

Unicorn Investment Bank B.S.C. (c)
Interim Condensed Consolidated
Financial Statements

31 March 2010
(Unaudited)



Contents

- 1** Report on Review of the Interim Condensed Consolidated Financial Statements
- 2** Interim Consolidated Statement of Financial Position
- 3** Interim Consolidated Statement of Income
- 4** Interim Consolidated Statement of Comprehensive Income
- 5** Interim Consolidated Statement of Changes in Equity
- 6** Interim Consolidated Statement of Cash Flows
- 7** Interim Consolidated Statement of Restricted Investment Accounts
- 8** Notes to the Interim Condensed Consolidated Financial Statements

Report on Review of the Interim Condensed Consolidated Financial Statements

to the Board of Directors of Unicorn Investment Bank B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Unicorn Investment Bank B.S.C. (c) ("the Bank") and its subsidiaries ("the Group") as at 31 March 2010, comprising of the interim consolidated statements of financial position as at 31 March 2010 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and the explanatory notes. These interim condensed consolidated financial statements are the responsibility of the Bank's Board of Directors. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim consolidated 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 condensed consolidated financial statements are not presented fairly, in all material respects, in accordance with note 2.

Ernst & Young

13 May 2010

Manama, Kingdom of Bahrain

Interim Consolidated Statement of Financial Position

At 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

| | Notes | 31 March 2010 | Audited 31 December 2009 |
|---|-------|----------------|-----------------------------|
| ASSETS | | | |
| Cash and balances with banks | | 22,700 | 135,918 |
| Due from financial and non-financial institutions | 3 | 443,013 | 301,043 |
| Investment securities | 4 | 238,658 | 247,999 |
| Investments in associates and joint ventures | 5 | 166,080 | 151,348 |
| Investment properties | | 29,164 | 29,164 |
| Other assets | 6 | 64,270 | 116,710 |
| Premises and equipment | | 8,475 | 8,797 |
| Assets held for sale | | - | 40,622 |
| Goodwill and intangible assets | | 2,001 | 2,018 |
| TOTAL ASSETS | | 974,361 | 1,033,619 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| Due to financial and non-financial institutions | 7 | 485,095 | 521,423 |
| Subordinated Murabaha | | 50,459 | 50,000 |
| Other liabilities | 8 | 20,396 | 24,988 |
| Liabilities relating to assets held for sale | | - | 13,556 |
| TOTAL LIABILITIES | | 555,950 | 609,967 |
| EQUITY | | | |
| Share capital | 9 | 215,578 | 215,578 |
| Share premium | | 141,708 | 141,708 |
| Statutory reserve | | 15,580 | 15,580 |
| Fair value reserve | | 10,782 | 10,280 |
| Foreign currency translation reserve | | (6,568) | (6,761) |
| Retained earnings | | 4,644 | 3,324 |
| Total equity attributable to the shareholders of the parent | | 381,724 | 379,709 |
| Non-controlling interests | | 36,687 | 37,321 |
| Non-controlling interests held for sale | | - | 6,622 |
| TOTAL EQUITY | | 418,411 | 423,652 |
| TOTAL LIABILITIES AND EQUITY | | 974,361 | 1,033,619 |

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 13 May 2010 and signed on their behalf by:



Yousef Abdullah Al-Shelash
Chairman



Majid Al Sayed Bader Al-Refai
Managing Director & Chief Executive Officer

The attached explanatory notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Interim Consolidated Statement of Income

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

| | Notes | 31 March 2010 | 31 March 2009 |
|--|-------|---------------|----------------|
| Investment banking fees | 10 | 20,228 | 1,034 |
| Other investment banking income | 11 | 916 | 8,971 |
| Investment banking income | | 21,144 | 10,005 |
| Net expense from financial and non-financial institutions | 12 | (2,345) | (1,909) |
| Net income from non-banking activities | | - | 2,853 |
| Share of profit/(loss) of associates and joint ventures | | 1,461 | (510) |
| Total income | | 20,260 | 10,439 |
| Operating expenses | 13 | 20,243 | 15,397 |
| Profit/(loss) before fair value write-downs & write-backs | | 17 | (4,958) |
| Fair value write-downs on investment securities | | (123) | (625) |
| Write-backs of fair value write-downs made in prior periods | | 996 | 7,092 |
| PROFIT BEFORE TAX | | 890 | 1,509 |
| Income tax expense | | - | (1,141) |
| NET PROFIT | | 890 | 368 |
| Attributable to: | | | |
| Shareholders of the parent | | 1,501 | 6 |
| Non-controlling interests | | (611) | 362 |
| | | 890 | 368 |

