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**Rasmala plc**  
**Results for the year ended 31 December 2015**

The Board of Rasmala plc (“Rasmala”, the “Group” or the “Company”) announces its audited results for the year ended 31 December 2015.

**2015 HIGHLIGHTS**

**Our year at a glance**

- Assets under management increased to £723 million (US\$ 1,072 million) (2014: £715 million (US\$ 1,113 million))
- Flagship Funds continued long-standing track record of investment success
- Continued to execute product diversification plan with emphasis on alternative investment strategies
- Expanded real estate offering with the aim of structuring and executing investments in high quality, income generating properties in the UK, Europe and the United States
- Successfully completed a £20 million Tender Offer
- The Group unified its brand under the Rasmala name
- Institutional Investor again ranked Rasmala as one of the Middle East’s Top 20 Money Managers in 2015

**How we performed**

- Total operating income £10.2 million (2014: £10.8 million)
- Profit before tax from continuing operations £0.2 million (2014: £0.6 million)
- Loss to equity holders £0.1 million (2014: profit £0.60 million), after tax expense of £0.2 million (2014: £0.79 million) and loss on discontinued operations of £0.1 million (2014: £0.12 million)
- Earnings per share of 0.37p (2014: 3.16p)
- Staff costs of £6.20 million (2014: £5.40 million) and other operating expenses of £3.4m (2014: £3.8 million)
- Net Asset Value of 331.58 pence per share (2014: 317.2 pence per share)

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## **Chairman's Statement**

I am pleased to report an operating profit before tax of £0.5 million for the year 2015, despite challenging economic conditions. This is the third consecutive profitable year for the Group and provides further vindication of our strategy as well as reaffirming our position as the leading independent asset manager in the GCC region.

## **Progress**

2015 saw us broaden our product offering once more as we continued to invest in our people and platforms and developed new distribution relationships. These factors, coupled with strong cost control measures and careful management of our balance sheet, have all contributed to the Group returning yet another profit.

## **Performance**

The Group's operating profit before tax was £0.5 million (2014: £1.5 million). This was a good result amidst difficult trading conditions, particularly in the second half of the year, when our industry suffered from sudden and significant redemptions and adverse market movements. At Rasmala we were able to capture net new inflows due to a stronger product offering which has helped the firm diversify away from pure equities and fixed income.

We continue to maintain a strong balance sheet which is well positioned to support our business and any new opportunities that may arise. We have also continued to successfully utilise the balance sheet to develop and launch new products.

Our ability to report a profit, increase our product offering and maintain our AUM in challenging conditions clearly demonstrates the strength and resilience of our organisation.

## **Market developments**

The steep fall in the oil price in 2015 presented a serious challenge to GCC economies. Other factors, such as regional conflicts and general weakness in emerging markets at a macro level, also contributed to negative investment sentiment in the GCC region. The period saw a sharp drop in market liquidity and increased risk-aversion from local and foreign investors, leading to falling stock markets, widening credit spreads and pressure on domestic currencies.

Another noteworthy market development was the continuing strength of the US Dollar which, when combined with lower oil prices and a slowdown in regional growth, put considerable pressure on local currency pegs.

## **Corporate governance**

The Board aims to deliver consistently high standards of corporate governance in an ever-changing regulatory landscape. It continues to assess its effectiveness, independence, efficiency and its mix of skills and experience. In 2015 the Board undertook a formal review of its corporate governance arrangements, assessing the suitability of the 2013 Quoted Companies Alliance Corporate Governance Code for Small and Mid-size Quoted Companies (the QCA Code). The QCA Code adopts key elements of the UK Corporate Governance Code and other relevant guidance and then applies these to the needs and circumstances of small and mid-size quoted companies. The Board concluded that the QCA Code would best enable it to balance the need for systems and procedures with the need for flexibility and entrepreneurship that is essential to a growing company. As such, the Board formally adopted the QCA Code.

We continue to monitor the Board's performance to ensure that we have the appropriate knowledge, skills and professional experience at the highest level of the firm to deliver long-term growth.

We were pleased to announce that Neil McDougall joined the Board as an Executive Director and Chief Financial Officer during 2015, bringing a wealth of financial services knowledge and experience.

## **Tender offer**

As part of our commitment to deliver value back to shareholders we approved a tender offer of £20 million. The tender offer was oversubscribed and was successfully completed on 6 May 2015.

## **Outlook**

We believe global and regional macro-economic conditions will remain challenging throughout 2016. The Gulf economies are now adapting to the steep fall in the oil price, a key factor for the region. Recent budgets from regional governments are contractionary, providing steps to counterbalance oil revenues. There are some positive signs emerging - the price of oil appears to be stabilising after a volatile start to 2016 and the macro picture is stable. China's economy is continuing to expand, albeit at a slower rate, while higher commodity prices are supporting emerging markets. The recent weakness in GCC equity and bond markets has also prompted international investors to look to the region for opportunities.

