

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

USD 000's

	30 June 2016 (reviewed)	31 December 2015 (restated) (audited)
<b>ASSETS</b>		
Cash and balances with banks	8,302	13,219
Placements with financial institutions	3,001	2,002
Financing receivables	7,076	14,973
Receivable from Ijarah investors	15,424	15,662
Investment securities	188,997	207,105
Assets acquired for leasing	181,531	185,031
Investment in real estate	28,464	30,034
Equity-accounted investees	5,392	12,500
Other assets	10,069	9,029
<b>Total assets</b>	<b>448,256</b>	<b>489,555</b>
<b>LIABILITIES</b>		
Placements from financial institutions	-	4,163
Financing liabilities	35,500	26,221
Liabilities related to assets acquired for leasing	139,701	143,828
Other liabilities	6,803	11,763
<b>Total liabilities</b>	<b>182,004</b>	<b>185,975</b>
<b>OWNERS' EQUITY</b>		
Share capital	300,000	300,000
Statutory reserve	676	676
Accumulated losses	(55,056)	(17,249)
Investments fair value reserve	(107)	(107)
Property fair value reserve	1,826	1,826
General reserve	4,618	4,618
<b>Equity attributable to shareholders of Bank</b>	<b>251,957</b>	<b>289,764</b>
Non-controlling interests	14,295	13,816
<b>Total owners' equity</b>	<b>266,252</b>	<b>303,580</b>
<b>Total liabilities and owner's equity</b>	<b>448,256</b>	<b>489,555</b>

## CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2016

USD 000's

	Six months ended		Three months ended	
	30 June 2016 (reviewed)	30 June 2015 (reviewed) (restated)	30 June 2016 (reviewed)	30 June 2015 (reviewed) (restated)
<b>INCOME</b>				
Income from investment banking services	-	1,737	-	720
Income from investment securities	2,781	4,861	1,131	2,035
Income from assets acquired for leasing, net	3,983	1,685	1,972	1,038
Finance income	102	77	47	77
Share of profit of equity-accounted investees	191	309	103	212
Gain / (loss) on sale of development properties	-	411	-	(14)
Gain on sale of investment in real estate	-	1,225	-	1,225
Excess provision written back	2,068	9	470	9
Other income	714	1,225	377	512
<b>Total income</b>	<b>9,839</b>	<b>11,539</b>	<b>4,100</b>	<b>5,814</b>
<b>EXPENSES</b>				
Staff cost	2,650	2,526	1,578	1,143
Finance expense on placements and financing liabilities	594	540	305	360
Foreign exchange (gains) / losses	(8)	444	-	(91)
Depreciation and amortization	97	81	45	46
Other operating expenses	1,926	3,270	1,057	2,204
<b>Total operating expenses</b>	<b>5,259</b>	<b>6,861</b>	<b>2,985</b>	<b>3,662</b>
<b>Profit for the period before fair value changes and impairment allowances</b>	<b>4,580</b>	<b>4,678</b>	<b>1,115</b>	<b>2,152</b>
Fair value changes on investment securities, net	(948)	(2,408)	(996)	(2,197)
Impairment allowances:				
- Financing receivables	(8,956)	(255)	(8,994)	(86)
- Investment securities	(28,086)	(918)	(28,086)	(918)
- Investment in real estate	(1,216)	-	(1,216)	-
- Equity accounted investees	(2,100)	(1,000)	(2,100)	(1,000)
<b>(LOSS) / PROFIT FOR THE PERIOD</b>	<b>(36,726)</b>	<b>97</b>	<b>(40,277)</b>	<b>(2,049)</b>
Attributable to:				
Shareholders of Bank	(37,807)	(789)	(40,817)	(2,512)
Non-controlling interests	1,081	886	540	463
	<b>(36,726)</b>	<b>97</b>	<b>(40,277)</b>	<b>(2,049)</b>