The attached explanatory notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Interim Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

| | 31 March 2010 | 31 March 2009 |
|--|---------------|---------------|
| Net profit | 890 | 368 |
| Other comprehensive income: | | |
| Exchange differences on translating foreign operations | 169 | (958) |
| Changes in investment securities fair value | 715 | 563 |
| Share of other comprehensive (loss)/income of associates | (393) | 56 |
| Other comprehensive income/(loss) for the period | 491 | (339) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1,381 | 29 |
| Attributable to: | | |
| Shareholders of the parent | 2,015 | (286) |
| Non-controlling interests | (634) | 315 |
| | 1,381 | 29 |

The attached explanatory notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Interim Consolidated Statement of Changes in Equity

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

| | Attributable to the shareholders of the parent | | | | | | | Advances for proposed increase in share capital | Non-controlling interests | Non-controlling interests held for sale | Total equity |
|---|--|----------------|-------------------|--------------------|--------------------------------------|-------------------|----------------|---|---------------------------|---|----------------|
| | Share capital | Share premium | Statutory reserve | Fair value reserve | Foreign currency translation reserve | Retained earnings | Total | | | | |
| Balance at 1 January 2010 | 215,578 | 141,708 | 15,580 | 10,280 | (6,761) | 3,324 | 379,709 | - | 37,321 | 6,622 | 423,652 |
| Net profit/(loss) | - | - | - | - | - | 1,501 | 1,501 | - | (611) | - | 890 |
| Other comprehensive income/(loss) for the period | - | - | - | 321 | 193 | - | 514 | - | (23) | - | 491 |
| Transfer to fair value reserve | - | - | - | 181 | - | (181) | - | - | - | - | - |
| Disposal of controlling interests | - | - | - | - | - | - | - | - | - | (6,622) | (6,622) |
| Balance at 31 March 2010 | 215,578 | 141,708 | 15,580 | 10,782 | (6,568) | 4,644 | 381,724 | - | 36,687 | - | 418,411 |
| Balance at 1 January 2009 | 183,740 | 71,216 | 15,580 | 61,765 | (5,606) | 2,945 | 329,640 | 110,059 | 7,901 | 6,311 | 453,911 |
| Net profit | - | - | - | - | - | 6 | 6 | - | 362 | - | 368 |
| Other comprehensive income/(loss) for the period | - | - | - | 531 | (823) | - | (292) | - | (47) | - | (339) |
| Transfer to fair value reserve | - | - | - | 151 | - | (151) | - | - | - | - | - |
| Issuance of additional shares | 31,838 | 95,514 | - | - | - | - | 127,352 | (110,059) | - | - | 17,293 |
| Equity transaction costs incurred | - | (24,722) | - | - | - | - | (24,722) | - | - | - | (24,722) |
| Non-controlling interests related to a new subsidiary | - | - | - | - | - | - | - | - | 37,971 | - | 37,971 |
| Balance at 31 March 2009 | 215,578 | 142,008 | 15,580 | 62,447 | (6,429) | 2,800 | 431,984 | - | 46,187 | 6,311 | 484,482 |

The attached explanatory notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Interim Consolidated Statement of Cash Flows

