

Capital Management House B.S.C.(c)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

30 JUNE 2011 (UNAUDITED)

REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF CAPITAL MANAGEMENT HOUSE B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Capital Management House B.S.C.(c) ('the Bank') and its subsidiaries (together "the Group") as at 30 June 2011, comprising of the interim condensed consolidated statement of financial position as at 30 June 2011 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 3. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting policies as set out in note 3.



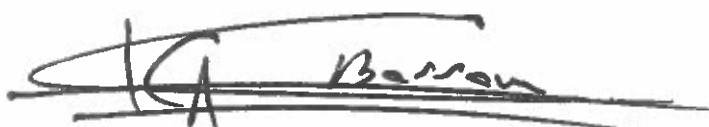
10 August 2011
Manama, Kingdom of Bahrain

Capital Management House B.S.C.(c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011 (Unaudited)

	Notes	Unaudited 30 June 2011 USD'000	Audited 31 December 2010 USD'000 Restated
ASSETS			
Cash and bank balances		1,292	894
Due from financial institutions	4	16,850	37,006
Investments	5	108,988	115,034
Non-current assets held for sale		1,326	1,614
Fixed assets		1,086	1,337
Other assets		1,020	961
TOTAL ASSETS		130,562	156,846
LIABILITIES AND EQUITY			
Liabilities			
Due to financial institutions	6	17,350	39,258
Customers' current account		656	34
Other liabilities		399	944
Total liabilities		18,405	40,236
Equity			
Share capital		100,568	100,568
Share premium		17,912	17,912
Reserves		(6,323)	(1,870)
Total equity		112,157	116,610
TOTAL LIABILITIES AND EQUITY		130,562	156,846
RESTRICTED INVESTMENT ACCOUNTS	13	114,948	103,486
COMMITMENTS AND CONTINGENT LIABILITIES	8	13,179	13,324



Khalid Abdulla Al Bassam
Chairman



Khalid Mohamed Najibi
Managing Director

Capital Management House B.S.C.(c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six months period ended 30 June 2011 (Unaudited)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>	<i>USD'000</i>
INCOME				
Income from Islamic financing contracts	97	197	238	297
Income from investments	519	476	1,092	1,101
(Loss) / gain on sale of investments	-	(564)	46	(150)
Investment banking fees	446	2	1,361	4
Foreign exchange gain	88	84	67	72
Total income	1,150	195	2,804	1,324
EXPENSES				
Profit payable on Islamic financing contracts	74	99	171	173
Staff costs	643	704	1,315	1,391
General and administrative and project expenses	627	645	1,298	1,221
Total expenses	1,344	1,448	2,784	2,785
(NET LOSS) / PROFIT FOR THE PERIOD BEFORE FAIR VALUE ADJUSTMENTS AND PROVISIONS	(194)	(1,253)	20	(1,461)
Fair value loss on investment designated as fair value through statement of income	(743)	-	(3,743)	-
Impairment and collective provisions	(916)	(1,096)	(2,099)	(1,096)
NET LOSS FOR THE PERIOD AFTER PROVISIONS	(1,853)	(2,349)	(5,822)	(2,557)

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements

Capital Management House B.S.C.(c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2011 (Unaudited)

	<i>Unaudited</i>	
	<i>Six months ended</i>	
	30 June	30 June
	2011	2010
	USD'000	USD'000
OPERATING ACTIVITIES		
Loss for the period	(5,822)	(2,557)
Adjustments for:		
Depreciation and amortisation	270	277
Amortisation of held to maturity investments	(95)	-
Fair value loss on investments designated at fair value through statement of income	3,743	1,096
Impairment provisions	2,099	-
(Gain) / loss on sale of investments	(46)	150
Share grant reserve	75	125
Operating profit / (loss) before changes in operating assets and liabilities	224	(909)
Working capital adjustments:		
Due from financial institutions with original maturities of more than 90 days	-	(2,806)
Other assets	(59)	195
Due to financial institutions	(21,908)	15,466
Due to non financial institutions	622	700
Other liabilities	(616)	(280)
Net cash flows (used in) / from operating activities	(21,737)	12,366
INVESTING ACTIVITIES		
Proceeds from investments	20,558	17,420
Purchase of investments	(18,560)	(14,637)
Net movement in fixed assets	(19)	(7)
Net cash flows from investing activities	1,979	2,776
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(19,758)	15,142
Cash and cash equivalents 1 January	37,400	12,365
CASH AND CASH EQUIVALENTS AT 30 JUNE	17,642	27,507
Cash and cash equivalents comprise of:		
Cash and bank balances	1,292	2,246
Due from financial institutions with original maturities of less than 90 days	16,350	25,261
	17,642	27,507

