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INVESTORS BANK B.S.C. (c)
KINGDOM OF BAHRAIN

INTERIM CONDENSED FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2014

INVESTORS BANK B.S.C. (c)
INTERIM CONDENSED FINANCIAL INFORMATION
THREE-MONTH PERIOD ENDED MARCH 31, 2014

CONTENTS

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REVIEW REPORT

To the Board of Directors
Investors Bank B.S.C. (c)
Manama, Kingdom of Bahrain

We have reviewed the accompanying interim statement of financial position of Investors Bank B.S.C. (c), Bahrain (the "Bank") as at March 31, 2014 and the related interim statements of income, cash flows and changes in equity for the three-month period then ended. The Bank's management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the accounting policies discussed in Note 2. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with 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.

Basis for Qualified Conclusion

As discussed in Note 6 to the accompanying interim condensed financial information, the Bank has entered in 2006 into a land lease agreement on behalf of a related party, and has simultaneously entered into a back-to-back agreement with the related party who would be the ultimate lessee of the land and liable to make the lease payments. The related party has defaulted on the lease obligations and no payments have been made to the lessor from February 2009 onwards.

Being the contractual party in the lease agreement, the Bank has booked in 2013 a provision of US$ 2,885,300 representing a portion of the outstanding lease obligations, awaiting the outcome of possible renegotiations of the lease agreement terms with the lessor. In December 2014, the Bank has provided for the total outstanding lease obligations up to 2014 year-end.

The outstanding lease payments as at March 31, 2014 amounted to US$ 6,064,021. Had the Bank provided for the difference of US$ 3,178,721, the accumulated losses and the provision against lease commitments would have each increased by US$ 3,178,721 as at March 31, 2014.

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Qualified Conclusion

Based on our review, except for the matter discussed in the Basis for Qualified Conclusion, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with the accounting policies disclosed in Note 2.

Emphasis of Matter

Without further modifying our conclusion, we draw attention to Note 1 to the interim condensed financial information which indicates that the Bank incurred significant accumulated losses as at March 31, 2014. This situation, along with other matters as set forth in Note 1 to the interim condensed financial information, indicate the existence of a material uncertainty that may cast significant doubt about the Bank's ability to continue as a going concern. The accompanying interim condensed financial information has been prepared assuming that the Bank will continue as a going concern.

Other Matters

1. The interim condensed financial information for the three-month period ended March 31, 2013 and the financial statements for the year ended December 31, 2013 were reviewed and audited, respectively, by another auditor who expressed a qualified conclusion dated May 7, 2013 and an unqualified opinion dated September 2, 2014, respectively.

2. The Bank is not in compliance with certain regulatory requirements as mentioned in Note 1 to the interim condensed financial information.

Manama – Kingdom of Bahrain
May 23, 2015

Deloitte & Touche
Deloitte & Touche - Middle East
Partner Registration No. 184

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

	Notes	(Unaudited) March 31, 2014 US$	December 31, 2013 US$
ASSETS			
Cash and balances with banks		1,318,968	768,919
Due from a financial institution		2,654,250	2,656,499
Equity investments	3	6,406,870	6,006,438
Deferred payment sale receivable	4	3,680,203	3,680,203
Investment in real estate		18,162,322	18,255,772
Other assets		1,006,643	1,375,853
Fixed assets		78,981	85,124
Total Assets		33,308,237	32,828,808
LIABILITIES AND EQUITY			
Liabilities			
Due to a financial institution	4	3,670,202	3,670,202
Murabaha payable	5	3,229,064	3,229,064
Provision against lease commitment	6	2,885,300	2,885,300
Other liabilities		686,918	694,238
Total Liabilities		10,471,484	10,478,804
Equity			
Share capital		80,000,000	80,000,000
Statutory reserve		7,409,515	7,409,515
Investments fair value reserve		2,269,466	1,964,534
Accumulated losses		(66,842,228)	(67,024,045)
Total equity		22,836,753	22,350,004
Total Liabilities and Equity		33,308,237	32,828,808
OFF-BALANCE SHEET ITEMS			
Equity of investment accountholders		-	-

The interim condensed financial information was approved on behalf of the Board of Directors on May 23, 2015 and signed on its behalf by:

Mr. Falah Hajraf K. Al Hajraf
Vice-Chairman

Mr. Majed Yousef Ahmed Al-Ali
Director

The attached Notes from 1 to 11 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF INCOME
THREE-MONTH PERIOD ENDED MARCH 31, 2014

(Unaudited)