The Board has followed a clear and consistent strategy for creating long-term value and we believe that our experienced management team will continue to deliver the Board's strategy while maintaining stability across the platform.

## **The Strategic Report**

### **Our Business Model**

Rasmala is a London listed asset management and investment banking group focused on the growth markets of the GCC countries. Rasmala is regulated by the Financial Conduct Authority (FCA) in the UK and by regulators in the United Arab Emirates (UAE), Egypt and Oman.

Rasmala's primary focus is to provide investment management and financing solutions to pension funds, family groups, corporations and financial and government institutions.

### **Our services**

The Group provides investment management services across a wide product menu covering equities, fixed income, alternative investments and real estate. It also offers investment banking services including those covering business advice, the provision of finance, debt capital markets and structured finance products.

We aim to develop as a specialist asset management and financing business that offers bespoke solutions to GCC-based clients. We want to achieve a market-leading position and be an independent champion for the region.

### **Our strategy**

Our strategy is to invest GCC capital across regional and international markets. We offer our clients tailor-made asset management and financing solutions primarily focused on our core markets.

As a leading player in the GCC countries, we have world-class expertise in Islamic Finance (IF), which is based on ethical, real economy transactions, avoiding:

- interest or the trading of intangible assets and cash flows relating to such activities
- uncertainty
- speculation
- unjust enrichment or unfair exploitation.

IF aims to generate long-term financial returns while having a positive impact on society by taking environmental and social factors into consideration.

### **How we generate value**

We derive management fees for our asset management services and transactional fees for specialist investment banking services. Fees depend on the capability and amount of managed assets.

### **Our strategic priorities**

We derive management fees from asset management services and transactional fees from specialist investment banking services. Fees depend on the capability and amount of managed assets. As we increase the scale of our asset management and investment banking services we expect to generate incremental profits.

## Chief Executive's Strategic Review

On behalf of the Directors I am pleased to present my review of the year, as part of our Strategic Report.

### Results

I am pleased to report an operating profit before tax for the Group of £0.5 million (2014: £1.5 million), our third consecutive year of profit. Total operating income was £10.2 million (2014: £10.8 million) and costs were £9.7 million (2014: £9.3 million). This is a good result in what were very challenging and volatile conditions.

The net profit, including non-controlling interests, amounted to £0.2 million (2014: £0.6 million) after tax expenses of £0.2 million (2015: £0.8 million) and a £0.1 million loss on discontinued operations (2014: £0.1 million).

During the year we made further progress in expanding our product offering across alternatives and real estate. This has underpinned the performance of our Asset Management and Investment Banking businesses.

The Asset Management business performed consistently with previous years, though without the high performance fees generated in 2014. Our AUM remained steady despite economic headwinds.

The Investment Banking business generated higher revenues than in the previous year as a result of our new real estate offering.

We manage our balance sheet carefully and continue to have sufficient financial resources to support our business. We maintain strong capital and liquidity positions and exceed capital adequacy ratios. As of 31 December 2015, Rasmala had total capital of £104 million (\$154 million).

### Asset Management

Key issues confronted our Asset Management business in 2015, but our team rose to the challenge. These included a very sharp fall in the oil price, geopolitical conflicts and major concerns about the prospects for the world economy as a whole. Given the GCC countries are significantly impacted by these developments, it is unsurprising that various public and private-sector bodies in the region experienced a credit downgrade during the period.

Total gross inflows were in excess of \$404 million (£272 million), broadly matched by higher redemptions and weaker equity markets in the region. Thus in terms of AUM, the overall picture was unchanged.

We did not allow difficult market conditions to distract us from continuing on our path of product innovation. The introduction of new products is important in changing market conditions and allows Rasmala to retain assets. The establishment of our alternatives and real estate businesses highlights our ability to innovate and bring new products to market.

Throughout 2015, we won a number of industry awards including Regional Fixed Income Manager of the Year, Egypt Equities Manager of the Year, Best Global Sukuk Fund and Outstanding Performance and Innovation Award.

Some performance highlights of the year included: Rasmala Global Sukuk Fund returned 2.18% against the benchmark of 1.59%; the ABC Equity Fund was placed 2<sup>nd</sup> amongst 24 of the best performing public equity funds in Egypt; the Rasmala GCC Fixed Income Fund returned 1.85% against the benchmark of 1.58%; the Rasmala GCC Islamic Equity Income Fund was at the top of its peer group and outperformed the index; the Rasmala Leasing Fund 2 deployed \$14.4 million (£9.7 million) in 16 leases across seven companies and four industries and the Rasmala Trade Finance Fund financed over \$93 million (£62.7 million) in trade related financings.