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements

Capital Management House B.S.C.(c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2011 (Unaudited)

	Reserves							Total Equity USD'000		
	Share capital USD'000	Treasury and unallocated shares under MIP USD'000	Share premium USD'000	Statutory reserve USD'000	General reserves USD'000	Cumulative changes in fair value reserve USD'000	Retained earnings USD'000		Share grant reserve USD'000	Total reserve USD'000
Balance at 1 January 2011	105,000	(4,432)	17,912	2,180	563	3,978	(8,962)	371	(1,870)	116,610
Changes due to adoption of FAS 25	-	-	-	-	-	65	(5)	-	60	60
Balance at 1 January 2011 after FAS 25	105,000	(4,432)	17,912	2,180	563	4,043	(8,967)	371	(1,810)	116,670
Net loss for the period	-	-	-	-	-	-	(5,822)	-	(5,822)	(5,822)
Share grant vesting charge (FY 2011) (note 9)	-	-	-	-	-	-	-	75	75	75
Transfer to Zakat fund	-	-	-	-	-	-	(71)	-	(71)	(71)
Fair value gain on investment designated as fair value through equity	-	-	-	-	-	1,305	-	-	1,305	1,305
Balance at 30 June 2011	105,000	(4,432)	17,912	2,180	563	5,348	(14,860)	446	(6,323)	112,157

	Reserves							Total Equity USD'000		
	Share capital USD'000	Treasury and unallocated shares under MIP USD'000	Share premium USD'000	Statutory reserve USD'000	General reserves USD'000	Cumulative changes in fair value reserve USD'000	Retained earnings USD'000		Share grant reserve USD'000	Total reserve USD'000
Balance at 1 January 2010	100,000	-	17,579	2,179	563	1,467	629	1,061	5,899	123,478
Fair value gain on investment designated as fair value through equity	-	-	-	-	-	667	-	-	667	667
Net loss for the period	-	-	-	-	-	-	(2,557)	-	(2,557)	(2,557)
Share grant vesting charge (FY 2010)	-	-	-	-	-	-	-	125	125	125
Balance at 30 June 2010	100,000	-	17,579	2,179	563	2,134	(1,928)	1,186	4,134	121,713

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements

1 INCORPORATION AND ACTIVITIES

Capital Management House B.S.C.(c) ("the Bank") was incorporated in the Kingdom of Bahrain in accordance with and subject to the provisions of the Bahrain Commercial Companies Law, Decree no (21) of 2001 and its Implementation Regulations issued as per Ministerial Order No (6) of 2002 and registered with the Ministry of Industry and Commerce under Commercial Registration (CR) number 61045 on 15 May 2006. Until 7 October 2009 the Bank operated under an Investment Firm (Category I) License issued by the Central Bank of Bahrain ("CBB") and from 7 October 2009 CBB has upgraded its license to a "Wholesale Islamic Bank". The Bank's registered office is at Office 81, Building B1, Road 365, Block 316, Bahrain World Trade Center, Manama Center, Kingdom of Bahrain. The principle activities of the Bank includes:

- Short term investments;
- Capital market: Sukuk securities, equity linked offering, initial public offering and rights issues;
- Advisory services: Mergers and acquisitions, private placement, divestitures and real estate developments;
- Asset management; and
- Islamic deposit products and unrestricted accounts to customers.

The activities of the Bank and its wholly owned subsidiaries (together the "Group") are to carry out operations in accordance with the teachings of Islam (Shari'ah). The Group's Shari'ah Supervisory Board is entrusted to ensure the Group's adherence to Shari'ah Rules and Principles in its transactions and activities.

Approval of financial statements

The interim condensed consolidated financial statements for the six months period ended 30 June 2011 were authorised for issue in accordance with a resolution of the Board of Directors on 10 August 2011.

Recent developments in the Middle East and North Africa ("MENA") region

The Group operates and undertakes business in several countries of the MENA region in which social and political unrest has occurred during the period. The Group's exposure is mainly in the Gulf Cooperation Council ("GCC") where the circumstances have greatly stabilised. In the MENA region the Group has "NIL" exposure in Egypt, Yemen and Syria where the unrest is continuing.

