

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2011



## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	USD 000's	
	31 March 2011 (unaudited)	31 December 2010 (audited)
<b>ASSETS</b>		
Cash and balances with banks	2,541	2,672
Placements with financial institutions	12,196	11,267
Investment securities	135,896	135,396
Investment in associates and joint venture accounted under the equity method	31,466	31,677
Investment property	9,130	9,130
Receivable from investment banking services	10,847	13,837
Short-term financing to project companies	26,367	20,975
Other assets	5,100	11,942
Property and equipment	11,994	12,350
<b>Total assets</b>	<b>245,337</b>	<b>249,246</b>
<b>LIABILITIES</b>		
Islamic financing payables	21	44
Employee accruals	5,724	5,785
Other liabilities	3,892	3,715
<b>Total liabilities</b>	<b>9,637</b>	<b>9,544</b>
<b>EQUITY</b>		
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	1,073	2,229
Employee share ownership plan reserve	5,159	5,064
Accumulated losses	(36,611)	(33,670)
<b>Total equity</b>	<b>235,700</b>	<b>239,702</b>
<b>Total liabilities and equity</b>	<b>245,337</b>	<b>249,246</b>
<b>Off balance sheet items</b>		
Restricted investment accounts	16,415	16,219

Extracted from the reviewed interim financial information approved for issue by the Board on 04 May 2011 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 31 March 2011 (Unaudited)	
	Unaudited Three months ended 31 March 2011	31 March 2010
<b>INCOME</b>		
Income from investment banking services	854	2,005
Income from placements with financial institutions	129	269
Loss from investment securities carried at fair value through profit or loss	(147)	(46)
Gain on sale of available-for-sale securities	341	-
Share of results of associates and joint ventures	(211)	(858)
Other income	466	362
<b>Total income</b>	<b>1,432</b>	<b>1,732</b>
<b>EXPENSES</b>		
Staff costs	2,004	2,372
Travel and business development expenses	259	165
Legal and professional	458	226
Finance costs	26	215
Depreciation	397	418
Other expenses	685	706
<b>Total expenses</b>	<b>3,829</b>	<b>4,102</b>
Loss for the period before impairment allowances	(2,397)	(2,370)
Impairment allowances	544	-
<b>Loss for the period</b>	<b>(2,941)</b>	<b>(2,370)</b>

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	USD 000's	
	Three months ended 31 March 2011 (Unaudited)	
	Unaudited Three months ended 31 March 2011	31 March 2010
<b>Loss for the period</b>	<b>(2,941)</b>	<b>(2,370)</b>
<b>Other comprehensive income</b>		
Changes in fair value of available-for-sale investments	(1,156)	105
<b>Total comprehensive loss for the period</b>	<b>(4,097)</b>	<b>(2,265)</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	USD 000's	
	Three months ended 31 March 2011 (Unaudited)	
	Unaudited Three months ended 31 March 2011	31 March 2010
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(2,941)	(2,370)
Adjustments for non-cash items:		
(Gain) loss from investment securities carried at fair value through profit or loss	147	46
Gain on sale of available-for-sale securities	(541)	-
Share of results of associates and joint venture accounted under the equity method	211	858
Employee share ownership plan vesting charge	95	284
Impairment allowances	544	-
Depreciation	397	418
Operating loss before changes in operating assets and liabilities	(1,888)	(764)
Changes in operating assets and liabilities:		
Receivable from investment banking services	2,990	(1,620)
Short term financing to project companies	(5,936)	(10,503)
Other assets	6,842	(459)
Employee accruals	(61)	(728)
Other liabilities	177	(2,663)
<b>Net cash from (used in) operating activities</b>	<b>2,124</b>	<b>(16,737)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of available-for-sale securities	(2,082)	(9,848)
Proceeds from sale of available-for-sale securities	585	-
Dividend from investment securities	35	-
Purchase of property and equipment	(41)	83
Investment in associates and joint venture accounted under the equity method	-	(1,482)
Proceeds from sale of investment property	-	53,754
<b>Net cash (used in) from investing activities</b>	<b>(1,503)</b>	<b>42,507</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Islamic financing payables	(23)	(13,293)
Payable on acquisition of investment property	-	(41,737)
<b>Net cash used in financing activities</b>	<b>(23)</b>	<b>(55,030)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>598</b>	<b>(29,260)</b>
Cash and cash equivalents at beginning of the period	13,939	65,076
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>14,537</b>	<b>35,816</b>
<b>Cash and cash equivalents per the statement of financial position</b>		
Cash and balances with banks	2,341	3,307
Placements with financial institutions	12,196	32,509
<b>Total</b>	<b>14,537</b>	<b>35,816</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	USD 000's								
	Share capital	Share premium	Funds received towards capital increase	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	(Accumulated losses) retained earnings	Total
<b>31 March 2011</b>									
Balance at 1 January 2011	250,000	28,429	-	(22,764)	10,414	2,229	5,064	(33,670)	239,702
Loss for the period	-	-	-	-	-	-	-	(2,941)	(2,941)
Other comprehensive loss for the period	-	-	-	-	-	(1,156)	-	-	(1,156)
Total Comprehensive loss for the period	-	-	-	-	-	(1,156)	-	(2,941)	(4,097)
Employee share ownership plan vesting charge	-	-	-	-	-	-	95	-	95
<b>Balance at 31 March 2011</b>	<b>250,000</b>	<b>28,429</b>	<b>-</b>	<b>(22,764)</b>	<b>10,414</b>	<b>1,073</b>	<b>5,159</b>	<b>(36,611)</b>	<b>235,700</b>
<b>31 March 2010</b>									
Balance at 1 January 2010	173,250	13,533	64,905	(15,000)	10,414	1,496	4,211	32,988	285,797
Issue of share capital	57,773	14,896	(64,905)	(7,764)	-	-	-	-	-
Bonus shares issued for 2009	18,977	-	-	-	-	-	-	(18,977)	-
Profit (loss) for the period	-	-	-	-	-	-	-	(2,370)	(2,370)
Other comprehensive income for the period	-	-	-	-	-	105	-	-	105
Total comprehensive income (loss)	-	-	-	-	-	105	-	(2,370)	(2,265)
Employee share ownership plan vesting charge	-	-	-	-	-	-	284	-	284
<b>Balance at 31 March 2010</b>	<b>250,000</b>	<b>28,429</b>	<b>-</b>	<b>(22,764)</b>	<b>10,414</b>	<b>1,601</b>	<b>4,495</b>	<b>11,641</b>	<b>285,816</b>