Interim condensed consolidated financial statements and review report

Global Investment House – KSC (Closed) and Subsidiaries

Kuwait

30 June 2006 (Unaudited)

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REVIEW REPORT TO THE BOARD OF DIRECTORS OF GLOBAL INVESTMENT HOUSE K.S.C. (CLOSED)

We have reviewed the accompanying consolidated balance sheet of Global Investment House K.S.C. (Closed) (the parent company) and its subsidiaries (the Group) at 30 June 2006, and the related consolidated statement of income for the three month and six month periods then ended and the related consolidated statement of cash flows and changes in equity for the six month period then ended. These interim condensed consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of parent company's personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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 the basis of presentation set out in Note 2.

Furthermore, based on our review, the interim condensed consolidated financial statements are in agreement with the books of the parent company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, as amended, nor of the articles of association of the parent company have occurred that might have had a material effect on the business of the Group or on its financial position.

We further report that, during the course of our review, 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, and its related regulations during the period ended 30 June 2006.

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19 July 2006

Kuwait

Consolidated statement of income

	Notes	Three months ended 30 June 2006 (Unaudited)	Three months ended 30 June 2005 (Unaudited)	Six months ended 30 June 2006 (Unaudited)	Six months ended 30 June 2005 (Unaudited)
		KD	KD	KD	KD
Placement and advisory fees		4,347,470	3,151,926	8,773,195	6,110,229
Management fees		2,509,727	1,578,823	5,459,292	3,000,748
Interest income		1,298,033	756,466	2,629,363	1,143,080
Murabaha income		-	284,078	-	397,261
Dividend income		1,618,100	630,444	2,245,835	1,114,993
Realised gains from investments carried at fair value through statement of income		9,477,339	1,926,014	12,496,207	3,500,780
Unrealised gains from investments carried at fair value through statement of income		2,770,260	5,228,357	12,745,272	10,081,779
Loss on sale of associate		-	-	(177,132)	-
Income from associates		-	-	32,496	-
Profit on sale of subsidiaries	3	1,036,941	-	1,740,246	-
Rental income		-	-	21,377	-
Change in fair value of investment properties		-	-	3,361,257	-
Gain on sale of investment properties		-	-	22,323	830,620
Foreign exchange differences		48,313	(80,622)	(94,366)	(197,823)
Other income		-	448	196	448
Income		23,106,183	13,475,934	49,255,561	25,982,115
Staff expenses		1,088,712	953,330	2,326,333	1,969,662
Depreciation		88,925	53,579	180,277	89,134
Other operating expenses		1,232,282	563,420	2,247,322	999,775
Interest expenses		4,373,808	1,081,636	7,645,429	1,813,014
Provision charge for credit losses		62,922	236,582	78,353	362,281
Expenses		6,846,649	2,888,547	12,477,714	5,233,866
Profit before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and provision for National Labour Support Tax		16,259,534	10,587,387	36,777,847	20,748,249
Contribution to KFAS		(146,336)	(95,286)	(320,230)	(186,734)
Provision for National Labour Support Tax		(362,182)	(235,834)	(792,569)	(462,167)
Net profit for the period		15,751,016	10,256,267	35,665,048	20,099,348
Attributable to:					
Shareholders of the parent company		15,751,016	10,256,267	34,468,283	20,099,348
Minority interest		-	-	1,196,765	-
Net profit for the period		15,751,016	10,256,267	35,665,048	20,099,348
Basic earnings per share	4	26 Fils	18 Fils	59 Fils	41 Fils
Diluted earnings per share	4	26 Fils	17 Fils	59 Fils	41 Fils

The notes set out on pages 6 to 12 form an integral part of these interim condensed consolidated financial statements.

