

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

STATEMENT OF FINANCIAL POSITION US\$	30 June 2010 (Unaudited)	31 December 2009 (Audited)
ASSETS		
Cash and balances with banks	314,864	612,263
Investments	21,055,494	27,669,174
Deferred payment sale receivables	3,680,203	3,680,203
Investment properties	25,582,920	27,571,404
Other assets	1,519,783	7,624,912
Property and equipment	5,130,137	7,098,715
TOTAL ASSETS	57,283,401	74,256,671
LIABILITIES AND EQUITY		
Liabilities		
Due to a financial institution	3,670,202	3,670,202
Murabaha payable	3,229,064	3,229,064
Other liabilities	425,033	449,051
Total liabilities	7,324,299	7,348,317
Equity		
Share capital	80,000,000	80,000,000
Statutory reserve	7,409,515	7,409,515
Investments fair value reserve	2,308,468	3,411,701
Accumulated losses	(39,758,881)	(23,912,862)
Total equity	49,959,102	66,908,354
TOTAL LIABILITIES AND EQUITY	57,283,401	74,256,671
OFF-BALANCE SHEET ITEMS		
Restricted investment accounts	16,083,351	16,228,225

STATEMENT OF INCOME US\$	Three months ended		Six months ended	
	30 June 2010 (Unaudited)	30 June 2009 (Unaudited)	30 June 2010 (Unaudited)	30 June 2009 (Unaudited)
Income from trading investments	-	-	5,902	25,704
(Loss) / income from available-for-sale investments	(490)	16,965	(490)	16,965
Fair value (loss) / gains on trading investments	(888,296)	4,704,163	(2,196,506)	2,949,922
Income from mudaraba investment	-	-	-	63,680
Other income	217,367	(103,757)	447,073	(29,289)
Total net income	(671,419)	4,617,371	(1,744,021)	3,026,982
Staff cost				
	277,396	338,294	554,250	709,908
Administrative and general expenses				
	183,558	(86,717)	293,268	1,130,854
Net provision for impairment				
	12,644,888	-	12,644,888	(1,897,592)
Depreciation				
	304,432	240,061	609,592	356,499
Total expenses	13,410,274	491,638	14,101,998	299,669
(LOSS) / PROFIT FOR THE PERIOD	(14,081,693)	4,125,733	(15,846,019)	2,727,313

STATEMENT OF CHANGES IN EQUITY US\$	Six months ended 30 June 2010 (Unaudited)	Six months ended 30 June 2009 (Unaudited)
Balance at 1 January	66,908,354	87,673,052
(Loss) / profit for the period	(15,846,019)	2,727,313
Fair value (loss) / gain during the period	(1,103,233)	1,970,479
Balance at 30 June	49,959,102	92,370,844

STATEMENT OF CASH FLOWS US\$	Six months ended 30 June 2010 (Unaudited)	Six months ended 30 June 2009 (Unaudited)
Net cash outflow from operating activities	(778,022)	(1,064,023)
Net cash inflow from investing activities	480,623	7,448
NET DECREASE IN CASH AND CASH EQUIVALENTS	(297,399)	(1,056,575)
Cash and cash equivalents at 1 January	612,263	2,557,184
CASH AND CASH EQUIVALENTS AT 30 JUNE	314,864	1,500,609

The interim condensed financial statements were extracted from the interim condensed financial statements on which Ernst & Young issued an unqualified review report dated 11 August 2010.

The interim condensed financial statements were authorised for issue in accordance with approval of the Board of Directors on 11 August 2010.



Dr. Abdulaziz Al Bader
Chairman



Hamad Abdulla Al Ghanim
Vice Chairman and Chairman of the Audit Committee