## Second Quarter 2016



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2016

USD 000's

	Six months ended	
	30 June 2016 (reviewed)	30 June 2015 (reviewed) (restated)
<b>OPERATING ACTIVITIES</b>		
(Loss) / profit for the period	(36,726)	97
Adjustment for:		
Depreciation and amortization	97	81
Fair value changes on investment securities, net	949	2,408
Share of profit of equity-accounted investees	(191)	(309)
Gain on sale of investment securities	(736)	(1,731)
Gain on sale of investment in real estate	-	(1,225)
Proceeds from sale of equipment	(17)	-
Impairment allowance	40,358	2,173
Excess legal provision written back	(1,597)	-
Other income	(207)	-
Amortisation of discount, net	56	125
Operating profit before changes in operating assets and liabilities	1,986	1,619
Changes in operating assets and liabilities:		
Financing receivables	148	6,759
Assets held-for-sale, net	-	(10,603)
Receivables from ijarah investors	-	(3,293)
Ijarah muntahia bittamleek	-	309
Other assets	(1,520)	(26,887)
Other liabilities	(4,122)	935
<b>Net cash used in operating activities</b>	<b>(3,508)</b>	<b>(31,161)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(81,187)	(53,575)
Proceeds from sale of investment securities	71,417	54,687
Proceeds from sale of investment in real estate	-	6,420
Proceeds from sale of development properties	-	834
Proceeds from sale of equipment	17	-
Payments for purchase of equipment	(3)	-
Distribution received from equity-accounted investees	5,461	-
Assets acquired for leasing	(627)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(4,922)</b>	<b>8,366</b>
<b>FINANCING ACTIVITIES</b>		
Placements from financial institutions	(4,163)	8,596
Financing liabilities	9,278	-
Non-controlling interests	-	(914)
Non-controlling interests related to assets acquired for leasing	(603)	1,815
<b>Net cash generated from financing activities</b>	<b>4,512</b>	<b>9,497</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,918)</b>	<b>(13,298)</b>
Cash and cash equivalents at 1 January	15,221	25,992
<b>CASH AND CASH EQUIVALENTS AT 30 June</b>	<b>11,303</b>	<b>12,694</b>
<b>CASH AND CASH EQUIVALENTS comprise:</b>		
Cash and bank balances	8,302	7,895
Placements with financial institutions	3,001	4,799
(with original maturity of 90 days or less)	<b>11,303</b>	<b>12,694</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

for the six months ended 30 June 2016

USD 000's

	Equity attributable to shareholders of Bank							Non-controlling interests	Non-controlling interests relating to assets held-for-sale	Total owners' equity
	Share capital	Share premium	Statutory reserve	Accumulated losses	Investment fair value reserve	Property fair value reserve	General reserve			
30 June 2016 (reviewed)										
Balance at 1 January 2016	300,000	-	676	(15,488)	(107)	1,826	4,618	291,525	12,357	303,977
Prior year adjustments	-	-	-	(1,761)	-	-	-	(1,761)	1,459	(97)
Restated balances as at 1 January 2016	300,000	-	676	(17,249)	(107)	1,826	4,618	289,764	13,816	303,580
(Loss) / profit for the period	-	-	-	(37,807)	-	-	-	(37,807)	1,081	(36,726)
Total recognised income and expense for the period	-	-	-	(37,807)	-	-	-	(37,807)	1,081	(36,726)
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(602)	(602)
<b>Balance at 30 June 2016</b>	<b>300,000</b>	<b>-</b>	<b>676</b>	<b>(55,056)</b>	<b>(107)</b>	<b>1,826</b>	<b>4,618</b>	<b>251,957</b>	<b>14,295</b>	<b>266,252</b>
30 June 2015 (reviewed) (restated)										
Balance at 1 January 2015	300,000	16,385	676	(16,385)	(494)	3,518	4,618	308,318	10,008	318,326
Prior year adjustments	-	-	-	(1,031)	-	-	-	(1,031)	(760)	(1,791)
Restated balances as at 1 January 2015	300,000	16,385	676	(17,416)	(494)	3,518	4,618	307,287	9,248	316,535
(Loss) / Profit for the period	-	-	-	(789)	-	-	-	(789)	886	97
Cumulative changes in fair value	-	-	-	-	-	-	-	97	-	97
Total recognised income and expense for the period	-	-	-	(789)	-	-	-	(789)	886	194
Adjustment of losses	-	(16,385)	-	16,385	-	-	-	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	1,639	1,639
<b>Balance at 30 June 2015</b>	<b>300,000</b>	<b>-</b>	<b>676</b>	<b>(1,820)</b>	<b>(397)</b>	<b>3,518</b>	<b>4,618</b>	<b>306,595</b>	<b>11,773</b>	<b>318,368</b>

<b>FINANCING ACTIVITIES</b>		
Placements from financial institutions	(4,163)	8,596
Financing liabilities	9,278	-
Non-controlling interests	-	(914)
Non-controlling interests related to assets acquired for leasing	(603)	1,815
<b>Net cash generated from financing activities</b>	<b>4,512</b>	<b>9,497</b>
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Cash and cash equivalents at 1 January	15,221	25,992
<b>CASH AND CASH EQUIVALENTS AT 30 June</b>	<b>11,303</b>	<b>12,694</b>

## CASH AND CASH EQUIVALENTS comprise:

Cash and bank balances	8,302	7,895
Placements with financial institutions	3,001	4,799
(with original maturity of 90 days or less)	<b>11,303</b>	<b>12,694</b>

The above has been extracted from 30 June 2016 condensed consolidated interim financial statements reviewed by KPMG. The financials have been approved by Board of Directors.