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

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2012 (UNAUDITED)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 June 2012 (Unaudited)

	Notes	*Three months ended 30 June*		*Six months ended 30 June*	
		2012	*2011*	***2012***	*2011*
		KD '000	*KD '000*	***KD '000***	*KD '000*
REVENUE					
Fees and commission income	3	**2,512**	3,690	**4,901**	8,343
Interest and similar income		**468**	611	**922**	1,387
Net gain (loss) on financial assets held for trading		**238**	(17)	**(66)**	204
Net (loss) gain on financial assets designated at fair value through profit or loss		**(359)**	(11,275)	**387**	(21,877)
Net (loss) gain on sale of financial assets available for sale		**(26)**	(33)	**1,978**	52
Share of results of associates		**(1,388)**	47	**(3,848)**	(6,781)
Net loss on investment properties and properties under development		**-**	-	**(1,575)**	(3,797)
Net loss on disposal of associate		**(3)**	-	**(238)**	-
Change in fair value of derivative financial instruments		**-**	597	**-**	1,188
Foreign exchange (loss) gain		**(1,454)**	1,343	**(1,069)**	3,001
Other income		**947**	632	**1,972**	2,751
		935	(4,405)	**3,364**	(15,529)
EXPENSES					
Personnel expenses		**1,935**	2,666	**4,509**	5,585
Other operating expenses		**3,425**	2,810	**7,357**	5,447
Interest and similar expenses		**5,419**	5,889	**11,620**	11,981
(Reversal) impairment of financial assets, investment in associates and intangible assets		**(50)**	652	**1,139**	1,016
(Reversal) impairment charge for credit losses		**(69)**	518	**(76)**	566
		10,660	12,535	**24,549**	24,595
LOSS FOR THE PERIOD		**(9,725)**	(16,940)	**(21,185)**	(40,124)
Loss attributable to:					
Equity holders of the Parent Company		**(9,532)**	(16,664)	**(20,576)**	(38,693)
Non-controlling interests		**(193)**	(276)	**(609)**	(1,431)
		(9,725)	(16,940)	**(21,185)**	(40,124)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	**(8) fils**	(14) fils	**(17) fils**	(32) fils

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2012 (Unaudited)

	Three months ended 30 June		*Six months ended 30 June*	
	2012 KD '000	*2011 KD '000*	***2012 KD '000***	*2011 KD '000*
Loss for the period	**(9,725)**	(16,940)	**(21,185)**	(40,124)
Other comprehensive income (loss):				
Net unrealised gain (loss) arising on financial assets available for sale	**680**	(1,271)	**3,627**	(2,355)
Transferred to interim condensed consolidated statement of income on sale of financial assets available for sale	**26**	33	**(1,978)**	(52)
Transferred to interim condensed consolidated statement of income on impairment of financial assets available for sale	**17**	570	**978**	613
	723	(668)	**2,627**	(1,794)
Exchange differences on translation of foreign operations	**501**	(1,467)	**284**	(3,309)
Share of other comprehensive income (loss) of associates	**233**	(458)	**1,919**	1,001
Other comprehensive income (loss) for the period	**1,457**	(2,593)	**4,830**	(4,102)
Total comprehensive loss for the period	**(8,268)**	(19,533)	**(16,355)**	(44,226)
Attributable to:				
Equity holders of the Parent Company	**(8,385)**	(18,810)	**(16,597)**	(42,348)
Non-controlling interests	**117**	(723)	**242**	(1,878)
	(8,268)	(19,533)	**(16,355)**	(44,226)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012 (Unaudited)

