

**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

For the six months ended 30 June 2018

	Six months ended		Three months ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)
INCOME				
Income from financing	20,808	19,268	10,286	10,061
Income from investment in Sukuk	5,347	2,802	2,757	1,397
Total income from jointly financed assets	26,155	22,070	13,043	11,458
Return on equity of investment acountholders	(18,298)	(16,020)	(9,021)	(7,562)
Group's share as Mudarib	11,484	11,995	5,718	5,399
Net return on equity of investment acountholders	(6,814)	(4,025)	(3,303)	(2,163)
Group's share of income from jointly financed	19,341	18,045	9,740	9,295
Expense on placements from financial institutions	(1,003)	(1,011)	(725)	(558)
Expense on borrowings from financial institutions	(1,812)	(474)	(810)	(350)
Fee and commission income	3,538	3,880	1,740	1,826
Income from investment securities	206	492	113	174
Income from investment in real estate	(343)	213	(111)	117
Share of results of associates, net	50	(1,282)	46	16
Other income	475	772	294	354
Total income	20,452	20,635	10,287	10,874
EXPENSES				
Staff costs	6,199	6,825	3,226	3,253
Depreciation	802	765	396	387
Other expenses	5,290	5,152	2,718	2,719
Total expenses	12,291	12,742	6,340	6,359
Profit before impairment allowances	8,161	7,893	3,947	4,515
Impairment allowance, net	(4,654)	(4,615)	(2,592)	(1,820)
PROFIT FOR THE PERIOD	3,507	3,278	1,355	2,695
BASIC AND DILUTED EARNINGS PER SHARE	3.34	3.12	1.29	2.57

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2018

	30 June 2018	30 June 2017
	BD'000 (reviewed)	BD'000 (reviewed)
Balance at 1 January (as previously reported)	122,270	116,472
Impact of adopting FAS 30	(13,943)	-
Impact of adopting FAS 30 by associate	(350)	-
Restated balance at 1 January (restated)	107,977	116,472
Profit for the period	3,507	3,278
Cash dividends declared	-	(5,051)
Zakah approved	(265)	(137)
Donations approved	(200)	-
Shares allocated to staff during the period	198	148
Purchase of treasury shares	-	(301)
Net movement in investments securities fair value reserve	(27)	61
Balance at 30 June	111,190	114,470

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	30 June 2018	31 December 2017
	BD'000 (reviewed)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	60,813	69,666
Placements with financial institutions	89,052	80,845
Financing assets	558,946	561,822
Investment securities	244,702	258,399
Ijarah Muntahia Bittamleek	161,844	164,397
Ijarah rental receivables	17,603	14,483
Investment in associates	22,155	23,739
Investment in real estate	26,737	29,831
Property and equipment	13,816	14,270
Other assets	12,276	11,195
TOTAL ASSETS	1,207,944	1,228,647
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	159,897	67,872
Borrowings from financial institutions	38,090	101,576
Customers' current accounts	149,941	131,666
Other liabilities	15,853	11,507
Total Liabilities	363,781	312,621
Equity of Investment Acountholders	732,973	793,756
Owners' Equity		
Share capital	106,405	101,339
Treasury shares	(892)	(864)
Shares under employee share incentive scheme	(391)	(498)
Share premium	120	98
Reserves	5,948	22,195
Total Owners' Equity	111,190	122,270
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,207,944	1,228,647

This condensed consolidated interim financial information has been approved by the Board of Directors on 13 August 2018 and has been reviewed by KPMG.

Dr. Esam Abdulla Fakhro
Chairman

Brig. Ebrahim Abdulla Al Mahmood
Vice Chairman

Hassan Amin Jarrar
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	30 June 2018	30 June 2017
	BD'000 (reviewed)	BD'000 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	3,507	3,278
Adjustments for non-cash items:		
Depreciation	802	765
Impairment allowance, net	4,654	4,615
Amortization of gain on sale of investment in real estate	(9)	-
Loss on sale of investment in real estate	452	-
Gain on foreign exchange revaluation	15	-
Share of result of associates, net	(50)	1,282
Operating profit before changes in operating assets and liabilities	9,371	9,940
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	80	(935)
Financing assets	(12,356)	(48,300)
Ijarah Muntahia Bittamleek	(1,398)	(10,649)
Other assets	(1,215)	156
Customers' current accounts	18,275	14,173
Other liabilities	4,102	(5,621)
Placements from financial institutions	90,022	87,126
Equity of investment acountholders	(60,783)	32,731
Net cash from operating activities	46,098	78,621
INVESTING ACTIVITIES		
Disposal of investment in real estate	2,642	-
Purchase of property and equipment	(348)	(302)
Purchase of investment securities	(67,823)	(25,275)
Proceeds from disposal of investment securities	80,361	3,128
Net cash from / (used in) investing activities	14,832	(22,449)
FINANCING ACTIVITIES		
Purchase of treasury shares	-	(301)
Borrowings from financial institutions	(63,486)	-
Dividends paid	(14)	(3,627)
Net cash used in financing activities	(63,500)	(3,928)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(2,570)	52,244
Cash and cash equivalents at 1 January	112,794	90,736
CASH AND CASH EQUIVALENTS AT 30 JUNE	110,224	142,980
Cash and cash equivalents comprise of:		
Cash on hand	10,923	14,211
Balances with CBB, excluding mandatory reserve deposits	1,100	4,692
Balances with banks and other financial institutions excluding restricted balances	9,149	12,998
Placements with financial institutions with original maturities less than 90 days	89,052	111,079
	110,224	142,980