

## INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

### INTERIM STATEMENT OF FINANCIAL POSITION As at 31 March 2011 (Unaudited)

	31 March 2011 US\$	(Audited) 31 December 2010 US\$
<b>ASSETS</b>		
Cash and balances with banks	269,613	411,444
Investments	15,741,441	16,677,570
Deferred payment sale receivables	3,680,203	3,680,203
Investment properties	19,915,306	20,020,445
Other assets	1,585,274	1,594,222
Property and equipment	3,748,996	3,843,948
<b>TOTAL ASSETS</b>	<b>44,940,833</b>	<b>46,227,832</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	430,007	465,184
<b>Total liabilities</b>	<b>7,329,273</b>	<b>7,364,450</b>
<b>Equity</b>		
Share capital	80,000,000	80,000,000
Statutory reserve	7,409,515	7,409,515
Investments fair value reserve	2,812,208	2,644,604
Accumulated losses	(52,610,163)	(51,190,737)
<b>Total equity</b>	<b>37,611,560</b>	<b>38,863,382</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>44,940,833</b>	<b>46,227,832</b>
<b>OFF-BALANCE SHEET ITEMS:</b>		
<b>EQUITY OF INVESTMENT ACCOUNTHOLDERS</b>	<b>16,584,586</b>	<b>16,424,155</b>

### INTERIM STATEMENT OF INCOME

For the three months ended 31 March 2011 (Unaudited)

Three months ended

	31 March 2011 US\$	31 March 2010 US\$
Income from investments at fair value through income statement	-	5,902
Gain on disposal of investments at fair value through equity	21,904	-
Fair value loss on investments at fair value through income statement	(460,742)	(1,308,210)
Other income	20,790	229,706
<b>Total net loss</b>	<b>(418,048)</b>	<b>(1,072,602)</b>
<b>Expenses</b>		
Staff cost	214,363	276,854
Administrative and general expenses	92,320	109,710
Depreciation	200,091	305,160
<b>operating expenses</b>	<b>506,774</b>	<b>691,724</b>
<b>Net loss before net provision for impairment</b>	<b>(924,822)</b>	<b>(1,764,326)</b>
Net provision for impairment	(494,604)	-
<b>LOSS FOR THE PERIOD</b>	<b>(1,419,426)</b>	<b>(1,764,326)</b>

### INTERIM STATEMENT OF CASH FLOWS

For the three months ended 31 March 2011 (Unaudited)

Three months ended

	31 March 2011 US\$	31 March 2010 US\$
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(1,419,426)	(1,764,326)
Adjustments for:		
Depreciation	200,091	305,160
Gain on disposal of property and equipment	-	(2,520)
Net provision for impairment	494,604	-
Gain on disposal of investments at fair value through equity	(21,904)	-
Fair value loss on investments at fair value through income statement	460,742	1,308,210
Operating loss before changes in operating assets and liabilities:	<b>(285,893)</b>	<b>(153,476)</b>
Changes in operating assets and liabilities:		
Other assets	8,948	23,756
Other liabilities	(35,177)	11,456
Net cash used in operating activities	<b>(312,122)</b>	<b>(118,264)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of investments at fair value through equity	170,291	-
Proceeds from disposal of property and equipment	-	2,520
Net cash from investing activities	<b>170,291</b>	<b>2,520</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(141,831)</b>	<b>(115,744)</b>
Cash and cash equivalents at beginning of the period	411,444	612,263
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>269,613</b>	<b>496,519</b>

### INTERIM STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2011 (Unaudited)

	Share capital US\$	Statutory reserve US\$	Investments fair value reserve US\$	Accumulated losses US\$	Total 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	-	-	-	(1,419,426)	(1,419,426)
Fair value gain during the period	-	-	167,604	-	167,604
<b>Balance as at 31 March 2011</b>	<b>80,000,000</b>	<b>7,409,515</b>	<b>2,812,208</b>	<b>(52,610,163)</b>	<b>37,611,560</b>
Balance at 1 January 2010	80,000,000	7,409,515	3,411,701	(23,912,862)	66,908,354
Loss for the period	-	-	-	(1,764,326)	(1,764,326)
Fair value loss during the period	-	-	(1,571,125)	-	(1,571,125)
Balance as at 31 March 2010	80,000,000	7,409,515	1,840,576	(25,677,188)	63,572,903

These statements were extracted from the interim condensed financial statements on which Ernst & Young issued an unqualified review report dated 9 May 2011.

The interim condensed financial statements were authorised for issue in accordance with approval of the Board of Directors on 9 May 2011.



**Dr. Abdulaziz Al Bader**  
Chairman



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

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