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

| | 31 March 2010 | 31 March 2009 |
|---|----------------|------------------|
| OPERATING ACTIVITIES | | |
| Net profit | 890 | 368 |
| Adjustments for: | | |
| Loss on sale of investment securities | 510 | - |
| Fair value gain on investment securities | (63) | (151) |
| Fair value write-downs on investment securities | 123 | 625 |
| Write-back of fair value write-downs made in prior periods | (996) | (7,012) |
| Share of (gain)/loss of associates and joint ventures | (1,461) | 510 |
| Share-based payments | - | 1,220 |
| Depreciation and amortisation | 503 | 531 |
| | (494) | (3,909) |
| Changes in: | | |
| Due from financial and non-financial institutions | (11,597) | (23,048) |
| Other assets | 52,440 | (7,597) |
| Inventories | - | 821 |
| Due to financial and non-financial institutions | (36,328) | (27,974) |
| Subordinated Murabaha | 459 | - |
| Other liabilities | (4,592) | (44,716) |
| Proceeds from sale of investment securities | 10,604 | - |
| Purchase of investment securities | - | (11,050) |
| Net cash from (used in) operating activities | 10,492 | (117,473) |
| INVESTING ACTIVITIES | | |
| Purchase of premises and equipment | (181) | (3,526) |
| Disposal of assets held for sale | 7,049 | - |
| Investments in associates | - | (12,527) |
| Acquisition of subsidiaries, net of cash acquired | - | 37,971 |
| Net cash from investing activities | 6,868 | 21,918 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 17,360 | (95,555) |
| Foreign currency translation adjustments | (205) | (640) |
| Cash and cash equivalents at the beginning of the period | 433,855 | 420,174 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 451,010 | 323,979 |
| Cash and cash equivalents comprise: | | |
| Cash and balances with banks | 22,700 | 17,944 |
| Due from financial institutions | 428,310 | 306,035 |
| | 451,010 | 323,979 |

The attached explanatory notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Interim Consolidated Statement of Restricted Investment Accounts

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

| | At 1 January 2010 | Deposit | Gross Income | Wakil Fee | At 31 March 2010 |
|------------------------|----------------------|---------|--------------|--------------|---------------------|
| Wakala contract | 240,132 | - | 3,188 | (956) | 242,364 |

| | At 1 January 2009 | Deposit | Gross Income | Wakil Fee | At 31 December 2009 |
|-----------------|----------------------|---------|--------------|-----------|------------------------|
| Wakala contract | - | 240,000 | 188 | (56) | 240,132 |

The attached explanatory notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

1. CORPORATE INFORMATION

Unicorn Investment Bank B.S.C. (c) ("the Bank") was incorporated in the Kingdom of Bahrain by Amiri Decree No. 12/1978, and registered with the Ministry of Industry and Commerce under Commercial Registration No. 53462 on 29 April 2004 and on 5 May 2004 was granted an Islamic investment banking licence by the Central Bank of Bahrain. In accordance with the revised banking regulations of the Central Bank of Bahrain, the Bank was granted a Wholesale Bank (Islamic Principles) Licence on 24 April 2007. The Bank's registered office is at the 3rd to 7th floors of Building No. 2304, Road No. 2830, Seef District 428, Kingdom of Bahrain.

The Bank and its subsidiaries (together referred to as "the Group") aim to provide a full range of investment banking products and services that are compliant with Shari'ah principles. The principal products and services offered by the Group are:

- financial advisory services;
- private equity, equity structuring, private placements and initial public offerings;
- facility structuring, restructuring and placement including project finance, securitisation and Sukuk;
- structuring and marketing of both open and closed end mutual funds as well as client portfolio management that meets specific investor driven return and asset criteria;
- advisory and investment services for takaful (Islamic insurance) and retakaful (Islamic reinsurance) providers;
- mergers and acquisitions, including deal sourcing, structuring, valuations and advisory; and
- developing and managing liquidity products and other treasury products and services.

The Group's Shari'ah Supervisory Board consists of seven Islamic scholars who review the Group's compliance with general Shari'ah principles and guidelines. Their review includes examination of evidence relating to the documentation and procedures adopted by the Group to ensure that its activities are conducted in accordance with these principles.

The number of Group employees as at 31 March 2010 was 196 (31 December 2009: 187).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the three month period ended 31 March 2010 have been prepared in accordance with International Accounting Standard 34 – "Interim Financial Reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as at 31 December 2009.

The results for the three month period ended 31 March 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

The following are the principal subsidiaries of the Bank that are consolidated:

| Subsidiary | Ownership | Year of incorporation/ acquisition | Country of incorporation/ acquisition |
|-------------------------|-----------|------------------------------------|---------------------------------------|
| UIB Capital Inc. | 100% | 2004 | United States of America |

The main activities of UIB Capital Inc. are to source investment opportunities in the USA and monitor the performance of the acquired companies on behalf of the Bank and investors.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

| Subsidiary | Ownership | Year of incorporation/ acquisition | Country of incorporation/ acquisition |
|---|-----------|---------------------------------------|--|
| Unicorn International Islamic Bank Malaysia Berhad | 100% | 2004 | Malaysia |

Unicorn International Islamic Bank Malaysia Berhad was established in 2004 to source investment opportunities in the Far East and monitor the performance of the acquired companies on behalf of the Bank and investors and to establish distribution channels for the Group.

