

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

STATEMENT OF FINANCIAL POSITION (US\$)	2010	2009
ASSETS		
Cash and balances with banks	411,444	612,263
Investments	16,677,570	27,669,174
Deferred payment sale receivables	3,680,203	3,680,203
Investment properties	20,020,445	27,571,404
Other assets	1,594,222	7,624,912
Property and equipment	3,843,948	7,098,715
TOTAL ASSETS	46,227,832	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	465,184	449,051
Total liabilities	7,364,450	7,348,317
Equity		
Share capital	80,000,000	80,000,000
Statutory reserve	7,409,515	7,409,515
Investments fair value reserve	2,644,604	3,411,701
Accumulated losses	(51,190,737)	(23,912,862)
Total equity	38,863,382	66,908,354
TOTAL LIABILITIES AND EQUITY	46,227,832	74,256,671
Restricted investment accounts	16,424,155	16,228,225

STATEMENT OF INCOME (US\$)	2010	2009
Income/(Loss) from trading investments	5,902	(20,651)
Income from available-for-sale investments	291,792	16,965
Fair value loss on trading investments	(3,402,560)	(69,453)
Income from Mudaraba investment	-	63,680
Other income	793,613	426,733
Total net (loss)/income	(2,311,253)	417,274
Staff cost	1,123,068	1,340,145
Administrative and general expenses	612,686	1,414,552
Net provision for impairment	22,089,835	17,771,243
Depreciation	1,141,033	1,108,174
Total expenses	24,966,622	21,634,114
LOSS FOR THE YEAR	(27,277,875)	(21,216,840)

STATEMENT OF CHANGES IN EQUITY (US\$)	Share capital	Statutory reserve	Investments fair value reserve	Accumulated losses	Total
Balance at 1 January 2010	80,000,000	7,409,515	3,411,701	(23,912,862)	66,908,354
Loss for the year	-	-	-	(27,277,875)	(27,277,875)
Fair value loss during the year	-	-	(767,097)	-	(767,097)
Balance as at 31 December 2010	80,000,000	7,409,515	2,644,604	(51,190,737)	38,863,382
Balance at 1 January 2009	80,000,000	7,409,515	2,959,559	(2,696,022)	87,673,052
Loss for the year	-	-	-	(21,216,840)	(21,216,840)
Fair value gain during the year	-	-	452,142	-	452,142
Balance as at 31 December 2009	80,000,000	7,409,515	3,411,701	(23,912,862)	66,908,354

STATEMENT OF CASH FLOWS (US\$)	2010	2009
OPERATING ACTIVITIES		
Loss for the year	(27,277,875)	(21,216,840)
Adjustments for:		
Depreciation	1,141,033	1,108,174
(Gain)/Loss on disposal of property and equipment	(2,035)	3,846
Net provision for impairment	22,089,835	17,771,243
Gain on disposal of available for sale investments	(291,792)	(6,531)
Fair value loss on trading investments	3,402,560	69,453
Loss on disposal of trading investments	-	46,355
Operating loss before changes in operating assets and liabilities:	(938,274)	(2,224,300)
Changes in operating assets and liabilities:		
Other assets	158,212	550,465
Other liabilities	16,133	5,402
Net cash (used in) operating activities	(763,929)	(1,668,433)
INVESTING ACTIVITIES		
Purchase of trading investments	-	(57,285)
Proceeds from disposal of trading investments	-	68,645
Purchase of available for sale investments	-	(492,461)
Proceeds from disposal of available for sale investments	560,590	145,897
Purchase of property and equipment	-	49,995
Proceeds from disposal of property and equipment	2,520	8,721
Net cash from / (used in) investing activities	563,110	(276,488)
DECREASE IN CASH AND CASH EQUIVALENTS	(200,819)	(1,944,921)
Cash and cash equivalents at beginning of the year	612,263	2,557,184
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	411,444	612,263

The financial statements were extracted from the audited financial statements on which Ernst & Young issued an unqualified opinion dated 22 February 2011.

The financial statement were authorised for issue in accordance with approval of the Board of Directors on 22 February 2011.



Dr. Abdulaziz Al Bader
Chairman



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

For Full financial information details, please visit our website: www.investorsb.com