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GLOBAL INVESTMENT HOUSE K.S.C. (CLOSED) AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 MARCH 2012 (UNAUDITED)

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

Report on the Interim Condensed Consolidated Financial Information

We have reviewed the accompanying interim condensed consolidated statement of financial position of Global Investment House K.S.C. (Closed) (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2012, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the three months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with basis of presentation set out in Note 2.2. 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 2.2.

ERNST & YOUNG

Grant Thornton
Al-Qatami, Al-Aiban & Partners

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

Report on the Interim Condensed Consolidated Financial Information (continued)

Emphasis of matters
Without qualifying our conclusion above, we draw attention to the following:

1) Note 2.1 to the interim condensed consolidated financial information, which states that the Group has incurred a loss of KD 11,459 thousand for the three months period ended 31 March 2012 and as at that date, the Group has accumulated losses of KD 119,256 thousand. Furthermore, note 8 states that the Parent Company has obtained approval from its lenders and bondholders to defer repayment of the principal and contractual increase in interest rate and waiver of compliance with certain financial covenants until June 2012. The management of the Parent Company is actively seeking a consensual resolution of the issues and material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern.

2) Note 6 of the accompanying interim condensed consolidated financial information, which describes the uncertainty related to the outcome of the lawsuit in connection with non-release of deposit of KD 69.5 million (31 December 2011: KD 69.7 million and 31 March 2011 KD 69.4 million).

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 violations of the Commercial Companies Law of 1960, as amended, or of the Articles of Association of the Parent Company during the period ended 31 March 2012 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, and its related regulations during the three months ended 31 March 2012.

WALEED A. AL OSAIMI
LICENCE NO. 68 A
OF ERNST & YOUNG

ABDULLATIF M. AL AIBAN (CPA)
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OF GRANT THORNTON-
AL-QATAMI, AL-AIBAN & PARTNERS

26 April 2012
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 March 2012 (Unaudited)

	Notes	Three months ended 31 March 2012 KD '000	Three months ended 31 March 2011 KD '000
REVENUE			
Fees and commission income	3	**2,389**	4,653
Interest and similar income		**454**	776
Net (loss) gain on financial assets held for trading		**(304)**	221
Net gain (loss) on financial assets designated at fair value through profit or loss		**746**	(10,602)
Net gain on sale of financial assets available for sale		**2,004**	85
Share of results of associates		**(2,460)**	(6,828)
Net loss on investment properties and properties under development		**(1,575)**	(3,797)
Net loss on disposal of associate		**(235)**	-
Change in fair value of derivative financial instruments		**-**	591
Foreign exchange gain		**385**	1,658
Other income		**1,026**	2,118
		2,430	(11,125)
EXPENSES			
Personnel expenses		**2,574**	2,919
Other operating expenses		**3,932**	2,637
Interest and similar expenses		**6,201**	6,092
Impairment of financial assets, investment in associates and intangible assets		**1,189**	364
(Reversal)/impairment charge for credit losses		**(7)**	48
		13,889	12,060
LOSS FOR THE PERIOD		**(11,459)**	(23,185)
Loss attributable to:			
Equity holders of the Parent Company		**(11,043)**	(22,030)
Non-controlling interests		**(416)**	(1,155)
		(11,459)	(23,185)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	**(9) fils**	(18) fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012 (Unaudited)

