



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the three months ended 31 March 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2014 / US\$ 000's	31 March 2014 (reviewed)	31 December 2013 (audited)	31 March 2013 (reviewed)
ASSETS			
Cash and bank balances	28,171	21,847	22,532
Placements with financial institutions	4,955	-	-
Investment securities	197,052	196,141	173,670
Investment property	259,404	259,404	259,404
Assets held-for-sale	160,254	184,076	82,166
Equity-accounted investees	17,798	73,417	235,927
Intangible assets	125,220	-	-
Property, plant and equipment	135,275	299	855
Other assets	230,826	172,669	122,234
Total assets	1,158,955	907,853	896,788
LIABILITIES			
Investors' funds	11,001	19,166	13,829
Placements from financial and other institutions	92,012	93,511	126,392
Financing liabilities	260,272	207,767	222,748
Liabilities related to assets held-for-sale	-	-	39,926
Other liabilities	87,137	60,408	71,335
Total liabilities	450,422	380,852	474,230
Equity of investment account holders	1,651	2,155	2,358
OWNERS' EQUITY			
Share capital	972,281	972,281	681,348
Treasury shares	(912)	(912)	(525)
Share premium	-	-	-
Statutory reserve	68,146	68,146	68,098
Accumulated losses	(515,605)	(515,911)	(331,826)
Other reserves	1,321	1,242	918
Foreign currency translation reserve	(542)	-	(2,521)
Total equity attributable to shareholders of the Bank	524,689	524,846	415,492
Non controlling interests	182,193	-	4,708
Total owners' equity	706,882	524,846	420,200
Total liabilities, equity of investment account holders and owners' equity	1,158,955	907,853	896,788

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY for the three months ended 31 March 2014 / US\$ 000's (reviewed)	Attributable to shareholders of the Bank								Non controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserve	Accumulated losses	Other reserves	Foreign currency translation reserve	Total		
Balance at 1 January 2014	972,281	(912)	-	68,146	(515,911)	1,242	-	524,846	-	524,846
Profit for the period	-	-	-	-	306	-	-	306	746	1,052
Foreign currency translation differences	-	-	-	-	-	-	(542)	(542)	(852)	(1,394)
Total recognised income and expense	-	-	-	-	306	-	(542)	(236)	(106)	(342)
Share grants vesting expense, net of forfeitures	-	-	-	-	-	79	-	79	-	79
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	182,299	182,299
Balance at 31 March 2014	972,281	(912)	-	68,146	(515,605)	1,321	(542)	524,689	182,193	706,882

31 March 2013 / US\$ 000's (reviewed)	Attributable to shareholders of the Bank								Non controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserve	Accumulated losses	Other reserves	Foreign currency translation reserve	Total		
Balance at 1 January 2013	595,087	(2,995)	13,235	66,356	(291,280)	903	-	381,306	-	381,306
Profit for the period	-	-	-	-	1,486	-	-	1,486	-	1,486
Total recognised income and expense	-	-	-	-	1,486	-	-	1,486	-	1,486
Transfer to statutory reserve	-	-	-	1,003	(1,003)	-	-	-	-	-
Conversion of murabaha to capital	86,261	(8,528)	(13,235)	-	(40,999)	-	-	23,499	-	23,499
Sale of treasury shares	-	10,998	-	-	-	-	-	10,998	-	10,998
Gain on sale of treasury shares	-	-	-	739	-	-	-	739	-	739
Share grants vesting expense, net of forfeitures	-	-	-	-	-	15	-	15	-	15
Foreign currency translation differences	-	-	-	-	-	-	(2,909)	(2,909)	-	(2,909)
Partial disposal of assets held-for-sale	-	-	-	-	(30)	-	388	358	4,708	5,066
Balance at 31 March 2013	681,348	(525)	-	68,098	(331,826)	918	(2,521)	415,492	4,708	420,200

CONDENSED CONSOLIDATED INCOME STATEMENT for the three months ended 31 March 2014 / US\$ 000's	Three months ended	
	31 March 2014 (reviewed)	31 March 2013 (reviewed)
Management and other fees	504	4,740
Income from placements with financial institutions	67	237
Share of profits of equity-accounted investees	2,635	542
Income from investment securities, net	836	-
Foreign exchange gain, net	6	345
Other income	3,171	5,242
Income from investment banking business	7,219	11,106
Revenue from industrial business	22,465	-
Total income	29,684	11,106
Staff cost	2,100	1,154
Investment advisory expenses	716	782
Finance expense	3,620	4,392
Other expenses	2,412	1,988
Total expenses of investment banking business	8,848	8,316
Cost of sales	17,766	-
Other operating expenses	2,018	-
Total expenses of industrial business	19,784	-
Total expenses	28,632	8,316
Profit from continuing operations before impairment allowances	1,052	2,790
Impairment allowances	-	(1,000)
Profit from continuing operations	1,052	1,790
Loss from discontinued operations	-	(304)
PROFIT FOR THE PERIOD	1,052	1,486
Attributable to:		
Shareholders of the Bank	306	1,486
Non-controlling interests	746	-
Earnings per share		
Basic and diluted earnings per share (US cents)	0.010	0.083
Earnings per share – continuing operations		
Basic and diluted earnings per share (US cents)	0.010	0.083

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the three months ended 31 March 2014 / US\$ 000's	31 March 2014 (reviewed)	31 March 2013 (reviewed)
	OPERATING ACTIVITIES	
Profit for the period	1,052	1,486
Adjustments for:		
Fair value changes in investment securities	(1,751)	-
Loss on sale of investment securities	915	-
Share of profit of equity-accounted investees	(3,170)	(542)
Foreign exchange gain	(222)	345
Finance expenses	1,499	4,461
Other income	(3,243)	(5,242)
Depreciation and amortisation	2,322	530
	(2,598)	1,038
Changes in:		
Placement with financial institutions	-	14,767
Investors' funds	(7,780)	(615)
Other assets	12,812	257
Other liabilities	(14,998)	(7,057)
Net cash (used in) / generated from operating activities	(12,564)	8,390
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(824)	-
Purchase of investment securities	(30,420)	(153)
Advance for investments	-	(4,989)
Proceeds from sale of investment securities	34,909	-
Proceeds from sale of assets held-for-sale	9,890	-
Acquisition of subsidiaries	-	7,341
Net cash generated from / (used in) investing activities	20,896	(5,142)
FINANCING ACTIVITIES		
Financing liabilities, net	(504)	(4,705)
Finance expense paid	(1,499)	(4,461)
Dividend paid	(10)	(3)
Proceeds from issue of convertible murabaha	-	13,499
Proceeds from sale of treasury shares	-	11,738
Net cash (used in) / generated from financing activities	(2,013)	16,068
Net increase in cash and cash equivalents during the period	6,319	19,316
Effect of exchange differences on cash and cash equivalents	5	(119)
Cash and cash equivalents at 1 January	21,847	5,105
CASH AND CASH EQUIVALENTS AT 31 March	28,171	24,302
Cash and cash equivalents comprise:		
Cash and balances with banks	28,171	5,032
Cash and bank balances included in asset held for sale	-	1,770
Placements with financial institutions	-	17,500
	28,171	24,302

The Board of Directors approved the condensed consolidated interim financial information on 14 May 2014.

Ahmed Al Mutawa
Chairman

Mosabah Saif Al Mautariy
Vice Chairman

Hisham Alrayes
CEO

The above Condensed Consolidated Financial Statements have been extracted from the Interim Condensed Consolidated Financial Statements, which were reviewed by KPMG, who expressed an unqualified opinion.