



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

INTERIM CONDENSED
FINANCIAL INFORMATION
MARCH 31, 2015

INVESTORS BANK B.S.C. (c)
INTERIM CONDENSED FINANCIAL INFORMATION
MARCH 31, 2015

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REVIEW REPORT

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

Deloitte & Touche - Middle East
Al-Zamil Tower
Government Avenue
P.O. Box 421, Manama
Kingdom of Bahrain
Tel: +973 1721 4490
Fax: +973 1721 4550
www.deloitte.com
C.R. 18670

We have reviewed the accompanying interim statement of financial position of Investors Bank B.S.C. (c), Bahrain (the "Bank") as at March 31, 2015 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 basis of preparation disclosed 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.

Conclusion

Based on our review, 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 basis of preparation disclosed in note 2.

Emphasis of Matter

Without 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, 2015. 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 Matter

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

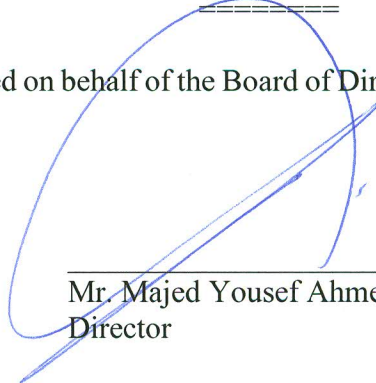
Manama – Kingdom of Bahrain
March 24, 2016

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

		(Unaudited)	
	Notes	March 31, 2015 US\$	December 31, 2014 US\$
ASSETS			
Cash and balances with banks		1,778,662	4,120,830
Due from a financial institution	4	2,653,286	-
Equity investments	3	5,941,979	6,345,135
Deferred payment sale receivable	5	3,680,203	3,680,203
Investment in real estate	6	23,616,756	23,616,756
Other assets		936,969	952,330
Fixed assets		60,397	66,819
		-----	-----
Total Assets		38,668,252	38,782,073
		=====	=====
LIABILITIES AND EQUITY			
Liabilities			
Due to a financial institution	5	3,670,202	3,670,202
Murabaha payable	7	3,229,064	3,229,064
Provision against lease commitment	8	7,237,702	6,944,282
Other liabilities		663,978	546,084
		-----	-----
Total Liabilities		14,800,946	14,389,632
		-----	-----
Equity			
Share capital		80,000,000	80,000,000
Statutory reserve		7,409,515	7,409,515
Investments fair value reserve		1,933,954	2,316,221
Properties fair value reserve		117,805	117,805
Accumulated losses		(65,593,968)	(65,451,100)
		-----	-----
Total equity		23,867,306	24,392,441
		-----	-----
Total Liabilities and Equity		38,668,252	38,782,073
		=====	=====
OFF-BALANCE SHEET ITEMS			
Equity of investment accountholders		-	-
		-----	-----

The interim condensed financial information was approved on behalf of the Board of Directors on March 24, 2016 and signed on its behalf by:


 Mr. Ali Saleh Ayes Al Rashidi
 Chairman


 Mr. Majed Yousef Ahmed Al-Ali
 Director

The attached notes from 1 to 13 form an integral part of this interim condensed financial information

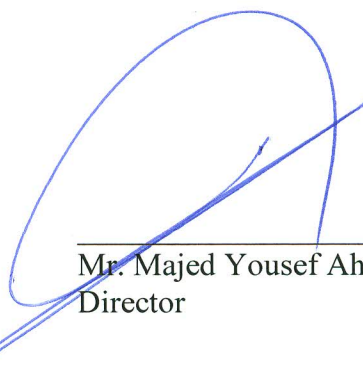
INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF INCOME
PERIOD ENDED MARCH 31, 2015

(Unaudited)