However, the Group has invested in entities which have undertaken significant business activity in Libya, which has been subjected to civil unrest and military activity during the period. The operations of these investee companies within Libya have been suspended and an asset protection program has been implemented. The Board of Directors is optimistic that, as events stabilise, the Group will be able to recover and re-establish profitable operations in Libya. In the meanwhile appropriate fair value adjustments against these investments have been recorded in the interim condensed consolidated financial statements.

During the six month period ended 30 June 2011, the United Nations Security Council called upon member states to impose economic sanctions on a number of Libyan or Libyan related individuals and entities, including Central Bank of Libya, The Group has no relationship to any of these entities to whom the sanctions apply.

At the time of approval of these interim condensed consolidated financial statements, the Board of Directors are satisfied with the liquidity position of the Group and the Group has liquid resources to enable to meet its obligations for the foreseeable future, including the prospective flow of new businesses.

2 INVESTMENTS IN SUBSIDIARY

As at 30 June 2011, the Group had the following subsidiaries:

<i>Name</i>	<i>Activities/Status</i>	<i>Year of incorporation</i>	<i>Country of incorporation</i>	<i>Ownership %</i>
Tamkeen Investment Company B.S.C. (c)	Subsidiary to administer Management Incentive Program ("MIP")	2008	Kingdom of Bahrain	100
Suffun Bahrain W.L.L. ("Suffun")	Special purpose vehicle ("SPV") for investment in Skaugen Gulf Petchem Carriers B.S.C.	2010	Kingdom of Bahrain	100
Suffun Investment company ("Suffun 1")	SPV for down sell of interest in Suffun	2010	Kingdom of Bahrain	100
GCC Balanced Growth Fund Company B.S.C.(c) ("GCC fund")	SPV for GCC Balanced Growth Fund	2010	Kingdom of Bahrain	100

As at 30 June 2011, the above subsidiaries are operational and have been consolidated or accounted for as "Non current assets held for sale".

3 BASIS OF PREPARATION AND ACCOUNTING POLICIES**Basis of preparation**

The interim condensed consolidated financial statements for the six months period ended 30 June 2011 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2010. In addition, results for the six months period ended 30 June 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2010, which were prepared in accordance with Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organization for Islamic Financial Institutions (the "AAOIFI"), the Shari'ah Rules and Principles, the Bahrain Commercial Companies Law, CBB and Financial Institutions Law. For matters which are not covered by AAOIFI standards, including "Interim Financial Reporting", the Group uses relevant International Financial Reporting Standards ("IFRS").

New and Amended Financial Accounting Standard and Framework

During 2010, AAOIFI amended its conceptual framework and issued a new FAS-25 "Investments in Sukuk, Shares and Similar Instruments", which are effective from 1 January 2011.

Statement of Financial Accounting No.1: Conceptual Framework for the Financial Reporting By Islamic Financial Institutions

The amended conceptual frame work provides the basis for the financial accounting standards issued by AAOIFI. The amended framework introduces the concept of substance and form compared to the concept of form over substance. The framework state that it is necessary that information, transaction and other events are accounted for and presented in accordance with its substance and economic reality as well as the legal form.

3 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

Adoption of FAS 25 - "Investment in Sukuk, Shares and Similar Instruments".

The Group has adopted FAS 25 issued by AAOIFI which covers the recognition, measurement, presentation and disclosure of investment in Sukuk, Shares and Similar investments that exhibit characteristics of debt and equity instruments made by the Islamic financial institutions.

The adoption of FAS 25 has an effect on the classification and measurement of the Groups financial assets. As a result of the application of this new standard, the classification of the investment portfolio were revisited and changes if any, were made in accordance with FAS 25. The impact on the opening retained earnings for the 2011 was loss USD 5 thousands (2010 : USD nil).

4 DUE FROM FINANCIAL INSTITUTIONS

	<i>Unaudited</i> 30 June 2011 USD'000	<i>Audited</i> 31 December 2010 USD'000
Commodity Murabaha receivables	2,000	17,752
Mudaraba receivables	16,350	12,755
Wakala receivables	-	7,999
	18,350	38,506
Less: Provision against Commodity Murabaha receivable	(1,500)	(1,500)
	16,850	37,006