	Notes	Three-Month Period Ended March 31, 2014 US$	Three-Month Period Ended March 31, 2013 US$
Revenues			
Rental income from investment in real estate		404,694	367,325
Gain on disposal of investment at fair value through equity		-	270,000
Net fair value gain / (loss) on investment at fair value through statement of income	3	95,500	(3,469)
Other income	7	58,110	78,008
Operating income		558,304	711,864
Expenses			
Staff cost		(187,663)	(220,034)
Administrative and general expenses		(89,231)	(216,334)
Depreciation		(99,593)	(113,897)
Operating expenses		(376,487)	(550,265)
Net income before provision for impairment		181,817	161,599
Provision for impairment		-	(11,420)
Net profit for the period		181,817	150,179

Mr. Falah Hajraf K. Al Hajraf
Vice-Chairman

Mr. Majed Yousef Ahmed Al-Ali
Director

The attached Notes from 1 to 11 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF CASH FLOWS
THREE-MONTH PERIOD ENDED MARCH 31, 2014

(Unaudited)

	Three-Month Period Ended March 31, 2014 US$	2013 US$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit for the period	181,817	150,179
Adjustments for non-cash items:		
Depreciation	99,593	113,897
Provision for impairment	-	11,420
Gain on disposal of investment at fair value through equity	-	(270,000)
Gain on disposal of investment in real estate	-	(50,935)
Dividend income	(44,830)	(26,325)
Fair value (gain) / loss on investments at fair value through statement of income	(95,500)	3,469
Operating profit / (loss) before changes in operating assets and liabilities	141,080	(68,295)
Working capital adjustments:		
Decrease / (increase) in other assets	414,040	(68,887)
Decrease in other liabilities	(7,320)	(5,649)
Net cash from / (used in) operating activities	547,800	(142,831)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of investment at fair value through equity	-	490,000
Additions to fixed assets	-	(14,784)
Dividends received	-	26,325
Net cash from investing activities	-	501,541
Net increase in cash and cash equivalents	547,800	358,710
Cash and cash equivalents at beginning of the period	3,425,418	993,440
Cash and cash equivalents at the end of the period	3,973,218	1,352,150
Cash and cash equivalents comprise:		
Cash and balances with banks	1,318,968	821,646
Due from a financial institution with original maturity of ninety days or less	2,654,250	530,504
	3,973,218	1,352,150

The attached Notes from 1 to 11 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF CASH FLOWS
THREE-MONTH PERIOD ENDED MARCH 31, 2014

(Unaudited)

	Three–Month Period Ended March 31,	
	2014 US$	2013 US$
Non-cash Transactions:		
Proceeds from disposal of investment at fair value through equity	-	650,000
Proceeds from disposal of investment in real estate	-	204,221
Payment for fixed assets	-	6,101
	========	=======

The attached Notes from 1 to 11 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
THREE-MONTH PERIOD ENDED MARCH 31, 2014

(Unaudited)

	Share Capital US$	Statutory Reserve US$	Investments fair value reserve US$	Accumulated Losses US$	Total US$
Balance as at January 1, 2014 (Audited)	80,000,000	7,409,515	1,964,534	(67,024,045)	22,350,004
Net profit for the period	-	-	-	181,817	181,817
Other comprehensive income for the period * (Note 3)	-	-	304,932	-	304,932
Balance as at March 31, 2014 (unaudited)	80,000,000	7,409,515	2,269,466	(66,842,228)	22,836,753
Balance as at January 1, 2013 (Audited)	80,000,000	7,409,515	2,988,199	(57,590,413)	32,807,301
Net profit for the period	-	-	-	150,179	150,179
Other comprehensive income for the period *	-	-	106,831	-	106,831
Balance as at March 31, 2013 (unaudited)	80,000,000	7,409,515	3,095,030	(57,440,234)	33,064,311

* Other comprehensive income for the period represents the unrealised fair value gain on investments classified at fair value through equity.