	<u>Notes</u>	<u>Three-Month Period Ended</u> <u>March 31,</u>	
		<u>2015</u>	<u>2014</u>
		US\$	US\$
Revenues			
Rental income from investments in real estate		394,245	404,694
Net fair value (loss) / gain on investments at fair value through statement of income	3	(20,889)	95,500
Other income	9	12,286	58,110
		-----	-----
Operating income		385,642	558,304
		-----	-----
Expenses			
Staff cost		(101,739)	(187,663)
Administrative and general expenses		(126,929)	(89,231)
Depreciation		(6,422)	(99,593)
		-----	-----
Operating expenses		(235,090)	(376,487)
		-----	-----
Net income before provision		150,552	181,817
Provision for lease commitment	8	(293,420)	-
		-----	-----
Net (loss) / profit for the period		(142,868)	181,817
		=====	=====



Mr. Ali Saleh Ayesh Al Rashidi
Chairman



Mr. Majed Yousef Ahmed Al-Ali
Director

The attached notes from 1 to 13 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF CASH FLOWS
PERIOD ENDED MARCH 31, 2015

(Unaudited)

	<u>Three-Month</u> <u>Period Ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) / profit for the period	(142,868)	181,817
Adjustments for non-cash items:		
Depreciation	6,422	99,593
Provision for lease commitment	293,420	-
Dividend income	(6,197)	(44,830)
Fair value loss / (gain) on investments at fair value through statement of income	20,889	(95,500)
	-----	-----
Operating profit before changes in operating assets and liabilities	171,666	141,080
Working capital adjustments:		
Decrease in other assets	15,361	414,040
Increase / (decrease) in other liabilities	117,894	(7,320)
	-----	-----
Net cash from operating activities	304,921	547,800
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITY:		
Dividends received	6,197	-
	-----	-----
Net cash from investing activity	6,197	-
	-----	-----
Net increase in cash and cash equivalents	311,118	547,800
Cash and cash equivalents at beginning of the period	4,120,830	3,425,418
	-----	-----
Cash and cash equivalents at the end of the period	4,431,948	3,973,218
	-----	-----
Cash and cash equivalents comprise:		
Cash and balances with banks	1,778,662	1,318,968
Due from a financial institution with original maturity of ninety days or less	2,653,286	2,654,250
	-----	-----
	<u>4,431,948</u>	<u>3,973,218</u>
	=====	=====

The attached notes from 1 to 13 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
PERIOD ENDED MARCH 31, 2015

(Unaudited)

	<u>Share Capital</u> US\$	<u>Statutory Reserve</u> US\$	<u>Investments fair value reserve</u> US\$	<u>Properties fair value reserve</u> US\$	<u>Accumulated Losses</u> US\$	<u>Total</u> US\$
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 * (Note 3)	-	-	(382,267)	-	-	(382,267)
Balance as at March 31, 2015 (unaudited)	<u>80,000,000</u>	<u>7,409,515</u>	<u>1,933,954</u>	<u>117,805</u>	<u>(65,593,968)</u>	<u>23,867,306</u>
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 *	-	-	304,932	-	-	304,932
Balance as at March 31, 2014 (unaudited)	<u>80,000,000</u>	<u>7,409,515</u>	<u>2,269,466</u>	<u>-</u>	<u>(66,842,228)</u>	<u>22,836,753</u>

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

	Balance at January 1, 2015	Movements during the period	Balance at March 31, 2015
	<u>Average</u> <u>value per</u> <u>share</u> US\$	<u>Investment/</u> <u>(withdrawal)</u> US\$	<u>Revaluations</u> US\$
	<u>No. of units</u> <u>(000)</u>	<u>Total</u> US\$	<u>No. of units</u> <u>(000)</u>
			<u>Average</u> <u>value per</u> <u>share</u> US\$
			<u>Total</u> US\$
Murabaha with Lotus Air Ltd	-	-	-
Investments in International			
Investment Group K.S.C.C.	12,887	-	12,887
(note b below)			-
Portfolio managed by the Bank	142,059	-	142,059
(Gulf Monetary Group Shares)			-
			-

