

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2017**

| | US\$ 000's | |
|--|--------------------------------|----------------------------------|
| | 31 March 2017 (reviewed) | 31 December 2016 (audited) |
| ASSETS | | |
| Cash and balances with banks | 11,208 | 5,151 |
| Placements with financial institutions | 3,013 | 7,902 |
| Financing receivables | 6,792 | 6,915 |
| Receivable from Ijarah investors | 7,635 | 15,185 |
| Investment securities | 163,004 | 158,561 |
| Assets acquired for leasing | 67,430 | 68,602 |
| Investment in real estate | 98,332 | 107,264 |
| Equity-accounted investees | 4,752 | 4,742 |
| Other assets | 16,698 | 13,603 |
| Total assets | 378,864 | 387,925 |
| LIABILITIES | | |
| Placements from financial institutions | 3,001 | 6,503 |
| Financing liabilities | 67,933 | 73,273 |
| Liabilities related to assets acquired for leasing | 51,501 | 52,181 |
| Other liabilities | 14,115 | 13,963 |
| Total liabilities | 136,550 | 145,920 |
| OWNERS' EQUITY | | |
| Share capital | 300,000 | 300,000 |
| Statutory reserve | 676 | 676 |
| Accumulated losses | (65,499) | (66,634) |
| Property fair value reserve | 610 | 610 |
| General reserve | 4,618 | 4,618 |
| Equity attributable to shareholders of Bank | 240,405 | 239,270 |
| Non-controlling interests | 1,909 | 2,735 |
| Total owners' equity | 242,314 | 242,005 |
| Total liabilities and owner's equity | 378,864 | 387,925 |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
for the three months ended 31 March 2017**

| | Equity attributable to shareholders of the Bank | | | | | | | Non-controlling interests | Total | US\$ 000's |
|---|---|-------------------|--------------------|-------------------------------|-----------------------------|-----------------|----------------|---------------------------|----------------|------------|
| | Share capital | Statutory reserve | Accumulated losses | Investment fair value reserve | Property fair value reserve | General reserve | Total | | | |
| 31 March 2017 (reviewed) | | | | | | | | | | |
| Balance at 1 January 2017 | 300,000 | 676 | (66,634) | - | 610 | 4,618 | 239,270 | 2,735 | 242,005 | |
| Profit for the period | - | - | 1,135 | - | - | - | 1,135 | 28 | 1,163 | |
| Total recognised income and expense for the period | - | - | 1,135 | - | - | - | 1,135 | 28 | 1,163 | |
| Non-controlling interests relating to subsidiaries | - | - | - | - | - | - | - | (854) | (854) | |
| Balance at 31 March 2017 | 300,000 | 676 | (65,499) | - | 610 | 4,618 | 240,405 | 1,909 | 242,314 | |

| | Equity attributable to shareholders of the Bank | | | | | | | Non-controlling interests | Total | US\$ 000's |
|---|---|-------------------|--------------------|-------------------------------|-----------------------------|-----------------|----------------|---------------------------|----------------|------------|
| | Share capital | Statutory reserve | Accumulated losses | Investment fair value reserve | Property fair value reserve | General reserve | Total | | | |
| 31 March 2016 (reviewed) | | | | | | | | | | |
| Balance at 1 January 2016 | 300,000 | 676 | (17,249) | (107) | 1,826 | 4,618 | 289,764 | 13,816 | 303,580 | |
| Profit for the period | - | - | 3,010 | - | - | - | 3,010 | 541 | 3,551 | |
| Total recognised income and expense for the period | - | - | 3,010 | - | - | - | 3,010 | 541 | 3,551 | |
| Non-controlling interests relating to subsidiaries | - | - | - | - | - | - | - | - | - | |
| Balance at 31 March 2016 | 300,000 | 676 | (14,239) | (107) | 1,826 | 4,618 | 292,774 | 14,357 | 307,131 | |