	Notes	***30 June 2012 KD'000***	*(Audited) 31 December 2011 KD'000*	*30 June 2011 KD'000*
ASSETS				
Cash and cash equivalents	5	**60,835**	71,749	70,909
Financial assets held for trading		**7,246**	7,849	8,394
Financial assets designated at fair value through profit or loss		**98,809**	103,302	127,899
Murabaha receivables		**5,297**	6,788	11,254
Loans and advances		**9,743**	12,128	14,048
Financial assets available for sale		**39,330**	37,147	40,153
Investments in associates		**134,645**	136,818	158,862
Investment properties and properties under development		**55,196**	56,584	58,276
Property and equipment		**15,394**	16,389	17,577
Intangible assets		**18,025**	18,029	18,035
Other assets	6	**94,410**	97,053	94,768
Total assets		**538,930**	563,836	620,175
EQUITY AND LIABILITIES				
Equity				
Share capital		**131,243**	131,243	131,243
Share premium		**58,998**	58,998	58,998
Treasury shares	7	**(58,998)**	(58,998)	(58,998)
Treasury shares reserve		**1,059**	1,059	1,059
Cumulative changes in fair values		**310**	(3,457)	(3,004)
Foreign currency translation reserve		**(2,178)**	(2,390)	(2,861)
Accumulated losses		**(128,311)**	(108,213)	(89,400)
Equity attributable to equity holders of the Parent Company		**2,123**	18,242	37,037
Non-controlling interests		**25,908**	27,510	27,745
Total equity		**28,031**	45,752	64,782
Liabilities				
Short term borrowings	8	**420,781**	425,445	168,409
Medium term borrowings	8	**-**	-	261,579
Bonds	9	**74,966**	74,929	74,835
Other liabilities	10	**15,152**	17,710	50,570
Total liabilities		**510,899**	518,084	555,393
Total equity and liabilities		**538,930**	563,836	620,175

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 30 June 2012 (Unaudited)

	Notes	Six months ended 30 June 2012 KD '000	Six months ended 30 June 2011 KD '000
OPERATING ACTIVITIES			
Loss for the period		**(21,185)**	(40,124)
Adjustments for:			
Depreciation on properties and equipment		**1,081**	1,010
(Reversal)/impairment charge for credit losses		**(76)**	566
Impairment of financial assets, investment in associates and intangible assets		**1,139**	1,016
Interest and similar income		**(922)**	(1,387)
Dividend income		**(1,026)**	(896)
Interest and similar expense		**11,620**	11,981
Net loss on investment properties and properties under development		**1,575**	3,797
Share of results of associates		**3,848**	6,781
Net loss on disposal of associates		**238**	-
Change in fair value of derivative financial instruments		**-**	(1,188)
		(3,708)	(18,444)
Changes in operating assets and liabilities:			
Financial assets held for trading		**603**	928
Financial assets designated at fair value through profit or loss		**4,493**	21,738
Murabaha receivables		**1,578**	854
Loans and advances		**1,794**	1,367
Financial assets available for sale		**(473)**	757
Other assets		**144**	9,935
Other liabilities		**(1,875)**	(38)
Cash flows from operations		**2,556**	17,097
Interest and similar income received		**1,045**	1,463
Dividend income received		**1,026**	896
Interest and similar expenses paid		**(9,847)**	(10,918)
Net cash flows (used in) from operating activities		**(5,220)**	8,538
INVESTING ACTIVITIES			
Proceeds from capital redemption/disposal of associates		**870**	225
Dividend from associates		**541**	-
Purchase of investment properties and properties under development		**(187)**	(1,549)
Purchase of property and equipment		**(86)**	-
Net cash flows from (used in) investing activities		**1,138**	(1,324)
FINANCING ACTIVITIES			
Repayment of borrowings		**(6,832)**	(7,124)
Net cash flows used in financing activities		**(6,832)**	(7,124)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(10,914)**	90
Cash and cash equivalents at 1 January		**71,749**	70,819
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	**60,835**	70,909

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 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	-	-	-	-	-	-	(20,576)	(20,576)	(609)	(21,185)
Other comprehensive income	-	-	-	-	3,767	212	-	3,979	851	4,830
Total comprehensive income (loss) for the period	-	-	-	-	3,767	212	(20,576)	(16,597)	242	(16,355)
Ownership changes and liquidation of subsidiaries	-	-	-	-	-	-	478	478	(1,844)	(1,366)
Balance at 30 June 2012	**131,243**	**58,998**	**(58,998)**	**1,059**	**310**	**(2,178)**	**(128,311)**	**2,123**	**25,908**	**28,031**
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	-	-	-	-	-	-	(38,693)	(38,693)	(1,431)	(40,124)
Other comprehensive income (loss)	-	-	-	-	(110)	(3,545)	-	(3,655)	(447)	(4,102)
Total comprehensive income (loss) for the period	-	-	-	-	(110)	(3,545)	(38,693)	(42,348)	(1,878)	(44,226)
Write-off of accumulated losses	-	(171,325)	-	-	-	-	171,325	-	-	-
Balance at 30 June 2011	131,243	58,998	(58,998)	1,059	(3,004)	(2,861)	(89,400)	37,037	27,745	64,782

