

## INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

STATEMENT OF FINANCIAL POSITION US\$	30 September 2010 (Unaudited)	31 December 2009 (Audited)
<b>ASSETS</b>		
Cash and balances with banks	341,024	612,263
Investments	17,857,725	27,669,174
Deferred payment sale receivables	3,680,203	3,680,203
Investment properties	25,449,934	27,571,404
Other assets	1,581,286	7,624,912
Property and equipment	4,997,272	7,098,715
<b>TOTAL ASSETS</b>	<b>53,907,444</b>	<b>74,256,671</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Due to a financial institution	3,670,202	3,670,202
Murabaha payable	3,229,064	3,229,064
Other liabilities	489,264	449,051
<b>Total liabilities</b>	<b>7,388,530</b>	<b>7,348,317</b>
<b>Equity</b>		
Share capital	80,000,000	80,000,000
Statutory reserve	7,409,515	7,409,515
Investments fair value reserve	1,909,408	3,411,701
Accumulated losses	(42,800,009)	(23,912,862)
<b>Total equity</b>	<b>46,518,914</b>	<b>66,908,354</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>53,907,444</b>	<b>74,256,671</b>
<b>OFF-BALANCE SHEET ITEMS</b>		
Restricted investment accounts	16,314,369	16,228,225

STATEMENT OF CHANGES IN EQUITY US\$	Nine months ended 30 September 2010 (Unaudited)	Nine months ended 30 September 2009 (Unaudited)
Balance at 1 January	66,908,354	87,673,052
(Loss) / profit for the period	(18,887,147)	532,956
Fair value (loss) / gain during the period	(1,502,293)	1,028,705
<b>Balance at 30 September</b>	<b>46,518,914</b>	<b>89,234,713</b>

STATEMENT OF INCOME US\$	Three months ended		Nine months ended	
	30 September 2010 (Unaudited)	30 September 2009 (Unaudited)	30 September 2010 (Unaudited)	30 September 2009 (Unaudited)
Income from trading investments	-	-	5,902	25,704
Income from available-for-sale investments	131,423	-	130,933	16,965
Fair value (loss) / gains on trading investments	(748,276)	(844,178)	(2,944,782)	2,105,744
Income from mudaraba investment	-	-	-	63,680
Other income	245,879	226,027	692,952	196,738
<b>Total net income</b>	<b>(370,974)</b>	<b>(618,151)</b>	<b>(2,114,995)</b>	<b>2,408,831</b>
Staff cost	331,222	331,782	885,472	1,041,690
Administrative and general expenses	154,268	82,133	447,536	1,212,987
Net provision for impairment	1,918,814	922,405	14,563,702	(975,187)
Depreciation	265,850	239,886	875,442	596,385
<b>Total expenses</b>	<b>2,670,154</b>	<b>1,576,206</b>	<b>16,772,152</b>	<b>1,875,875</b>
<b>(LOSS) / PROFIT FOR THE PERIOD</b>	<b>(3,041,128)</b>	<b>(2,194,357)</b>	<b>(18,887,147)</b>	<b>532,956</b>

STATEMENT OF CASH FLOWS US\$	Nine months ended 30 September 2010 (Unaudited)	Nine months ended 30 September 2009 (Unaudited)
Net cash outflow from operating activities	(865,115)	(1,866,808)
Net cash inflow from investing activities	593,876	100,417
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(271,239)</b>	<b>(1,766,391)</b>
Cash and cash equivalents at 1 January	612,263	2,557,184
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>341,024</b>	<b>790,793</b>

The interim condensed financial statements were extracted from the interim condensed financial statements on which Ernst & Young issued an unqualified review report dated 27 October 2010.

The interim condensed financial statements were authorised for issue in accordance with approval of the Board of Directors on 27 October 2010.



**Dr. Abdulaziz Al Bader**  
Chairman



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

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