

## CONSOLIDATED FINANCIAL STATEMENT as at 31 December 2012

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2012

	USD	
	31 December 2012	31 December 2011
<b>Assets</b>		
Cash and bank balances	16,684,719	27,478,440
Loans and receivables	6,349,648	12,103,883
Investments designated at fair value through profit or loss	88,243,321	75,926,962
Equity accounted investees	3,382,219	4,329,141
Other assets	15,340,152	21,000,344
<b>Total assets</b>	<b>130,000,059</b>	<b>140,838,770</b>
<b>Liabilities</b>		
Investors' funds	-	6,383,430
Payables and accrued expenses	3,932,727	9,168,312
<b>Total liabilities</b>	<b>3,932,727</b>	<b>15,551,742</b>
<b>Equity</b>		
Share capital	113,888,889	113,888,889
Unvested shares of employees' incentive scheme	(1,963,023)	(2,020,033)
Share premium	1,696,656	1,686,293
Statutory reserve	2,272,835	2,201,628
Retained earnings	10,171,116	9,530,251
Translation reserve	859	-
<b>Total equity</b>	<b>126,067,332</b>	<b>125,287,028</b>
<b>Total liabilities and equity</b>	<b>130,000,059</b>	<b>140,838,770</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2012

	USD	
	2012	2011
Income from investment banking services	1,075,507	1,911,570
Net interest income	872,205	1,256,647
Fair value gain on investments designated at fair value through profit or loss, net	6,999,383	3,644,595
Profit on sale of investments	456,410	221,901
Dividend income	281,008	181,320
Share of profit / (loss) of equity accounted investees	173,077	(220,064)
Other income / (loss)	554,750	(216,502)
<b>Total income</b>	<b>10,412,340</b>	<b>6,779,467</b>
Staff expenses	6,409,469	6,990,386
Premises expenses	796,879	691,173
Other expenses	2,493,920	3,826,737
<b>Total expenses</b>	<b>9,700,268</b>	<b>11,508,296</b>
<b>Profit / (loss) for the year</b>	<b>712,072</b>	<b>(4,728,831)</b>
<b>Other comprehensive income</b>		
Foreign currency translation differences	859	-
<b>Other comprehensive income for the year</b>	<b>859</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>712,931</b>	<b>(4,728,831)</b>

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2012

	USD						
2012	Share capital	Unvested shares of employees incentive scheme	Share premium	Statutory reserve	Retained earnings	Translation reserve	Total equity
At 1 January	113,888,889	(2,020,033)	1,686,293	2,201,628	9,530,251	-	125,287,028
Profit for the year	-	-	-	-	712,072	-	712,072
Other comprehensive income	-	-	-	-	-	859	859
Total comprehensive income for the year	-	-	-	-	712,072	859	712,931
Shares vested under employees incentive scheme	-	57,010	10,363	-	-	-	67,373
Transfer to statutory reserve	-	-	-	71,207	(71,207)	-	-
<b>At 31 December</b>	<b>113,888,889</b>	<b>(1,963,023)</b>	<b>1,696,656</b>	<b>2,272,835</b>	<b>10,171,116</b>	<b>859</b>	<b>126,067,332</b>

2011	Equity attributable to shareholders of the Bank						Non-controlling interest	Total equity
	Share capital	Unvested shares of employees incentive scheme	Share premium	Statutory reserve	Retained earnings	Total		
At 1 January	111,111,111	(6,312,694)	863,715	2,201,628	19,814,638	127,678,398	9,293,033	136,971,431
Total comprehensive income for the year	-	-	-	-	(4,728,831)	(4,728,831)	-	(4,728,831)
Dividend declared for 2010	-	-	-	-	(2,777,778)	(2,777,778)	-	(2,777,778)
Issue of bonus shares	2,777,778	-	-	-	(2,777,778)	-	-	-
Shares vested under employees incentive scheme	-	4,292,661	822,578	-	-	5,115,239	-	5,115,239
Acquisition of non-controlling Interest	-	-	-	-	-	-	(9,293,033)	(9,293,033)
At 31 December	113,888,889	(2,020,033)	1,686,293	2,201,628	9,530,251	125,287,028	-	125,287,028

### CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2012

	USD	
	2012	2011
<b>OPERATING ACTIVITIES</b>		
Receipts from investment banking services	1,984,781	1,746,015
Net interest received	1,810,021	930,479
Receipt of dividend and other income	373,072	268,359
Payment for staff expenses	(6,085,958)	(6,306,420)
Payment for premises expenses	(796,879)	(691,173)
Payment for other expenses	(2,107,426)	(4,646,381)
Loans repaid / (disbursed), net	4,762,360	(68,564)
<b>Cash used in operating activities</b>	<b>(60,029)</b>	<b>(8,767,685)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(43,439)	(406,501)
Purchase of equity accounted investees	-	(1,200,600)
Proceeds from sale of equity accounted investees	1,127,000	-
Dividend received from equity accounted investees	399,399	-
Purchase of investments designated at fair value through profit or loss	(2,646,417)	(980,420)
Proceeds from sale of investments designated at fair value through profit or loss	1,688,220	3,290,734
Purchases of non-controlling interests of a subsidiary	-	(3,804,378)
Advance for purchase of investment	-	(3,999,762)
<b>Cash generated from / (used in) investing activities</b>	<b>524,763</b>	<b>(7,100,927)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	-	(2,487,909)
<b>Cash used in financing activities</b>	<b>-</b>	<b>(2,487,909)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>464,734</b>	<b>(18,356,521)</b>
Cash and cash equivalents at 1 January	16,219,985	34,576,506
<b>Cash and cash equivalents at 31 December</b>	<b>16,684,719</b>	<b>16,219,985</b>
<b>Cash and banks balances comprise of:</b>		
Cash and cash equivalents	16,684,719	16,219,985
Bank balances relating to investors' funds	-	6,383,430
Balances of investee company	-	4,875,025
<b>Cash and bank balance at end of the year</b>	<b>16,684,719</b>	<b>27,478,440</b>

The published figures are an extract from the consolidated financial statements audited by KPMG who expressed an unqualified audit opinion on 28 February 2013.

Gulf One Investment Bank B.S.C. (c) Bahrain Financial Harbour, 15th Floor, West Tower, P.O. Box 11172, Manama, Kingdom of Bahrain. C.R. No. 62199

Licensed as a conventional wholesale bank by the Central Bank of Bahrain.

**Ali H. Alireza**  
Chairman

**Dr. Nahed M. Taher**  
Director and Chief Executive Officer