THE SECURITIES HOUSE K.S.C. (CLOSED) AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2013

EY
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working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE SECURITIES HOUSE K.S.C. (CLOSED)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Securities House K.S.C. (Closed) (the "parent company") and its subsidiaries (collectively, the "group") as at 30 September 2013 and the related interim condensed consolidated statements of income and interim condensed consolidated statements of comprehensive income for the three months and nine months period then ended, and the related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

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Rödl Middle East
Burgan – International Accountants

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE SECURITIES HOUSE K.S.C. (CLOSED) (continued)

Emphasis of a Matter

Without qualifying our conclusion, we draw attention to Note 2 to the interim condensed consolidated financial information which indicates that the group's current liabilities exceeded its current assets by KD 46,553,690 (31 December 2012: KD 48,260,628 and 30 September 2012: KD 38,403,182). These conditions indicate the existence of a material uncertainty about the group's ability to continue as a going concern. However, the interim condensed consolidated financial information has been prepared on a going concern basis because the group has been able to extend the settlement of its current liabilities or swap certain of its liabilities with financial assets. The management of the group is of the opinion that the group will continue with the same strategy going forward (Note 2).

Report on other legal and regulatory requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 25 of 2012 as amended, or of the parent company's Articles of Association and Memorandum of Incorporation during the nine months period ended 30 September 2013 that might have had a material effect on the business of the parent company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, or of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2013.

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2 December 2013
Kuwait

The Securities House K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 September 2013

	Notes	Three months ended 30 September 2013 KD	Three months ended 30 September 2012 KD	Nine months ended 30 September 2013 KD	Nine months ended 30 September 2012 KD
INCOME					
From investment activities					
Realised gain on sale of financial assets at fair value through profit or loss		**105,003**	120,457	**105,003**	63,914
Realised (loss) gain on sale of financial assets available for sale		**(47,168)**	12,562	**303,595**	12,562
Dividends and return on murabaha finances		**83,862**	7,546	**232,099**	13,918
Share of results of associates	6	**309,288**	462,753	**1,033,639**	694,843
Realised gain on sale of investment in an associate	6	**-**	-	**-**	243,886
Realised gain on sale of property, plant and equipment		**74**	-	**3,674**	-
Management fee income		**161,267**	316,003	**549,620**	1,030,930
Investment services income		**448,807**	13,611	**737,029**	41,288
Total income from investment activities		**1,061,133**	932,932	**2,964,659**	2,101,341
From commercial activities					
Sales of goods and services		**3,573,374**	2,639,380	**10,015,928**	7,893,654
Cost of sales		**(1,967,147)**	(1,582,813)	**(6,268,474)**	(4,932,005)
Gross profit from commercial activities		**1,606,227**	1,056,567	**3,747,454**	2,961,649
Other(loss) income		**(23,928)**	97,112	**205,444**	232,212
TOTAL INCOME		**2,643,432**	2,086,611	**6,917,557**	5,295,202
EXPENSES					
Staff costs		**541,820**	353,621	**1,346,009**	1,081,520
Selling and distribution expenses		**435,433**	278,286	**1,022,904**	826,127
General and administration expenses		**612,314**	556,585	**1,598,164**	1,407,180
TOTAL EXPENSES		**1,589,567**	1,188,492	**3,967,077**	3,314,827
PROFIT BEFORE FAIR VALUE ADJUSTMENTS, IMPAIRMENTS,MURABAHA PAYABLE COSTS AND TAXATION		**1,053,865**	898,119	**2,950,480**	1,980,375
Unrealised (loss) gain on financial assets at fair value through profit or loss		**(31,810)**	25,068	**(279,451)**	(489,760)
Impairment loss on financial assets available for sale		**(535,591)**	-	**(704,322)**	-
Unrealised gain on investment properties		**-**	-	**-**	3,060
Murabaha payable costs		**15,346**	(718,743)	**(317,832)**	(2,427,632)
National Labour Support Tax		**(5,019)**	-	**(22,628)**	-
Zakat		**(2,256)**	-	**(10,170)**	-
PROFIT(LOSS) FOR THE PERIOD		**494,535**	204,444	**1,616,077**	(933,957)
Attributable to:					
Equity holders of the parent company		**218,297**	196,185	**984,204**	(968,855)
Non-controlling interests		**276,238**	8,259	**631,873**	34,898
		494,535	204,444	**1,616,077**	(933,957)
Basic and diluted earnings (loss) per share attributable to equity holders of the parent company	4	**0.3 fils**	0.3 fils	**1.5 fils**	(1.5) fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2013