	Notes	*31 March 2012* **KD'000**	*(Audited) 31 December 2011* KD'000	*31 March 2011* KD'000
ASSETS				
Cash and cash equivalents	5	**68,104**	71,749	68,514
Financial assets held for trading		**6,907**	7,849	8,991
Financial assets designated at fair value through profit or loss		**99,881**	103,302	134,403
Murabaha receivables		**5,210**	6,788	12,123
Loans and advances		**11,264**	12,128	19,417
Financial assets available for sale		**37,669**	37,147	41,750
Investments in associates		**136,269**	136,818	156,217
Investment properties and properties under development		**55,187**	56,584	58,225
Property and equipment		**15,888**	16,389	16,857
Intangible assets		**18,025**	18,029	18,042
Other assets	6	**95,851**	97,053	111,577
Total assets		**550,255**	563,836	646,116
EQUITY AND LIABILITIES				
Equity				
Share capital		**131,243**	131,243	131,243
Share premium		**58,998**	58,998	230,323
Treasury shares	7	**(58,998)**	(58,998)	(58,998)
Treasury shares reserve		**1,059**	1,059	1,059
Cumulative changes in fair values		**(445)**	(3,457)	(2,250)
Foreign currency translation reserve		**(2,570)**	(2,390)	(1,215)
Accumulated losses		**(119,256)**	(108,213)	(244,062)
Equity attributable to equity holders of the Parent Company		**10,031**	18,242	56,100
Non-controlling interests		**27,635**	27,510	28,214
Total equity		**37,666**	45,752	84,314
Liabilities				
Short term borrowings	8	**418,591**	425,445	102,093
Medium term borrowings	8	**-**	-	335,958
Bonds	9	**74,911**	74,929	74,898
Other liabilities	10	**19,087**	17,710	48,853
Total liabilities		**512,589**	518,084	561,802
Total equity and liabilities		**550,255**	563,836	646,116

Maha Khaled Al-Ghunaim
Chairperson and Managing Director

Hamad Tarek Al-Homaizi
Vice Chairman and Director

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2012 (Unaudited)

	Notes	Three months ended 31 March 2012 KD '000	Three months ended 31 March 2011 KD '000
OPERATING ACTIVITIES			
Loss for the period		(11,459)	(23,185)
Adjustments for:			
Depreciation on properties and equipment		553	383
(Reversal)/impairment charge for credit losses		(7)	48
Impairment of financial assets, investment in associates and intangible assets		1,189	364
Interest and similar income		(454)	(776)
Dividend income		(598)	(590)
Interest and similar expense		6,201	6,092
Net loss on investment properties and properties under development		1,575	3,797
Share of results of associates		2,460	6,828
Net loss on disposal of associates		235	-
Change in fair value of derivative financial instruments		-	(591)
		(305)	(7,630)
Changes in operating assets and liabilities:			
Financial assets held for trading		943	331
Financial assets designated at fair value through profit or loss		3,421	11,358
Murabaha receivables		1,578	-
Loans and advances		857	662
Financial assets available for sale		1,463	1,830
Other assets		53	(1,020)
Other liabilities		(1,804)	(540)
Cash flows from operations		6,206	4,991
Interest and similar income received		283	622
Dividend income received		86	529
Interest and similar expenses paid		(4,980)	(4,293)
Net cash flows from operating activities		1,595	1,849
INVESTING ACTIVITIES			
Proceeds from capital redemption/disposal of associates		767	225
Purchase of investment properties		(178)	(1,440)
Purchase of property under development		-	(58)
Purchase of property and equipment		(52)	-
Net cash flows from (used in) investing activities		537	(1,273)
FINANCING ACTIVITIES			
Repayment of borrowings		(5,777)	(2,881)
Net cash flows used in financing activities		(5,777)	(2,881)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,645)	(2,305)
Cash and cash equivalents at 1 January		71,749	70,819
CASH AND CASH EQUIVALENTS AT 31 MARCH	5	68,104	68,514

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Global Investment House – K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2012 (Unaudited)