Consolidated balance sheet

	Notes	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Assets				
Cash and cash equivalents	5	**35,521,787**	31,739,588	10,478,233
Investments carried at fair value through statement of income	6	**289,454,613**	176,122,986	115,477,250
Loans and advances		**54,142,741**	50,303,470	36,993,594
Investment in associates		**29,413,699**	14,577,700	3,895,206
Investment in unconsolidated subsidiaries		**-**	2,058,923	987,321
Investment properties		**375,534**	5,959,373	-
Other assets	7	**51,790,511**	17,223,150	12,255,971
Goodwill	8	**419,302**	2,003,449	-
Fixed assets		**4,509,410**	706,761	701,458
Total assets		**465,627,597**	300,695,400	180,789,033
Equity and liabilities				
Equity attributable to the shareholders of the parent company				
Share capital	9	**70,545,318**	27,807,830	27,807,830
Share premium	9	**91,039,748**	21,284,252	21,284,252
Share options reserve		**665,452**	365,452	182,726
Statutory reserve	10	**10,900,873**	10,900,873	4,541,264
General reserve	10	**10,900,873**	10,900,873	4,541,264
Treasury shares	11	**(23,053,043)**	(6,990,552)	(1,894,330)
Treasury shares reserve		**4,210,336**	3,280,312	1,944,982
Cumulative changes in fair value	12	**(314,200)**	-	-
Retained earnings		**40,453,922**	52,947,373	24,379,645
		205,349,279	120,496,413	82,787,633
Minority interest		**4,129,112**	8,607,552	-
Total equity		**209,478,391**	129,103,965	82,787,633
Liabilities				
Borrowings	13	**104,511,988**	54,795,990	43,055,885
Wakala payables	13	**117,990,958**	87,248,300	26,500,000
Bonds	14	**20,000,000**	20,000,000	20,000,000
Other liabilities	15	**13,646,260**	9,547,145	8,445,515
Total liabilities		**256,149,206**	171,591,435	98,001,400
Total equity and liabilities		**465,627,597**	300,695,400	180,789,033

Anwar Abdulla Al-Noori
Chairman

Maha Khaled Al-Ghunaim
Vice Chairman and Managing Director

The notes set out on pages 6 to 12 form an integral part of these interim condensed consolidated financial statements.

Consolidated statement of cash flows

	Note	Six months ended 30 June 2006 (Unaudited)	Six months ended 30 June 2005 (Unaudited)
		KD	KD
OPERATING ACTIVITIES			
Net profit for the period		35,665,048	20,099,348
Adjustments for:			
Cost of share based payment		300,000	182,726
Depreciation		180,277	89,134
Provision charge for credit losses		78,353	362,281
Interest and murabaha income		(2,629,363)	(1,540,341)
Dividend income		(2,245,835)	(1,114,993)
Interest expenses		7,645,429	1,813,014
Income from associates		(32,496)	-
Loss on disposal of associate		177,132	-
Gain on disposal of subsidiaries		(1,740,246)	-
Gain on sale of investment property		(22,323)	(830,620)
Change in fair value of investment properties		(3,361,257)	-
Operating profit before changes in operating assets and liabilities		34,014,719	19,060,549
Changes in operating assets and liabilities:			
Investments carried at fair value through statement of income		(113,331,627)	(49,766,055)
Murabaha investment		-	4,600
Loans and advances		(3,917,624)	(17,751,767)
Other assets		(36,942,433)	(5,852,836)
Borrowings		49,715,998	38,990,220
Wakala payables		30,742,658	5,922,072
Other liabilities		4,099,115	1,879,606
Cash from operations		(35,619,194)	(7,513,611)
Interest and murabaha income received		2,629,363	1,109,429
Dividend income received		2,245,835	1,114,993
Interest paid		(7,645,429)	(1,339,533)
Net cash used in operating activities		(38,389,425)	(6,628,722)
INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash		(1,218,372)	-
Proceeds from disposal of subsidiaries		3,799,169	-
Investment in associates		(2,979,912)	(3,099,301)
Proceeds from disposal of associate		1,802,532	-
Investment in unconsolidated subsidiaries		-	9,091
Purchase of equipment		(3,982,926)	(368,546)
Purchase of investment property		-	(7,511,033)
Proceeds from sale of investment property		27,554	7,000,000
Net cash used in investing activities		(2,551,955)	(3,969,789)
FINANCING ACTIVITIES			
Proceeds from issue of share capital		84,685,155	25,993,292
Purchase of treasury shares		(25,617,323)	(12,679,042)
Proceeds from sale of treasury shares		10,484,856	14,951,836
Dividends paid to shareholders of the parent company		(19,153,904)	(14,520,528)
Net movement in minority		(5,675,205)	-
Net cash from financing activities		44,723,579	13,745,558
Increase in cash and cash equivalents		3,782,199	3,147,047
Cash and cash equivalents at beginning of the period		31,739,588	7,331,186
Cash and cash equivalents at end of the period	5	35,521,787	10,478,233

The notes set out on pages 6 to 12 form an integral part of these interim condensed consolidated financial statements.