5 INVESTMENTS

	<i>Fair value through statement of income</i> USD'000	<i>Amortised cost</i> USD'000	<i>Fair value through equity</i> USD'000	<i>Total</i> USD'000
As at 30 June 2011 (Unaudited)				
Debt type				
<i>Unquoted investments</i>				
Sukuk	-	4,837	-	4,837
Equity type				
<i>Quoted investments</i>				
Equity shares	-	-	9,507	9,507
<i>Unquoted investments</i>				
Equity shares	32,649	-	64,924	97,573
Musharaka	-	-	2,995	2,995
Investment property	5,406	-	-	5,406
	38,055	4,837	77,426	120,318
Impairment provision	-	-	(9,680)	(9,680)
	38,055	4,837	67,746	110,638
Collective provision				(1,650)
				108,988

Capital Management House B.S.C.(c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2011 (Unaudited)

5 INVESTMENTS (continued)

	<i>Fair value through statement of income USD'000</i>	<i>Amortised cost USD'000</i>	<i>Fair value through equity USD'000</i>	<i>Total USD'000</i>
As at 31 December 2010 (audited)				
Debt type				
<i>Unquoted investments</i>				
Sukuk	5,000	8,584	-	13,584
Equity type				
<i>Quoted investments</i>				
Equity shares	-	-	9,332	9,332
<i>Unquoted investments</i>				
Equity shares	29,147	-	63,167	92,314
Musharaka	-	-	3,629	3,629
Investment property	5,406	-	-	5,406
	<u>39,553</u>	<u>8,584</u>	<u>76,128</u>	<u>124,265</u>
Impairment Provisions	-	-	(7,831)	(7,831)
	<u>39,553</u>	<u>8,584</u>	<u>68,297</u>	<u>116,434</u>
Collective provisions				(1,400)
				<u><u>115,034</u></u>

RECLASSIFICATION OF INVESTMENTS

The adoption of FAS 25 with effect from 1 January 2011 resulted in the following adjustment to the carrying value of the investments:

	<i>Before adopting FAS 25</i>			<i>After adopting FAS 25</i>		
	<i>Held to maturity USD'000</i>	<i>Available for sale USD'000</i>	<i>FAS 25 reclassification adjustment USD'000</i>	<i>Fair value through statement of income USD'000</i>	<i>Amortised cost USD'000</i>	<i>Fair value through equity USD'000</i>
Debt type						
Unquoted sukuk	-	5,000	-	5,000	-	-
Quoted sukuks	-	2,971	5	-	3,027	-
	<u>-</u>	<u>7,971</u>	<u>5</u>	<u>5,000</u>	<u>3,027</u>	<u>-</u>

Fair value gain that would have been recognised in the statement of changes in owner equity for the period ended 30 June 2011 had the investments not been reclassified amount to USD 16 thousands (31 December 2010: fair value loss of USD 65 thousands).

6 DUE TO FINANCIAL INSTITUTIONS

	<i>Unaudited 30 June 2011 USD'000</i>	<i>Audited 31 December 2010 USD'000</i>
Murabaha payables	5,350	27,758
Wakala payables	12,000	11,500
	<u><u>17,350</u></u>	<u><u>39,258</u></u>

Capital Management House B.S.C.(c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2011 (Unaudited)

7 EQUITY

	<i>Unaudited</i> 30 June 2011 USD'000	<i>Audited</i> 31 December 2010 USD'000
(i) <i>Share capital</i>		
Authorised 200,000,000 Ordinary shares of USD 1 each	200,000	200,000
<i>Issued and fully paid up</i>		
At beginning of the period / year (105,000,000 Ordinary shares of USD 1 each)	105,000	105,000
<i>Issued during the period</i>	-	-
At end of the period / year (105,000,000 Ordinary shares of USD 1 each)	105,000	105,000
Less: unallocated shares under MIP	(4,432)	(4,432)
	100,568	100,568

The unallocated shares under MIP of 4,431,892 shares has been reduced from "Treasury and unallocated shares under MIP" in the Interim consolidated statement of changes in equity.

8 COMMITMENTS AND CONTINGENT LIABILITIES

Credit related commitments

These include commitments to enter into financing contracts which are designed to meet the requirements of the Group's customers.

Commitments represent contractual commitments under Murabaha receivables. Commitments generally have fixed expiration dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash flow requirements.