	Three months ended 30 September		*Nine months ended 30 September*	
	2013	*2012*	***2013***	*2012*
	KD	*KD*	***KD***	*KD*
Profit (loss) for the period	**494,535**	204,444	**1,616,077**	(933,957)
Other comprehensive income:				
Other comprehensive income to be reclassified to interim condensed consolidated statement of income in subsequent periods:				
Foreign currency translation adjustment	**58,251**	8,017	**78,772**	14,873
Cumulative changes in equity of associates (Note 6)	**3,724,606**	2,948,059	**630,418**	3,630,387
Cumulative changes in fair values	**35,157**	-	**508,277**	(88,712)
Net other comprehensive income to be reclassified to interim condensed consolidated statement of income in subsequent periods	**3,818,014**	2,956,076	**1,217,467**	3,556,548
Total comprehensive income for the period	**4,312,549**	3,160,520	**2,833,544**	2,622,591
Attributable to:				
Equity holders of the parent company	**4,036,311**	3,154,036	**2,163,679**	2,589,468
Non-controlling interests	**276,238**	6,484	**669,865**	33,123
	4,312,549	3,160,520	**2,833,544**	2,622,591

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2013

	Notes	*30 September 2013 KD*	*(Audited) 31 December 2012 KD*	*30 September 2012 KD*
ASSETS				
Bank balances and cash	5	**6,142,212**	6,653,809	3,711,127
Short-term murabaha investments	5	**1,799,798**	1,243,077	1,489,707
Accounts receivable and prepayments		**4,514,598**	3,146,932	4,531,429
Inventories		**2,330,518**	2,226,221	2,055,586
Financial assets at fair value through profit or loss		**5,584,826**	5,961,944	5,821,645
Financial assets available for sale		**4,636,824**	4,219,910	4,208,349
Investment in associates	6	**91,855,061**	90,504,323	89,628,561
Investment properties		**536,222**	536,222	534,150
Property, plant and equipment		**15,499,727**	15,599,164	14,188,603
TOTAL ASSETS		**132,899,786**	130,091,602	126,169,157
EQUITY				
Share capital		**68,000,000**	68,000,000	68,000,000
Cumulative changes in fair values		**508,277**	-	(88,712)
Foreign currency translation reserve		**49,224**	8,444	2,741
Employee share purchase plan reserve		**545,456**	545,456	545,456
Other reserve		**(255,897)**	(255,897)	-
Treasury shares reserve		**11,376,864**	11,376,864	11,376,864
Treasury shares	7	**(19,867,108)**	(19,867,108)	(19,867,108)
Cumulative changes in equity of associates		**4,848,551**	4,218,133	4,208,233
Accumulated losses		**(7,284,970)**	(8,269,174)	(8,845,508)
Equity attributable to equity holders of the parent company		**57,920,397**	55,756,718	55,331,966
Non-controlling interests		**6,609,193**	5,957,513	503,238
TOTAL EQUITY		**64,529,590**	61,714,231	55,835,204
LIABILITIES				
Murabaha payables	8	**51,248,560**	52,471,494	52,671,825
Accounts payable and accruals		**16,219,172**	15,134,173	16,562,698
Employees' end of service benefits		**902,464**	771,704	1,099,430
TOTAL LIABILITIES		**68,370,196**	68,377,371	70,333,953
TOTAL EQUITY AND LIABILITIES		**132,899,786**	130,091,602	126,169,157

Ayman Abdullah Boodai
Chairman and Managing Director

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

The Securities House K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 September 2013