Consolidated statement of changes in equity

	Attributable to the shareholders of the parent company										
	Share capital KD	Share premium KD	Share options reserve KD	Reserves (Note 10) KD	Treasury shares KD	Cumulative changes in fair value KD	Treasury shares reserve KD	Retained earnings KD	Sub-total KD	Minority interest KD	Total KD
Balance at 1 January 2006	27,807,830	21,284,252	365,452	21,801,746	(6,990,552)	-	3,280,312	52,947,373	120,496,413	8,607,552	129,103,965
Cumulative changes in fair value	-	-	-	-	-	(314,200)	-	-	(314,200)	-	(314,200)
Increase in treasury shares reserve	-	-	-	-	-	-	930,024	-	930,024	-	930,024
Net income recognised directly in equity	-	-	-	-	-	(314,200)	930,024	-	615,824	-	615,824
Net profit for the period	-	-	-	-	-	-	-	34,468,283	34,468,283	1,196,765	35,665,048
Total recognised income for the period	-	-	-	-	-	(314,200)	930,024	34,468,283	35,084,107	1,196,765	36,280,872
Issue of share capital	13,903,915	69,519,575	-	-	-	-	-	-	83,423,490	-	83,423,490
Issue of 100% bonus shares	27,807,830	-	-	-	-	-	-	(27,807,830)	-	-	-
Issue of shares under group performance scheme	1,025,743	235,921	-	-	-	-	-	-	1,261,664	-	1,261,664
Dividends paid	-	-	-	-	-	-	-	(19,153,904)	(19,153,904)	-	(19,153,904)
Cost of share based payment	-	-	300,000	-	-	-	-	-	300,000	-	300,000
Purchase of treasury shares	-	-	-	-	(25,617,323)	-	-	-	(25,617,323)	-	(25,617,323)
Sale of treasury shares	-	-	-	-	9,554,832	-	-	-	9,554,832	-	9,554,832
Net movement in minority	-	-	-	-	-	-	-	-	-	(5,675,205)	(5,675,205)
Balance at 30 June 2006	**70,545,318**	**91,039,748**	**665,452**	**21,801,746**	**(23,053,043)**	**(314,200)**	**4,210,336**	**40,453,922**	**205,349,279**	**4,129,112**	**209,478,391**
Balance at 1 January 2005	20,809,112	208,767	-	9,082,528	(3,483,689)	-	1,261,547	20,881,736	48,760,001	-	48,760,001
Increase in treasury shares reserve	-	-	-	-	-	-	683,435	-	683,435	-	683,435
Net income recognised directly in equity	-	-	-	-	-	-	683,435	-	683,435	-	683,435
Net profit for the period	-	-	-	-	-	-	-	20,099,348	20,099,348	-	20,099,348
Total recognised income for the period	-	-	-	-	-	-	683,435	20,099,348	20,782,783	-	20,782,783
Issue of share capital	4,161,822	20,809,111	-	-	-	-	-	-	24,970,933	-	24,970,933
Issue of 10% bonus shares	2,080,911	-	-	-	-	-	-	(2,080,911)	-	-	-
Issue of shares under group performance schemes	755,985	266,374	-	-	-	-	-	-	1,022,359	-	1,022,359
Cost of share based payment	-	-	182,726	-	-	-	-	-	182,726	-	182,726
Purchase of treasury shares	-	-	-	-	(12,679,042)	-	-	-	(12,679,042)	-	(12,679,042)
Sale of treasury shares	-	-	-	-	14,268,401	-	-	-	14,268,401	-	14,268,401
Dividends paid	-	-	-	-	-	-	-	(14,520,528)	(14,520,528)	-	(14,520,528)
Balance at 30 June 2005	27,807,830	21,284,252	182,726	9,082,528	(1,894,330)	-	1,944,982	24,379,645	82,787,633	-	82,787,633

The notes set out on pages 6 to 12 form an integral part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements (Unaudited)

30 June 2006

1 Incorporation and activities

These interim condensed consolidated financial statements of Global Investment House – KSC (Closed) and its Subsidiaries (the group) for the period ended 30 June 2006 were authorised for issue in accordance with a resolution of the directors on 19 July 2006.

