

GULF ONE INVESTMENT BANK BSC (c)

**INTERIM
FINANCIAL INFORMATION**

30 September 2009

Commercial registration	:	62199 (registered with Central Bank of Bahrain as an investment bank)
Registered Office	:	15 th Floor, West Tower, Bahrain Financial Harbour, PO Box 11172, Manama, Kingdom of Bahrain Telephone +973 1710 2555
Directors	:	Ali H. Alireza, Chairman Abdulla Abdulaziz Ohaly Dr Ali Al Bahar Fahad Al Hoshan Mohammed Harasani Zaki Farsi Dr Nahed Taher Ziyad F Omar
Chief Executive Officer	:	Dr Nahed Taher
Auditors	:	KPMG

GULF ONE INVESTMENT BANK BSC (c)

INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2009

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Independent auditors' report on review of interim financial information

To the Board of Directors
Gulf One Investment Bank BSC (c)
Manama, Kingdom of Bahrain

12 November 2009

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Gulf One Investment Bank BSC (c) (the 'Bank') and its subsidiary (together the 'Group') as at 30 September 2009, and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the nine month period then ended (interim financial information). The Board of Directors of the Bank is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard IAS 34 - *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 - Interim Financial Reporting.




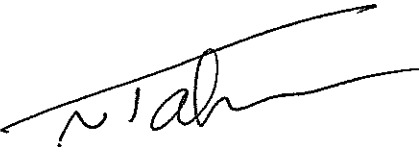
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2009

USD

	Note	30 September 2009 (reviewed)	31 December 2008 (audited)
Assets			
Cash and balances with banks		701,892	197,211
Placements with banks		46,264,164	61,983,076
Loans and receivables		9,944,499	9,068,519
Assets held-for-sale		790,173	440,173
Investments at fair value through profit or loss	4	47,421,460	23,322,274
Available-for-sale investments		-	4,258,850
Investment in associate		1,500,010	1,500,010
Other assets		14,648,696	10,469,896
Total assets		121,270,894	111,240,009
Liabilities			
Investors' funds	5	8,132,408	-
Payables and accrued expenses		7,717,127	5,927,773
Total liabilities		15,849,535	5,927,773
Equity			
Share capital		100,000,000	100,000,000
Statutory reserve		531,225	531,225
Retained earnings		4,890,134	4,781,011
Total equity (page 4)		105,421,359	105,312,236
Total equity and liabilities		121,270,894	111,240,009

The interim financial information, which consists of pages 2 to 8, was approved by the Board of Directors on 12 November 2009 and signed on its behalf by:


 Ali H. Alireza
 Chairman


 Dr. Nahed Taher
 Director and Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the nine months ended 30 September 2009

USD

	Nine months ended		Three months ended	
	30 September 2009 (reviewed)	30 September 2008 (reviewed)	30 September 2009 (reviewed)	30 September 2008 (reviewed)
Income from investment banking services	1,622,469	2,637,430	597,227	166,684
Net interest income	1,380,280	2,488,374	457,389	615,542
Profit on sale of available-for-sale investment	638,828	-	-	-
Profit on sale of investments at fair value through profit or loss	798,408	-	798,408	-
Changes in fair value of investments at fair value through profit or loss	2,888,824	7,155,380	2,888,824	2,435,542
Other income / (loss)	284,583	(143,069)	22,953	(397,349)
Total income	7,613,392	12,138,115	4,764,801	2,820,419
Staff cost	5,143,084	3,821,915	1,920,093	1,075,817
Premises expenses	531,142	670,447	178,396	489,677
Other expenses	1,830,043	1,635,530	707,587	409,716
Total expenses	7,504,269	6,127,892	2,806,076	1,975,210
Profit for the period	109,123	6,010,223	1,958,725	845,209
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	109,123	6,010,223	1,958,725	845,209

The interim financial information consists of pages 2 to 8.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine months ended 30 September 2009

USD

30 September 2009 (reviewed)

	Share Capital	Statutory reserve	Retained earnings	Total
At 1 January 2009	100,000,000	531,225	4,781,011	105,312,236
Total comprehensive income for the (page 3) period	-	-	109,123	109,123
At 30 September 2009	100,000,000	531,225	4,890,134	105,421,359

30 September 2008 (reviewed)

	Share Capital	Statutory reserve	Retained earnings	Total
At 1 January 2008	100,000,000	206,938	1,862,433	102,069,371
Total comprehensive income for the (page 3) period	-	-	6,010,223	6,010,223
At 30 September 2008	100,000,000	206,938	7,872,656	108,079,594

The interim financial information consists of pages 2 to 8.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended 30 September 2009