	Balance at January 1, 2014	Movements during the period			Balance at March 31, 2014			
	<u>No. of units</u> (000)	<u>Average</u> <u>value per</u> <u>share</u> US\$	<u>Total</u> US\$	<u>Investment/</u> <u>(withdrawal)</u> US\$	<u>Revaluations</u> US\$	<u>No. of units</u> (000)	<u>Average</u> <u>value per</u> <u>share</u> US\$	<u>Total</u> 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	-	-
			-		-			-

The attached notes from 1 to 13 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)
PERIOD ENDED MARCH 31, 2015

(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 during 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, 2015

	(Unaudited) <u>March 31,</u> <u>2015</u> US\$	<u>December 31,</u> <u>2014</u> US\$
Undistributed charity fund at the beginning of the period	17,513	17,513
Payments made during the period	-	-
	-----	-----
Undistributed charity fund at the period end	<u>17,513</u> =====	<u>17,513</u> =====

The attached notes from 1 to 13 form an integral part of this interim condensed financial information

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
PERIOD ENDED MARCH 31, 2015

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 Shari'a 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, 2015, its interim condensed financial information nor publish its interim condensed financial information within 45 days of the period ended March 31, 2015 as required by the CBB. However, the CBB has granted an extension to the Bank until March 31, 2016 for the submission of the quarterly financial statements and exempt the Bank for publishing the quarterly financial statements.
- The Bank's quarterly prudential information return is required to be prepared and submitted to the CBB within 20 days from March 31, 2015 and is required to be reviewed by external auditors within two months from March 31, 2015. However, the CBB has granted an extension to the Bank until February 18, 2016. These returns were submitted within the extension period allowed by the CBB.
- As of the date of issuance of these interim condensed financial information the Bank's key control positions such as the Chief Executive Officer, Financial Controller, Head of Operations, Head of Risk Management, Head of Compliance and Head of Shari'a Review are vacant.

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
PERIOD ENDED MARCH 31, 2015

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, 2015, 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 interim condensed financial information do not include any adjustments relating to the recoverability of assets and settlement of 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, 2014, 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, 2014.

In addition, results for the three-month period ended March 31, 2015 are not necessarily indicative of the results that may be expected for the year ended December 31, 2015.

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, 2015 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)
PERIOD ENDED MARCH 31, 2015

3. **EQUITY INVESTMENTS**

	(Unaudited) March 31, 2015 US\$	December 31, 2014 US\$
Investment at fair value through statement of income:		
Quoted equity securities	164,533	185,422
	-----	-----
Investments at fair value through equity:		
Quoted equity securities (note 3.1)	5,348,769	5,731,036
Unquoted equity security	428,677	428,677
	-----	-----
	5,777,446	6,159,713
	-----	-----
	5,941,979	6,345,135
	=====	=====

The movement of investments during the period is as follows:

	<u>Investments at</u> <u>fair value</u> <u>through</u> <u>statement of</u> <u>income</u> US\$	<u>Investments</u> <u>at fair value</u> <u>through</u> <u>equity</u> US\$
At January 1, 2014	198,412	5,808,026
Net unrealised (loss) / gain	(12,990)	351,687
	-----	-----
At December 31, 2014	185,422	6,159,713
Net unrealised loss	(20,889)	(382,267)
	-----	-----
At March 31, 2015	164,533	5,777,446
	=====	=====

- 3.1 Quoted equity securities with a carrying value of US\$ 3,033,159 (December 31, 2014: US\$ 3,380,467) are under dispute and in custody of the court (Refer to Note 5).
- 3.2 The Bank's equity securities with a carrying value of US\$ 4,740,637 and US\$ 1,201,342 are categorised under Level 1 and Level 3 respectively in the fair value hierarchy (December 31, 2014: US\$ 5,143,793 and US\$ 1,201,342 under Level 1 and Level 3 respectively).