The Group has the following credit related commitments:

	<i>Unaudited</i> 30 June 2011 USD'000	<i>Audited</i> 31 December 2010 USD'000
Uncalled capital commitment to a related party	11,785	11,785
Promise to purchase foreign exchange commitment	478	461
Commitment related to project developments	133	133
	12,396	12,379

The Group has commitments relating to the leasehold improvements, rentals and projects as follows:

	<i>Unaudited</i> 30 June 2011 USD'000	<i>Audited</i> 31 December 2010 USD'000
Within one year	324	324
After one year but not more than five years	459	621
	783	945
Total commitments and contingent liabilities	13,179	13,324

9 MANAGEMENT INCENTIVE PROGRAM

On 27 March 2008, the Group has set up a "Management Incentive Program" (MIP) and has incorporated Tamkeen Investment Company B.S.C.(c) (a wholly owned subsidiary) to administer the program. The shareholders have authorised the issue of 15 million shares (maximum) under this program. The employees under this program are entitled to incentives comprising of cash and equity awards for each financial year based on achievement of performance parameters. The equity awards vest to the benefit of employees subject to the satisfaction of additional service conditions.

During 2009 the Bank issued 5,000,000 shares and transferred 568,108 shares as vested shares to employees applicable to year 2008-2010 out of the total 1,066,241 shares which was awarded during 2008 (vesting period 2008-2012). The balance of 4,431,892 shares are included as "Treasury and unallocated shares under MIP) in the interim condensed consolidated statement of changes in equity.

10 RELATED PARTY TRANSACTIONS

The Group enters into transactions with major shareholders, directors, management and companies of which they are principal owners in the ordinary course of business at commercial rates. All the financing contracts with related parties are performing and are free of any impairment provision.

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>USD'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>USD'000</i>
Assets:		
Cash and bank balances	89	317
Due from financial institutions	-	9,001
Investments	15,672	19,163
Investments with nominee directors	39,621	32,664
Liabilities:		
Due to financial institutions	10,000	21,500
Commitments and contingent liabilities	11,785	11,785

Transactions with related parties included in the interim consolidated statement of income are as follows:

	<i>Unaudited</i> <i>Six months ended</i>	
	<i>30 June</i> <i>2011</i> <i>USD'000</i>	<i>30 June</i> <i>2010</i> <i>USD'000</i>
Income from investment	512	14
Income from Islamic financing contracts	3	-
Investment banking fees	134	-
Gain on sale of investments	1,069	58
Profit payable on Islamic financing contracts	(64)	(82)
General and administrative expenses	(29)	(57)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2011 (Unaudited)

10 RELATED PARTY TRANSACTIONS (continued)

Compensation of the key management personnel is as follows:

	<i>Unaudited</i>	
	<i>Six months ended</i>	
	30 June	30 June
	2011	2010
	USD'000	USD'000
Long term employee benefits	316	125
Short term employee benefits	75	316
	391	441

11 CONCENTRATIONS OF ASSETS, LIABILITIES, AND COMMITMENTS AND CONTINGENT LIABILITIES

The distribution by geographic region and industry sector was as follows:

	<i>Assets</i>		<i>Liabilities</i>		<i>Commitments and contingent liabilities</i>	
	<i>USD '000</i>		<i>USD '000</i>		<i>USD '000</i>	
	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>
	30 June	31 December	30 June	31 December	30 June	31 December
	2011	2010	2011	2010	2011	2010
Geographical region						
North America	1,069	704	-	-	-	-
Europe	10,250	8,218	-	7,758	478	461
GCC and Middle East	103,915	128,794	18,377	32,474	12,322	12,484
Africa	15,327	19,129	28	4	379	379
Asia	1	1	-	-	-	-
	130,562	156,846	18,405	40,236	13,179	13,324
Industry sector						
Trading and manufacturing	15,038	22,145	28	4	379	379
Banks and financial institutions	47,107	67,983	17,388	39,977	478	461
Real Estate	33,855	42,124	-	-	-	-
Others	34,562	24,594	989	255	12,322	12,484
	130,562	156,846	18,405	40,236	13,179	13,324

Exposures to banks and non banks which exceeds 15% of the Bank's Regulatory Capital is USD 34,930 thousand (31 December 2010 USD 19,640 thousand).

Capital Management House B.S.C.(c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2011 (Unaudited)

12 SEGMENT INFORMATION

Primary Segment Information

The activities of the Group are performed on an integrated basis and for management purposes, the group is organized into four business segments:

Venture and private equity: Principally the Bank's proprietary portfolio and serving clients with a range of Venture and Private Equity Investments. These investments are primarily held for medium to long term and producing capital gains on exits.

Asset Backed investment: Principally the Bank's proprietary portfolio and serving clients with a range of Investments which are Asset Backed. These investments are primarily held for medium to long term and producing both recurring income during the period of investments and capital gains on exits.