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF CHANGES IN OFF-BALANCE SHEET INVESTMENT ACCOUNT HOLDERS
THREE-MONTH PERIOD ENDED MARCH 31, 2014

(Unaudited)

	Balance at January 1, 2014			Movements during the period		Balance at March 31, 2014		
	No. of units (000)	Average value per share US$	Total US$	Investment/ (withdrawal) US$	Revaluations US$	No. of units (000)	Average value per share US$	Total US$
Murabaha with Lotus Air Ltd	-	-	-	-	-	-	-	-
Investments in International Investment Group K.S.C.C. (note b below)	12,887	-	-	-	-	12,887	-	-
Portfolio managed by the Bank (Gulf Monetary Group Shares)	142,059	-	-	-	-	142,059	-	-
			-		-			-

	Balance at January 1, 2013			Movements during the period		Balance at March 31, 2013		
	No. of units (000)	Average value per share US$	Total US$	Investment/ (withdrawal) US$	Revaluations US$	No. of units (000)	Average value per share US$	Total US$
Murabaha with Lotus Air Ltd	-	-	317,689	-	-	-	-	317,689
Investments in International Investment Group K.S.C.C. (note b below)	12,887	0.44	5,670,202	-	-	12,887	0.44	5,670,202
Portfolio managed by the Bank (Gulf Monetary Group Shares)	142,059	0.0736	10,452,776	-	(174,853)	142,059	0.0723	10,277,923
			16,440,667		(174,853)			16,265,814

The attached Notes from 1 to 11 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF CHANGES IN OFF-BALANCE SHEET INVESTMENT ACCOUNT HOLDERS (CONTINUED)
THREE-MONTH PERIOD ENDED MARCH 31, 2014

(Unaudited)

a. Off-balance sheet investment accounts represent amounts received from and transactions entered on behalf of related parties.

b. On the instructions of an off-balance sheet investment account holder, a related party, the Bank has entered into a deferred payment purchase agreement with a financial institution to acquire shares of International Investment Group K.S.C.C ("IIG"). The Bank then entered into a deferred payment sale agreement with the off-balance sheet investment account holder for sale of these shares. However, due to a legal dispute with the financial institution, the Bank could not effect the transfer of the IIG shares to the off-balance sheet investment account holder (note 4). The Bank's Board of Directors had resolved to write down the value of these shares to zero in the latter part of 2013 based on the performance of these shares and / or the lack of information to support the carrying value of these shares.

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF SOURCES AND USES OF CHARITY FUND
MARCH 31, 2014

	(Unaudited) March 31, 2014 US$	December 31, 2013 US$
Undistributed charity fund at the beginning of the period	17,513	35,285
Payments made during the period	-	(17,772)
Undistributed charity fund at the period end	17,513	17,513

The attached Notes from 1 to 11 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
THREE-MONTH PERIOD ENDED MARCH 31, 2014

1. INCORPORATION AND ACTIVITIES

Investors Bank B.S.C. (c) (the "Bank") was established in the Kingdom of Bahrain as an exempt company on 26 October 1997 and operates under an investment banking license [Wholesale Bank (Islamic principles)] granted by the Central Bank of Bahrain (the "CBB"). The Bank commenced commercial operations on June 15, 1998. The legal status of the Bank was changed to a closed Bahraini joint stock company on July 3, 2005. The postal address of the registered office of the Bank is Seef Star Building, Seef District, P.O. Box 11818, Manama, Kingdom of Bahrain.

The Bank's activities are regulated by the CBB and supervised by a Religious Supervisory Board.

The principal activities of the Bank include investment banking and financial activities, investment transactions, participating in equity investments in projects in conformity with Shari'a. The Bank may, in particular, carry on the following business activities:

a) Providing investment account facilities;
b) Accepting off balance sheet investment accounts co-mingling the same with those of the Bank and investing them in accordance with Shari'a;
c) Managing investments of third parties as an agent for a fixed fee as a Mudarib and any other banking activities not contravening the provisions of Shari'a;
d) Industrial, commercial and agricultural business activities, either directly or through companies which the Bank may establish, or in which the Bank may acquire shares; and
e) Purchasing, leasing and constructing buildings, and their renting thereof.

The Bank is subject to the requirements of the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law, the Central Bank of Bahrain's (the "CBB") regulations (as contained in Volume 2 of the CBB rulebook) and directives and the memorandum and articles of association of the Bank. The Bank is not in compliance with the following requirements of the below mentioned laws:

- The Bank did not submit to the CBB, within two months of the period ended March 31, 2014, its interim condensed financial information including the interim statement of income nor publish its interim condensed financial information within 45 days of the period ended March 31, 2014 as required by the CBB;

- The Bank's quarterly prudential information return is required to be prepared and submitted to the CBB within 20 days from March 31, 2014 and is required to be reviewed by external auditors within two months from March 31, 2014. As of the date of approval of these interim condensed financial information, the return has not been reviewed; and

- The Bank's key control positions such as the Financial Controller, Head of Operations, Head of Risk Management, Head of Compliance and Head of Shari'a Review are vacant.

