

## INTERIM CONDENSED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2016

### INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	(Unaudited) March 31, 2016 US\$	December 31, 2015 US\$
<b>ASSETS</b>		
Cash and balances with banks	799,558	3,107,075
Due from a financial institution	1,459,858	-
Equity Investments	3,299,133	3,738,763
Deferred payment sale receivable	3,680,203	3,680,203
Investment in real estate	24,265,592	24,265,592
Other assets	940,142	954,129
Fixed assets	35,436	41,350
<b>Total Assets</b>	<b>34,479,922</b>	<b>35,787,112</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
Payable against lease commitment	2,387,268	3,580,902
Other liabilities	290,807	262,302
<b>Total liabilities</b>	<b>9,577,341</b>	<b>10,742,470</b>
<b>Equity</b>		
Share capital	80,000,000	80,000,000
Statutory reserve	7,561,420	7,561,420
Investments fair value reserve	478,465	909,705
Properties fair value reserve	657,476	657,476
Accumulated losses	(63,794,780)	(64,083,959)
<b>Total equity</b>	<b>24,902,581</b>	<b>25,044,642</b>
<b>Total Liabilities and Equity</b>	<b>34,479,922</b>	<b>35,787,112</b>
<b>OFF-BALANCE SHEET ITEMS:</b>		
Equity of investment accountholders	-	-

### INTERIM STATEMENT OF INCOME

FOR THE PERIOD ENDED MARCH 31, 2016

(Unaudited)  
Three Months period ended

	2016 US\$	2015 US\$
<b>Revenues</b>		
Rental income from investments in real estate	462,239	394,245
Fair value loss on investments at fair value through statement of income, net	(1,273)	(20,889)
Other income, net	6,591	12,286
<b>Operating income</b>	<b>467,557</b>	<b>385,642</b>
<b>Expenses</b>		
Staff cost	(22,212)	(101,739)
Administrative and general expenses	(143,135)	(126,929)
Depreciation	(5,914)	(6,422)
<b>Operating expenses</b>	<b>(171,261)</b>	<b>(235,090)</b>
<b>Net income before provision and impairment</b>	<b>296,296</b>	<b>150,552</b>
Provision for lease commitment	-	(293,420)
Provision for impairment	(7,117)	-
<b>Net profit / (loss) for the period</b>	<b>289,179</b>	<b>(142,868)</b>

### INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2016

(Unaudited)  
Three Months period ended

	31 March 2016 US\$	31 March 2015 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit / (loss) for the period	289,179	(142,868)
Adjustments for non cash items:		
Depreciation	5,914	6,422
Provision for lease commitment	-	293,420
Provision for impairment	7,117	-
Dividend income	(6,197)	(6,197)
Fair value loss on investments at fair value through statement of income	1,273	20,889
<b>Operating profit before changes in operating assets and liabilities</b>	<b>297,286</b>	<b>171,666</b>
Working capital adjustments:		
Decrease in other assets	20,184	15,361
Increase in other liabilities	28,505	117,894
<b>Net cash from operations</b>	<b>345,975</b>	<b>304,921</b>
Payment of lease commitments	(1,193,634)	-
<b>Net cash (used in) / from operating activities</b>	<b>(847,659)</b>	<b>304,921</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY:</b>		
Dividend received	-	6,197
<b>Net cash from investing activity</b>	<b>-</b>	<b>6,197</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(847,659)</b>	<b>311,118</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>3,107,075</b>	<b>4,120,830</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,259,416</b>	<b>4,431,948</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and balances with banks	799,558	1,778,662
Due from a financial institution with original maturity of ninety days or less	1,459,858	2,653,286
<b>Total</b>	<b>2,259,416</b>	<b>4,431,948</b>

### INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY FOR THE PERIOD ENDED MARCH 31, 2016 (Unaudited)

	Share capital US\$	Statutory reserve US\$	Investments fair value reserve US\$	Properties fair value reserve US\$	Accumulated losses US\$	Total US\$
Balance as at January 1, 2016 (Audited)	80,000,000	7,561,420	909,705	657,476	(64,083,959)	25,044,642
Net profit for the period	-	-	-	-	289,179	289,179
Other comprehensive loss for the period	-	-	(431,240)	-	-	(431,240)
<b>Balance as at March 31, 2016 (Unaudited)</b>	<b>80,000,000</b>	<b>7,561,420</b>	<b>478,465</b>	<b>657,476</b>	<b>(63,794,780)</b>	<b>24,902,581</b>
Balance as at January 1, 2015 (Audited)	80,000,000	7,409,515	2,316,221	117,805	(65,451,100)	24,392,441
Net loss for the period	-	-	-	-	(142,868)	(142,868)
Other comprehensive loss for the period	-	-	(382,267)	-	-	(382,267)
<b>Balance as at March 31, 2015 (Unaudited)</b>	<b>80,000,000</b>	<b>7,409,515</b>	<b>1,933,954</b>	<b>117,805</b>	<b>(65,593,968)</b>	<b>23,867,306</b>

These statements were extracted from the interim condensed financial information on which Deloitte & Touche - Middle East issued an unqualified review report dated May 25, 2016.

#### Emphasis of Matter

The interim condensed financial information has been prepared using the going concern assumption, as management is satisfied that the Bank will continue in operation for the foreseeable future. As at March 31, 2016 the Bank's accumulated losses exceeded a significant portion of its share capital. This situation, along with the current lack of adequate capitalization and the Bank's current limited sources of revenue and inability to generate sufficient cash flows from operations, raise significant doubts about its ability to continue as a going concern. Management is of the opinion that the Bank has the ability to develop profitable operations, depending on securing adequate financial resources. There can be no assurance that the Bank will be successful in achieving profitability or raising additional cash to finance operations. The interim condensed financial information do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Bank be unable to continue as a going concern.

The interim condensed financial information was authorised for issue in accordance with approval of the Board of Directors on May 25, 2016.

Mr. Ali Saleh Ayesh Al Rashidi  
Chairman

Mr. Majed Yousef Ahmed Al-Ali  
Director

For Full financial information details, please visit our website: [www.investorsb.com](http://www.investorsb.com)