### Investment Banking

Investment Banking is a growth area for Rasmala, a fact underlined by our investment in both people and systems during 2015 and by our expansion during the year into the area of real estate.

Our commitment to property-related transactions was underlined in October, when we launched structured real estate investment products and acquired two substantial properties in the UK, each occupied by a prestigious corporate tenant, respectively the Everything Everywhere mobile telecommunications operator at a site in the north-east of England and Airbus Defence and Space, part of the Airbus Group, at a site in South Wales.

This is, however, just the beginning and we fully intend to grow the real estate business in 2016.

Elsewhere in Investment Banking, March 2015 saw us successfully handle the issuance of AED 500 million (\$136 million) of tier-1 capital for one of the best-known and longest-established banks in the UAE, National Bank of Fujairah.

We maintained and built on our commitment to developing market-leading Shari'a-compliant financial products, offered across both our Asset Management and Investment Banking businesses. Rasmala is investing in internship schemes to help build our capacity in the field of ethical and Islamic Finance.

Finally, we were delighted to give a warm welcome to those who joined our Investment Banking team during the year. We were pleased to be able to announce a number of important top-level appointments both to the mainstream business and in the new area of real estate.

### **Principal Investments & Treasury**

Principal Investments & Treasury (PIT) focuses on investing in opportunities that align with our overall strategy and business model. It provides seed funding for new Asset Management products and Investment Banking transactions. PIT is also responsible for day-to-day group liquidity, capital and balance sheet management.

PIT manages our private equity investments which includes non-strategic positions. We are actively working towards exits in our non-strategic holdings. The total valuation of our non-strategic portfolio is £20 million (2014: £16.7 million).

### **Brand unification**

In December 2015 we unified our brand name. The Board's decision was based on our objective of adopting a clear and consistent brand across the Group that is recognised by our clients and stakeholders. After conducting independent research and client surveys we decided to unify the Group under the Rasmala name. This strategic decision has provided clarity to all our stakeholders and strengthened our competitive position in our core markets.

We also increased marketing activity in the second half of the year to support the brand, hosting investor seminars and sales and distribution workshops, as well as completing a refresh of the brand, upgrading the website and publishing a white paper.

### **Tender offer**

We delivered on our promise to deliver value back to our shareholders by completing our tender offer on 6 May 2015. The tender offer was oversubscribed and was a success for the Group.

### **Market outlook**

We maintain our belief in the GCC countries and pride ourselves on being an independent champion in the region. In our view, the underlying fundamentals of the region remain positive, despite recent volatility. The region is home to significant investor wealth (private as well as through sovereign wealth funds), low debt / GDP ratios and of course the world's largest concentration of hydrocarbons. According to a recent EY study, in certain scenarios the GCC region could become the sixth largest economy in the world by 2030, making it comparable in size to Japan.

Despite the headwinds faced by the GCC region from lower oil prices, regional geopolitics and macro factors, we believe that these markets offer attractive opportunities, having gone through a period of correction in late-2015 and early-2016. GCC countries' economies are going through a period of consolidation and reform and the measures announced by regional governments aim to boost non-oil revenues, while planned subsidy reforms can only be good news for the region.

The investment climate for GCC bonds and equities continues to improve after the extreme volatility seen at the start of 2016. Market fears based on oil and China's slowdown appear to be abating and the recent recovery in the price of oil and other commodities is supporting market optimism and liquidity. Investment outflows from the region to income producing asset backed strategies in Europe and US continues.

The region benefits from economic fundamentals, including significant international reserves coupled with low debt, and this should help regional economies withstand the downturn. The privatisation process and subsidy reforms should help manage budget deficits, but ultimately the continued push to grow the non-oil economy will determine the long-term success of the GCC.

Governments across the GCC region have realised that true diversification, driven by the private sector, is key to future success, regardless of what happens to the oil price and we believe organisations like Rasmala will have an important role to play. At Rasmala we are confident that the region will continue to diversify and this will create unique business opportunities for us.

## **Future Developments**

We have developed a unique platform which is well positioned to grow and expand. However, we believe the current share price materially undervalues the Group and whilst confidence in our strategy and the building up of a track record is essential to create long-term value, we are considering short-term measures to support the share price.

We have previously stated that consolidation is inevitable in our sector. We now expect to see more mergers and acquisitions activity and believe Rasmala should actively support initiatives that drive industry consolidation.

## **Acknowledgements**

All of our efforts mentioned in my report come together to create the right environment and opportunities to grow and succeed in a disciplined way. Our continued success is a reflection of the hard work by everyone at Rasmala and is testament to the calibre of individuals we have and continue to attract.

I would like to thank all our staff for their contribution to our success and finally our Chairman, Abdallah Y. Al-Mouallimi, and the Board for their wise counsel and unstinting support.