Unicorn International Islamic Bank Malaysia Berhad was granted an investment banking licence in 2007 by the Ministry of Finance of Malaysia to carry out investment banking activity in currencies other than the Malaysian Ringgit.

| | | | |
|---|-------|------|--------|
| Unicorn Capital Menkul Değerler A.Ş. | 91.9% | 2007 | Turkey |
|---|-------|------|--------|

The main activities of Unicorn Capital Menkul Değerler A.Ş. are to provide investment consultancy, asset management, underwriting and brokerage services.

| | | | |
|-------------------------------------|-------|------|-------------------------|
| Unicorn Capital Saudi Arabia | 53.4% | 2009 | Kingdom of Saudi Arabia |
|-------------------------------------|-------|------|-------------------------|

Unicorn Capital Saudi Arabia was granted a certificate of incorporation by the Saudi Arabia Capital Market Authority in March 2009. Its principal activities are investment banking.

2.2 Significant accounting policies

These interim condensed consolidated financial statements have been prepared using accounting policies, except noted below, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2009. For matters for which no AAOIFI standards exist, including "Interim Financial Reporting", the Bank uses the relevant International Financial Reporting Standards issued by the International Accounting Standards Board.

However, during the period, the Group has adopted the following standard, amendments and interpretation which are effective for the annual periods beginning on or after 1 January 2010.

IFRS 2 Share-based payments (Revised) - Cash settled share-based transactions

The International Accounting Standards Board (IASB) issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. The adoption of this amendment did not have a material impact on the financial position or performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

IFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, for future business combinations, the reported results in the period that an acquisition occurs and future reported results. IAS 27 (Revised) requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests. The change in accounting policy was applied prospectively.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies (continued)

IFRIC 17 Distributions of non-cash assets to owners

This interpretation explains how the non-cash dividends distributed to the shareholders should be measured. A dividend obligation is recognised when the dividend was authorised by the appropriate entity and is no longer at the discretion of the entity. This dividend obligation should be recognised at the fair value of the net assets to be distributed. The difference between the dividend paid and the amount carried forward of the net assets distributed should be recognised in profit and loss. The adoption of this interpretation did not have a material impact on the financial position or performance of the Group.

3. DUE FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS

| | 31 March 2010 | Audited 31 December 2009 |
|-------------------------------------|----------------|-----------------------------|
| Due from financial institutions | 141,479 | 188,465 |
| Due from non-financial institutions | 301,534 | 112,578 |
| | 443,013 | 301,043 |

4. INVESTMENT SECURITIES

| | 31 March 2010 | Audited 31 December 2009 |
|---|----------------|-----------------------------|
| Carried at fair value through statement of income | 199,029 | 198,109 |
| Available for sale investments at fair value: | | |
| Quoted | 18,837 | 27,734 |
| Unquoted | 20,792 | 22,156 |
| | 238,658 | 247,999 |

5. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

In October 2008, the Bank acquired a 75% stake in a leading independent oil services company Sun Well Services Inc. (the 'Company') based in the Williston Basin in the United States of America.

The investment was originally classified under IFRS 5 as Non-current Assets Held for Sale and Discontinued Operations because the original intent was to sell the investment. During 2010, the Group entered into a joint venture with a non-related party by disposing of 34.48% equity interest of SW Cayman Carry L.P. – a company that holds 75% equity interest in Sun Well Services Inc. No gain or loss was recognised on disposal. The investment is now classified as an investment in a joint venture under IAS 31.

The Group has no share of any contingent liabilities or capital commitments, as at 31 March 2010 (31 December 2009: nil) related to its joint venture.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

6. OTHER ASSETS

| | 31 March 2010 | Audited 31 December 2009 |
|--|---------------|-----------------------------|
| Deal-related advances | 9,490 | 9,490 |
| Dividend receivable | 5,283 | 11,993 |
| Fees and recoverable expenses outstanding from clients | 41,324 | 72,514 |
| Prepayments and advances | 4,586 | 4,047 |
| Receivable from sale of investments | - | 13,765 |
| Other | 3,587 | 4,901 |
| | 64,270 | 116,710 |