	Attributable to the equity holders of the Parent Company									
	Share capital KD'000	*Share premium KD'000*	*Treasury shares KD'000*	*Treasury shares reserve KD'000*	*Cumulative changes in fair values KD'000*	*Foreign currency translation reserve KD'000*	*Accumulated losses KD'000*	*Sub total KD'000*	*Non-controlling interests KD'000*	*Total KD'000*
At 1 January 2012	131,243	58,998	(58,998)	1,059	(3,457)	(2,390)	(108,213)	18,242	27,510	45,752
Loss for the period	-	-	-	-	-	-	(11,043)	(11,043)	(416)	(11,459)
Other comprehensive income (loss)	-	-	-	-	3,012	(180)	-	2,832	541	3,373
Total comprehensive income (loss) for the period	-	-	-	-	3,012	(180)	(11,043)	(8,211)	125	(8,086)
Balance at 31 March 2012	**131,243**	**58,998**	**(58,998)**	**1,059**	**(445)**	**(2,570)**	**(119,256)**	**10,031**	**27,635**	**37,666**
At 1 January 2011	131,243	230,323	(58,998)	1,059	(2,894)	684	(222,032)	79,385	29,623	109,008
Loss for the period	-	-	-	-	-	-	(22,030)	(22,030)	(1,155)	(23,185)
Other comprehensive income (loss)	-	-	-	-	644	(1,899)	-	(1,255)	(254)	(1,509)
Total comprehensive income (loss) for the period	-	-	-	-	644	(1,899)	(22,030)	(23,285)	(1,409)	(24,694)
Balance at 31 March 2011	131,243	230,323	(58,998)	1,059	(2,250)	(1,215)	(244,062)	56,100	28,214	84,314

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

This interim condensed consolidated financial information of Global Investment House K.S.C. (Closed) (the "Parent Company") and its Subsidiaries (collectively the "Group") for the period ended 31 March 2012 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 26 April 2012.

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, Bahrain Stock Exchange and Dubai Financial Market. Further, the Parent Company's shares in the form of Global Depositing Receipts (GDRs) are listed on London Stock Exchange (LSE). The Parent Company is regulated by the Central Bank of Kuwait and Capital Market Authority as an investment company.

The Group is principally engaged in provision of asset management, investment banking, principal investments, real estate and brokerage activities. Its registered office is at Global Tower, Sharq, Al Shuhada St, P.O. Box 28807, Safat 13149, Kuwait.

The Group primarily operates in the Gulf Co-operation Council (GCC) and other Middle Eastern and North African (MENA) countries.

2.1 FUNDAMENTAL ACCOUNTING CONCEPT

The Group has incurred a loss of KD 11,459 thousand (31 March 2011: KD 23,185 thousand) for the three months period ended 31 March 2012 and as at that date, the Group has accumulated losses of KD 119,256 thousand (31 December 2011: KD 108,213 and 31 March 2011: KD 244,062 thousand before write-off of KD 171,325 against share premium). Furthermore, as stated in note 8, the Parent Company has obtained approval from its lenders and bondholders to defer repayment of principal and contractual increase in interest rate and waiver of compliance with certain financial covenants until June 2012. The management of the Parent Company is actively seeking a consensual resolution of the issues and is currently encouraged by the progress as described in detail in Note 8.

The ability of the Group to continue as a going concern is dependent on restructuring of its debt obligations with the lenders, continued support from shareholders and future profitability which is dependent on adoption and implementation of the restructuring plan currently in discussions with the Group's lenders. The management is currently encouraged by the progress, and therefore, has prepared the interim condensed consolidated financial information under the going concern concept of accounting.

The interim condensed consolidated financial information do not include any adjustments relating to the recoverability and classification of the recorded assets amount and classification of liabilities that may be necessary if the Group is unable to continue as a going concern.

2.2 BASIS OF PRESENTATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34, Interim Financial Reporting except as noted below.

The annual consolidated financial statements for the year ended 31 December 2011 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the Central Bank of Kuwait. These regulations require adoption of all International Financial Reporting Standards (IFRS) except for the IAS 39 requirement for collective impairment provision, which has been replaced by the Central Bank of Kuwait's (CBK) requirement for a minimum general provision as described below.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the three months ended 31 March 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012. For more details please refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2011.

2.2 BASIS OF PRESENTATION

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2011.

3 FEES AND COMMISSION INCOME

	Three months ended 31 March	
	2012 KD '000	*2011 KD '000*
Management fees on assets under management	**2,153**	2,968
Incentive fees on assets under management	**-**	1,329
Placement fees - managed funds	**25**	4
Investment banking and advisory fees	**63**	40
Brokerage	**148**	312
	2,389	4,653

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

Basic loss and diluted loss per share is computed by dividing the loss for the period attributable to the equity holders of the Parent Company by the weighted average number of shares outstanding during the period less treasury shares. The Parent Company has no outstanding dilutive potential shares.