Although market conditions continue to be challenging, I look forward to 2016 with great hope and expectations for the Rasmala Group.

## **Operating & Financial Review**

### **Asset Management**

#### **Capabilities & organizational structure**

Our award-winning Asset Management team is made up of investment professionals with global expertise and local knowledge. The geographical spread of our team allows us to effectively identify investment opportunities by making full use of our local market experience and access to information. Our investment team applies clear, rigorous and defined investment processes in their approach to managing our clients' investments.

We provide our investors with a range of investment products and tailored investment solutions. We invest in the UK, MENA, Africa and other global markets where we have in-depth knowledge and expertise.

### **Our UCITS Funds**

In 2013, Rasmala commenced a major project to re-domicile our existing open-ended funds from the Cayman Islands to Luxembourg as UCITS IV Funds and subsequently completed the migration of our key funds into a Luxembourg-based platform. This involved enhancing the regulatory oversight for our investors, and improving the redemption/subscription frequency from weekly to daily Net Asset Values. With this new structure in place, we are well positioned to expand our client reach into international markets as the Luxembourg jurisdiction assures accessibility, transparency and scalability of Rasmala's product offering.

### **Customised Discretionary Mandates**

We offer a wide range of portfolio management capabilities catering to the needs of our GCC and institutional clients.

Our various discretionary portfolio strategies include:

- MENA / GCC / single country equity portfolio investment strategy
- Fixed income portfolios investment strategy
- Money market portfolio strategy
- Alternative investment portfolio strategy
- Shari'a-compliant portfolio investment strategy
- Balanced portfolio strategy

### **2015 review**

2015 was a challenging year. Our investment strategy was shaped by having to strike a balance between global and regional market conditions. At the regional level, we also had to take into account complex geopolitical and economic factors.

At the same time, it was a year of steady progress in strengthening our client base and launching new products.

## **Assets under Management**

In 2015 we recorded strong inflows into our recently-launched alternative investment strategies of leasing, trade finance and real estate. In total, we received \$404 million (£272 million) in subscriptions and over \$248 million (£167 million) in redemptions. The broad decline in the region's equity markets contributed negatively to our overall AUM, resulting in an overall flat year in terms of AUM.

## **Distribution / business development**

In March 2015, we completed funding for Rasmala Leasing Fund 1 investing \$58 million (£39.1 million) in 86 leases across 21 companies and 13 industries.

In August 2015 we launched the Rasmala Leasing Fund 2 and have deployed \$14.4 million (£9.7 million) in 16 leases across seven companies and four industries. Over the year, we returned \$7 million (£4.7 million) in distributions to our leasing fund unit holders, for a total cumulative amount of \$11.2 million (£7.4 million) since we began our leasing programme.

In 2015, the Rasmala Trade Finance Fund financed over \$93 million (£62.7 million) in trade related financings, with \$55 million (£37.1 million) repaid during the year. We made distributions to unit holders in 2015 of \$3.75/unit (£2.53/unit). In March 2015, we increased headcount in preparation for future expansion.

In the GCC, we strengthened our relationships with sovereign entities, opening two new accounts in the UAE.

Throughout 2015, we continued to focus on providing high levels of client service and strengthening our relationships with key distributors, supporting them by defining investment strategies that match their investment objectives, designing investment products and providing training.

We have a long heritage of working with some of the leading local and regional banks as well as insurance companies in the UAE.

Institutional Investor included Rasmala in the Top 20 asset managers in the Middle East for the third consecutive year.

## **Investment in technology and client service**

Throughout 2015 we increased our investment in technology to enhance our clients' experience.

We implemented the IMSPlus investment management platform and upgraded our asset management system to improve the functioning of our asset and fund management operations and to enable us to respond efficiently to our clients' needs. The new platform will be rolled out fully in 2016.

In June 2015, we implemented Salesforce, the automated customer relationship management (CRM) platform, to help us better manage our client and prospect relationships, improve efficiency and increase the sales productivity of our teams.

## **Product: Innovation & performance**

In 2015 our investment professionals were able to successfully navigate the difficult market conditions, producing investment returns well in excess of industry-recognised benchmarks, and at the top of their respective peer groups.

In recognition of our strong investment performance Rasmala won various awards including Regional Fixed Income Manager of the Year and Egypt Equities Manager of the Year.

## **Our strategy for 2016**

We expect the asset gathering environment will be difficult in 2016 due to investor sentiment and market volatility. The GCC region will continue to face pressure from low oil prices and the lagged effect of the sharp decline in the price of crude in 2015, as well as regional geopolitical tensions and uncertainties. The prospect of rising interest rates in the US will put further pressure on regional economies.

We expect continued interest in Shari'a-compliant investment products and will be launching new products to increase our market share in this segment.

We also expect GCC investors to diversify away from the region into low risk, uncorrelated investment strategies. Our expanded product set is well positioned to attract new investors and assets in this environment.