	Notes	*Nine months ended 30 September* 2013 KD	2012 KD
OPERATING ACTIVITIES			
Profit(loss) for the period		**1,616,077**	(933,957)
Adjustments for:			
Realised gain on sale of financial assets at fair value through profit or loss		**(105,003)**	(63,914)
Realised gain on sale of financial assets available for sale		**(303,595)**	(12,562)
Dividends and return on murabaha finances		**(232,099)**	(13,918)
Share in result of associates	6	**(1,033,639)**	(694,843)
Realised gain on sale of investment in an associate		-	(243,886)
Realised gain on sale of property, plant and equipment		**(3,674)**	-
Unrealised loss on financial assets at fair value through profit or loss		**279,451**	489,760
Impairment loss of financial assets available for sale		**704,322**	-
Unrealised gain on investment properties		-	(3,060)
Murabaha payables costs		**317,832**	2,427,632
Provision for employees' end of service benefits		**154,653**	26,349
Depreciation		**533,266**	397,540
		1,927,591	1,375,141
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		**(1,367,666)**	(1,377,685)
Inventories		**(104,297)**	(123,704)
Financial assets at fair value through profit or loss		**202,670**	-
Accounts payable and accruals		**767,167**	1,184,910
Cash from operations		**1,425,465**	1,058,662
Employees' end of service benefits paid		**(23,893)**	(896)
Net cash from operating activities		**1,401,572**	1,057,766
INVESTING ACTIVITIES			
Proceeds from sale of financial assets available for sale		**376,140**	216,195
Purchase of financial asset available for sale		**(685,504)**	-
Proceeds from sale of financial assets at fair value through profit or loss		-	927,143
Proceeds from sale of investment in an associate	6	-	10,275,148
Dividend received from an associate	6	**313,319**	271,249
Dividends and return on murabaha finances received		**232,099**	13,918
Proceeds from disposal of property, plant and equipment		**5,600**	-
Purchase of property, plant and equipment		**(435,755)**	(280,627)
Net cash (used in) from investing activities		**(194,101)**	11,423,026
FINANCING ACTIVITIES			
Payment to non-controlling interests on liquidation of a subsidiary		**(18,185)**	-
Non-controlling interests share in net capital increase of subsidiaries		-	26,066
Dividends paid to non-controlling interests		-	(53,900)
Net repayment of murabaha payables		**(1,222,934)**	(10,175,000)
Net repayment from sale and deferred purchase agreements		-	(1,252,129)
Murabaha payables costs paid		-	(604,588)
Net cash used in financing activities		**(1,241,119)**	(12,059,551)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(33,648)**	421,241
Net foreign exchange difference		**78,772**	15,005
Cash and cash equivalents at 1 January		**7,896,886**	4,764,588
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	5	**7,942,010**	5,200,834

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2013

	Attributable to equity holders of the parent company											
	Share capital KD	*Cumulative changes in fair values KD*	*Foreign currency translation reserve KD*	*Employee share purchase plan reserve KD*	*Other reserve KD*	*Treasury shares reserve KD*	*Treasury shares KD*	*Cumulative changes in equity of associates KD*	*Accumulated losses KD*	*Sub total KD*	*Non-controlling interests KD*	*Total equity KD*
As at 1 January 2013	68,000,000	-	8,444	545,456	(255,897)	11,376,864	(19,867,108)	4,218,133	(8,269,174)	55,756,718	5,957,513	61,714,231
Profit for the period	-	-	-	-	-	-	-	-	984,204	984,204	631,873	1,616,077
Other comprehensive income	-	508,277	40,780	-	-	-	-	630,418	-	1,179,475	37,992	1,217,467
Total comprehensive income for the period	-	508,277	40,780	-	-	-	-	630,418	984,204	2,163,679	669,865	2,833,544
Non-controlling interests share in liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	(18,185)	(18,185)
As at 30 September 2013	**68,000,000**	**508,277**	**49,224**	**545,456**	**(255,897)**	**11,376,864**	**(19,867,108)**	**4,848,551**	**(7,284,970)**	**57,920,397**	**6,609,193**	**64,529,590**
As at 1 January 2012	68,000,000	-	(13,907)	545,456	-	11,376,864	(19,867,108)	577,846	(7,876,653)	52,742,498	497,949	53,240,447
(Loss) profit for the period	-	-	-	-	-	-	-	-	(968,855)	(968,855)	34,898	(933,957)
Other comprehensive (loss) income for the period	-	(88,712)	16,648	-	-	-	-	3,630,387	-	3,558,323	(1,775)	3,556,548
Total comprehensive (loss) income for the period	-	(88,712)	16,648	-	-	-	-	3,630,387	(968,855)	2,589,468	33,123	2,622,591
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(53,900)	(53,900)
Non-controlling interests share in capital increase of a subsidiary	-	-	-	-	-	-	-	-	-	-	26,066	26,066
As at 30 September 2012	68,000,000	(88,712)	2,741	545,456	-	11,376,864	(19,867,108)	4,208,233	(8,845,508)	55,331,966	503,238	55,835,204

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

1 ACTIVITIES

The interim condensed consolidated financial information of The Securities House K.S.C. (Closed) (the "parent company") and subsidiaries (collectively the "group") were authorised for issue by the Board of Directors on 2 December 2013.