7. DUE TO FINANCIAL AND NON-FINANCIAL INSTITUTIONS

| | 31 March 2010 | Audited 31 December 2009 |
|-----------------------------------|----------------|-----------------------------|
| Due to financial institutions | 282,027 | 300,766 |
| Due to non-financial institutions | 203,068 | 220,657 |
| | 485,095 | 521,423 |

8. OTHER LIABILITIES

| | 31 March 2010 | Audited 31 December 2009 |
|--------------------------|---------------|-----------------------------|
| Accrued expenses | 1,359 | 1,204 |
| Deal-related payables | 3,643 | 10,672 |
| Staff-related payables | 4,424 | 4,256 |
| Trade and other payables | 10,970 | 8,856 |
| | 20,396 | 24,988 |

9. SHARE CAPITAL

| | 31 March 2010 | Audited 31 December 2009 |
|--|----------------|-----------------------------|
| Authorised: | | |
| 750,000,000 ordinary shares of US\$1 each | 750,000 | 750,000 |
| Issued and fully paid: | | |
| 185,819,019 (2009: 185,819,019) ordinary shares of US\$1 each, issued against cash | 185,819 | 185,819 |
| 27,819,966 (2009: 27,819,966) ordinary shares of US\$1 each, issued in kind | 27,820 | 27,820 |
| 1,938,994 (2009: 1,938,994) ordinary shares of US\$1 each, granted to employees | 1,939 | 1,939 |
| | 215,578 | 215,578 |

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

9. SHARE CAPITAL (continued)

Movement in share capital:

| | No. of shares (thousands) | Nominal Value |
|---------------------------------|------------------------------|------------------|
| At 1 January 2009 | 183,740 | 183,740 |
| Issued during the year | 31,838 | 31,838 |
| At 1 January 2010 | 215,578 | 215,578 |
| Issued during the period | - | - |
| At 31 March 2010 | 215,578 | 215,578 |

10. INVESTMENT BANKING FEES

| | 31 March 2010 | 31 March 2009 |
|-----------------------------------|---------------|---------------|
| Advisory and placement fees | 16,092 | - |
| Arrangement and underwriting fees | 4,136 | 967 |
| Structuring fees | - | 67 |
| | 20,228 | 1,034 |

11. OTHER INVESTMENT BANKING INCOME

| | 31 March 2010 | 31 March 2009 |
|--|---------------|---------------|
| Dividend income | 3 | 8,367 |
| Fair value gain on investment securities | 63 | 151 |
| Loss on sale of investment securities | (510) | - |
| Management fees | 789 | 850 |
| Other income/(loss) | 571 | (397) |
| | 916 | 8,971 |

12. NET EXPENSE FROM FINANCIAL AND NON-FINANCIAL INSTITUTIONS

| | 31 March 2010 | 31 March 2009 |
|---|----------------|---------------|
| Income on due from financial and non-financial institutions | 2,976 | 1,252 |
| Expense on due to financial and non-financial institutions | (5,321) | (3,161) |
| Net expense from financial and non-financial institutions | (2,345) | (1,909) |

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

13. OPERATING EXPENSES

| | 31 March 2010 | 31 March 2009 |
|----------------------------|---------------|---------------|
| Advertising | 209 | 67 |
| Business development | 1,662 | 1,514 |
| Depreciation | 503 | 428 |
| General and administrative | 1,519 | 1,271 |
| Legal and professional | 2,341 | 382 |
| Premises | 726 | 832 |
| Staff costs | 12,451 | 10,540 |
| Other | 832 | 363 |
| | 20,243 | 15,397 |

14. COMMITMENTS AND GUARANTEES

| | 31 March 2010 | 31 December 2009 |
|--------------------|---------------|------------------|
| Investment-related | 24,493 | 24,493 |
| Lease commitments | 4,811 | 5,195 |
| | 29,304 | 29,688 |
| Guarantees | 3,357 | 3,863 |
| | 32,661 | 33,551 |

15. RELATED PARTY TRANSACTIONS

Compensation of senior management personnel

Senior management personnel are those that possess significant decision making and direction setting responsibilities within the Group.

| | 31 March 2010 | 31 March 2009 |
|------------------------------|---------------|---------------|
| Short term employee benefits | 2,128 | 2,840 |
| Post employment benefits | 810 | 153 |
| Share-based payments | - | 1,220 |
| | 2,938 | 4,213 |

Transactions, arrangements and agreements involving related parties

Related parties comprise major shareholders, directors and senior management personnel of the Group, members of the Shari'ah Supervisory Board of the Group, close members of their families and entities owned or controlled by them. Pricing policies and terms of the transactions relating to these related parties are approved by management.