1. INCORPORATION AND ACTIVITIES (CONTINUED)

1.1 Going concern

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, 2014, the Bank's accumulated losses exceeded a substantial part of its share capital. This situation, along with the current lack of adequate capitalization and the Bank's current limited sources of revenue and ability to generate cash flow 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 financial statements 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.

2. BASIS OF PREPARATION

The interim condensed financial information has been prepared in accordance with the guidance given by the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). The same accounting policies, presentation and methods of computation are followed in the interim condensed financial information as were applied in the preparation of the Bank's financial statements for the year ended December 31, 2013, which were prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), the Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the Bank, the Bahrain Commercial Companies Law and Central Bank of Bahrain and Financial Institutions Law. For matters which are not covered by AAOIFI standards, including "Interim Financial Reporting", the Bank uses relevant International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

The interim condensed financial information does not contain all information and disclosures required in the annual financial statements, and should be read in conjunction with the Bank's annual financial statements as at December 31, 2013.

In addition, results for the three-month period ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ended December 31, 2014.

None of the new Standards and revised Standards that have been adopted in the current period which are effective for annual periods beginning on or after January 1, 2014 had a significant effect on the interim condensed financial information of the Bank.

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
THREE-MONTH PERIOD ENDED MARCH 31, 2014

3. EQUITY INVESTMENTS

	(Unaudited) March 31, 2014 US$	December 31, 2013 US$
Investment at fair value through statement of income:		
Quoted equity securities	293,912	198,412
Investments at fair value through equity:		
Quoted equity securities (note 3.1)	5,684,281	5,379,349
Unquoted equity security	428,677	428,677
	6,112,958	5,808,026
	6,406,870	6,006,438

The movement of investments during the period is as follows:

	Investments at fair value through statement of income US$	Investments at fair value through equity US$
At January 1, 2013	1,799,439	5,453,875
Net unrealised (loss) / gain	(1,601,027)	1,434,973
Impairment loss	-	(34,797)
Disposal	-	(1,046,025)
At December 31, 2013	198,412	5,808,026
Net unrealised gain	95,500	304,932
At March 31, 2014	293,912	6,112,958

3.1 Quoted equity securities with a carrying value of US$ 3,195,236 (December 31, 2013: US$ 2,894,235) are under dispute and in custody of the court (Refer to Note 4).

3.2 The Bank's quoted equity securities with a carrying value of US$ 5,205,528 and US$ 1,201,342 are categorised under Level 1 and Level 3 respectively in the fair value hierarchy (December 31, 2013: US$ 4,805,096 and US$ 1,201,342 under Level 1 and Level 3 respectively.

4. DEFERRED PAYMENT SALE RECEIVABLE / DUE TO A FINANCIAL INSTITUTION

On March 7, 2004 the Bank entered into a sale and purchase agreement with a financial institution to purchase shares of a related party for a total consideration of US$ 5,811,957 including six-month deferred payment costs of US$ 141,755. Concurrently the Bank entered into an agreement with another related party to sell the same shares for a total consideration of US$ 5,821,958 including deferred payment costs of US$ 151,756, payable on September 30, 2004.

In accordance with the terms of the sale and purchase agreement, the Bank pledged certain own equity investments in addition to subsequent dividend shares received, in favour of the financial institution, which carrying value as at March 31, 2014 amounted to US$ 3,195,236 (US$ 2,894,235 as at December 31, 2013) and dividends receivable up to 2006 totalling US$ 887,733.

At the date of signature of both agreements, the net remaining amounts due to the financial institution and due from the related party amounted to US$ 3,670,202 and US$ 3,680,203 respectively (excluding deferred payment costs). No further settlements were made and the agreement was terminated by the financial institution, which retained the Bank's pledged shares. The Bank's management considered that the agreement was wrongfully terminated and the pledged shares are unlawfully retained. The Bank has filed a legal case before the Courts of Bahrain against the financial institution for repossession of the pledged shares, which are currently under the custody of the Court with the related dividends discussed above. Further a cheque in the amount of US$ 3,680,203 representing the amount due to the Bank on the deferred sale of shares, was drawn by that related party and deposited at the Court.

In the opinion of the Bank's management, no provision is required to be made in the financial statements against the pledged shares or against any contingent liabilities that might arise on the final settlement.

5. MURABAHA PAYABLE

In 2004, a related party entered into a Murabaha financing agreement with a financial institution against the pledge of 18,840,341 equity shares, of which 8,352,705 owned by the Bank with a carrying value at that time of US$ 5,760,487, and the remaining 10,487,636 shares owned by the borrowing related party and another related party.