The parent company is a Kuwaiti shareholding company incorporated and registered in Kuwait on 28 March 1982 and is engaged in investment and trading in securities, investment in real estate, finance activities and in portfolio and fund management on behalf of third parties, under the Commercial Companies Law No. 15 of 1960 and amendments thereto and is listed on the Kuwait Stock Exchange. The parent company is registered with the Central Bank of Kuwait ("CBK") as an investment company and is subject to the supervision of CMA.

The parent company's principal place of business and registered address is 17th floor, Al-Dhow Tower, Khalid Ibn Al-Waleed Street, Sharq, P.O.Box 26972 Safat, 13130, Kuwait.

The New Companies Law, issued on 26 November 2012 by Decree Law no. 25 of 2012 (the "Companies Law"), cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law no. 97 of 2013 (the Decree). The Executive Regulations of the new amended law were issued on 29 September 2013, was published in the official Gazette on 6 October 2013. As per article three of the Executive Regulations, companies have one year from the date of publishing the Executive Regulations to comply with the new amended law.

2 FUNDAMENTAL ACCOUNTING CONCEPT

For the nine months ended 30 September 2013, the group's current liabilities exceed its current assets by KD 46,553,690 (31 December 2012: KD 48,260,628and 30 September 2012: KD 38,403,182). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. However, the interim condensed consolidated financial information has been prepared on a going concern basis because the group has been able to extend the settlement of its current liabilities or swap certain of its liabilities with financial assets. The management of the group is of the opinion that the group will continue with the same strategy going forward.

3 BASIS OF PREPARATION

The interim condensed consolidated financial information for the nine months ended 30 September 2013 has been prepared in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting, except as noted below.

The annual consolidated financial statements for the year ended 31 December 2012 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all International Financial Reporting Standards ("IFRS") except for the IAS 39 requirement for a collective impairment provision, which has been replaced by the CBK's requirement for a minimum general provision.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK, and should be read in conjunction with the group's annual consolidated financial statements for the year ended 31 December 2012. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. In addition, results for the nine months ended 30 September 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

3 BASIS OF PREPARATION (continued)

The interim condensed consolidated financial information are presented in Kuwaiti Dinars ("KD") which is the functional currency of the parent company.

Changes in accounting policy and disclosures
The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of the following new standards and interpretations effective as of 1 January 2013 and the corresponding change to the policy on 'basis of consolidation'.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The adoption of this standard did not have any material impact on the interim condensed consolidated financial information of the group and the relevant disclosures will be made in the annual consolidated financial statements of the group.

IFRS 10 – Consolidated Financial Statements
IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements. It also addresses the issues raised in SIC-12 Consolidation - Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 13 – Fair Value measurement
IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. There are also additional disclosure requirements. The adoption of this standard resulted in additional disclosures to the interim condensed consolidated financial information of the group.

IAS 1 Financial Statement Presentation
The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The adoption of this standard has not resulted in presentation changes in interim condensed consolidated statement of income and interim condensed consolidated statement of other comprehensive income.

3 BASIS OF PREPARATION (continued)

Changes in accounting policy and disclosures (continued)

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

IAS 34: Interim financial reporting and segment information for total assets and liabilities (Amendment)
The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The group provides this disclosure as total segment assets were reported to the chief operating decision maker (CODM). The group did not provide this disclosure for total segment liabilities as these were not materially different from those reported in the entity's previous annual consolidated financial statements.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2013 did not have any material impact on the accounting policies, financial position or performance of the group.

Basis of consolidation
The accounting policy for basis of consolidation is consistent with that used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012 except that definition of control is now amended as stated below.