Global Investment House – KSC (Closed), the parent company, is a closed shareholding company incorporated on 16 June 1998 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company's shares are listed on Kuwait Stock Exchange. The parent company is regulated by the Central Bank of Kuwait as an investment company.

The group comprises the parent company and its subsidiaries.

The group is principally engaged in the provision of investment services. Its registered office is at Souk Al Safat, Abdulla Mubarak Street, Kuwait City.

The group primarily operates in the Gulf Co-operation Council countries.

2 Significant accounting policies

Basis of presentation

These interim condensed consolidated financial statements of the group have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and the Central Bank of Kuwait regulations regarding general provisions against credit facilities.

The impairment provision for murabaha investment and loans and advances complies in all material respect with the specific provision requirements of the Central Bank of Kuwait. In this respect, the Central Bank of Kuwait requires a general provision of 2% on all credit facilities not subject to specific provision.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2005.

The interim condensed consolidated financial statements have been presented in Kuwaiti dinars which is the functional currency of the parent company.

Operating results for the period are not necessarily indicative of the results that may be expected for the year ending 31 December 2006.

3 Profit on sale of subsidiaries

During the period the group sold part of their ownership interests in the following subsidiaries:

- The group sold 19.86% ownership interest in Real Estate Development Co- JSC (Jordan) for a consideration of KD 3,170,477 resulting in a net profit of KD 819,740. As a result of the sale of interest in the subsidiary Real Estate Development Co. J.S.C. (Jordan) is accounted for as an associate.
- The group sold 20.95% ownership interest in Kadhma Holding Company – KSCC (Kuwait) for a consideration of KD1,691,182 resulting into a net loss of KD110,691. The new ownership interest in the subsidiary is 79.05%

4 Earnings per share

Basic earnings per share is computed by dividing the net profit for the period attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to the shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Three months ended (Unaudited)		Six months ended (Unaudited)	
	30 June 2006 (Unaudited)	30 June 2005 (Unaudited)	**30 June 2006 (Unaudited)**	30 June 2005 (Unaudited)
Net profit for the period attributable to the shareholders of the parent company (KD)	**15,751,016**	10,256,267	**34,468,283**	20,099,348
Weighted average number of ordinary shares for basic earnings per share (excluding treasury shares)	**606,142,174**	579,612,674	**583,632,651**	484,444,604
Effect of dilution from weighted average number of share options outstanding	**208,399**	6,862,152	**2,045,089**	6,758,313
Adjusted weighted average number of ordinary shares for diluted earnings per share	**606,350,573**	586,474,826	**585,677,740**	491,202,917
Basic earnings per share	**26 Fils**	18 Fils	**59 Fils**	41 Fils
Diluted earnings per share	**26 Fils**	17 Fils	**59 Fils**	41 Fils

The denominators for the purpose of calculating the both basic and diluted earnings per share have been adjusted to reflect the bonus share issue in March 2006 (Note 9).

5 Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows include the following balance sheet amounts:

	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Bank balances and cash	**28,370,100**	25,545,169	6,092,630
Investment in money market instruments	**7,151,687**	6,194,419	4,385,603
	35,521,787	31,739,588	10,478,233

6 Investments carried at fair value through statement of income

	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Held for trading:			
Quoted securities and managed funds	**17,254,482**	8,862,139	7,585,575
Designated on initial recognition:			
Unquoted debt securities	**4,967,134**	33,000	6,014,916
Unquoted equity securities	**124,512,148**	92,224,566	55,121,554
Quoted securities and managed funds	**142,720,849**	75,003,281	46,755,205
	272,200,131	167,260,847	107,891,675
	289,454,613	176,122,986	115,477,250

Investments designated on initial recognition include investments amounting to KD 124,512,148 (31 December 2005: KD91,460,142 and 30 June 2005: KD 55,121,554) whose fair values are determined using secondary market transaction prices and are, therefore, not based on observable market prices or rates.