Real Estate: Principally the Bank's proprietary portfolio and serving clients with a range of Investments which have Real Estate as underlying assets. These investments are primarily held for medium to long term and producing both recurring income during the period of investments and Capital gains on exits. However quoted Sukuks which are real estate backed are excluded from this segment.

Banking: Principally managing Shari'a compliant profit sharing investment accounts, Shari'a compliant financing contracts, quoted securities and sukuks which are liquid. These investment are managed as part of treasury management with primary focus on liquidity. These investments are primarily held for short term and producing both recurring income during the period of investments and marginal capital gains on exits of Sukuks.

Segment	<i>Venture capital and private equity USD'000</i>	<i>Asset backed investments USD'000</i>	<i>Real estate USD'000</i>	<i>Banking USD'000</i>	<i>Others USD'000</i>	<i>Total USD'000</i>
At 30 June 2011						
Segment Income	-	1,998	48	758	-	2,804
Segment Expenses:						
Profit payable	-	(24)	-	(147)	-	(171)
Allocated operating expenses	(663)	(592)	(559)	(529)	-	(2,343)
Unallocated expenses	-	-	-	-	(270)	(270)
Impairment and collective provisions	(4,909)	(933)	-	-	-	(5,842)
Total Segment Expenses	(5,572)	(1,549)	(559)	(676)	(270)	(8,626)
Segment results	(5,572)	449	(511)	82	(270)	(5,822)
Segment assets	36,591	32,671	30,828	29,194	1,278	130,562
Segment Liabilities and share capital	592	-	-	17,360	112,610	130,562

Capital Management House B.S.C.(c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2011 (Unaudited)

12 SEGMENT INFORMATION (continued)

<i>Segment</i>	<i>Venture capital and private equity USD'000</i>	<i>Asset backed investments USD'000</i>	<i>Real estate USD'000</i>	<i>Banking USD'000</i>	<i>Others USD'000</i>	<i>Total USD'000</i>
At 30 June 2010						
Segment Income	58	213	189	864	-	1,324
Segment Expenses:						
Profit payable	-	(45)	-	(128)	-	(173)
Allocated operating expenses	(632)	(367)	(561)	(775)	-	(2,335)
Unallocated expenses	-	-	-	-	(277)	(277)
Impairment and collective provisions	-	-	-	(1,096)	-	(1,096)
Total Segment Expenses	(632)	(412)	(561)	(1,999)	(277)	(3,881)
Segment results	(574)	(199)	(372)	(1,135)	(277)	(2,557)
Segment assets	43,242	25,140	38,390	53,051	1,896	161,719
Segment Liabilities and share capital	-	-	-	38,525	123,194	161,719

13 RESTRICTED INVESTMENT ACCOUNT

	<i>Units of Restricted Investment Portfolio</i>					<i>Total</i> USD '000
	<i>Cash</i>	<i>Marketable equity securities portfolio</i>	<i>Unlisted securities portfolio</i>	<i>Real estate portfolio</i>	<i>Sukuks portfolio</i>	
	USD '000	USD '000	USD '000	USD '000	USD '000	
Investment at 1 January 2011	1,934	3,273	53,556	42,725	1,998	103,486
Deposits and issues	11,580	-	13,080	-	-	24,660
Repurchased investment units and withdrawal	(12,858)	(10)	-	-	(25)	(12,893)
Investment profit (losses)	-	1	-	-	25	26
Administrative expenditures	-	4	-	-	-	4
Bank's fees as an agent	-	5	-	-	-	5
Fair valuation and FX Revaluation	-	(703)	363	-	-	(340)
Investment at 30 June 2011	656	2,570	66,999	42,725	1,998	114,948
Investment at 1 January 2010	464	3,884	51,680	42,725	1,998	100,751
Deposits and issues	1,470	2,293	2,250	-	-	6,013
Repurchased investment units and withdrawal	-	(1,246)	-	-	(51)	(1,297)
Investment profit (losses)	-	121	-	-	51	172
Administrative expenditures	-	7	-	-	-	7
Bank's fees as an agent	-	-	-	-	-	-
Fair valuation and FX Revaluation	-	(1,786)	(374)	-	-	(2,160)
Investment at 31 December 2010	1,934	3,273	53,556	42,725	1,998	103,486

The unquoted investments are stated at cost and quoted investments are stated at realisable value.

14 COMPARATIVE FIGURES

Certain of the prior period figures have been reclassified to conform to the presentation adopted in the current period. Such reclassification has not affected the net income, loss, total assets, total liabilities and equity of the Group as previously reported.