International interest in the MENA equity markets will rise as the year progresses, volatility declines and underlying inherent value is recognised. Local investors will be opportunistic in their regional equity investments, focusing their investments in well-managed companies with high and sustained dividends payments.

Fixed income investments will continue to outperform deposits. As the year progresses and the Federal Reserve raises interest rates, the competition between deposits and longer-dated fixed-income securities will become more balanced with many investors preferring the steady return of deposits.

We are well positioned in this challenging market environment, having launched new investment strategies which will perform well regardless of the overall market sentiment and direction. In 2016 our efforts will be focused on establishing new distribution channels and direct institutional client relationships, in order to capitalise on our expanding product offering.

## **Investment Banking**

### **Capabilities & organisational structure**

The Investment Banking team is composed of structuring and placement professionals with global expertise and local knowledge. In executing complex transactions, Investment Banking enjoys close support from the Legal, Treasury, Risk and Operations teams. Investment Banking's capabilities are drawn from across the geographical and asset class spectrum.

Investment Banking focuses on the creation and distribution of Shari'a-compliant asset-backed and capital markets instruments. We differentiate ourselves by the quality of our structuring expertise, which establishes us as a market leader in terms of innovation. Whether we originate, structure and manage investible real estate opportunities or structure and arrange sukuk, our approach to product design has the hallmarks of bulge-bracket technical ability but combined with a bespoke approach for our institutional client base.

Investment Banking draws on the experience of the team across asset classes including real estate, debt and equity capital markets (including sukuk), project and asset-backed finance, mergers and acquisitions, private equity and structured investment products. Given our broad and deep technical expertise in all of these areas, Rasmala is able to deliver tailored solutions to its clients.

In diversifying the investment portfolios of their customers, our institutional clients typically work with Rasmala to create white-labelled investment products, originated and structured by the Rasmala Investment Banking team. Demand is currently strongest for UK, European and US income-producing real estate assets and investment grade sukuk. In addition, clients continue to seek attractive real estate opportunities in the UAE.

### **2015 review**

Key appointments during 2015 allowed Rasmala to expand its Investment Banking capability and its real estate offering.

In March 2015, we successfully executed the issuance of the second tranche of perpetual tier 1 capital of \$136 million for the National Bank of Fujairah, a leading UAE bank (rated BBB+/Baa1) with a long-established reputation in the areas of corporate and commercial banking. The bank is committed to the economic development of the UAE.

By the end of 2015, a strengthened team was in place, key client relationships established and two transactions successfully closed, confirming Rasmala as a key participant in the UK real estate market. The initial focus of the business has been on the UK commercial and industrial office market, for assets valued between £10 million to £30 million with long leases to highly-rated single tenants.

In October 2015 we announced the expansion of our real estate business, focusing on originating, structuring and executing real estate investment opportunities and we simultaneously announced the acquisition of a commercial office building for £11.8 million. The office building is occupied on a long-lease basis by the mobile telecommunications operator Everything Everywhere Ltd and located on the Doxford International Business Park. The office building covers a total area of 66,500 sq ft (6,200 sq m).

In December 2015 we acquired three properties in Celtic Springs Business Park, Newport. The properties are entirely let to Airbus Defence and Space, a division of Airbus Group.

Rasmala's success in the UK real estate market can be attributed not only to the excellence of the transaction team and our close relationships with key investors, but also our ability to underwrite, which carries significant weight and credibility when bidding for assets.

In addition, the unification of our brand under the name Rasmala has increased the Group's recognition across multiple markets. As a result, the due diligence to which we are subjected by counterparties such as asset vendors and financing banks is made easier. Our licensing in key jurisdictions allows the Group to operate efficiently and seamlessly, and gives our counterparties and investors considerable comfort in our ability to close cross-border transactions.

Despite the demand from GCC investors for UK, European and US real estate, opportunities in the market are limited by the lack of on-the-ground origination capabilities and asset class expertise. Rasmala's excellent relationships with market participants including brokers, law firms, institutional vendors, administrators, banks and others help us stand out from our competitors.

2015 has been a watershed year for the Investment Banking business and we look forward to building on our success, along with our expertise, investment heritage and culture, to provide innovative structuring and advisory services that meet the unique needs of every client.

### **Our strategy for 2016**

The Investment Banking team continues to grow its real estate offering and capabilities by expanding into European and US opportunities. We are committing resources to developing UAE real estate products to take advantage of specific opportunities in local markets. In addition, clients are looking to diversify their real estate investments away from plain-vanilla, long-lease, blue-chip single tenant commercial and industrial buildings towards assets which may require a higher degree of asset management or repositioning. These may include, for example, residential refurbishments or shorter lease commercial buildings, and such opportunities will be tailored for those clients seeking higher yields.

