

CONDENSED CONSOLIDATED INCOME STATEMENT

For the nine months ended 30 September 2020

	Nine months ended		Three months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)
INCOME				
Income from financing	30,017	33,887	9,632	11,273
Income from investment in Sukuk	9,283	9,057	3,279	2,932
Total income from jointly financed assets	39,300	42,944	12,911	14,205
Return on equity of investment accountholders	(17,933)	(23,561)	(7,765)	(6,701)
Group's share as Mudarib	14,758	13,099	6,742	3,487
Net return on equity of investment accountholders	(3,175)	(10,462)	(1,023)	(3,214)
Group's share of income from jointly financed assets (both as mudarib and investor)	36,125	32,482	11,888	10,991
Expense on placements from financial institutions	(3,944)	(2,037)	(1,182)	(652)
Expense on placements from non-financial institutions and individuals	(7,223)	(2,775)	(2,485)	(1,382)
Expense on borrowings from financial institutions	(178)	(2,191)	-	(600)
Fee and commission income, net	3,034	4,494	859	1,539
Income from investment securities	925	613	-	(29)
Income from investment in real estate, net	(383)	254	70	42
Share of results of associates, net	(227)	(93)	(230)	53
Other income, net	1,429	1,053	338	252
Total income	29,558	31,800	9,258	10,214
EXPENSES				
Staff costs	9,778	10,586	3,166	3,270
Depreciation	1,077	1,017	363	335
Other expenses	6,622	6,631	2,171	2,268
Total expenses	17,477	18,234	5,700	5,873
Profit before impairment allowances	12,081	13,566	3,558	4,341
Impairment allowance, net	(14,611)	(8,521)	(7,568)	(2,608)
(LOSS) / PROFIT FOR THE PERIOD	(2,530)	5,045	(4,010)	1,733
BASIC AND DILUTED EARNINGS PER SHARE (fls)	(2.40)	4.80	(3.81)	1.65

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months ended 30 September 2020

	30 September 2020	30 September 2019
	BD'000 (reviewed)	BD'000 (reviewed)
Balance at 1 January	120,923	117,749
(Loss) / Profit for the period	(2,530)	5,045
Zakah approved	(328)	(179)
Donations approved	(250)	(250)
Government subsidy	1,814	-
Modification loss	(14,584)	-
Shares allocated to staff during the period	199	291
Purchase of treasury shares	(149)	(121)
Net movement in investment securities fair value reserve	(513)	-
Net movement in real estate fair value reserve	-	(915)
Balance at 30 September	104,582	121,620

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	30 September 2020	31 December 2019
	BD'000 (reviewed)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	54,009	61,629
Placements with financial institutions	46,659	76,068
Financing assets	562,743	574,851
Investment securities	275,960	246,213
Ijarah Muntahia Bittamleek	196,748	179,857
Ijarah rental receivables	19,642	24,546
Investment in associates	21,032	18,750
Investment in real estate	18,179	18,756
Property and equipment	14,040	13,591
Other assets	8,375	9,299
TOTAL ASSETS	1,217,387	1,223,560
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	114,869	126,964
Placements from non-financial institutions and individuals	275,523	213,420
Borrowings from financial institutions	-	29,566
Customers' current accounts	196,143	181,692
Other liabilities	23,954	21,516
Total Liabilities	610,489	573,158
Equity of Investment Accountholders		
Financial institutions	49,213	61,587
Non-financial institutions and individuals	453,103	467,892
Total Equity of Investment Accountholders	502,316	529,479
Owners' Equity		
Share capital	106,406	106,406
Treasury shares	(892)	(892)
Shares under employee share incentive scheme	(257)	(281)
Share premium	206	180
Reserves	(881)	15,510
Total Owners' Equity	104,582	120,923
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,217,387	1,223,560

This condensed consolidated interim financial information was approved by the Board of Directors on 25 October 2020 and has been reviewed by KPMG.

Dr. Esam Abdulla Fakhro Chairman
Khalid Yousef Abdul Rahman Vice Chairman
Hassan Amin Jarrar Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2020

	30 September 2020	30 September 2019
	BD'000 (reviewed)	BD'000 (reviewed)
OPERATING ACTIVITIES		
(Loss) / Profit for the period	(2,530)	5,045
Adjustments for non-cash items:		
Depreciation	1,077	1,017
Fair value movement on investment in real estate	395	-
Impairment allowance, net	14,611	8,521
Amortization of gain on sale of investment in real estate	(14)	(14)
Gain on sale of investment securities	(836)	-
Loss / (Gain) on sale of investment in real estate	52	(117)
Loss on foreign exchange revaluation	95	9
Share of results of associates, net	227	93
Operating profit before changes in operating assets and liabilities	13,077	14,554
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	11,812	205
Financing assets	(5,429)	914
Ijarah Muntahia Bittamleek	(28,165)	(21,920)
Other assets	871	1,654
Customers' current accounts	14,451	31,230
Other liabilities	3,878	(6,031)
Placements from financial institutions	(12,095)	66,895
Placements from non-financial institutions and individuals	62,103	142,598
Equity of investment accountholders	(27,163)	(218,938)
Net cash from operating activities	33,340	11,161
INVESTING ACTIVITIES		
Disposal of investment in real estate	130	2,158
Purchase of property and equipment	(1,526)	(84)
Purchase of investment securities	(64,661)	(44,552)
Proceeds from disposal of investment securities	34,052	31,153
Redemption of investment in associates	3,155	887
Net cash used in investing activities	(28,850)	(11,203)
FINANCING ACTIVITIES		
Purchase of treasury shares	(149)	(121)
Borrowings from financial institutions	(29,287)	(66,801)
Dividends paid	(271)	(4)
Net cash used in financing activities	(29,707)	(66,926)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(25,217)	(66,968)
Cash and cash equivalents at 1 January	99,670	163,116
CASH AND CASH EQUIVALENTS AT 30 September	74,453	96,148
Cash and cash equivalents comprise of:		
Cash on hand	20,312	16,034
Balances with CBB, excluding mandatory reserve deposits	15	6,155
Balances with banks and other financial institutions excluding restricted balances	7,467	6,921
Placements with financial institutions with original maturities less than 90 days	46,659	67,038
	74,453	96,148