

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2011



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	USD 000's	
	30 September 2011 (unaudited)	31 December 2010 (audited)
ASSETS		
Cash and balances with banks	2,826	2,672
Placements with financial institutions	8,009	11,267
Investment securities	156,576	135,396
Investments in associates and a joint venture accounted under the equity method	30,881	31,677
Investment property	9,130	9,130
Receivable from investment banking services	10,022	13,837
Short term financing to project companies	23,774	20,975
Other assets	10,004	11,942
Property and equipment	11,304	12,350
Total assets	242,526	249,246
LIABILITIES		
Islamic financing payable	5,000	44
Employee accruals	5,487	5,785
Other liabilities	4,402	3,715
Total liabilities	14,889	9,544
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	193	2,229
Employee share ownership plan reserve	5,349	5,064
Accumulated losses	(43,984)	(33,670)
Total equity	227,637	239,702
Total liabilities and equity	242,526	249,246
Off balance sheet items		
Restricted investment accounts	16,857	16,219

Extracted from the reviewed interim financial information approved for issue by the Board on 2nd November 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		Nine months ended	
	30 September 2011 (unaudited)	30 September 2010 (unaudited)	30 September 2011 (unaudited)	30 September 2010 (unaudited)
INCOME				
Income from investment banking services	490	1,086	2,011	4,912
Income from placements with financial institutions	113	132	372	602
(Loss) gain on investment securities carried at fair value through profit or loss - net	(115)	102	1,092	(83)
Gain on sale of available-for-sale securities	-	-	867	-
Share of results of associates and joint venture	(213)	(456)	(796)	(1,952)
Other income	835	425	1,826	1,927
Total income	1,110	1,289	5,372	5,406
EXPENSES				
Staff costs	1,990	2,413	5,991	7,989
Travel and business development expenses	161	217	742	567
Legal and professional expenses	384	298	1,051	816
Finance cost	39	7	72	229
Depreciation	364	401	1,146	1,210
Other expenses	505	493	1,949	1,790
Total expenses	3,441	3,829	10,951	12,601
Loss for the period before impairment allowances	(2,331)	(2,540)	(5,579)	(7,195)
Impairment allowances	(500)	(30)	(4,735)	(2,349)
Loss for the period	(2,831)	(2,570)	(10,314)	(9,544)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	USD 000's			
	Three months ended		Nine months ended	
	30 September 2011 (unaudited)	30 September 2010 (unaudited)	30 September 2011 (unaudited)	30 September 2010 (unaudited)
Loss for the period	(2,831)	(2,570)	(10,314)	(9,544)
Other comprehensive loss				
Recycling of the gain on sale of available-for-sale securities to the consolidated statement of income	-	-	(867)	-
Changes in fair value of available-for-sale securities	(250)	22	(1,169)	(304)
	(250)	22	(2,036)	(304)
Total comprehensive loss for the period	(3,081)	(2,548)	(12,350)	(9,848)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	USD 000's	
	30 September 2011 (unaudited)	30 September 2010 (unaudited)
OPERATING ACTIVITIES		
Loss for the period	(10,314)	(9,544)
Adjustments for non-cash items:		
(Gain) loss from investment securities carried at fair value through profit or loss - net	(1,073)	83
Gain on sale of available-for-sale securities	(867)	-
Share of results of associates and a joint venture accounted under the equity method	796	1,952
Employee share ownership plan vesting charge	285	853
Impairment allowances	4,735	2,349
Depreciation	1,146	1,210
Operating loss before changes in operating assets and liabilities	(5,292)	(3,097)
Changes in operating assets and liabilities:		
Purchase of investment securities	(2,392)	(9,449)
Receivable from investment banking services	2,062	(1,982)
Short term financing to project companies	(5,833)	(12,461)
Other assets	1,617	(11,408)
Employee accruals	(298)	(309)
Other liabilities	687	(4,231)
Net cash used in operating activities	(9,449)	(42,937)
INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale securities	1,454	-
Investment in associates and a joint venture accounted under the equity method	-	(1,482)
Dividend from investment securities	35	-
(Purchase) sale of property and equipment	(100)	59
Proceeds from sale of investment property	-	53,754
Net cash from investing activities	1,389	52,331
FINANCING ACTIVITIES		
Islamic financing payable raised (repaid)	4,956	(13,354)
Payable on acquisition of investment property	-	(41,737)
Dividend and other appropriations paid	-	(1,283)
Zakat contribution	-	(79)
Net cash from (used in) financing activities	4,956	(56,453)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,104)	(47,059)
Cash and cash equivalents at beginning of the period	13,939	65,076
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10,835	18,017
Cash and cash equivalents per the statement of financial position		
Cash and balances with banks	2,826	1,667
Placements with financial institutions with original maturity of 90 days or less	8,009	16,350
10,835	18,017	

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
30 September 2011									
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	-	-	-	-	-	-	-	(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
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
Issue of share capital	57,773	14,896	(64,905)	(7,764)	-	-	-	-	-
Bonus shares issued for 2009	18,977	-	-	-	-	-	-	(18,977)	-
Loss for the period	-	-	-	-	-	-	-	(9,544)	(9,544)
Other comprehensive loss for the period	-	-	-	-	-	(304)	-	-	(304)
Total comprehensive loss for the period	-	-	-	-	-	(304)	-	(9,544)	(9,848)
Zakat contribution	-	-	-	-	-	-	-	(79)	(79)
Employee share ownership plan vesting charge	-	-	-	-	-	-	853	-	853
Balance at 30 September 2010	250,000	28,429	-	(22,764)	10,414	1,192	5,064	4,388	276,725