The team will also seek to expand its product offering by considering bolt-on acquisitions to the existing business that meet our strategic objectives.

We continue to innovate in capital markets and plan to arrange further asset-backed sukuk.

## Consolidated statement of income

	2015 £'000	2014 £'000
<b>Income</b>		
Income from financing and investing activities	1,274	1,820
Returns to financial institutions and customers	(127)	(181)
<b>Net margin</b>	<b>1,147</b>	<b>1,639</b>
	0	(1)
Net fees and commission income	5,338	5,921
Net (loss)/gain from financial assets measured at fair value through profit or loss	(59)	1,266
Gain on private equity investments designated at fair value through profit or loss	3,155	159
Fair value gain on investment property	25	358
Other operating income	609	1,423
<b>Total operating income</b>	<b>10,215</b>	<b>10,766</b>
	0	1
<b>Expenses</b>		
Staff costs	(6,199)	(5,378)
Depreciation and amortisation	(76)	(94)
Other operating expenses	(3,403)	(3,790)
<b>Total expenses</b>	<b>(9,678)</b>	<b>(9,262)</b>
	0	(1)
<b>Operating profit before tax</b>	<b>537</b>	<b>1,504</b>
Tax charge	(198)	(787)
<b>Profit from continuing operations</b>	<b>339</b>	<b>717</b>
Loss after tax from discontinuing operations	(90)	(117)
<b>Profit for the year</b>	<b>249</b>	<b>600</b>
	0	0
Profit attributable to:		
Owner of the Company	(80)	592
Non-controlling interest	329	8
	<b>249</b>	<b>600</b>
Earnings per share		
- Basic	<b>0.37p</b>	3.16p
- Diluted	<b>0.37p</b>	3.16p

Rasmala plc  
Consolidated statement of other comprehensive income

For the year ended 31 December 2015

	2015	2014
	£'000	£'000
<b>Profit for the year</b>	<b>249</b>	600
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Gain on fair value of available-for-sale securities	109	500
Loss on fair value of available-for-sale securities	(658)	(321)
Exchange loss on net investment in foreign operations	(368)	(526)
Total comprehensive (loss)/income for the year	(668)	253
Total comprehensive (loss)/income attributable to:		
Owners of parent	(1,080)	245
Non-controlling interest	412	8
	(668)	253

Rasmala plc  
Consolidated and company statement of financial position

As at 31 December 2015

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
<b>Assets</b>				
Cash and cash equivalents	5,406	6,562	3,241	5,053
Financial assets measured at fair value through profit or loss	48,993	42,565	26,410	21,743
Available-for-sale securities	21,735	22,472	21,735	22,472
Financial assets measured at amortised cost	20,565	41,863	23,747	42,033
Other assets	7,404	12,216	1,780	7,772
Investment property	1,091	1,674	-	-
Property and equipment	344	174	4	16
Investments in subsidiaries	-	-	31,330	30,627
Intangible assets	-	3	-	3
Goodwill	11,331	10,785	-	-
	<b>116,869</b>	138,314	<b>108,247</b>	129,719
Assets classified as held for sale	96	91	-	-
<b>Total assets</b>	<b>116,965</b>	138,405	<b>108,247</b>	129,719
<b>Liabilities</b>				
Financial liabilities measured at fair value through profit or loss	1,481	954	1,481	954
Financial liabilities measured at amortised cost	4,180	6,630	-	-
Income tax payable	202	787	-	-
Other liabilities	6,731	4,815	1,675	1,914
	<b>12,594</b>	13,186	<b>3,156</b>	2,868
Liabilities associated with asset held for sale	115	124	-	-
<b>Total liabilities</b>	<b>12,709</b>	13,310	<b>3,156</b>	2,868
<b>Net assets</b>	<b>104,256</b>	125,095	<b>105,091</b>	126,851
<b>Capital and reserves</b>				
Share capital	15,721	19,721	15,721	19,721
Other reserves	103,386	119,386	104,297	120,297
Fair value reserve on available-for-sale securities	(151)	398	(151)	398
Foreign exchange reserve	(1,293)	(842)	-	-
Accumulated losses	(16,606)	(16,395)	(14,776)	(13,565)
<b>Equity attributable to owners of parent</b>	<b>101,057</b>	122,268	<b>105,091</b>	126,851
Non-controlling interest	3,199	2,827	-	-
<b>Total equity</b>	<b>104,256</b>	125,095	<b>105,091</b>	126,851