Control is achieved where the group is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

4 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

Basic and diluted earnings (loss) per share is computed by dividing profit (loss) attributable to equity holders of the parent company by the weighted average number of shares (net of treasury shares) outstanding during the period as follows:

	Three months ended 30 September		*Nine months ended30 September*	
	2013 ***KD***	*2012* *KD*	***2013*** ***KD***	*2012* *KD*
Profit (loss) for the period attributable to the equityholders of the parent company	**218,297**	196,185	**984,204**	(968,855)
	Shares	*Shares*	***Shares***	*Shares*
Weighted average number of shares (net of treasury shares) outstanding for the period	**637,720,000**	637,720,000	**637,720,000**	637,720,000
Basic and diluted earnings (loss) per share attributable to equity holders of the parent company	**0.3 fils**	0.3 fils	**1.5 fils**	(1.5) fils

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as shown in the interim condensed consolidated statement of cash flows are reconciled to the related items in the interim condensed consolidated statement of financial position as follows:

	30 September 2013 KD	(Audited) 31 December 2012 KD	30 September 2012 KD
Bank balances and cash	**6,142,212**	6,653,809	3,711,127
Short-term murabaha investments with original maturity up to three months	**1,799,798**	1,243,077	1,489,707
	7,942,010	7,896,886	5,200,834

6 INVESTMENT IN ASSOCIATES

	30 September 2013 KD	(Audited) 31 December 2012 KD	30 September 2012 KD
As at 1 January	**90,504,323**	95,605,974	95,605,974
Acquisitions	-	2,704,032	-
Disposals	-	(10,031,394)	(10,031,394)
Share of results	**1,033,639**	(432,279)	694,843
Share of other comprehensive income	**630,418**	3,640,287	3,630,387
Dividend received	**(313,319)**	(269,239)	(271,249)
Elimination of downstream transaction	-	(549,402)	-
Amortisation of intangible assets	-	(163,656)	-
	91,855,061	90,504,323	89,628,561

During the previous period, in the group's efforts to reduce its debts and increase shareholders' value, the parent company sold equity interest in Gatehouse Bank's shares to its creditors against settlement of certain outstanding murabaha payables amounting to KD 9,675,000 and accrued murabaha profit amounting to KD 600,148. Accordingly, the group recognised a gain amounting to KD 243,886 in the interim condensed consolidated statement of income.

7 TREASURY SHARES

	30 September 2013	(Audited) 31 December 2012	30 September 2012
Number of treasury shares	**42,280,000**	42,280,000	42,280,000
Percentage of capital	**6.2%**	6.2%	6.2%
Market value KD	**4,735,360**	2,092,860	5,496,400

8 MURABAHA PAYABLES

	30 September 2013 KD	*(Audited) 31 December 2012 KD*	*30 September 2012 KD*
Maturity within 1 year	**45,083,807**	46,396,494	46,596,825
Maturity after 1 year	**6,164,753**	6,075,000	6,075,000
	51,248,560	52,471,494	52,671,825

Murabaha payables represent the value of assets purchased on a deferred settlement basis.

Murabaha payables amounting to KD 43,352,021(31 December 2012: KD 43,352,021 and 30 September 2012: KD 42,317,128) are secured against financial assets at fair value through profit or loss and financial assets available for sale amounting to KD 1,918,600and KD 742,958 (31 December 2012: KD 1,909,473 and KD 911,689 and 30 September 2012: KD 1,839,530 and KD 548,260)respectively.

During the previous year, one of the major murabaha creditor (the "plaintiff") has filed four legal cases against the parent company (the "defendant") claiming the settlement of due certain murabaha payables amounting to KD 43,352,021. Until the date of approval of this interim condensed consolidated financial information, the final court decision on the abovementioned legal cases is still pending as follows:

- Two legal cases relating to the due murabaha payables of KD 3,775,889 and KD 4,239,342 were transferred on 10 January 2013 and 19 February 2013, respectively, to the Experts Department at the Ministry of Justice for final hearing.

- The final hearing date related to the legal case pertaining to the due murabaha payable of KD 99,360 was postponed from 27 March 2013 to 19 June 2013.

- With respect of the forth legal cases, related to the due murabaha payable of KD 35,237,430, the first instance court decision came in favour of the plaintiff on 13 December 2012 obligating the parent company to settle the due balance in addition to an amount of KD 50 for legal charges. On 13 February 2013, the parent company filed an appeal against this decision. On 24 April 2013, the court decision came supporting the first instance decision in favour of the plaintiff. The management filed an appeal against the ruling before the cassation court and suspended the related ruling.