Unrealised gains from investments carried at fair value through income statement include unrealised gains of KD 1,162,195 (30 June 2005: KD 661,124) resulting from fair value estimated using above valuation techniques.

7 Other assets

	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Accrued income	**8,905,656**	6,099,814	4,292,001
Deposits, prepayments and other receivables	**40,808,303**	8,255,737	6,622,347
Amount due from related parties (Note 17)	**1,946,516**	2,860,698	1,341,623
Positive fair value of forward foreign exchange contracts (Note 20)	**130,036**	6,901	-
	51,790,511	17,223,150	12,255,971

8 Acquisition of subsidiary

During the period the group acquired 60.27% of the share capital of Jordan Trade Facilities. Details of net assets acquired are as follows:

	KD
Purchase consideration	**2,599,257**
Share of fair value of net asset acquired	**(2,179,955)**
Goodwill	**419,302**

9 Share capital and share premium

	Authorised			Issued and fully paid		
	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Shares of KD0.100 each	**70,545,319**	27,807,830	27,807,830	**70,545,319**	27,807,830	27,807,830

The annual general meeting of the shareholders held on 21 March 2006 approved an increase in the authorised capital from KD27,807,830 to KD70,545,319 by issue of 278,078,300 bonus shares and 10,257,440 shares under the group's performance bonus scheme and share option scheme. The shareholders have also approved the increase of 50% of paid up capital totalling to 139,039,150 shares at 600 fils, including a share premium of 500 fils.

Share premium is not available for distribution.

10 Reserves

	Statutory reserve KD	General reserve KD	Total KD
Balance at 1 January 2006 and 30 June 2006	**10,900,873**	**10,900,873**	**21,801,746**
Balance at 1 January 2005 and 30 June 2005	4,541,264	4,541,264	9,082,528

11 Treasury shares

The details of treasury shares are as follows:

	30 June 2006 (Unaudited)	31 Dec. 2005 (Audited)	30 June 2005 (Unaudited)
Number of shares	**19,665,907**	2,935,237	1,412,000
Percentage holding	**2.788%**	1.056%	0.508%
Market value (KD)	**20,452,543**	7,925,140	2,174,480

12 Cumulative changes in fair value

This has arisen on equity accounting of an associate and represents group's share of post-acquisition changes in the account.

13 Borrowings and wakala payables

Borrowings are due to local financial institutions and are repayable within 12 months from the date of borrowings and are unsecured. The average effective interest range between 5.80% and 8% (31 December 2005 : 3.85% and 6.4%; 30 June 2005 : 3.57% and 4.6%).

Wakala payables represent wakala contracts with local financial institutions maturing within 6 months from the balance sheet date. The average effective cost attributable to these contracts range between 6.05% to 8% per annum (31 December 2005 : 5.0% to 6.5% per annum and 30 June 2005: 3.5 to 6% per annum).

14 Bonds

On 23 June 2004, the company issued unsecured bonds in the principal amount of KD 20,000,000 composed of bonds in two series as follows:

	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Fixed rate bonds due on 23 June 2009 (bearing fixed interest at the rate of 5% per annum payable semi-annually)	8,000,000	8,000,000	8,000,000
Floating rate bonds due on 23 June 2009 (bearing interest at the rate of 1% per annum over the six-month KIBOR in effect on the rate fixing date payable semi-annually)	12,000,000	12,000,000	12,000,000
	20,000,000	20,000,000	20,000,000

The company has the option of early redemption on all bonds (together) at any time after two years from the date of issue at face value plus accrued interest.