USD

	30 September 2009 (reviewed)	30 September 2008 (reviewed)
OPERATING ACTIVITIES		
Income from investment banking services received	1,348,978	7,081,272
Net interest income received	1,483,000	2,000,665
Project costs paid	(1,322,224)	(1,610,193)
Staff advances paid	-	(677)
Payment for staff costs	(4,898,371)	(3,662,084)
Payment for premises costs	(531,142)	(670,447)
Payment for other expenses	(1,217,643)	(3,693,399)
Loans and receivable	(404,805)	-
Net advance for a project	-	(1,580,024)
Investors funds received	4,261,343	36,890,004
Cash flows from operating activities	(1,280,864)	34,755,117
INVESTING ACTIVITIES		
Purchase of equipment	(431,297)	(108,015)
Acquisition of assets held-for-sale	(350,000)	-
Acquisition of Investments at fair value through profit or loss	(18,049,748)	-
Proceeds from sale of available-for-sale investments	4,897,678	559,886
Cash flows from investing activities	(13,933,367)	451,871
Net (decrease)/ increase in cash and cash equivalents	(15,214,231)	35,206,988
Cash and cash equivalents at beginning of the period	62,180,287	88,082,964
Cash and cash equivalents at end of the period	46,966,056	123,289,952
Represented by:		
Cash and balances with banks	701,892	412,314
Placements with banks	46,264,164	122,877,638
	46,966,056	123,289,952

**NOTES TO THE INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2009**

1. Basis of preparation

The interim financial information comprises the financial information of Gulf One Investment Bank BSC (c) (the "Bank") and its subsidiaries (together the "Group") and has been prepared in condensed form in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting. The interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2008.

The accounting policies have been consistently applied by the Bank and its subsidiaries and are consistent with those of the previous year, as set out in the audited consolidated financial statements for the year ended 31 December 2008, except for the following:

During the period, the Group adopted Revised IAS 1 "Presentation of Financial Statements" on its required application date of 1 January 2009. Revised IAS 1 introduces the term "total comprehensive income", which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either 1) a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or 2) in an income statement and a separate statement of comprehensive income. The Group has opted to present the total comprehensive income in a single statement of comprehensive income.

The adoption of revised IAS 1 impacted the type and amount of disclosures made in the interim financial information, but had no impact on the reported profits or the financial position of the Bank or the Group. In accordance with the transitional requirements of the standard, the Bank has provided full comparative information.

Embedded derivative:

Derivative may be embedded in another contractual arrangement (a "host contract"). The Group designates the embedded derivative and the host contract at fair value through profit or loss. All changes in the fair value of the embedded derivative and the host contract are recognised immediately in the consolidated statement of comprehensive income as a component of income on investments at fair value through profit or loss.

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2008.

2. The interim financial information is not audited but has been reviewed by KPMG. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2008. The comparatives for the condensed consolidated statements of comprehensive income, changes in equity and cash flows have been extracted from the reviewed interim financial information for the nine months ended 30 September 2008.
3. Due to the nature of the Group's business, the nine months results reported in this interim financial information may not represent a proportionate share of the overall annual results.

NOTES TO THE INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2009

4. Investments at fair value through profit or loss

	At 31 December 2008	Additions during the period	Disposals during the period	Fair value changes	At 30 September 2009
<i>Unquoted</i>					
Investment in associates	11,668,986	18,940,987	(730,625)	2,138,824	32,018,172
Other equity investment	11,653,288	-	-	-	11,653,288
Investment in convertible preference shares	-	5,000,000	(2,000,000)	750,000	3,750,000
	23,322,274	23,940,987	(2,730,625)	2,888,824	47,421,460

5. Investors' funds represent subscriptions received from investors for investing in funds to be launched by the Group, pending the formation of the fund.

6. Assets under management

The Group provides corporate administration, investment management and advisory services to its project companies/investors, which involve the Group making decisions on behalf of such entities. Assets that are held in such capacity are not included in these financial statements. At the balance sheet date, the Group had assets under management of USD 72,440,273 (31 December 2008: USD 66,940,275).

7. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Bank exercises significant influence, major shareholders, directors and executive management of the Bank.

a. *The transactions and balances with the related parties included in this interim financial information are as follows:*

	30 September 2009	31 December 2008
Balance sheet		
Payables	1,508,947	1,727,088
Income statement		
Premises expenses	84,519	95,491
Professional indemnity	116,451	126,587

NOTES TO THE INTERIM FINANCIAL INFORMATION
for the nine months ended 30 September 2009

7. *Related party transaction (continued)*

- b. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel of the Group comprise the Board of Directors, Chief Executive Officer and Chief Investment Officer. The key management personnel compensation is as follows:

Income statement	Nine months ended 30 September 2009	Nine months ended 30 September 2008
Board remuneration	271,500	460,500
Salaries and other short-term benefits	1,096,875	1,096,875
Post employment benefits	56,563	45,497

8. Appropriations, if any, will be made only at the year end.
9. Certain prior period amounts have been regrouped to conform to the current period's presentation. Such regrouping did not affect previously reported profit, comprehensive income or equity.