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

	Three months ended 31 March	
	2012	*2011*
Loss for the period attributable to the equity holders of the Parent Company (KD'000)	**(11,043)**	(22,030)
Weighted average number of ordinary shares for basic earnings per share (excluding treasury shares) (in '000)	**1,223,409**	1,223,409
Basic and diluted loss per share attributable to equity holders of the Parent Company	**(9) fils**	(18) fils

5 CASH AND CASH EQUIVALENTS

	31 March 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*31 March 2011 KD'000*
Bank balances and cash	**16,711**	23,618	20,284
Bank balances and cash arising on consolidation	**21,620**	17,579	19,868
Deposits with original maturities up to three months	**29,773**	30,552	28,362
	68,104	71,749	68,514

6 OTHER ASSETS

	31 March 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*31 March 2011 KD'000*
Accrued income	**5,078**	4,438	11,679
Receivables for settlement on sale of securities	4,424	4,430	9,277
Deposit (see note below)	**69,540**	69,740	69,403
Prepayments and other receivables	**14,620**	14,821	18,554
Deferred expenses	**2,189**	3,624	2,664
	95,851	97,053	111,577

Deposit represents US Dollar 250 million with a bank in United Arab Emirates ('UAE'). The bank refused to release this deposit alleging that it represents an advance for a potential acquisition of a bond convertible into 330 million shares of the bank with a total value of AED 2,359,500,000 equivalent to KD 184.5 million. The Parent Company had filed a lawsuit against the same bank for recovery of the deposit. On 19 July 2010, the Court of First Instance in Dubai, UAE, ruled in favour of the Parent Company and ordered the bank to repay the full amount of US Dollar 250 million with interest at the rate of 9% from 8 February 2009 until the date of payment and expenses. The court judgement also rejected the counter claim filed by the bank against the Parent Company.

The Bank filed an appeal against the court of First Instance judgement. On 25 April 2011, the Court of Appeal passed its verdict and ordered the bank to repay the Parent Company US Dollar 250 million deposit with interest, at the rate of 9% per annum with effect from 3 December 2008 until the date of payment plus expenses. The Bank approached the Court of Cassation on 28 June 2011 and the Court of Cassation on 15 November 2011 decided to revert case back to the Court of Appeal.

The Parent Company and its legal advisors are confident of its strong legal position and are vigorously pursuing this litigation towards its successful conclusion.

7 TREASURY SHARES

The details of treasury shares are as follows:

	31 March 2012	*(Audited) 31 December 2011*	*31 March 2011*
Number of shares ('000)	**89,018**	89,018	89,018
Percentage holding	**6.78%**	6.78%	6.78%
Market value (KD'000)	-	-	3,560

Reserves (share premium) of the Parent Company equivalent to the cost of treasury shares have been earmarked as non-distributable.

The management has not disclosed market value of the treasury shares held as the Parent Company's shares are suspended from trading on the stock exchanges in Kuwait, Dubai and Bahrain as its accumulated losses exceeded 75% of share capital as at 30 September 2011. The market value of treasury shares as at 31 March 2012 and 31 December 2011 based on last traded price on the Kuwait Stock Exchange on 14 November 2011 amounted to KD 4.273 million.

8 INTEREST BEARING LOANS AND BORROWINGS

	31 March 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*31 March 2011 KD'000*
Short term borrowings			
Bank and financial institution loans- conventional	**397,430**	403,970	94,929
Bank and financial institution facilities - Islamic	**21,161**	21,475	7,164
	418,591	425,445	102,093
Medium term borrowings			
Bank and financial institution loans- conventional	-	-	320,002
Bank and financial institution facilities - Islamic	-	-	15,956
	-	-	335,958

On 10 December 2009, the Parent Company entered into formal restructuring agreement with a group of 53 banks and financial institutions covering almost its entire debt outstanding, thereby ending the events of default that arose in December 2008. New multicurrency, conventional, Islamic and bilateral facilities aggregating to KD 485.34 million (USD 1.727 billion) were fully utilised to discharge the facilities under default. The new facilities were granted a security over substantially all of Group's non-strategic investments held by "Principal Investments and Group Treasury", "Proprietary Trading" and "Real Estate" business segments. The facilities will be repaid over three years. The mandated minimum principal repayments are:

