilities	(3,097)	5,263
Changes in operating assets and liabilities:		
Investment securities	(9,449)	(8,557)
Receivable from investment banking services	(1,982)	2,274
Short term financing to project companies	(12,461)	(4,714)
Other assets	(11,408)	(1,507)
Employee accruals	(509)	(9,354)
Other liabilities	(4,231)	673
Net cash used in operating activities	(42,937)	(15,922)
INVESTING ACTIVITIES		
Purchase of property and equipment	59	10
Investment in associates and joint venture accounted under the equity method	(1,482)	(381)
Proceeds from sale of investment securities	-	3,385
Purchase of investment properties	-	(488)
Proceeds from sale of investment property	53,754	-
Net cash from investing activities	52,331	2,306
FINANCING ACTIVITIES		
Repayment of Islamic financing payables	(13,354)	(91)
Funds received towards capital increase	-	32,803
Payable on acquisition of investment property	(41,737)	-
Dividend and other appropriations paid	(1,283)	(16,059)
Zakat contribution	(79)	(190)
Net cash (used in) from financing activities	(56,453)	16,463
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	(47,059)	2,847
Cash and cash equivalents at beginning of the period	65,076	32,811
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
	18,017	35,658
Cash and cash equivalents per the balance sheet		
Cash and balances with banks	1,667	1,856
Placements with financial institutions	16,350	33,802
	18,017	35,658

INTERIM STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September 2010

USD 000's

	Attributable to the shareholders of the parent										Total
	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	
30 September 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
Loss for the period	-	-	-	-	-	-	-	(9,544)	(9,544)	-	(9,544)
Other comprehensive loss for the period	-	-	-	-	-	(304)	-	-	(304)	-	(304)
Issue of share capital	57,773	14,896	(64,905)	(7,764)	-	-	-	-	-	-	-
Bonus shares issued 2009	18,977	-	-	-	-	-	-	(18,977)	-	-	-
Zakat contribution	-	-	-	-	-	-	-	(79)	(79)	-	(79)
Employee share ownership plan vesting charge	-	-	-	-	-	-	853	853	853	-	853
Balance at 30 September 2010	250,000	28,429	-	(22,764)	10,414	1,192	5,064	4,388	276,723	-	276,723
30 September 2009											
Balance at 1 January 2009	165,000	13,533	-	(15,000)	9,314	(85)	3,073	49,352	225,187	13	225,200
Profit/(loss) for the period	-	-	-	-	-	-	-	9,316	9,316	(9)	9,307
Other comprehensive income for the period	-	-	-	-	-	1,680	-	-	1,680	-	1,680
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)	-	-	-
Zakat contribution	-	-	-	-	-	-	-	(190)	(190)	-	(190)
Funds received towards capital increase	-	-	32,803	-	-	-	-	-	32,803	-	32,803
Employee share ownership plan vesting charge	-	-	-	-	-	-	886	-	886	-	886
Balance at 30 September 2009	173,250	13,533	32,803	(15,000)	9,314	1,595	3,959	32,401	251,855	4	251,859