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 30 June 2012 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on ..... 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 21,185 thousand (30 June 2011: KD 40,124 thousand) for the six months period ended 30 June 2012 and as at that date, the Group has accumulated losses of KD 128,311 thousand (31 December 2011: KD 108,213 and 30 June 2011: KD 89,400 thousand). Furthermore, as stated in note 8 and 9, 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 November 2012 and December 2012 respectively. 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 six months ended 30 June 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 (continued)

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 30 June		*Six months ended 30 June*	
	2012 KD '000	*2011 KD '000*	***2012 KD '000***	*2011 KD '000*
Management fees on assets under management	**2,212**	2,948	**4,410**	5,916
Incentive fees on assets under management	**-**	78	**-**	1,407
Placement fees - managed funds	**22**	169	**30**	173
Investment banking and advisory fees	**13**	53	**69**	93
Brokerage	**265**	442	**392**	754
	2,512	3,690	**4,901**	8,343

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

Basic 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 30 June		*Six months ended 30 June*	
	2012	*2011*	***2012***	*2011*
Loss for the period attributable to the equity holders of the Parent Company (KD'000)	**(9,532)**	(16,664)	**(20,576)**	(38,693)
Weighted average number of ordinary shares for basic earnings per share (excluding treasury shares) (in '000)	**1,223,409**	1,223,409	**1,223,409**	1,223,409
Basic and diluted loss per share attributable to equity holders of the Parent Company	**(8) fils**	(14) fils	**(17) fils**	(32) fils

5 CASH AND CASH EQUIVALENTS

	30 June 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*30 June 2011 KD'000*
Bank balances and cash	**11,717**	23,618	13,767
Bank balances and cash arising on consolidation	**21,989**	17,579	18,960
Deposits with original maturities up to three months	**27,129**	30,552	38,182
	60,835	71,749	70,909

6 OTHER ASSETS

	30 June 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*30 June 2011 KD'000*
Accrued income	**4,612**	4,438	4,474
Receivables for settlement on sale of securities	**4,446**	4,430	4,395
Deposit (see note below)	**70,140**	69,740	68,715
Prepayments and other receivables	**13,796**	14,821	15,208
Deferred expenses	**1,416**	3,624	1,976
	94,410	97,053	94,768

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 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. On 21 May 2012, the Court of Appeal passed its verdict in the case reverted to it by the Court of Cassation, and ordered the bank to repay to the Parent company USD 250 million towards the refund of deposit placed by the Parent Company plus interest at the rate of 9% with effect from 3 December 2008 till the date of repayment plus expenses. On 19 June 2012, the Court of Cassation stayed the execution of Court of Appeal judgment dated 21 May 2012 favouring the Parent Company until the date of first hearing in the Court of Cassation on 4 September 2012.

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:

	30 June 2012	*(Audited) 31 December 2011*	*30 June 2011*
Number of shares ('000)	**89,018**	89,018	89,018
Percentage holding	**6.78%**	6.78%	6.78%
Market value (KD'000)	-	-	3,338

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 30 June 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

	30 June 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*30 June 2011 KD'000*
Short term borrowings			
Bank and financial institution loans- conventional	**399,834**	403,970	158,611
Bank and financial institution facilities - Islamic	**20,947**	21,475	9,798
	420,781	425,445	168,409
Medium term borrowings			
Bank and financial institution loans- conventional	-	-	249,111
Bank and financial institution facilities - Islamic	-	-	12,468
	-	-	261,579

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 30 June 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 November 2012 pursuant to the 7 June 2012 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. In June 2012 these deferrals and waivers were extended to and including 10 November 2012, or if notified to the Parent Company by the Co-ordinating Committee of the lenders prior to 10 November 2012, the period up to and including 10 December 2012. Further the extended waiver and deferrals include deferral of all interest and profits payments during the waiver period.

