INVESTORS Bank B.S.C. (C)

بنك المستثمرون ش.م.ب (مقفلة)

مرخص كبنك إسلامي – قطاع الجملة من قبل مصرف البحرين المركزي

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2015

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	2015 US$	2014 US$
ASSETS		
Cash and balances with banks	**3,107,075**	4,120,830
Equity Investments	**3,738,763**	6,345,135
Deferred payment sale receivable	**3,680,203**	3,680,203
Investment in real estate	**24,265,592**	23,616,756
Other assets	**954,129**	952,330
Fixed assets	**41,350**	66,819
TOTAL ASSETS	**35,787,112**	38,782,073
LIABILITIES AND EQUITY		
Liabilities		
Due to a financial institution	**3,670,202**	3,670,202
Murabaha payable	**3,229,064**	3,229,064
Payable against lease commitment	**3,580,902**	6,944,282
Other liabilities	**262,302**	546,084
Total liabilities	**10,742,470**	14,389,632
Equity		
Share capital	**80,000,000**	80,000,000
Statutory reserve	**7,561,420**	7,409,515
Investments fair value reserve	**909,705**	2,316,221
Properties fair value reserve	**657,476**	117,805
Accumulated losses	**(64,083,959)**	(65,451,100)
Total equity	**25,044,642**	24,392,441
TOTAL LIABILITIES AND EQUITY	**35,787,112**	38,782,073
OFF-BALANCE SHEET ITEMS:		
Equity of investment accountholders	**-**	-

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 US$	2014 US$
Revenues		
Rental income from investment in real estate	**1,700,308**	1,545,274
Fair value loss on investments at fair value through statement of income, net	**(45,727)**	(12,990)
Other income, net	**27,064**	48,094
Operating income	**1,681,645**	1,580,378
Expenses		
Staff cost	**(497,898)**	(623,401)
Administrative and general expenses	**(764,014)**	(543,426)
Depreciation	**(25,469)**	(24,803)
Operating expenses	**(1,287,381)**	(1,191,630)
Net profit before provision and impairment	**394,264**	388,748
Write-back of provision / (provision) against lease commitment	**2,169,746**	(4,058,982)
Provision for impairment of financial assets	**(1,154,129)**	-
Write-back of impairment on real estate investment, net	**109,165**	1,936,594
Net profit / (loss) for the year	**1,519,046**	(1,733,640)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015 US$	2014 US$
Cash flows from operating activities:		
Net profit / (loss) for the year	**1,519,046**	(1,733,640)
Adjustments for:		
Depreciation	**25,469**	24,803
Write-back of (provision) / provision against lease commitment	**(2,169,746)**	4,058,982
Provision for impairment of financial assets	**1,154,129**	-
Write-back of impairment on real estate investment	**(109,165)**	(1,936,594)
Fair value loss on investments at fair value through statement of income	**45,727**	12,990
Dividend income	**(6,197)**	(6,197)
	459,263	420,344
(Increase) / decrease in other assets	**(1,799)**	423,523
Decrease in other liabilities	**(283,782)**	(148,154)
Payment against lease commitment	**(1,193,634)**	-
Net cash (used in) / from operating activities	**(1,019,952)**	695,713
Cash flows from investing activities:		
Purchase of fixed assets	**-**	(6,498)
Dividend received	**6,197**	6,197
Net cash from / (used in) investing activities	**6,197**	(301)
Net (decrease) / increase in cash and cash equivalents	**(1,013,755)**	695,412
Cash and cash equivalents, beginning of year	**4,120,830**	3,425,418
Cash and cash equivalents, end of year	**3,107,075**	4,120,830

STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

	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, 2014	80,000,000	7,409,515	1,964,534	-	(63,717,460)	25,656,589
Net loss for the year	-	-	-	-	(1,733,640)	(1,733,640)
Other comprehensive income:						
Fair value gain on equity investments at fair value through equity	-	-	351,687	-	-	351,687
Fair value gain on investment in real estate	-	-	-	117,805	-	117,805
Balance as at December 31, 2014	80,000,000	7,409,515	2,316,221	117,805	(65,451,100)	24,392,441
Net profit for the year	-	-	-	-	1,519,046	1,519,046
Transfer to statutory reserve	-	151,905	-	-	(151,905)	-
Other comprehensive (loss) /income:						
Fair value loss on equity investments at fair value through equity	-	-	(1,406,516)	-	-	(1,406,516)
Fair value gain on investment in real estate	-	-	-	539,671	-	539,671
Balance as at December 31, 2015	**80,000,000**	**7,561,420**	**909,705**	**657,476**	**(64,083,959)**	**25,044,642**

These statements were extracted from the audited financial statements on which Deloitte & Touche - Middle East issued an unqualified opinion dated March 24, 2016

Emphasis of Matter

The financial statements have been prepared using the going concern assumption, as management is satisfied that the Bank will continue in operation for the foreseeable future. As at December 31, 2015 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 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.

The financial statements were authorised for issue in accordance with approval of the Board of Directors on March 24, 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