CONDENSED CONSOLIDATED FINANCIAL STATEMENT as of 30 September 2011

Gulf One Investment Bank

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as of 30 September 2011

USD

	30 September 2011 (reviewed)	31 December 2010 (audited)
Assets		
Cash and cash equivalents	32,269,312	34,882,810
Loans and receivables	12,352,535	11,709,151
Investments designated at fair value through profit or loss	78,854,725	74,359,869
Investment in associates	4,300,651	3,348,605
Other assets	14,068,177	19,007,034
Total assets	**141,845,400**	143,307,469
Liabilities		
Investors' funds	4,107,742	306,304
Payables and accrued expenses	11,783,268	6,029,734
Total liabilities	**15,891,010**	6,336,038
Equity		
Share capital	113,888,889	111,111,111
Unvested shares of employees incentive scheme	(6,312,694)	(6,312,694)
Share premium	863,715	863,715
Statutory reserve	2,201,628	2,201,628
Retained earnings	15,312,852	19,814,638
Total equity attributable to shareholders of the Bank	**125,954,390**	127,678,398
Non-controlling interest	-	9,293,033
Total equity	**125,954,390**	136,971,431
Total liabilities and equity	**141,845,400**	143,307,469

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the nine months ended 30 September 2011

USD

	Nine months ended		Three months ended	
	30 September 2011 (reviewed)	30 September 2010 (reviewed)	30 September 2011 (reviewed)	30 September 2010 (reviewed)
Income from investment banking activities	2,562,611	3,203,128	593,759	404,559
Net interest income	1,132,932	996,560	315,947	393,716
Profit on sale of investments designated at fair value through profit or loss	221,901	-	304	-
Fair value gain / (loss) on investments designated at fair value through profit or loss	6,744,371	3,179,174	(616)	-
Dividend income	181,320	213,013	-	-
Share of (loss) / profit from associates	(248,554)	(22,436)	86,341	(20,017)
Other income	60,000	828,509	(658,617)	788,509
Total income	**10,654,581**	8,397,948	**337,118**	1,566,767
Staff expenses	5,971,213	5,401,286	1,700,977	1,689,890
Premises expenses	512,588	649,127	168,702	208,821
Other expenses	3,117,010	2,313,651	613,888	850,152
Total expenses	**9,600,811**	8,364,064	**2,483,567**	2,748,863
Profit / (loss) for the period	**1,053,770**	33,884	**(2,146,449)**	(1,182,096)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**1,053,770**	33,884	**(2,146,449)**	(1,182,096)
Attributable to:				
Shareholders of the Bank	1,053,770	140,841	(2,146,449)	(1,075,139)
Non-controlling interest	-	(106,957)	-	(106,957)
	1,053,770	33,884	**(2,146,449)**	(1,182,096)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September 2011

USD

	Equity attributable to shareholders of the Bank							
30 September 2011 (reviewed)	**Share Capital**	**Unvested Shares of Employees Incentive Scheme**	**Share Premium**	**Statutory Reserve**	**Retained Earnings**	**Total**	**Non-Controlling Interest**	**Total Equity**
At 1 January 2011	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 period	-	-	-	-	1,053,770	1,053,770	-	1,053,770
Dividend declared for 2010	-	-	-	-	(2,777,778)	(2,777,778)	-	(2,777,778)
Issue of bonus shares	2,777,778	-	-	-	(2,777,778)	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	(9,293,033)	(9,293,033)
At 30 September 2011	**113,888,889**	**(6,312,694)**	**863,715**	**2,201,628**	**15,312,852**	**125,954,390**	**-**	**125,954,390**

	Equity attributable to shareholders of the Bank							
30 September 2010 (reviewed)	Share Capital	Unvested Shares of Employees Incentive Scheme	Share Premium	Statutory Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
At 1 January 2010	111,111,111	(9,574,136)	276,655	1,181,294	10,631,633	113,626,557	-	113,626,557
Total comprehensive income for the period	-	-	-	-	140,841	140,841	(106,957)	33,884
Non-controlling interest on investment in subsidiary	-	-	-	-	-	-	9,376,320	9,376,320
At 30 September 2010	111,111,111	(9,574,136)	276,655	1,181,294	10,772,474	113,767,398	9,269,363	123,036,761

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months ended 30 September 2011

USD

	30 September 2011 (reviewed)	30 September 2010 (reviewed)
OPERATING ACTIVITIES		
Receipt from investment banking services	1,363,846	1,473,490
Net interest received	883,842	498,401
Receipt of dividend and other income	32,889	253,000
Project costs recovered	-	74,316
Payment for staff expenses	(4,856,343)	(5,281,305)
Payment for premises expenses	(512,588)	(573,234)
Payment for other expenses	(1,530,767)	(1,817,116)
Advance paid for projects, net	-	(1,866,667)
Investors funds received / (repaid/utilized), net	4,107,088	(8,970,767)
Loans disbursed, net	(394,294)	(7,070,721)
Cash used in operating activities	**(906,327)**	(23,280,603)
INVESTING ACTIVITIES		
Purchase of equipment	(378,976)	(211,017)
Proceeds from sale of investments designated at fair value through profit or loss	3,290,734	1,305,309
Purchases of investments designated at fair value through profit or loss	(980,420)	(1,394,359)
Purchase of investment in associates	(1,200,600)	(1,113,603)
Acquisition of subsidiary, net of cash acquired	-	9,376,320
Cash generated from investing activities	**730,738**	7,962,650
FINANCING ACTIVITIES		
Dividends paid	(2,437,909)	-
Cash used in financing activities	**(2,437,909)**	-
Net decrease in cash and cash equivalents	**(2,613,498)**	(15,317,953)
Cash and cash equivalents at 1 January	34,882,810	49,386,472
Cash and cash equivalents at 30 September	**32,269,312**	34,068,519

Dr. Ali Al Bahar
Chairman of the Audit Committee

Dr. Nahed Taher
Director and Chief Executive Officer

The above condensed consolidated financial statements have been extracted from the interim financial information for the nine months period ended 30 September 2011 and reviewed by KPMG.

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

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