15 Other liabilities

	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Accrued expenses	4,136,426	5,986,267	1,691,080
Amounts due under repurchase agreement	-	-	4,509,281
Dividend payable	-	83,076	-
Other payables	9,509,834	3,477,802	2,241,504
Negative fair value of forward foreign exchange contracts (Note 20)	-	-	3,650
	13,646,260	9,547,145	8,445,515

16 Dividends paid

At the annual general meeting of the shareholders held on 21 March 2006, cash dividends of 70 fils (2005 : 70 fils) per share amounting to KD19,153,904 (2005 : KD14,520,528) and bonus shares of 100% (2005 : 10%) of paid up capital amounting to KD27,807,830 (2005 : KD2,080,911) were approved.

17 Related party transactions

These represent transactions with certain related parties (directors and executive officers of the parent company and their related concerns) entered into by the group in the ordinary course of business.

	30 June 2006 (Unaudited) KD	31 Dec. 2005 (Audited) KD	30 June 2005 (Unaudited) KD
Transactions included in the balance sheet:			
Loans to directors and senior management	2,386,204	2,380,353	1,017,399
Amount due from related parties (Note 7)	1,946,516	2,860,698	1,341,623
Borrowings	100,000	100,000	3,100,000
Wakala payables	47,754,572	61,748,300	10,000,000
Transactions included in the statement of income:			
Interest income	89,852	118,343	25,435
Interest expenses	1,519,432	804,126	85,250
Key management compensation			
Salaries and other short term benefits	393,705	1,659,737	815,152
Cost of share based payment	300,000	365,452	-
Terminal benefits	136,632	353,265	170,430

18 Segmental information

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

- Proprietary investment management comprises of investing of company funds in securities, lending to corporate and individual customers and managing the company's liquidity requirements.

- Investment management and advisory services comprise of discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related financial services.

The group primarily operates in one geographical region GCC (Kuwait and the other GCC countries) and accordingly does not have a secondary segment.

	Proprietary investment management KD	Investment management and advisory services KD	Total KD
Six months ended 30 June 2006 (Unaudited)			
Segment income	**35,023,075**	**14,232,486**	**49,255,561**
Segment profit	**26,150,820**	**10,627,027**	**36,777,847**
Unallocated expenses			**(1,112,799)**
Net profit for the period			**35,665,048**
Six months ended 30 June 2005 (Unaudited)			
Segment income	16,871,138	9,110,977	25,982,115
Segment profit	13,472,598	7,275,651	20,748,249
Unallocated expenses			(648,901)
Net profit for the period			20,099,348

	Proprietary investment management KD	Investment management and advisory services KD	Total KD
Three months ended 30 June 2006 (Unaudited)			
Segment income	**16,248,986**	**6,857,197**	**23,106,183**
Segment profit	**11,434,210**	**4,825,324**	**16,259,534**
Unallocated expenses			**(508,518)**
Net profit for the period			**15,751,016**
Three months ended 30 June 2005 (Unaudited)			
Segment income	8,745,185	4,730,749	13,475,934
Segment profit	6,837,486	3,749,901	10,587,387
Unallocated expenses			(331,120)
Net profit for the period			10,256,267

19 Fiduciary accounts

The group manages portfolios on behalf of others, mutual funds, and maintains cash balances and securities in fiduciary accounts, which are not reflected in the group's balance sheet. Assets under management at 30 June 2006 amounted to KD1,927,366,238 (31 December 2005 : KD1,831,122,749 and 30 June 2005 : KD1,396,900,621).

20 Derivative financial instruments

	30 June 2006 (Unaudited)		31 Dec. 2005 (Audited)		30 June 2005 (Unaudited)	
	Notional amount KD	Positive fair value KD	Notional amount KD	Positive fair value KD	Notional amount KD	Negative fair value KD
Forward foreign exchange contracts	**41,343,862**	**130,036**	7,888,800	6,901	2,920,500	(3,650)

Forward foreign exchange contracts mature within 3 months of the balance sheet date.

Forward foreign exchange contracts primarily comprise contracts both with clients and offsetting contracts with bank counter parties to cover the exposure to the group arising therefrom.

21 Commitments

At 30 June 2006, the group had commitment to invest in venture capital funds and securities amounting to KD257,734 (31 December 2005: KD4,793,802 and 30 June 2005: KD3,122,134), after deducting commitments by the group's clients.