Also on November 1, 2004 the Bank obtained from the above related party a one year financing totalling US$ 3,229,064 including financing cost of US$ 134,295 by virtue of a Murabaha contract.

Following the default of the related party, the case was brought to Court, which ruled in favour of the financial institution and ordered the settlement of the outstanding balance of BD 2,236,191 (US$ 5,931,541) in addition to annual profit of 3% effective April 2011 and settlement of legal costs.

As no settlement was made by any of the parties that had pledged the shares in guarantee of the financing agreement as stated above, the Court appointed in 2013 a broker to auction all the 18,840,341 pledged shares in one bulk. A number of unsuccessful auctions were held at varying starting prices, however no potential buyers indicated their interest and the shares are yet to be sold.

In recognition of the Bank's liability, the management decided to write down to zero the value of its 8,352,705 pledged shares and valued the remaining same shares (2,912,950 shares) in its portfolio at BD 0.100 (US$ 0.2652) per share, being the lowest bidding price up to the 2014 year end.

6. PROVISION AGAINST LEASE COMMITMENT

During 2006, the Bank entered into a lease agreement for the lease of a land on behalf of a related party for a term of 29 years, with a grace period of 2.5 years. The Bank also entered into a back to back agreement with the related party in which both parties agreed that the ultimate lessee of the land is the Bank's related party and is liable to make the lease payment to the Bank who in turn will settle the lease payments to the lessor.

The related party had defaulted on its lease payments due to the delay in the execution of the planned project on the leased land. Since the lease agreement was signed between the Bank and the lessor, the Bank's Board of Directors acknowledged that the lessor may claim the outstanding lease payments from the Bank which amounted to US$ 6,064,021 as at March 31, 2014 (December 31, 2013: US$ 5,770,600), of which only US$ 2,885,300 were provided by the Bank up to March 31, 2014. In this regard, the Bank has irrevocably pledged to the CBB that a full provision for the outstanding lease commitments will be made by December 31, 2014, should there be no settlement of any kind with the lessor or any changes / developments to the exposure of the leased land.

As no settlement was reached as at December 31, 2014, the Bank has provided for US$ 6,944,282, being the total outstanding lease commitments as at that date.

7. OTHER INCOME

	March 31, 2014 (Unaudited) US$	March 31, 2013 (Unaudited) US$
Gain on disposal of investment in real estate	-	50,935
Dividend income	44,830	26,325
Income from commodity Murabaha facility	12,838	1,415
Foreign exchange loss	(256)	(667)
Miscellaneous income	698	-
	58,110	78,008

8. RELATED PARTIES

Transactions with related parties are undertaken on terms which may not necessarily be on arm's length basis.

	Shareholders			Others			March 31, 2014	(Audited) December 31, 2013
	Gross US$	Provision US$	Net US$	Gross US$	Provision US$	Net US$	Total US$	Total US$
Assets								
Investments at fair value through statement of income	-	-	-	15,802,165	(15,802,165)	-	-	-
Investments at fair value through equity	307,176	(307,176)	-	6,074,183	(4,872,841)	1,201,342	1,201,342	1,201,342
Deferred payment sale receivable	3,680,203	-	3,680,203	-	-	-	3,680,203	3,680,203
Other assets	22,213,227	(22,213,227)	-	10,249,258	(10,210,625)	38,633	38,633	-
Liabilities								
Murabaha payable	3,229,064	-	3,229,064	-	-	-	3,229,064	3,229,064
Other liabilities	-	-	-	159,337	-	159,337	159,337	144,482
Off-Balance Sheet:								
Equity of investment accountholders	16,122,978	(16,122,978)	-	-	-	-	-	-

8. RELATED PARTIES (CONTINUED)

The income and expenses with related parties included in the interim condensed financial information are as follows:

	March 31, 2014			March 31, 2013
	Shareholders	Others	Total	Total
	US$	US$	US$	US$
Income				
Fair value loss on investment at fair value through statement of income	-	-	-	(28,700)
Other income	-	38,633	38,633	-
Expense				
Provision for impairment	-	-	-	9,312
Board of Directors and Board Committees meeting expenses and attendance allowances	-	3,133	3,133	-
Shari'a Supervisory Board remuneration, meeting expenses and attendance allowances	-	6,963	6,963	6,963
Other comprehensive loss	-	-	-	(50)

Key management personnel of the Bank comprise key members of management having authority and responsibility for planning, directing and controlling the activities of the Bank. The key management personnel compensation is as follows:

	March 31, 2014	March 31, 2013
	US$	US$
Salaries and other short-term benefits	51,271	53,887
Post-employment benefits	4,846	4,138
	56,117	58,025

Further to the above, refer to Notes 4, 5 and 6 for outstanding issues with related parties.

