STATEMENT OF INCOME
For the year ended 31 December 2010

	2010 US$	2009 US$
Profit on Murabaha receivables	**2,380,653**	2,068,163
Profit from Istisna'a contract	**1,868,664**	471,611
Profit on Mudaraba investments	**122,188**	57,690
Profit on balance due from bank	**150,694**	-
Share of results of associate and joint venture	**506,079**	-
Gain on acquisition of joint venture	**1,638,011**	-
Other income	**3,256**	-
	6,669,545	2,597,464
Profit on Murabaha payables	**-**	(9,777)
	6,669,545	2,587,687
Fee and commission income	**246,750**	411,878
	6,916,295	2,999,565
Staff costs	**5,453,846**	5,164,869
General and administration expenses	**1,300,622**	1,999,366
Depreciation	**365,251**	300,737
	7,119,719	7,464,972
LOSS FOR THE YEAR	**(203,424)**	(4,465,407)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	2010 US$	2009 US$
ASSETS		
Bank balances	**966,486**	5,998,355
Due from bank	**10,016,041**	-
Murabaha receivables	**70,320,608**	97,707,377
Istisna'a contract	**16,497,685**	8,192,868
Mudaraba investment	**-**	5,000,000
Investments in associate and joint venture	**47,368,883**	-
Equipment	**796,308**	1,115,913
Other assets	**437,288**	220,676
TOTAL ASSETS	**146,403,299**	118,235,189
LIABILITIES AND EQUITY		
Liabilities		
Other liabilities	**1,594,308**	213,640
Total liabilities	**1,594,308**	213,640
Equity		
Share capital	**151,525,199**	125,000,000
Statutory reserve	**91,612**	91,612
Accumulated losses	**(7,273,487)**	(7,070,063)
Foreign currency translation reserve	**465,667**	-
Total equity	**144,808,991**	118,021,549
TOTAL LIABILITIES AND EQUITY	**146,403,299**	118,235,189

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2010

	Share capital US$	Statutory reserve US$	Accumulated losses US$	Foreign currency translation reserve US$	Total US$
At 1 January 2010	125,000,000	91,612	(7,070,063)	-	118,021,549
Issue of shares	26,525,199	-	-	-	26,525,199
Foreign currency translation adjustment	-	-	-	465,667	465,667
Net loss for the year	-	-	(203,424)	-	(203,424)
At 31 December 2010	**151,525,199**	**91,612**	**(7,273,487)**	**465,667**	**144,808,991**
At 1 January 2009	12,500,000	91,612	(2,604,656)	-	9,986,956
Issue of shares	112,500,000	-	-	-	112,500,000
Net loss for the year	-	-	(4,465,407)	-	(4,465,407)
At 31 December 2009	125,000,000	91,612	(7,070,063)	-	118,021,549

STATEMENT OF CASH FLOWS
For the year ended 31 December 2010

	2010 US$	2009 US$
OPERATING ACTIVITIES		
Loss for the year	**(203,424)**	(4,465,407)
Adjustments:		
Depreciation	**365,251**	300,737
Share of results of associate and joint venture	**(506,079)**	-
Gain on acquisition of joint venture	**(1,638,011)**	-
	(1,982,263)	(4,164,670)
Changes in:		
Murabaha receivables with original maturity of more than 90 Days	**(17,499,691)**	(4,180,278)
Istisna'a contract	**(8,304,817)**	(8,192,868)
Other assets	**(216,612)**	(25,918)
Murabaha payables	**-**	(441,667)
Other liabilities	**1,380,668**	(31,713)
Net cash used in operating activities	**(26,622,715)**	(17,037,114)
INVESTING ACTIVITIES		
Mudaraba investment	**5,000,000**	(3,911,312)
Purchase of equipment	**(45,646)**	(399,213)
Acquisition of associate	**(20,122,353)**	-
Dividend from an associate	**1,888,426**	-
Net cash used in investing activities	**(13,279,573)**	(4,310,525)
FINANCING ACTIVITY		
Proceeds from issue of share capital	**-**	112,500,000
Net cash from financing activity	**-**	112,500,000
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**(39,902,288)**	91,152,361
Cash and cash equivalents at 1st January	**99,525,454**	8,373,093
CASH AND CASH EQUIVALENTS at 31st DECEMBER	**59,623,166**	99,525,454
Cash and cash equivalents comprise of the following amounts:		
Bank balances	**966,486**	5,998,355
Due from bank	**10,016,041**	-
Murabaha receivables with original maturity of 90 days or less	**48,640,639**	93,527,099
	59,623,166	99,525,454
Non-cash financing activity		
Acquisition of joint venture by issuing share capital	**26,525,199**	-

CAPINNOVA
Investment Bank

A. Karim Bucheery
Chairman

These financial statements were extracted from the financial statements on which Ernst and Young issued an unqualified Audit report dated 9th February 2011.

Jamal Hijres
CEO