



Financial Statements for the year ended 31 December 2009

Statement of financial position

(All amounts expressed in United States Dollars unless otherwise stated)

	As at 31 December	
	2009	2008
ASSETS		
Cash and balances with banks	1,230,514	1,613,619
Placements with banks	15,823,962	33,353,493
Finance lease receivables	116,606,303	121,966,313
Investment securities available-for-sale	20,121,950	20,525,513
Property and equipment	1,252,776	1,100,765
Other assets	552,368	814,735
Total assets	155,587,873	179,374,438
LIABILITIES		
Due to banks	20,918,097	28,094,558
Due to related parties	29,693,577	46,162,441
Accounts payable and other liabilities	801,628	1,310,390
Total liabilities	51,413,302	75,567,389
EQUITY		
Share capital	100,000,000	100,000,000
Statutory reserve	788,534	751,782
Retained earnings	3,386,037	3,055,267
Total equity	104,174,571	103,807,049
Total liabilities and equity	155,587,873	179,374,438

Statement of comprehensive income

(All amounts expressed in United States Dollars unless otherwise stated)

	Year ended 31 December	
	2009	2008
Income from financing activities and similar income	9,870,432	7,911,849
Profit on placements with banks	953,176	884,166
Finance cost and similar charges	(4,399,460)	(1,275,935)
	6,424,148	7,520,080
Fee and commission income	416,365	444,863
Income from investment activities	707,627	103,614
Other income	320,253	186,856
Total operating income	7,868,393	8,255,413
Staff costs	(2,876,965)	(3,350,086)
Other operating expenses	(1,792,895)	(1,762,835)
Loss on disposal of investment securities available-for-sale	(65,328)	-
Total operating expenses excluding provision	(4,735,188)	(5,112,921)
Profit for the year prior to provision	3,133,205	3,142,492
Provision for impairment		
Finance lease receivables	(2,177,448)	(124,000)
Investment securities available-for-sale	(588,235)	-
	(2,765,683)	(124,000)
Profit for the year after provision	367,522	3,018,492
Other comprehensive income for the year	-	-
Total comprehensive income for the year	367,522	3,018,492

Statement of cash flows

(All amounts expressed in United States Dollars unless otherwise stated)

	Year ended 31 December	
	2009	2008
Operating activities		
Profit for the year	367,522	3,018,492
Adjustments for:		
Depreciation	189,334	135,428
Income from investment securities available-for-sale	(707,627)	(103,614)
Loss on disposal of property and equipment	2,515	1,498
Loss on disposal of investments	65,328	-
Provision for impairment	2,765,683	124,000
	2,682,755	3,175,804
Changes in operating assets and liabilities:		
Decrease in placements with bank	(10,236,031)	-
Decrease/(increase) in finance lease receivables	3,182,562	(77,702,232)
Decrease/(increase) in other assets	262,367	(401,872)
(Decrease)/increase in accounts payable and other liabilities	(508,762)	15,870
Increase in amounts due to banks	594,008	610,229
Decrease in other amounts due to related parties	(160,087)	(48,823)
Net cash used in operating activities	(4,183,188)	(74,351,024)
Investing activities		
Purchase of property and equipment	(344,934)	(788,150)
Proceeds from sale of property and equipment	1,074	743
Purchase of investment securities available-for-sale	(250,000)	(11,000,000)
Proceeds from investment securities available-for-sale	707,627	696,944
Net cash generated from/(used in) investing activities	113,767	(11,090,463)
Financing activities		
Proceeds from borrowed funds	17,957,500	73,890,933
Repayment of borrowed funds	(42,036,746)	(458,750)
Net cash (used in)/ generated from financing activities	(24,079,246)	73,432,183
Net decrease in cash and cash equivalents	(28,148,667)	(12,009,304)
Cash and cash equivalents at the beginning of the year	34,967,112	46,976,416
Cash and cash equivalents at the end of the year	6,818,445	34,967,112

Statement of changes in equity

(All amounts expressed in United States Dollars unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total
At 1 January 2008	100,000,000	449,933	338,624	100,788,557
Total comprehensive income for the year	-	-	3,018,492	3,018,492
Statutory reserve	-	301,849	(301,849)	-
At 31 December 2008	100,000,000	751,782	3,055,267	103,807,049
At 1 January 2009	100,000,000	751,782	3,055,267	103,807,049
Total comprehensive income for the year	-	-	367,522	367,522
Statutory reserve	-	36,752	(36,752)	-
At 31 December 2009	100,000,000	788,534	3,386,037	104,174,571

The financial statements were approved for issue by the Board of Directors on 24 February 2010 and signed on its behalf by:

Khalid Mohamed Kanoo
Chairman

Mohamed Hussain
Director

Gregory Thomas Brinkerhoff
Chief Executive Officer

The financial statements for the year ended 31 December 2009 were audited by PricewaterhouseCoopers which have rendered unqualified opinion