

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2013



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2013 USD 000's

	30 June 2013	31 December 2011
ASSETS		
Balances with banks	5,903	3,286
Placements with financial institutions	4,720	10,652
Investments	131,567	115,694
Investments in associates and a joint venture accounted under the equity method	25,033	29,474
Investment property	9,130	9,130
Receivable from investment banking services	13,192	6,550
Funding to project companies	12,858	5,839
Other assets	9,246	6,933
Property and equipment	9,912	10,977
Total assets	221,561	198,535
LIABILITIES		
Islamic financing payable	13,011	8,631
Employee accruals	4,109	6,323
Other liabilities	3,963	3,865
Total liabilities	21,083	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	245	628
Employee share ownership plan reserve	5,349	5,349
Accumulated losses	(71,195)	(92,340)
Total equity	200,478	179,716
Total liabilities and equity	221,561	198,535
Off statement of financial position items		
Equity of investment account holders	3,740	16,846

Extracted from the audited consolidated financial information approved for issue by the Board on 29 July 2013 and on which Ernst & Young has issued an unqualified audit report.

Dr. Ghassan Al Sulaiman
Chairman

Abdullatif M. Janahi
Board Member and Chief Executive Officer

CONSOLIDATED STATEMENT OF INCOME

For the 18 month period ended 30 June 2013 USD 000's

	1 January 2012 to 30 June 2013	Year ended 31 December 2011
REVENUE		
Income from investment banking services	35,053	2,966
Finance income	585	574
Dividend income	3,858	358
Rental and other miscellaneous income	4,377	2,820
Total revenue	43,873	6,718
OTHER GAINS (LOSSES)		
Fair value losses on investments at fair value through profit or loss - net	(7,315)	(15,413)
Other gains on investments - net	1,143	906
	37,701	(7,789)
EXPENSES		
Staff costs	8,452	8,422
Travel and business development expenses	912	766
Legal and professional fees	1,050	1,435
Finance expense	269	75
Depreciation	1,887	1,509
Other expenses	3,404	2,323
Total expenses	15,974	14,530
Profit (loss) before impairment provisions and share of loss of associates and joint venture	21,727	(22,319)
Impairment provisions released / (charged) - net	1,230	(35,172)
Share of losses of associates and joint venture, net	(1,812)	(1,179)
Net profit (loss) for the period / year	21,145	(58,670)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 18 month period ended 30 June 2013 USD 000's

	1 January 2012 to 30 June 2013	Year ended 31 December 2011
Profit (loss) for the period / year	21,145	(58,670)
Other comprehensive (loss) income		
Recycling of 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	741	(734)
Other comprehensive income (loss) for the period / year	(383)	(1,601)
Total comprehensive income (loss) for the period	20,762	(60,271)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 18 month period ended 30 June 2013 USD 000's

	1 January 2012 to 30 June 2013	Year ended 31 December 2011
OPERATING ACTIVITIES		
Net profit (loss) for the year	21,145	(58,670)
Adjustments for non-cash items:		
(Gain) / loss on investments	(1,124)	(867)
Share of results of associates and joint venture accounted under the equity method	1,812	1,179
Employee share ownership plan vesting charge	-	285
Impairment provisions (released) / charged	(1,230)	35,172
Depreciation	1,887	1,509
Gain on disposal of property and equipment	(100)	-
Dividend income	(3,858)	(358)
Operating profit (loss) before changes in operating assets and liabilities	18,532	(21,750)
Changes in operating assets and liabilities:		
Investments	(11,377)	15,485
Receivable from investment banking services	(6,822)	1,907
Funding to project companies	(4,957)	(6,944)
Other assets	(2,589)	1,804
Employee accruals	(2,214)	538
Other liabilities	98	150
Net cash used in operating activities	(9,329)	(8,810)
INVESTING ACTIVITIES		
Dividends received	2,291	358
Property and equipment - net	(657)	(136)
Net cash from investing activities	1,634	222
FINANCING ACTIVITY		
Islamic financing payables	4,380	8,587
Net cash from financing activity	4,380	8,587
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,315)	(1)
Cash and cash equivalents at beginning of the period / year	13,938	13,939
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD / YEAR	10,623	13,938
Comprising of:		
Balances with banks	5,903	3,286
Placements with financial institutions	4,720	10,652
	10,623	13,938

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 18 month period ended 30 June 2013

USD 000's

	Share capital	Share premium	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	Accumulated losses	Total
30 June 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	-	-	-	-	-	-	21,145	21,145
Other comprehensive loss for the period	-	-	-	-	(383)	-	-	(383)
Total comprehensive (loss) income for the period	-	-	-	-	(383)	-	21,145	20,762
Balance at 30 June 2013	250,000	28,429	(22,764)	10,414	245	5,349	(71,195)	200,478
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	250,000	28,429	(22,764)	10,414	628	5,349	(92,340)	179,716