CONSOLIDATED FINANCIAL STATEMENTS

USD 000's

For the year ended 31 December 2009

VENTURE Capital Bank

USD 000's

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2009

As di 51 December 2007		050 000 3
	31 December 2009	31 December 2008
ASSETS		
Cash and balances with banks	14,287	1,093
Placements with financial institutions	50,789	31,718
Investment securities	129,259	116,068
Investments in associates and joint ventures	36,814	17,147
Assets held-for-sale	-	22,843
Investment property	62,884	8,442
Receivable from investment banking services	9,925	9,316
Short term funding to project companies	14,418	9,544
Other assets	23,618	22,253
Property and equipment	14,007	5,171
Total assets	356,001	243,595
LIABILITIES		
Financing payables	13,428	288
Payable on acquisition of investment property	41,737	-
Employee accruals	5,767	14,535
Other liabilities	9,272	3,572
Total liabilities	70,204	18,395
EQUITY		
Share capital	173,250	165,000
Share premium	13,533	13,533
Funds received towards capital increase	64,905	-
Unvested shares of employee	,	
share ownership plan	(15,000)	(15,000)
Statutory reserve	10,414	9,314
Investments fair value reserve	1,496	(85)
Employee share ownership plan reserve	4,211	3,073
Retained earnings	32,988	49,352
Total equity attributable to		
shareholders of the parent	285,797	225,187
Non controlling interest	-	13
Non-controlling interest		
	285,797	225,200
Total equity Total liabilities and equity	285,797 356,001	225,200 243,595

Extracted from the audited financials approved for issue by the Board on which KPMG have issued an unqualified audit report.

Dr. Ghassan Al Sulaiman	
Chairman	Direct

Abdul Latif M. Janahi ctor and Chief Executive Officer

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2009

		ended	Three mont	
31	December	31 December	31 December	31 December
	2009	2008	2009	2008
			(reviewed)	(reviewed
Income from investment				
banking services Income from placements with	24,619	67,523	10,449	11,067
financial institutions	594	1,077	286	131
Income from financing receivables	102	457	102	-
Income from investment securities Income from sale of	7,005	10,368	(1,077)	8,412
investment property	-	1,462		1,462
Share of (loss)/profit of	(0.004)	2/5	(000)	(10
associates and joint ventures	(2,234)	365	(982)	(42
Other income	2,387	795	1,677	592
Total income	32,473	82,047	10,455	21,622
Staff cost	9,763	20,481	2,363	5,503
Travel and business				
development expenses	1,414	2,306	38	824
Impairment allowances	6,410	6,563	5,469	5,212
Finance expense	28	28	7	7
Depreciation	1,342	801	385	271
Other expenses	2,512	3,619	496	1,759
Total expenses	21,469	33,798	8,758	13,576
Profit for the year/period from				
continuing operations	11,004	48,249	1,697	8,046
Loss on assets held-for-sale	•	(1,208)	-	(680
Profit for the year/period	11,004	47,041	1,697	7,366
Attributable to:				
Shareholders of the parent	11,013	47,621	1,688	8,493
Non-controlling interest	(9)	(580)	9	(1,127
	11, 00 4	47,041	1,697	7,366
Earnings per share (US cents)				
Basic	6.99	30.24	-	-
Diluted	6.85	28.20		-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009		USD 000's
	31 December 2009	31 December 2008
Profit for the year	11,004	47,041
Other comprehensive income Changes in fair value of available-for-sale investments fair value reserve	1,581	(265)
Total comprehensive income for the year	12,585	46,776
Attributable to: Shareholders of the parent Non-controlling interest	12,594 (9)	47,356 (580)
	12,585	46,776

CONSOLIDATED STATEMENT OF CASH FLOWS	
For the year ended 31 December 2009	

USD 000's

Tor the year chack of December 2007		000 000 3		
	31 December 2009	31 December 2008		
OPERATING ACTIVITIES				
Murabaha profits received	594	1,077		
Dividends received	486	1,158		
Other receipts	897	510		
Placement, management and				
advisory fees received	1,237	1,600		
Investment banking fees received	22,537	92,892		
Project costs recovered	8,234	-		
Acquisition of assets held-for-sale	(712)	(22,516		
Purchase of trading securities	(3,555)	(62,553)		
Sale of trading securities	3,811	10,332		
Advances to acquire investments	(19,908)	(13,446)		
Directors remuneration paid	(1,534)	(1,310)		
Short term funding to project companies	(6,125)	-		
Payments for staff cost	(19,038)	(13,473)		
Payments for other expenses	(5,288)	(5,573)		
Cash flows from operating activities	(18,364)	(11,302)		
INVESTING ACTIVITIES				
Purchase of property and equipment	(293)	(2,845)		
Cash flows from investing activities	(293)	(2,845		
FINANCING ACTIVITIES				
Advance received towards capital increase	57,099	-		
Financing payables, net	(151)	(151)		
Dividends paid	(5,836)	(22,575)		
Zakah paid	(190)	(309)		
Cash flows from financing activities	50,922	(23,035)		
INCREASE/(DECREASE) IN CASH AND				
CASH EQUIVALENTS	32,265	(37,182)		
Cash and cash equivalents at		. , .		
beginning of the year	32,811	69,993		
CASH AND CASH EQUIVALENTS AT				
END OF THE YEAR	65,076	32,811		
Cash and cash equivalents per the				
statement of financial position				
Cash and balances with banks	14,287	1,093		
Placements with financial institutions	50,789	31,718		