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
PERIOD ENDED MARCH 31, 2015

4. **DUE FROM A FINANCIAL INSTITUTION**

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u> <u>(Audited)</u>
	US\$	US\$
Commodity Murabaha contract	2,655,393	-
Deferred profit	(2,107)	-
	<u>2,653,286</u>	<u>-</u>

5. **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\$ 151,755, 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, the carrying value of which as at March 31, 2015 amounted to US\$ 3,033,159 (US\$ 3,380,467 as at December 31, 2014) 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 interim condensed financial information against the pledged shares or against any contingent liabilities that might arise on the final settlement.

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
PERIOD ENDED MARCH 31, 2015

6. **INVESTMENTS IN REAL ESTATE**

	<u>March 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u> <u>(Audited)</u>
	US\$	US\$
At January 1,	23,616,756	21,562,357
Write back of provision for impairment	-	1,936,594
Change in fair value recognised in equity	-	117,805
	<u>23,616,756</u>	<u>23,616,756</u>

The fair value of investments in real estate at the period end is determined based on valuations performed by independent valuation experts as at December 31, 2014, except for freehold land in Burhama which is carried at cost less impairment in accordance with specific directives of the Regulator.

The carrying value and fair value of the Burhama land which is carried at cost, as explained above, are US\$ 7,161,804 and US\$ 8,209,549 (December 31, 2014: US\$ 7,161,804 and US\$ 8,209,549) respectively.

7. **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 had decided to write down to zero the value of its 8,352,705 pledged shares and had 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. In April 2015, the 8,352,705 shares were liquidated at an auction price of BD 0.100 per share and the amount was directly awarded to the party to whom the shares were pledged to with no gain or loss being recognised by the Bank.

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
PERIOD ENDED MARCH 31, 2015

8. **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. Accordingly the Bank has fully provided for the outstanding lease commitments up to March 31, 2015 amounting to US\$ 7,237,702, being the total outstanding lease obligations as at that date.

The remaining contractual lease obligations to maturity are US\$ 22.9 million.

9. **OTHER INCOME**

	<u>Three-Month Period Ended</u>	
	<u>March 31,</u>	
	<u>2015</u>	<u>2014</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	US\$	US\$
Dividend income	6,197	44,830
Income from commodity Murabaha facility	6,609	12,838
Foreign exchange loss	(520)	(256)
Miscellaneous income	-	698
	-----	-----
	12,286	58,110
	=====	=====

INVESTORS BANK B.S.C. (c)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
PERIOD ENDED MARCH 31, 2015

10. RELATED PARTIES

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

	Shareholders			Others			March 31,	(Audited) December 31, 2014
	Gross US\$	Provision US\$	Net US\$	Gross US\$	Provision US\$	Net US\$	2015 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)	-	10,249,260	(10,249,260)	-	-	-
Liabilities								
Murabaha payable	3,229,064	-	3,229,064	-	-	-	3,229,064	3,229,064
Other liabilities	-	-	-	56,328	-	56,328	56,328	48,929
Off-Balance Sheet:								
Equity of investment accountholders	16,122,978	(16,122,978)	-	-	-	-	-	-

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10. RELATED PARTIES (CONTINUED)

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

	March 31, 2015		March 31, 2014
	Shareholders	Others	Total
	US\$	US\$	US\$
Income			
Other income	-	-	38,633
Expense			
Board of Directors and Board Committees meeting expenses and attendance allowances	-	2,014	3,133
Shari'a Supervisory Board remuneration, meeting expenses and attendance allowances	-	6,963	6,963

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, 2015	March 31, 2014
	US\$	US\$
Salaries and other short-term benefits	-	51,271
Post-employment benefits	-	4,846
	-----	-----
	-	56,117
	=====	=====

Further to the above, refer to Notes 5, 7 and 8 for outstanding issues with related parties.

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11. **CONTINGENT LIABILITIES**

Various parties have filed legal actions against the Bank with varying claims and associated legal costs. The outcome of the remaining actions cannot be presently determined. Accordingly the Bank has not made any provisions.