	Principal repayment %	Cumulative principal repayment %
Year 1:	10%	10%
Year 2:	20%	30%
First half of year 3:	15%	45%
Second half of year 3:	20%	65%
End of year 3:	35%	100%

The facility has an embedded principal repayment grace mechanism and an event of default for non-payments does not occur so long as the following cumulative minimum principal repayment thresholds are met:

	Minimum Cumulative principal repayment %
12 months	7.5%
18 months	10.0%
24 months	20.0%
27 months	30.0%
33 months	45.0%

The facility became effective on 21 January 2010, when the Group met all the conditions precedent that primarily included completion of relevant documentation, obtaining satisfactory legal opinions and achieving specified thresholds for grant of security.

On 13 July 2011 the majority lenders approved an amendment to the facilities agreement to waive until 31 March 2012 a condition that might have restricted any negotiations for the rescheduling or restructuring of the Group's indebtedness. This has now been extended to 10 June 2012 pursuant to the 12 December 2011 waiver consent.

8 INTEREST BEARING LOANS AND BORROWINGS (continued)

On 15 September 2011, in light of the ongoing challenges in the financial markets, the Parent Company requested the lending banks for the near-term deferral of principal repayments due in December 2011, deferral of any increase in rate of interest from December 2011 onwards and waiver/deferral of certain covenants applicable to the Parent Company under its debt arrangements. A formal request for these waivers was circulated to the lending banks on 3 November 2011. On 12 December 2011, the lending banks agreed to grant all the requested deferrals and waivers till June 2012.

The Parent Company is in constructive discussions with the co-ordinating committee established on behalf of the lending banks, and bondholders to arrive at an acceptable and consensual debt restructuring that would bring a long term and sustainable solution to the Parent Company's capital structure.

9 BONDS

On 5 December 2011, the Parent Company held separate meetings with the holders of its KD 50 million bond issue due on 24 November 2013 and the holders of its KD 45 million bond issue due on 25 April 2012. The holders of both the bonds issues voted in favour of all the agenda items including a request to approve the deferral of principal payments due to bank lenders to 10 June 2012, deferral of the upcoming 25 April 2012 bond maturity to 10 June 2012, deferral of an increase in interest margins on the bank debt to 10 June 2012, and a cash payment to bank lenders equal to 25 basis points in lieu of a portion of a pre-existing deferral fee.

10 OTHER LIABILITIES

	31 March 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*31 March 2011 KD'000*
Payable for properties under development	**359**	359	814
Accrued interest on borrowings	**2,747**	1,526	2,710
Fair value of interest rate swaps	**-**	-	1,245
Accrued expenses, provision and other payables	**15,981**	15,825	44,084
	19,087	17,710	48,853

11 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly for the year ended 31 December 2011 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2011 have not yet been approved. The interim condensed consolidated financial information for the three month period ended 31 March 2012 do not include any adjustments, which might have been required, had the General Assembly not approved the consolidated financial statements for the year ended 31 December 2011. The Parent Company's board of directors proposed not to declare any dividend for the year ended 31 December 2011 (2010: Nil).

12 RELATED PARTY TRANSACTIONS

In the normal course of business, the Group entered into various transactions with related parties (i.e. associates, shareholders, directors and executive officers of the Parent Company) concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

	Key management personnel KD'000	*Associates KD'000*	***31 March 2012 KD'000***	*(Audited) 31 December 2011 KD'000*	*31 March 2011 KD'000*
Interim condensed consolidated statement of financial position					
Loans and advances	20	60	**80**	87	1,644
Other assets	-	232	**232**	1,839	2,671

	Three months ended	
	31 March 2012 KD'000	*31 March 2011 KD'000*
Transactions included in interim condensed consolidated statement of income		
Interest and similar income	-	38
Fee and commission income	**423**	488

	Three months ended	
	31 March 2012 KD'000	*31 March 2011 KD'000*
Key management personnel compensation		
Short-term employee benefits	**243**	243
Termination benefits	**19**	19
	262	262

Other transactions with associated companies:

During the period, the Parent Company acquired additional stake of 1.83% in Global MENA Financial Assets Limited (associate) from another associate for a consideration of KD1.6 million, which is settled against other receivables due from the associate.