CONSOLIDATED STATEMENT OF SOURCES AND USES OF ZAKAH FUND

For the year ended 31 December 2009		USD 000's
	2009	2008
Sources of Zakah fund		
Contributions by the Bank	191	309
Total sources	191	309
Uses of Zakah fund		
Contributions to charitable organisations	191	309
Total uses	191	309
Undistributed Zakah fund at 31 December	-	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009											USD 000's
		Attributable to the shareholders of the parent									
2009	Share capital	Share premium	Unvested ESOP shares	Funds received towards capital increase	Statutory reserve	Investments fair value reserve	ESOP reserve	Retained earnings	Total	Non-controlling interest	Total
Balance at 1 January 2009	165,000	13,533	(15,000)	-	9,314	(85)	3,073	49,352	225,187	13	225,200
Profit for the year	-	-	-	-	-	-	-	11,013	11,013	(9)	11,004
Changes in fair value of available-for-sale investments	-	-	-	-	-	1,496	-	-	1,496	-	1,496
Transfer to income statement on impairment	-	-	-	-	-	85	-	-	85	-	85

Total comprehensive income		-	-	-	-	1,496	-	11,013	12,594	(9)	12,585
Transfer to statutory reserve	-	-	-	-	1,100	-	-	(1,100)	-	-	-
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)	-	-	-
Capital increase in progress	-	-	-	64,905	-	-	-	-	64,905	-	64,905
Zakah contribution (2008)	-	-	-	-	-	-	-	(191)	(191)	-	(191)
ESOP plan vesting charge	-	-	-	-	-	-	1,138	-	1,138	-	1,138
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(9)	(9)	(4)	(13)
Balance at 31 December 2009	173,250	13,533	(15,000)	64,905	10,414	1,496	4,211	32,988	285,797	-	285,797

		Attributable to the shareholders of the parent								
2008	Share capital	Share premium	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	Retained earnings	Total	Non-controlling interest	Total
Balance at 1 January 2008	165,000	13,533	(15,000)	4,552	180	1,800	31,887	201,952	663	202,615
Profit for the year	-	-	-	-	-	-	47,621	47,621	(580)	47,041
Fair value changes	-	-	-	-	(265)	-	-	(265)	-	(265)
Total comprehensive income			-	-	(265)	-	47,621	47,356	(580)	46,776
Transfer to statutory reserve	-	-	-	4,762	-	-	(4,762)	-	-	-
Dividends declared (2007)	-	-	-	-	-	-	(23,775)	(23,775)	-	(23,775)
Directors remuneration (2007)	-	-	-	-	-	-	(1,310)	(1,310)	-	(1,310)
ESOP plan vesting charge	-	-	-	-	-	1,273	-	1,273	-	1,273
Zakah contribution (2007)	-	-	-	-	-	-	(309)	(309)	-	(309)
Minority interest attributable to asset held-for-sale	-	-	-	-	-	-	-	-	3,858	3,858
Deconsolidation of minority on partial sale of										
stake in a subsidiary	-	-	-	-	-	-	-	-	(3,928)	(3,928)
Balance at 30 September 2007	165,000	13,533	(15,000)	9,314	(85)	3,073	49,352	225,187	13	225,200

CONSOLIDATED STATEMENT OF CHANGES IN RESTRICTED INVESTMENT ACCOUNTS For the year ended 31 December 2009

For the year ended 31 December 2009									USD 000's
2009	Balance 1 Jan 2009	Investors funds received	Investors funds repaid	AFS revaluation adjustments	Gross income	Dividend paid	Administration expenses	Bank's fees as agent	Balance 31 Dec 2009
The GCC Pre-IPO Fund	4,615	-	(146)	(127)	129	-	-	-	4,471
VC Bank investment projects Mudarabah	-	12,000	-	-	331	-	-	(23)	12,308
	4,615	12,000	(146)	(127)	460	-		(23)	16,779
<i>Representing:</i> Investments in equities Funds in short term Murabaha									4,276 12,503
Total									16,779
2008	Balance 1 Jan 2008	Investors funds received	Investors funds repaid	AFS revaluation adjustments	Gross income	Dividend paid	Administration expenses	Bank's fees as agent	Balance 31 Dec 2008
The GCC Pre-IPO Fund	5,110	-	(299)	(226)	30	-	-	-	4,615
<i>Representing:</i> Investments in equities Funds in short term Murabaha									4,423 192
									4,615