12. **SEGMENT INFORMATION**

The industrial distribution of the Bank's assets and liabilities as at March 31, 2015 is as follows:

	March 31, 2015 (Unaudited)			
	<u>Banks and financial institutions</u>	<u>Investment companies</u>	<u>Others</u>	<u>Total</u>
	US\$	US\$	US\$	US\$
Assets				
Cash and balances with banks	1,778,662	-	-	1,778,662
Due from a financial institution	2,653,286	-	-	2,653,286
Equity investments	5,849,671	-	92,308	5,941,979
Deferred payment sale receivable	-	3,680,203	-	3,680,203
Investment in real estate	-	-	23,616,756	23,616,756
Other assets	900,996	-	35,973	936,969
Fixed assets	-	-	60,397	60,397
	-----	-----	-----	-----
Total assets	11,182,615	3,680,203	23,805,434	38,668,252
	-----	-----	-----	-----
Liabilities				
Due to a financial institution	3,670,202	-	-	3,670,202
Murabaha payable	3,229,064	-	-	3,229,064
Provision against lease				
Commitment	-	-	7,237,702	7,237,702
Other liabilities	2,547	-	661,431	663,978
	-----	-----	-----	-----
Total liabilities	6,901,813	-	7,899,133	14,800,946
	-----	-----	-----	-----

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12. SEGMENT INFORMATION (CONTINUED)

	December 31, 2014 (Audited)			
	<u>Banks and financial institutions</u>	<u>Investment companies</u>	<u>Others</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Assets				
Cash and balances with banks	4,120,830	-	-	4,120,830
Equity investments	6,256,806	-	88,329	6,345,135
Deferred payment sale receivable	-	3,680,203	-	3,680,203
Investments in real estate	-	-	23,616,756	23,616,756
Other assets	900,996	-	51,334	952,330
Fixed assets	-	-	66,819	66,819
Total assets	11,278,632	3,680,203	23,823,238	38,782,073
Liabilities				
Due to a financial institution	3,670,202	-	-	3,670,202
Murabaha payable	3,229,064	-	-	3,229,064
Provision against lease Commitment	-	-	6,944,282	6,944,282
Other liabilities	3,610	-	542,474	546,084
Total liabilities	6,902,876	-	7,486,756	14,389,632

Geographical concentration

Assets and liabilities of the Bank as at March 31, 2015 and December 31, 2014 are primarily concentrated in the Middle East region.

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13. **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, 2015 (Unaudited)			
	<u>Amortised</u>	<u>Fair value</u>	<u>Fair value</u>	
	<u>cost</u>	<u>through</u>	<u>through</u>	
	<u>US\$</u>	<u>equity</u>	<u>income</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Financial assets:				
Equity investments	-	5,777,446	164,533	5,941,979
Deferred payment sale receivable	3,680,203	-	-	3,680,203
Other assets	890,456	-	-	890,456
	=====	=====	=====	=====
	4,570,659	5,777,446	164,533	10,512,638
	=====	=====	=====	=====
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	7,237,702	-	-	7,237,702
Other liabilities	663,978	-	-	663,978
	=====	=====	=====	=====
	14,800,946	-	-	14,800,946
	=====	=====	=====	=====
	December 31, 2014 (Audited)			
	<u>Amortised</u>	<u>Fair value</u>	<u>Fair value</u>	
	<u>cost</u>	<u>through</u>	<u>through</u>	
	<u>US\$</u>	<u>equity</u>	<u>income</u>	<u>Total</u>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Financial assets:				
Equity investments	-	6,159,713	185,422	6,345,135
Deferred payment sale receivable	3,680,203	-	-	3,680,203
Other assets	893,572	-	-	893,572
	=====	=====	=====	=====
	4,573,775	6,159,713	185,422	10,918,910
	=====	=====	=====	=====
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	6,944,282	-	-	6,944,282
Other liabilities	546,084	-	-	546,084
	=====	=====	=====	=====
	14,389,632	-	-	14,389,632
	=====	=====	=====	=====