Related parties also comprise the Group's investment companies and funds that hold clients' investments. The Group manages its investment companies and funds on a fiduciary basis on behalf of its clients, who are third parties and are the beneficiaries of a majority of the economic interest of the underlying investments in the investment companies and funds. All transactions with these related parties arose from the ordinary course of business at normal commercial rates.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

15. RELATED PARTY TRANSACTIONS (continued)

Transactions, arrangements and agreements involving related parties (continued)

| | 31 March 2010 | | | 31 December 2009 | | |
|--|----------------------------|----------------------|-------------------|----------------------------|----------------------|-------------------|
| | Shareholders/ Directors | Senior management | Other entities | Shareholders/ Directors | Senior management | Other entities |
| Assets | | | | | | |
| Due from financial and non-financial institutions | - | - | 81,072 | - | - | 85,304 |
| Investment securities | - | - | 144,516 | - | - | 143,399 |
| Investments in associates and joint ventures | - | - | 166,080 | - | - | 151,348 |
| Other assets | - | 52 | 44,361 | - | 110 | 81,053 |
| Liabilities | | | | | | |
| Due to financial and non-financial institutions | - | - | 37,692 | - | - | 47,422 |
| Subordinated Murabaha | - | - | 50,459 | - | - | 50,000 |
| Other liabilities | 1,302 | 1,842 | 7,990 | 1,040 | 1,032 | 8,242 |
| Shareholders' equity | | | | | | |
| Equity transaction costs | - | - | - | 10,953 | 6,780 | - |
| Statement of income | | | | | | |
| (31 March 2010 and 31 March 2009) | | | | | | |
| Investment banking fees | - | - | 16,825 | - | - | 67 |
| Other investment banking income | - | - | 1,036 | - | - | 9,386 |
| Net income/(expense) from financial and non-financial institutions | - | - | 741 | - | - | (78) |
| Share of profit/(loss) of associates and joint ventures | - | - | 1,460 | - | - | (510) |
| Victron Inc. expenses | - | - | - | - | - | (78) |
| Directors' remuneration and expenses | (166) | - | - | (131) | - | - |
| Shari'ah Supervisory Board remuneration and expenses | - | - | (104) | - | - | (108) |

Outstanding balances at the year-end arise in the normal course of business.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended 31 March 2010 (Unaudited)

(Amounts in United States Dollars thousands)

16. SEGMENT INFORMATION

Operating segment information

| | Three months ended 31 March 2010 | | | | | | | |
|-------------------------------------|----------------------------------|----------------|-------------------|------------------|----------------|-----------------|----------|-----------------|
| | Capital Markets & Treasury | Private Equity | Corporate Finance | Asset Management | Strategic M&A | Other | Victron | Total |
| Total income | 20,675 | 369 | (239) | 190 | 504 | (366) | - | 21,133 |
| Total expenses | (732) | (928) | (245) | (386) | (1,386) | (16,566) | - | (20,243) |
| Profit/(loss) for the period | 19,943 | (559) | (484) | (196) | (882) | (16,932) | - | 890 |
| Total Assets | 505,586 | 193,469 | 19,031 | 39,860 | 140,249 | 76,166 | - | 974,361 |
| Total Liabilities | 177,635 | 123,843 | 12,607 | 10,020 | 91,597 | 140,248 | - | 555,950 |
| | Three months ended 31 March 2009 | | | | | | | |
| | Capital Markets & Treasury | Private Equity | Corporate Finance | Asset Management | Strategic M&A | Other | Victron | Total |
| Total income | 1,445 | 6,781 | (93) | 131 | 7,273 | (859) | 25,090 | 39,768 |
| Total expenses | (3,723) | (1,083) | (375) | (795) | (1,303) | (8,761) | (23,360) | (39,400) |
| Profit/(loss) for the period | (2,278) | 5,698 | (468) | (664) | 5,970 | (9,620) | 1,730 | 368 |
| As at 31 December 2009 (Audited) | | | | | | | | |
| Total Assets | 478,572 | 219,333 | 19,154 | 39,679 | 147,825 | 129,056 | - | 1,033,619 |
| Total Liabilities | 171,248 | 202,042 | 19,259 | 15,242 | 127,189 | 74,987 | - | 609,967 |