

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	USD 000's	
	30 June 2012 (unaudited)	31 December 2011 (audited)
ASSETS		
Balance with banks	2,896	3,286
Placements with financial institutions	7,426	10,652
Investments	116,528	112,954
Investments in associates and a joint venture accounted under the equity method	28,852	29,474
Investment property	9,130	9,130
Receivable from investment banking services	24,158	6,550
Funding to project companies	4,121	5,839
Other assets	6,415	9,673
Property and equipment	10,280	10,977
Total assets	209,606	198,535
LIABILITIES		
Islamic financing payables	9,000	8,631
Employee accruals	4,758	6,323
Other liabilities	3,779	3,865
Total liabilities	17,537	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	(24)	628
Employee share ownership plan reserve	5,349	5,349
Accumulated losses	(79,335)	(92,340)
Total equity	192,069	179,716
Total liabilities and equity	209,606	198,535
Off statement of financial position items		
Equity of investment account holders	17,083	16,846

Extracted from the reviewed interim financial information approved for issue by the Board on 8 August 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			
	Six months ended 30 June 2012		Six months ended 30 June 2011	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)	30 June 2012 (unaudited)	30 June 2011 (unaudited)
REVENUE				
Income from investment banking services	7,808	667	18,170	1,521
Finance income	68	130	194	259
Other income	416	525	965	991
Total revenue	8,292	1,322	19,329	2,771
Other gains (losses)				
Gain on investments - net	854	1,880	1,416	2,074
	9,126	3,202	20,745	4,845
EXPENSES				
Staff costs	1,255	1,997	2,865	4,001
Travel and business development expenses	213	322	448	581
Legal and professional fees	41	209	263	667
Finance expense	60	7	87	33
Depreciation	338	385	688	782
Other expenses	643	761	1,467	1,446
Total expenses	2,550	3,681	5,816	7,510
Profit (loss) before impairment allowances and share of loss of associates and joint venture	6,576	(479)	14,929	(2,665)
Impairment allowances	(1,302)	(3,691)	(1,302)	(4,235)
Share of losses of associates and joint venture, net	(270)	(372)	(622)	(583)
Net profit (loss) for the period	5,004	(4,542)	13,005	(7,483)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	USD 000's			
	Three months ended 30 June 2012		Six months ended 30 June 2011	
	30 June 2012 (unaudited)	30 June 2011 (unaudited)	30 June 2012 (unaudited)	30 June 2011 (unaudited)
Net profit (loss) for the period	5,004	(4,542)	13,005	(7,483)
Other comprehensive income (loss)				
Recycling of the gain on sale of available-for-sale securities to the consolidated statement of income	(858)	(526)	(1,124)	(867)
Changes in fair value of available-for-sale investments	85	(104)	472	(919)
Other comprehensive (loss) for the period	(773)	(630)	(652)	(1,786)
Total comprehensive income (loss) for the period	4,231	(5,172)	12,353	(9,269)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	USD 000's	
	Six months ended 30 June 2012	
	30 June 2012	30 June 2011
OPERATING ACTIVITIES		
Net profit (loss) for the period	13,005	(7,483)
Adjustments for non-cash items:		
Gain on investment	(1,124)	(2,074)
Share of results of associates and a joint venture accounted under the equity method	622	583
Employee share ownership plan vesting charge	-	190
Impairment allowances	1,302	4,235
Depreciation	688	782
Loss on disposal of property and equipment	8	-
Dividend income	(322)	12
Operating profit (loss) before changes in operating assets and liabilities	14,179	(3,755)
Changes in operating assets and liabilities:		
Investment	(5,971)	(2,099)
Receivable from investment banking services	(17,608)	2,461
Funding to project companies	518	(4,587)
Other assets	3,054	3,618
Employee accruals	(1,565)	(465)
Other liabilities	(86)	3,755
Net cash used in operating activities	(7,479)	(1,072)
INVESTING ACTIVITIES		
Proceeds from sale of investments	3,069	1,454
Dividend from investment	424	35
Sale (purchase) of property and equipment	1	(94)
Net cash from investing activities	3,494	1,395
FINANCING ACTIVITIES		
Islamic financing payables raised (repaid)	369	4,956
Net cash from financing activities	369	4,956
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,616)	5,279
Cash and cash equivalents at beginning of the period	13,938	13,939
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10,322	19,218
Cash and cash equivalents per the statement of financial position		
Cash and balances with banks	2,896	6,051
Placements with financial institutions	7,426	13,167
	10,322	19,218

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 June 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	-	-	-	-	-	-	13,005	13,005
Other comprehensive loss for the period	-	-	-	-	(652)	-	-	(652)
Total comprehensive (loss) income for the period	-	-	-	-	(652)	-	13,005	12,353
Balance at 30 June 2012	250,000	28,429	(22,764)	10,414	(24)	5,349	(79,335)	192,069
30 June 2010								
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	-	-	-	-	-	-	(7,483)	(7,483)
Other comprehensive loss for the period	-	-	-	-	(1,786)	-	-	(1,786)
Total comprehensive loss for the period	-	-	-	-	(1,786)	-	(7,483)	(9,269)
Employee share ownership plan vesting charge	-	-	-	-	-	190	-	190
Balance at 30 June 2011	250,000	28,429	(22,764)	10,414	443	5,254	(41,155)	230,623