# Rasmala plc

## Consolidated statement of changes in equity

For the year ended 31 December 2015

	Share capital £'000	Other reserves £'000 (note 28)	Fair value reserve on Available- for-sale securities £'000	Foreign exchange reserve £'000	Accumulated losses £'000	Equity attributable to owners of parent £'000	Non- controlling interest £'000	Total equity £'000
Balance at 1 January 2014	19,721	120,297	219	(316)	(16,987)	122,934	4,042	126,976
<b>Comprehensive income for the year</b>								
Profit for the year	-	-	-	-	592	592	8	600
Net change in fair value of available-for-sale securities	-	-	179	-	-	179	-	179
Foreign exchange loss on conversion of foreign operations	-	-	-	(526)	-	(526)	-	(526)
Total comprehensive income	-	-	179	(526)	592	245	8	253
Contributions by and distributions to owners								
Disposal of subsidiary	-	-	-	-	-	-	(314)	(314)
Acquisition of NCI	-	(911)	-	-	-	(911)	(696)	(1,607)
Forex reserves	-	-	-	-	-	-	(213)	(213)
Balance at 31 December 2014	19,721	119,386	398	(842)	(16,395)	122,268	2,827	125,095
<b>Comprehensive income for the year</b>								
Profit for the year	-	-	-	-	(80)	(80)	329	249
Net change in fair value of available-for-sale securities	-	-	(549)	-	-	(549)	-	(549)
Foreign exchange loss on conversion of foreign operations	-	-	-	(451)	-	(451)	(140)	(591)
Total comprehensive income	-	-	(549)	(451)	(80)	(1,080)	189	(891)
Contributions by and distributions to owners								
Tender offer	(4,000)	(16,000)	-	-	-	(20,000)	-	(20,000)
Distribution made by a subsidiary	-	-	-	-	(131)	(131)	(40)	(171)
Forex reserves	-	-	-	-	-	-	223	223
<b>Balance at 31 December 2015</b>	<b>15,721</b>	<b>103,386</b>	<b>(151)</b>	<b>(1,293)</b>	<b>(16,606)</b>	<b>101,057</b>	<b>3,199</b>	<b>104,256</b>

# Rasmala plc

## Company statement of changes in equity

For the year ended 31 December 2015

	Share capital £'000	Other reserve £'000 (note 28)	Fair value reserve on available-for-sale securities £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 January 2014	19,721	120,297	219	(13,851)	126,386
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	286	286
Net change in fair value of available-for-sale securities	-	-	179	-	179
Total comprehensive income			179	286	465
Contributions by and distributions to owners					
Share premium transfer	-	-	-	-	-
Balance at 31 December 2014	19,721	120,297	398	(13,565)	126,851
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(1,211)	(1,211)
Net change in fair value of available-for-sale securities	-	-	(549)	-	(549)
Total comprehensive income			(549)	(1,211)	(1,760)
Contributions by and distributions to owners					
Share premium transfer	(4,000)	(16,000)	-	-	(20,000)
<b>Balance at 31 December 2015</b>	<b>15,721</b>	<b>104,297</b>	<b>(151)</b>	<b>(14,776)</b>	<b>105,091</b>

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>				
Operating profit/(loss) for the period	<b>537</b>	1,504	<b>(1,211)</b>	286
Operating loss on discontinued operations	<b>(90)</b>	(117)	-	-
<i>Adjusted for:</i>				
Unrealised loss from financial assets measured at fair value through profit or loss	<b>380</b>	185	<b>(22)</b>	(1,028)
Unrealised gain on private equity investments designated at fair value through profit or loss	<b>(3,061)</b>	(119)	<b>56</b>	-
Unrealised gain on investment property	<b>(99)</b>	(206)	-	-
Gain from investment in subsidiaries	-	-	<b>436</b>	(873)
Reversal of provision against due from a related party	-	(963)	-	-
Depreciation and amortisation	<b>76</b>	94	<b>14</b>	25
Financial assets measured at fair value through profit or loss	<b>(6,808)</b>	(2,990)	<b>(4,645)</b>	(5,840)
Available-for-sale securities	<b>188</b>	3,316	<b>188</b>	3,986
Financial assets measured at amortised cost	<b>24,359</b>	9,791	<b>18,230</b>	7,418
Other assets	<b>3,893</b>	(9,161)	<b>4,852</b>	(7,205)
Investment property	<b>682</b>	274	-	-
Financial liabilities measured at fair value through profit or loss	<b>527</b>	952	<b>527</b>	952
Financial liabilities measured at amortised cost	<b>(2,450)</b>	(6,370)	-	(42,511)
Other liabilities	<b>1,916</b>	(1,460)	<b>(237)</b>	68
Third party interest in consolidated funds	-	(6,500)	-	-
Assets classified as held for sale	<b>(5)</b>	5,188	-	-
Liabilities associated with asset held for sale	<b>(9)</b>	(725)	-	-
Distribution made by a subsidiary	<b>(171)</b>	-	-	-
<b>Cash used in operating activities</b>	<b>19,865</b>	(7,307)	<b>18,188</b>	(44,722)
Tax paid	<b>(783)</b>	-	-	-
<b>Net cash generated by/ (used in) operating activities</b>	<b>19,082</b>	(7,307)	<b>18,188</b>	(44,722)
<b>Cash flow from investing activities</b>				
Sale of investment in funds	-	5,577	-	5,577
Payment on acquisition of a subsidiary net of cash acquired	-	(1,774)	-	-
Disposal of a subsidiary net of cash disposed of	-	630	-	40,869
Purchase of property and equipment	<b>(238)</b>	(53)	-	(1)
<b>Net cash (used in)/ generated from investing activities</b>	<b>(238)</b>	4,380	-	46,445
<b>Cash flow from financing activities</b>				
Tender offer	<b>(20,000)</b>	-	<b>(20,000)</b>	-
<b>Net cash used in investing activities</b>	<b>(20,000)</b>	-	<b>(20,000)</b>	-
Net (decrease)/increase in cash and cash equivalents	<b>(1,156)</b>	(2,927)	<b>(1,812)</b>	1,723
Cash and cash equivalents at the beginning of year	<b>6,562</b>	9,489	<b>5,053</b>	3,330
<b>Cash and cash equivalents at the end of the year</b>	<b>5,406</b>	6,562	<b>3,241</b>	5,053