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 ("2013 Bonds") and the holders of its KD 45 million bond issue due on 25 April 2012 ("2012 Bonds"). 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.

On 7 June 2012, the Parent Company held separate meetings with the holders of its KD 50 million, 2013 Bonds and the holders of its KD 45 million, 2012 Bonds in continuation of its efforts to negotiate a transaction to enhance its balance sheet. The bondholders in their respective meetings approved deferral of the maturity of 2012 Bonds, deferral of payment of interest amounts under 2012 Bonds and 2013 Bonds and the deferral of an increase in margins by the bank lenders to and including 10 December 2012. Notwithstanding the deferral of interest approved by the 2012 Bonds and 2013 Bonds, the Parent Company made a payment equal to the amount of interest to the Bondholders up to 10 June 2012.

10 OTHER LIABILITIES

	30 June 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*30 June 2011 KD'000*
Payable for properties under development	**234**	359	581
Accrued interest on borrowings	**1,088**	1,526	1,364
Fair value of interest rate swaps	**-**	-	635
Accrued expenses, provision and other payables	**13,830**	15,825	47,990
	15,152	17,710	50,570

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 six month period ended 30 June 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*	***30 June 2012 KD'000***	*(Audited) 31 December 2011 KD'000*	*30 June 2011 KD'000*
Interim condensed consolidated statement of financial position					
Loans and advances	13	60	**73**	87	136
Other assets	-	669	**669**	1,839	2,690

		Six months ended	
	Associates KD'000	***30 June 2012 KD'000***	*30 June 2011 KD'000*
Transactions included in interim condensed consolidated statement of income			
Interest and similar income	2	**2**	57
Fee and commission income	854	**854**	1,032

	Six months ended	
	30 June 2012 KD'000	*30 June 2011 KD'000*
Key management personnel compensation		
Short-term employee benefits	**486**	486
Termination benefits	**38**	38
	524	524

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 was 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*
Six months ended 30 June 2012					
Segment income (loss)	**4,440**	**(1,536)**	**69**	**392**	**3,365**
Segment profit (loss)	**896**	**(19,650)**	**(923)**	**(1,508)**	**(21,185)**
Six months ended 30 June 2011 *(restated)*					
Segment income (loss)	7,496	(23,872)	93	754	(15,529)
Segment profit (loss)	4,647	(43,389)	(996)	(386)	(40,124)

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*
30 June 2012					
Total segment assets	-	**489,300**	-	**30,672**	**519,972**
Total segment liabilities	-	**(497,069)**	-	**(817)**	**(497,886)**
Net segmental assets	-	**(7,769)**	-	**29,855**	**22,086**
Unallocated assets					**18,958**
Unallocated liabilities					**(13,013)**
Net assets					**28,031**
Depreciation					**1,081**
30 June 2011 (restated)					
Total segment assets	-	568,601	-	29,788	598,389
Total segment liabilities	-	(543,093)	-	(1,405)	(544,498)
Net segmental assets	-	25,508	-	28,383	53,891
Unallocated assets					21,786
Unallocated liabilities					(10,895)
Net assets					64,782
Depreciation					1,010

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 30 June 2012 amounted to KD 984.97 million (31 December 2011: KD 1,045.545 million and 30 June 2011: KD 1,177.310 million).

15 CONTINGENT LIABILITIES AND COMMITMENTS

The total outstanding contingent liabilities and commitments are as follows.

	30 June 2012 KD'000	*(Audited) 31 December 2011 KD'000*	*30 June 2011 KD'000*
Commitments			
Commitments to invest in private equity funds	**2,245**	2,232	4,261
Undrawn commitments to lend	**28,056**	27,896	27,486
Irrevocable and unconditional bank guarantee	**1,655**	1,776	1,575
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 30 June 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.