INVESTCORS Bank B.S.C. (C)

بنك المستثمرون ش.م.ب (مقفلة)

# Annual Financial Statements

## INCOME STATEMENT (US$)

| | Year ended 31 December 2008 | Year ended 31 December 2007 |
|---|---|---|
| Income from trading investments | **1,020,766** | 771,937 |
| Income from available-for-sale investments | **259,698** | 412,579 |
| Fair value losses on trading investments | **(24,794,626)** | (9,566,793) |
| Fair value losses on available-for-sale investments | **(541,184)** | - |
| Income from Mudaraba investment | **192,452** | 79,377 |
| Net income from asset held-for-sale | **2,930,193** | 1,257,051 |
| Other income | **1,371,243** | 2,028,155 |
| **Total net income** | **(19,561,458)** | (5,017,694) |
| Staff cost | **1,490,642** | 1,444,954 |
| Administrative and general expenses | **944,434** | 1,039,510 |
| Impairment allowance | **12,416,732** | 2,712,594 |
| Depreciation | **474,498** | 46,103 |
| **Total expenses** | **15,326,306** | 5,243,161 |
| **Loss for the year** | **(34,887,764)** | (10,260,855) |

## BALANCE SHEET (US$)

| | 31 December 2008 | 31 December 2007 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | **2,557,184** | 9,631,572 |
| Trading investments | **5,738,750** | 29,727,074 |
| Available-for-sale investments | **21,252,382** | 20,735,571 |
| Murabaha receivables | **3,243,848** | 3,243,848 |
| Receivable from Mudarib | **6,127,801** | 11,896,174 |
| Mudaraba investment | **4,000,000** | 4,500,000 |
| Receivables from sale of investments | **11,846,542** | 29,860,901 |
| Deferred payment sale receivables | **3,680,203** | 3,680,203 |
| Investment property | **10,742,443** | - |
| Asset held-for-sale | **6,797,782** | 13,838,620 |
| Other assets | **17,460,260** | 8,310,384 |
| Equipment | **1,579,576** | 1,631,225 |
| **Total assets** | **95,026,771** | 137,055,572 |
| **LIABILITIES AND EQUITY** | | |
| **Liabilities** | | |
| Due to a financial institution | **3,670,202** | 3,670,202 |
| Murabaha payable | **3,229,064** | 3,229,064 |
| Other liabilities | **454,453** | 291,232 |
| **Total liabilities** | **7,353,719** | 7,190,498 |
| **Equity** | | |
| Share capital | **80,000,000** | 80,000,000 |
| Statutory reserve | **7,409,515** | 7,409,515 |
| Available-for-sale investments fair value reserve | **2,959,559** | 10,263,817 |
| (Accumulated losses) / retained earnings | **(2,696,022)** | 32,191,742 |
| **Total equity** | **87,673,052** | 129,865,074 |
| **Total liabilities and equity** | **95,026,771** | 137,055,572 |
| **OFF-BALANCE SHEET ITEMS** | | |
| **Restricted investment accounts** | **16,646,823** | 16,708,037 |

## STATEMENT OF CASH FLOWS (US$)

| | Year ended 31 December 2008 | Year ended 31 December 2007 |
|---|---|---|
| Cash flows from operating activities | **(8,476,283)** | 5,266,556 |
| Cash flows from investing activities | **(366,478)** | (1,551,262) |
| Cash flows from financing activities | **1,768,373** | 5,533,096 |
| **Net (decrease) / increase in cash and cash equivalents** | **(7,074,388)** | 9,248,390 |
| Cash and cash equivalents at beginning of the year | **9,631,572** | 383,182 |
| **Cash and cash equivalents at end of the year** | **2,557,184** | 9,631,572 |

## STATEMENT OF CHANGES IN EQUITY (US$)

| | Year ended 31 December 2008 | Year ended 31 December 2007 |
|---|---|---|
| Balance at 1 January | **129,865,074** | 140,576,834 |
| Fair value losses during the year | **(7,304,258)** | (450,905) |
| **Net loss recognised directly in equity** | **(7,304,258)** | (450,905) |
| Loss for the year | **(34,887,764)** | (10,260,855) |
| **Total recognised income and expenses** | **(42,192,022)** | (10,711,760) |
| **At 31 December** | **87,673,052** | 129,865,074 |

**These financial statements were extracted from the audited financial statements on which KPMG issued an unqualified opinion dated 5 March 2009.**
**These financial statements have been approved by the Board of Directors on 5 March 2009 and signed on its behalf by:**

Dr. Abdulaziz Al Bader
Chairman

Isa Abdulla Al-Mannai
Director