13 SEGMENTAL INFORMATION

During the current period, the management of the Parent Company merged its Real Estate segment with the Principal Investments and Group Treasury segment due to the limited activities of real estate segment and overall restructuring of the Group. Accordingly for management purposes the Group is now organised into four major business segments and comparative segmental information is restated.

For management purposes the Group is organised into following four major business segments:

- Assets Management: Managing of GCC, MENA and international managed funds, discretionary and non-discretionary portfolio management and custody services.
- Principal Investments, Group Treasury and Real estate: Comprises of investing of company funds in private equity and quoted securities, equity trading in GCC, MENA and other emerging markets, sale and purchase of real estate and property development, lending to corporate and individual customers and managing the company's liquidity requirements.
- Investment banking and advisory: Venture capital, private placement of equities and debt, advising and managing listings, initial public offerings (IPOs), arranging conventional and Islamic debt and equity advising, advising on strategy, privatisation, mergers and reverse mergers and acquisitions.
- Brokerage: Quoted and unquoted equity and debt instruments brokerage.

	Asset management KD '000	*Principal investments, real estate and group treasury KD '000*	*Investment banking and advisory KD '000*	*Brokerage KD '000*	*Total KD '000*
Three months ended 31 March 2012					
Segment income (loss)	**2,178**	**41**	**63**	**148**	**2,430**
Segment profit (loss)	**8**	**(10,382)**	**(409)**	**(676)**	**(11,459)**
Three months ended 31 March 2011 *(restated)*					
Segment income (loss)	4,300	(15,777)	40	312	(11,125)
Segment profit (loss)	1,815	(24,124)	(444)	(432)	(23,185)

13 SEGMENTAL INFORMATION (continued)

	Asset management KD '000	*Principal investments, real estate and group treasury KD '000*	*Investment banking and advisory KD '000*	*Brokerage KD '000*	*Total KD '000*
31 March 2012					
Total segment assets	-	**498,648**	-	**31,817**	**530,465**
Total segment liabilities	-	**(496,608)**	-	**(1,586)**	**(498,194)**
Net segmental assets	-	**2,040**	-	**30,231**	**32,271**
Unallocated assets					**19,790**
Unallocated liabilities					**(14,395)**
Net assets					**37,666**
Depreciation					**553**
31 March 2011 (restated)					
Total segment assets	-	587,891	-	29,954	617,845
Total segment liabilities	-	(549,043)	-	(1,533)	(550,576)
Net segmental assets	-	38,848	-	28,421	67,269
Unallocated assets					28,271
Unallocated liabilities					(11,226)
Net assets					84,314
Depreciation					383

14 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 interim condensed consolidated statement of financial position.

The aggregate value of assets held in a fiduciary capacity by the Group at 31 March 2012 amounted to KD 1,054.96 million (31 December 2011: KD 1,045.545 million and 31 March 2011: KD 1,240.576 million).

15 CONTINGENT LIABILITIES AND COMMITMENTS

The total outstanding contingent liabilities and commitments are as follows.

	31 March 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*31 March 2011 KD'000*
Commitments			
Commitments to invest in private equity funds	**2,226**	2,232	4,303
Undrawn commitments to lend	**27,896**	27,896	27,761
Irrevocable and unconditional bank guarantee	**1,641**	1,776	1,252
Commitments to buy securities	-	2,070	2,070

Legal claims

Legal claims related to compensation by two individuals for a cancelled private equity acquisition transaction. The total claims amounted to KD 2.65 million (31 December 2011: KD 2.65 million and 31 March 2011: KD 2.65 million). The Parent Company has been advised by its legal advisors that it is possible, but not probable, that the action will succeed.