**CONDENSED CONSOLIDATED STATEMENT
for the three months ended 31 March 2017**

| | US\$ 000's | |
|--|--|--------------------------------|
| | Three months ended 31 March 2017 (reviewed) | 31 March 2016 (reviewed) |
| INCOME | | |
| Income from investment banking services | 441 | - |
| Income from investment securities | 1,178 | 1,650 |
| Income from assets acquired for leasing, net | 776 | 2,011 |
| Finance income | 173 | 286 |
| Share of profit of equity-accounted investees | 36 | 88 |
| Gain on sale of investment in real estate | 623 | - |
| Other income | 588 | 1,704 |
| Total income | 3,815 | 5,739 |
| EXPENSES | | |
| Staff cost | 1,500 | 1,027 |
| Finance expense on placements and financing liabilities | 187 | 289 |
| Depreciation and amortization | 22 | 52 |
| Other operating expenses | 1,116 | 906 |
| Total operating expenses | 2,825 | 2,274 |
| Profit for the period before fair value changes and impairment allowances | 990 | 3,465 |
| Fair value gain on investment securities, net | 92 | 48 |
| Reversal of impairment allowances for the period | 81 | 38 |
| PROFIT FOR THE PERIOD | 1,163 | 3,551 |
| Attributable to: | | |
| Shareholders of Bank | 1,135 | 3,010 |
| Non-controlling interests | 28 | 541 |
| | 1,163 | 3,551 |



**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

31 March 2017

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the three months ended 31 March 2017**

| | US\$ 000's | |
|--|--|--------------------------------|
| | Three months ended 31 March 2017 (reviewed) | 31 March 2016 (reviewed) |
| OPERATING ACTIVITIES | | |
| Profit for the period | 1,163 | 3,551 |
| Adjustment for: | | |
| Depreciation and amortization | 22 | 52 |
| Fair value loss on investment securities | (92) | (48) |
| Gain on sale of investment securities | (509) | 168 |
| Gain on sale of investment in real estate | (975) | - |
| Other income | - | (692) |
| Impairment allowance | (81) | (38) |
| Share of profit of equity-accounted investees | (10) | (88) |
| Excess legal provision written back | - | (1,598) |
| Net amortisation of premium / (discount) on sukuk | 20 | 32 |
| | (462) | 1,339 |
| Changes in operating assets and liabilities: | | |
| Financing receivables | 203 | 72 |
| Receivables from ijarah investors | 7,550 | - |
| Other assets | (3,115) | (2,225) |
| Other liabilities | 152 | (2,668) |
| Net cash generated from / (used in) operating activities | 4,328 | (3,482) |
| INVESTING ACTIVITIES | | |
| Purchase of investment securities | (53,174) | (38,049) |
| Bank balances (not available for operations) | (5,900) | - |
| Proceeds from sale of investment securities | 49,313 | 39,932 |
| Purchase of investment in real estate | (1,584) | - |
| Proceeds from sale of investment in real estate | 11,491 | - |
| Distribution received from associates | - | 2,503 |
| Assets acquired for leasing | 492 | (508) |
| Net cash generated from investing activities | 638 | 3,878 |
| FINANCING ACTIVITIES | | |
| Placements from financial institutions | (3,477) | 13 |
| Net payment of financing liabilities | (5,365) | (128) |
| Non-controlling interests | (855) | - |
| Net cash used in financing activities | (9,697) | (115) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | (4,731) | 281 |
| Cash and cash equivalents at 1 January | 13,052 | 15,221 |
| CASH AND CASH EQUIVALENTS AT 31 March | 8,321 | 15,502 |
| CASH AND CASH EQUIVALENTS comprise: | | |
| Cash and bank balances | 5,308 | 15,502 |
| Placements with financial institutions (with original maturity of 90 days or less) | 3,013 | - |
| | 8,321 | 15,502 |

The above has been extracted from 31 March condensed consolidated interim financial statements reviewed by KPMG. The financials have been approved by Board of Directors. The condensed consolidated interim financial statements are available on Ibdar website: www.ibdarbank.com