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
THREE-MONTH PERIOD ENDED MARCH 31, 2014

9. CONTINGENT LIABILITIES

Various parties have filed legal actions against the Bank with varying claims and associated legal costs. Subsequent to the statement of financial position date, the Bank was charged for total amounts of approximately US$ 22,200 in 2015. The outcome of the remaining actions cannot be presently determined. Accordingly the Bank has not made any provisions.

10. SEGMENT INFORMATION

The industrial distribution of the Bank's assets and liabilities as at March 31, 2014 is as follows:

	March 31, 2014 (Unaudited)			
	Banks and financial institutions US$	Investment companies US$	Others US$	Total US$
Assets				
Cash and balances with banks	1,318,968	-	-	1,318,968
Due from a financial institution	2,654,250	-	-	2,654,250
Equity investments	6,322,520	-	84,350	6,406,870
Deferred payment sale receivable	-	3,680,203	-	3,680,203
Investment in real estate	-	-	18,162,322	18,162,322
Other assets	945,826	-	60,817	1,006,643
Fixed assets	-	-	78,981	78,981
Total assets	11,241,564	3,680,203	18,386,470	33,308,237
Liabilities				
Due to a financial institution	3,670,202	-	-	3,670,202
Murabaha payable	3,229,064	-	-	3,229,064
Provision against lease commitment	-	-	2,885,300	2,885,300
Other liabilities	5,481	-	681,437	686,918
Total liabilities	6,904,747	-	3,566,737	10,471,484

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
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10. SEGMENT INFORMATION (CONTINUED)

	December 31, 2013 (Audited)			
	Banks and financial institutions US$	Investment companies US$	Others US$	Total US$
Assets				
Cash and balances with banks	768,919	-	-	768,919
Due from a financial institution	2,656,499	-	-	2,656,499
Equity investments	5,922,088	-	84,350	6,006,438
Deferred payment sale receivable	-	3,680,203	-	3,680,203
Investment in real estate	-	-	18,255,772	18,255,772
Other assets	900,996	-	474,857	1,375,853
Fixed assets	-	-	85,124	85,124
Total assets	10,248,502	3,680,203	18,900,103	32,828,808
Liabilities				
Due to a financial institution	3,670,202	-	-	3,670,202
Murabaha payable	3,229,064	-	-	3,229,064
Provision against lease commitment	-	-	2,885,300	2,885,300
Other liabilities	3,271	-	690,967	694,238
Total liabilities	6,902,537	-	3,576,267	10,478,804

Geographical concentration

Assets and liabilities of the Bank as at March 31, 2014 and December 31, 2013 are primarily concentrated in the Middle East region.

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11. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and cash equivalents, held by the Bank as at the reporting dates:

	March 31, 2014 (Unaudited)			
	Amortised cost US$	Fair value through equity US$	Fair value through statement of income US$	Total US$
Financial assets:				
Equity investments	-	6,112,958	293,912	6,406,870
Deferred payment sale receivable	3,680,203	-	-	3,680,203
Other assets	934,582	-	-	934,582
	4,614,785	6,112,958	293,912	11,021,655
Financial liabilities:				
Due to a financial institution	3,670,202	-	-	3,670,202
Murabaha payable	3,229,064	-	-	3,229,064
Provision against lease commitment	2,885,300	-	-	2,885,300
Other liabilities	686,918	-	-	686,918
	10,471,484	-	-	10,471,484

	December 31, 2013 (Audited)			
	Amortised cost US$	Fair value through equity US$	Fair value through statement of income US$	Total US$
Financial assets:				
Equity investments	-	5,808,026	198,412	6,006,438
Deferred payment sale receivable	3,680,203	-	-	3,680,203
Other assets	1,313,509	-	-	1,313,509
	4,993,712	5,808,026	198,412	11,000,150
Financial liabilities:				
Due to a financial institution	3,670,202	-	-	3,670,202
Murabaha payable	3,229,064	-	-	3,229,064
Provision against lease commitment	2,885,300	-	-	2,885,300
Other liabilities	694,238	-	-	694,238
	10,478,804	-	-	10,478,804