Therefore, with respect to the expected results of those lawsuits, the legal counsel of the parent company is of the opinion that all the lawsuits filed by the plaintiff, tend to be referred to the Experts Department at the Ministry of Justice to discuss many aspects of the appeal submitted by the parent company to the court, some of which are legal while others are regulatory. Although final results of this dispute cannot be reliably guaranteed and that all results are possible, it is expected that the litigation will continue between the two parties for a relatively long period, not less than three years.

Based on the foregoing, as the value of the abovementioned claims filed against the parent company is recorded originally in the books of the parent company within murabaha payables, the parent company need not to record any provisions or recognise any additional potential liabilities in the interim condensed consolidated financial information as a result of these lawsuits.

9 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and executive officers of the parent company, close members of their families and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Related party transactions and balances consist of the following:

	Other related parties	
	Nine months ended 30 September	
	2013	*2012*
	KD	*KD*
Interim condensed consolidated statement of income:		
Management fee income	**62,745**	147,972
Restructuring and arranging fees	-	14,939

	30 September 2013	*(Audited) 31 December 2012*	*30 September 2012*
	KD	*KD*	*KD*
Interim condensed consolidated statement of financial position:			
Accounts receivable and prepayments	**34,699**	-	38,837
Murabaha payables	**6,164,753**	6,075,000	6,075,000

	Nine months ended 30 September	
	2013	*2012*
	KD	*KD*
Key management compensation:		
Salaries and other short term benefits	**525,954**	402,056
Employees' end of services and share purchase plan benefits	**82,107**	68,612
	608,061	470,668

Assets amounting to KD 2,021,193(31 December 2012: KD 2,021,140and 30 September 2012: KD 1,921,316) are being managed on behalf of related parties.

10 CESSATION OF DISCONTINUED OPERATIONS

During the period ended 30 June 2013, the parent company signed a binding proposal with a potential investor for selling the parent company's entire share in New Technology Bottling Company K.S.C. (Closed) ("NTBC" or "Abraj Company") (a subsidiary) that is subject to interpolation of specific terms to complete the deal. As a result, NTBC was classified as a disposal group held for sale and disclosed as a discontinued operation as per IFRS5: Non-current assets held for sale and discontinued operations for the period ended 30June 2013.

During the period ended 30 September 2013, the binding proposal for sale of NTBC was cancelled due to the non-agreement of the sale terms between the parties and as a result, the management of the parent company has discontinued to present the investment as a disposal group classified held for sale and accordingly has been consolidated as a subsidiary for the period ended 30September2013.

11 COMMITMENTS

As at 30 September 2013, the group's bankers have given bank guarantees amounting to KD70,453 (31 December 2012: KD 289,953and 30 September 2012: KD 289,953).

12 SEGMENTAL ANALYSIS

For management purposes the group is organised into three major business segments:

Proprietary investment management : Investing of group funds in securities and real estate, financing corporate and individual customers, and managing the group's liquidity requirements.

Asset management and advisory services : Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related investment services.

Commercial trading activities : Selling and distribution of manufactured and imported goods and services.

The following table presents information regarding the group's business segment:

	Proprietary investment management		*Asset management and advisory services*		*Commercial trading activities*		*Total*	
	Nine months ended 30 September		*Nine months ended 30 September*		*Nine months ended 30 September*		*Nine months ended 30 September*	
	2013	*2012*	***2013***	*2012*	***2013***	*2012*	***2013***	*2012*
	KD	*KD*	***KD***	*KD*	***KD***	*KD*	***KD***	*KD*
Segment revenue (loss)	**(58,463)**	(164,407)	**1,140,323**	1,084,073	**10,015,928**	7,893,654	**11,097,788**	8,813,320
Segment results	**(507,925)**	(785,153)	**261,028**	522,044	**1,332,073**	1,053,849	**1,085,176**	790,470
Unallocated expenses							**(816,779)**	(26,806)
Share of results of associates							**1,033,639**	694,843
Murabaha payable costs							**(317,832)**	(2,427,632)
Profit attributable to equity holders of the parent company							**984,204**	(968,855)