## Segment Information

The Group focuses on Middle East and North Africa markets and for 2015 centred on the following four core businesses:

- Investment Banking** – Advisory and arranging on Corporate Finance, structured products, originating, structuring and placement in debt capital market.
- Asset Management** – Investment management solutions encompassing equities, fixed income and alternatives.
- Principal Investments** – Provision of financing, investing in funds, debt capital market, structured debt finance and Islamic products, includes a diversified portfolio of private equity assets.

These core business lines were the Group's strategic business units ('SBU'). Each SBU deals with different products and services, and was managed separately based on the Group's management and internal reporting structure. SBU activities are monitored by the Group's management committees and the Board which is provided with internal management reports on a monthly basis.

Information regarding the results of each reportable segment as regularly reviewed by the group executive management and the board of directors is included below. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

<b>Year ended 31 December 2015</b>	<b>Investment Banking</b>	<b>Asset Management</b>	<b>Principal Investments</b>	<b>Others</b>	<b>Discontinued Operations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income from external customers	1,358	3,770	2,093	-	-	7,221
Returns to external customers	-	-	(127)	-	-	(127)
Fair value gain on investments	-	-	3,121	-	-	3,121
<b>Total operating income</b>	<b>1,358</b>	<b>3,770</b>	<b>5,087</b>	<b>-</b>	<b>-</b>	<b>10,215</b>
(Loss)/profit after tax from continuing activities	(216)	61	2,840	(2,346)	-	339
Loss from discontinued operations	-	-	-	-	(90)	(90)
Other comprehensive loss after tax	-	-	(549)	(368)	-	(917)
<b>Total comprehensive income</b>	<b>(216)</b>	<b>61</b>	<b>2,291</b>	<b>(2,714)</b>	<b>(90)</b>	<b>(668)</b>
Depreciation and amortisation	-	(32)	(14)	(30)	-	(76)

<b>Year ended 31 December 2014</b>	<b>Investment Banking</b>	<b>Asset management</b>	<b>Principal investments</b>	<b>Others</b>	<b>Discontinued operations</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income from external customers	273	5,114	3,776	-	-	9,163
Returns to external customers	-	-	(181)	-	-	(181)
Fair value gain on investments	-	-	1,784	-	-	1,784
<b>Total operating income</b>	<b>273</b>	<b>5,114</b>	<b>5,379</b>	<b>-</b>	<b>-</b>	<b>10,766</b>
(Loss)/profit after tax from continuing activities	(897)	967	2,674	(2,027)	-	717
Loss from discontinued operations	-	-	-	-	(117)	(117)
Other comprehensive income/(loss) after tax	-	-	179	(526)	-	(347)
<b>Total comprehensive income</b>	<b>(897)</b>	<b>967</b>	<b>2,853</b>	<b>(2,553)</b>	<b>(117)</b>	<b>253</b>
Depreciation and amortisation	-	(25)	(28)	(41)	-	(94)

In 2015, the Investment Banking segment became distinct division and has been disclosed separately above, Treasury which was previously shown in Banking is now shown within Principle Investments, this is in line with the Group's management and internal reporting structure. 2014 comparative was amended to reflect this.

### Geographical information

The Group operates in three geographical areas UK, Gulf Cooperation Council and Egypt.

The Group's revenue from continuing operations from external customers by location of operations are detailed below.

	Revenue from external customers	
	2015 £'000	2014 £'000
UK	2,807	2,254
GCC	2,811	3,541
Egypt	1,603	3,369
	<b>7,221</b>	<b>9,164</b>