



**INTERIM CONSOLIDATED BALANCE SHEET**

At 30 June 2010 (Unaudited)

	Unaudited 30 June 2010 US\$ '000	Audited 31 December 2009 US\$ '000
<b>ASSETS</b>		
Cash and bank balances	4,881	1,142
Available-for-sale investments	345,662	368,911
Murabaha receivables	485,070	470,413
Ijarah	451,180	471,118
Ijarah receivables	935	879
Musharaka financing	1,449	2,144
Mudaraba	823	888
Equipment	301	367
Other assets	2,654	2,540
<b>TOTAL ASSETS</b>	<b>1,292,955</b>	<b>1,318,402</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Murabaha payables	1,113,563	1,133,479
Other liabilities	7,898	8,388
	<b>1,121,461</b>	<b>1,141,867</b>
<b>Equity</b>		
Share capital	132,500	132,500
Retained earnings and reserves	38,994	44,035
	<b>171,494</b>	<b>176,535</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,292,955</b>	<b>1,318,402</b>

**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the six-month period ended 30 June 2010 (Unaudited)

	Three months ended		Six months ended	
	30 June 2010 US\$ '000	30 June 2009 US\$ '000	30 June 2010 US\$ '000	30 June 2009 US\$ '000
Income from available-for-sale investments	2,083	3,248	4,345	7,020
Income from Murabaha receivables	2,286	4,263	4,201	10,900
Income from Musharaka financing	34	53	73	113
Ijarah income - net	2,092	3,002	4,121	6,256
	<b>6,495</b>	<b>10,566</b>	<b>12,740</b>	<b>24,289</b>
Profit on Murabaha payables	(2,604)	(5,984)	(5,230)	(13,063)
	<b>3,891</b>	<b>4,582</b>	<b>7,510</b>	<b>11,226</b>
Fees and commission income	183	55	428	315
<b>Total income</b>	<b>4,074</b>	<b>4,637</b>	<b>7,938</b>	<b>11,541</b>
Staff costs	1,064	1,136	2,006	1,935
Depreciation	33	9	66	19
Other expenses	501	467	970	985
<b>Total expenses</b>	<b>1,598</b>	<b>1,612</b>	<b>3,042</b>	<b>2,939</b>
<b>PROFIT BEFORE PROVISIONS</b>	<b>2,476</b>	<b>3,025</b>	<b>4,896</b>	<b>8,602</b>
Provision for impaired assets	(2,864)	(2,000)	(3,489)	(2,000)
<b>(LOSS) PROFIT FOR THE PERIOD</b>	<b>(388)</b>	<b>1,025</b>	<b>1,407</b>	<b>6,602</b>

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six-month period ended 30 June 2010 (Unaudited)

	30 June 2010 US\$ '000	30 June 2009 US\$ '000
<b>OPERATING ACTIVITIES</b>		
Profit for the period	1,407	6,602
Adjustments for non-cash items:		
Provision for impaired assets	3,489	2,000
Depreciation	66	19
	<b>4,962</b>	<b>8,621</b>
Changes in:		
Murabaha receivables	(14,657)	119,772
Ijarah	19,938	(34,497)
Ijarah receivables	(56)	554
Musharaka financing	695	750
Mudaraba	65	(108)
Other assets	(114)	1,092
Murabaha payables	(19,916)	(85,190)
Other liabilities	(490)	(1,613)
Net cash (used in) from operating activities	<b>(9,573)</b>	<b>9,381</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of available-for-sale investments	(17,938)	(20,557)
Sale and redemption of available-for-sale investments	31,250	11,250
Purchase of equipment	-	(8)
Net cash from (used in) investing activities	<b>13,312</b>	<b>(9,315)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
	<b>3,739</b>	<b>66</b>
Cash and cash equivalents at 1 January	1,142	410
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>4,881</b>	<b>476</b>

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2010 (Unaudited)

	Reserves				
	Share capital US\$ '000	Statutory reserve US\$ '000	Available-for-sale reserve US\$ '000	Retained earnings US\$ '000	Total equity US\$ '000
Balance at 1 January 2010	132,500	13,010	(40,599)	71,624	176,535
Cumulative changes in fair values	-	-	(6,448)	-	(6,448)
Profit for the period	-	-	-	1,407	1,407
Net income recognised during the period	-	-	(6,448)	1,407	(5,041)
<b>Balance at 30 June 2010</b>	<b>132,500</b>	<b>13,010</b>	<b>(47,047)</b>	<b>73,031</b>	<b>171,494</b>
Balance at 1 January 2009	132,500	11,999	(53,976)	62,521	153,044
Cumulative changes in fair values	-	-	(8,631)	-	(8,631)
profit for the period	-	-	-	6,602	6,602
Net income recognised during the period	-	-	(8,631)	6,602	(2,029)
Balance at 30 June 2009	132,500	11,999	(62,607)	69,123	151,015

The above Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity have been extracted from the Interim condensed Consolidated Financial Statements of ABC Islamic Bank (E.C.) for the period ended 30 June 2010, reviewed by Ernst & Young, Kingdom of Bahrain.