

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 12 months ended 31 December 2012



### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2012 USD 000's

	31 December 2012 (Unaudited)	31 December 2011 (Audited)
<b>ASSETS</b>		
Balance with banks	2,354	3,286
Placements with financial institutions	4,222	10,652
Investments	122,751	112,954
Investments in associates and a joint venture accounted under the equity method	27,742	29,474
Investment property	9,130	9,130
Receivable from investment banking services	21,554	6,550
Funding to project companies	5,278	5,839
Other assets	6,568	9,673
Property and equipment	9,906	10,977
<b>Total assets</b>	<b>209,505</b>	<b>198,535</b>
<b>LIABILITIES</b>		
Islamic financing payables	3,000	8,631
Employee accruals	4,562	6,323
Other liabilities	4,349	3,865
<b>Total liabilities</b>	<b>11,911</b>	<b>18,819</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)	628
Employee share ownership plan reserve	5,349	5,349
Accumulated losses	(73,833)	(92,340)
<b>Total equity</b>	<b>197,594</b>	<b>179,716</b>
<b>Total liabilities and equity</b>	<b>209,505</b>	<b>198,535</b>
<b>Off statement of financial position items</b>		
Equity of investment account holders	3,679	16,846

Extracted from the reviewed interim financial information approved for issue by the Board on 6 February 2013 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

12 months ended 31 December 2012 USD 000's

	Three months ended		Twelve months ended	
	31 December 2012 (Reviewed)	31 December 2011 (Not Reviewed)	31 December 2012 (Reviewed)	31 December 2011 (Audited)
<b>REVENUE</b>				
Income from investment banking services	4,849	955	29,129	2,966
Finance income	111	93	423	574
Dividend income	173	304	2,176	358
Rental and other miscellaneous income	1,538	1,120	2,796	2,820
<b>Total revenue</b>	<b>6,671</b>	<b>2,472</b>	<b>34,524</b>	<b>6,718</b>
<b>OTHER GAINS (LOSSES)</b>				
Fair value gains (losses) on investments at fair value through profit or loss - net	3	(16,450)	(2,020)	(15,413)
Other gains on investments - net	-	21	1,124	906
	<b>6,674</b>	<b>(13,957)</b>	<b>35,628</b>	<b>(7,789)</b>
<b>EXPENSES</b>				
Staff costs	1,307	2,431	5,364	8,422
Travel and business development expenses	163	24	667	766
Legal and professional fees	272	384	683	1,435
Finance expense	23	13	156	75
Depreciation	326	363	1,336	1,509
Other expenses	638	364	2,430	2,323
<b>Total expenses</b>	<b>2,729</b>	<b>3,579</b>	<b>10,636</b>	<b>14,530</b>
<b>Profit (loss) before impairment allowances and share of loss of associates and joint venture</b>	<b>3,945</b>	<b>(17,536)</b>	<b>22,992</b>	<b>(22,319)</b>
Impairment allowances	-	(30,437)	(3,012)	(35,172)
Share of losses of associates and joint venture - net	(444)	(383)	(1,473)	(1,179)
<b>Net profit (loss) for the period</b>	<b>3,501</b>	<b>(48,356)</b>	<b>18,507</b>	<b>(58,670)</b>

### INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Twelve months ended 31 December 2012 USD 000's

	Three months ended		Twelve months ended	
	31 December 2012 (Reviewed)	31 December 2011 (Not reviewed)	31 December 2012 (Reviewed)	31 December 2011 (Audited)
<b>Net profit (loss) for the period</b>	<b>3,501</b>	<b>(48,356)</b>	<b>18,507</b>	<b>(58,670)</b>
<b>Other comprehensive income (loss)</b>				
Recycling of the 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	24	435	495	(734)
<b>Other comprehensive income for the period</b>	<b>24</b>	<b>435</b>	<b>(629)</b>	<b>(1,601)</b>
<b>Total comprehensive income (loss) for the period</b>	<b>3,525</b>	<b>(47,921)</b>	<b>17,878</b>	<b>(60,271)</b>

### INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

12 months ended 31 December 2012 USD 000's

	31 December 2012 (Unaudited)	31 December 2011 (Audited)
<b>OPERATING ACTIVITIES</b>		
Net profit (loss) for the year	18,507	(58,670)
Adjustments for non-cash items:		
(Gain) / Loss on investments	(1,124)	14,149
Share of results of associates and joint venture accounted under the equity method	1,473	1,179
Employee share ownership plan vesting charge	-	285
Impairment allowances	3,012	35,172
Depreciation	1,336	1,509
(Gain) Loss on disposal of property and equipment	(100)	-
Dividend income	(2,176)	-
Operating profit (loss) before changes in operating assets and liabilities	20,928	(6,376)
Changes in operating assets and liabilities:		
Investments	(12,517)	469
Receivable from investment banking services	(15,029)	1,907
Funding to project companies	(1,774)	(6,944)
Other assets	3,562	1,804
Employee accruals	(1,761)	538
Other liabilities	484	150
<b>Net cash used in operating activities</b>	<b>(6,107)</b>	<b>(8,452)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments - net	3,099	-
Dividend received	1,545	-
Purchase of property and equipment - net	(268)	(136)
<b>Net cash from (used in) investing activities</b>	<b>4,376</b>	<b>(136)</b>
<b>FINANCING ACTIVITY</b>		
Islamic financing (repaid) raised	(5,631)	8,587
<b>Net cash (used in) from financing activity</b>	<b>(5,631)</b>	<b>8,587</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,362)</b>	<b>(1)</b>
Cash and cash equivalents at beginning of the period	13,938	13,939
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>6,576</b>	<b>13,938</b>
<b>Cash and cash equivalents per the statement of financial position</b>		
Cash and balances with banks	2,354	3,286
Placements with financial institutions	4,222	10,652
	<b>6,576</b>	<b>13,938</b>

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Twelve months ended 31 December 2012 (Unaudited) USD 000's

	Share capital	Share premium	Unvested ESOP shares	Statutory reserve	Investments fair value reserve	ESOP reserve	Accumulated losses	Total
<b>31 December 2012</b>								
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	-	-	-	-	-	-	18,507	18,507
Other comprehensive loss for the period	-	-	-	-	(629)	-	-	(629)
Total comprehensive (loss) income for the period	-	-	-	-	(629)	-	18,507	17,878
<b>Balance at 31 December 2012</b>	<b>250,000</b>	<b>28,429</b>	<b>(22,764)</b>	<b>10,414</b>	<b>(1)</b>	<b>5,349</b>	<b>(73,833)</b>	<b>197,594</b>
<b>31 December 2011</b>								
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
<b>Balance at 31 December 2011</b>	<b>250,000</b>	<b>28,429</b>	<b>(22,764)</b>	<b>10,414</b>	<b>628</b>	<b>5,349</b>	<b>(92,340)</b>	<b>179,716</b>