

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2011 (Unaudited)

	30 June 2011 US\$	(Audited) 31 December 2010 US\$
ASSETS		
Cash and balances with banks	299,429	411,444
Investments	15,890,945	16,677,570
Deferred payment sale receivables	3,680,203	3,680,203
Investment properties	18,616,533	20,020,445
Other assets	1,595,539	1,594,222
Property and equipment	3,147,795	3,843,948
TOTAL ASSETS	43,230,444	46,227,832
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	580,443	465,184
Total liabilities	7,479,709	7,364,450
Equity		
Share capital	80,000,000	80,000,000
Statutory reserve	7,409,515	7,409,515
Investments fair value reserve	2,720,696	2,644,604
Accumulated losses	(54,379,476)	(51,190,737)
Total equity	35,750,735	38,863,382
TOTAL LIABILITIES AND EQUITY	43,230,444	46,227,832
OFF-BALANCE SHEET ITEMS:		
EQUITY OF INVESTMENT ACCOUNTHOLDERS	16,701,786	16,424,155

INTERIM STATEMENT OF INCOME

For the six months ended 30 June 2011 (Unaudited)

	Three months ended		Six months ended	
	30 June 2011 US\$	30 June 2010 US\$	30 June 2011 US\$	30 June 2010 US\$
Income from investments at fair value through income statement	-	-	-	5,902
(Loss) / Gain on disposal of investments at fair value through equity	-	(490)	21,904	(490)
Fair value gain / (loss) on investments at fair value through income statement	472,555	(888,296)	11,813	(2,196,506)
Other income	119,495	217,367	140,285	447,073
Total net income / (loss)	592,050	(671,419)	174,002	(1,744,021)
Expenses				
Staff cost	273,891	277,396	488,254	554,250
Administrative and general expenses	158,955	183,558	251,275	293,268
Depreciation	199,978	304,432	400,069	609,592
Operating expenses	632,824	765,386	1,139,598	1,457,110
Net loss before net provision for impairment	(40,774)	(1,436,805)	(965,596)	(3,201,131)
Net provision for impairment	(1,728,539)	(12,644,888)	(2,223,143)	(12,644,888)
LOSS FOR THE PERIOD	(1,769,313)	(14,081,693)	(3,188,739)	(15,846,019)

INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011 (Unaudited)

	Six months ended	
	30 June 2011 US\$	30 June 2010 US\$
OPERATING ACTIVITIES		
Loss for the period	(3,188,739)	(15,846,019)
Adjustments for:		
Depreciation	400,069	609,592
Gain on disposal of property and equipment	-	(2,520)
Provision for impairment	2,427,465	12,644,888
(Gain) / loss on disposal of investments at fair value through equity	(21,904)	490
Fair value (gain) / loss on investments at fair value through income statement	(11,813)	2,196,506
Operating loss before changes in operating assets and liabilities:	(394,922)	(397,063)
Changes in operating assets and liabilities:		
Other assets	(1,317)	95,350
Other liabilities	115,259	(24,018)
Net cash used in operating activities	(280,980)	(325,731)
INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,326)	-
Proceeds from disposal of investments at fair value through equity	170,291	25,812
Proceeds from disposal of property and equipment	-	2,520
Net cash from investing activities	168,965	28,332
DECREASE IN CASH AND CASH EQUIVALENTS	(112,015)	(297,399)
Cash and cash equivalents at beginning of the period	411,444	612,263
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	299,429	314,864

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011 (Unaudited)

	Share capital US\$	Statutory reserve US\$	Investments fair value reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2011	80,000,000	7,409,515	2,644,604	(51,190,737)	38,863,382
Loss for the period	-	-	-	(3,188,739)	(3,188,739)
Fair value gain during the period	-	-	76,092	-	76,092
Balance as at 30 June 2011	80,000,000	7,409,515	2,720,696	(54,379,476)	35,750,735
Balance at 1 January 2010	80,000,000	7,409,515	3,411,701	(23,912,862)	66,908,354
Loss for the period	-	-	-	(15,846,019)	(15,846,019)
Fair value loss during the period	-	-	(1,103,233)	-	(1,103,233)
Balance as at 30 June 2010	80,000,000	7,409,515	2,308,468	(39,758,881)	49,959,102

These statements were extracted from the interim condensed financial statements on which Ernst & Young issued an unqualified review report dated 8 August 2011.

The interim condensed financial statements were authorised for issue in accordance with approval of the Board of Directors on 8 August 2011.



Dr. Abdulaziz Al Bader
Chairman



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

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