

### CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2020

	2020	2019
	BD'000 (audited)	BD'000 (audited)
<b>INCOME</b>		
Income from financing	40,506	45,464
Income from investment in Sukuk	12,663	11,932
<b>Total income from jointly financed assets</b>	<b>53,169</b>	57,396
Return on equity of investment accountholders	(16,551)	(35,686)
Group's share as Mudarib	12,476	23,001
Net return on equity of investment accountholders	(4,075)	(12,685)
<b>Group's share of income from jointly financed assets (both as mudarib and investor)</b>	<b>49,094</b>	44,711
Expense on placements from financial institutions	(4,977)	(2,957)
Expense on placements from non-financial institutions and individuals	(9,533)	(4,687)
Expense on borrowings from financial institutions	(178)	(2,386)
Fee and commission income, net	4,379	5,929
Income from investment securities	925	613
Income from investment in real estate, net	(2,423)	(274)
Share of results of associates, net	(235)	(133)
Other income, net	1,948	1,491
<b>Total income</b>	<b>39,000</b>	42,307
<b>EXPENSES</b>		
Staff costs	12,257	14,119
Depreciation	1,381	1,353
Other expenses	9,763	9,623
<b>Total expenses</b>	<b>23,401</b>	25,095
<b>Profit before impairment allowances</b>	<b>15,599</b>	17,212
Impairment allowance, net	(28,162)	(10,998)
<b>(LOSS) / PROFIT FOR THE YEAR</b>	<b>(12,563)</b>	6,214
<b>BASIC AND DILUTED EARNINGS PER SHARE (fls)</b>	<b>(11.94)</b>	5.91

### CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2020

	2020	2019
	BD'000 (audited)	BD'000 (audited)
Balance at 1 January	120,923	117,749
(Loss) / Profit for the year	(12,563)	6,214
Zakah approved	(328)	(179)
Donations approved	(250)	(250)
Government subsidy	1,814	-
Modification loss	(14,711)	-
Shares allocated to staff during the year	199	291
Purchase of treasury shares	(149)	(121)
Net movement in investment securities fair value reserve	978	-
Net movement in real estate fair value reserve	129	(2,781)
<b>Balance at 31 December</b>	<b>96,042</b>	120,923

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	2020	2019
	BD'000 (audited)	BD'000 (audited)
<b>ASSETS</b>		
Cash and balances with banks and Central Bank	50,362	61,629
Placements with financial institutions	44,442	76,068
Financing assets	571,513	574,851
Investment securities	276,608	246,213
Ijarah Muntahia Bittamleek	191,365	179,857
Ijarah rental receivables	20,677	24,546
Investment in associates	19,024	18,750
Investment in real estate	16,226	18,756
Property and equipment	14,047	13,591
Other assets	7,317	9,299
<b>TOTAL ASSETS</b>	<b>1,211,581</b>	1,223,560
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>Liabilities</b>		
Placements from financial institutions	147,893	126,964
Placements from non-financial institutions and individuals	261,002	213,420
Borrowings from financial institutions	-	29,566
Customers' current accounts	188,742	181,692
Other liabilities	23,642	21,516
<b>Total Liabilities</b>	<b>621,279</b>	573,158
<b>Equity of Investment Accountholders</b>		
Financial institutions	33,986	61,587
Non-financial institutions and individuals	460,274	467,892
<b>Total Equity of Investment Accountholders</b>	<b>494,260</b>	529,479
<b>Owners' Equity</b>		
Share capital	106,406	106,406
Treasury shares	(892)	(892)
Shares under employee share incentive scheme	(257)	(281)
Share premium	206	180
Reserves	(9,421)	15,510
<b>Total Owners' Equity</b>	<b>96,042</b>	120,923
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>1,211,581</b>	1,223,560

The consolidated financial statements were approved by the Board of Directors on 15 February 2021 and has been audited by KPMG.

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

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	2020	2019
	BD'000 (audited)	BD'000 (audited)
<b>OPERATING ACTIVITIES</b>		
(Loss) / Profit for the year	(12,563)	6,214
Adjustments for non-cash items:		
Depreciation	1,381	1,353
Impairment allowance, net	28,162	10,998
Fair value movement in investment in real estate	2,476	484
Loss / (Gain) on sale of investment in real estate	34	(63)
Loss / (Gain) on foreign exchange revaluation	95	(5)
Gain on sale of investment securities	(836)	-
Share of results of associates, net	235	133
<b>Operating profit before changes in operating assets and liabilities</b>	<b>18,984</b>	19,114
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	11,803	(410)
Financing assets	(22,531)	(2,061)
Ijarah Muntahia Bittamleek	(24,338)	(18,780)
Other assets	873	1,565
Customers' current accounts	7,050	48,448
Other liabilities	3,571	(3,744)
Placements from financial institutions	20,929	75,960
Placements from non-financial institutions and individuals	47,582	217,376
Equity of investment accountholders	(35,219)	(329,310)
<b>Net cash from operating activities</b>	<b>28,704</b>	8,158
<b>INVESTING ACTIVITIES</b>		
Disposal of investment in real estate	130	2,308
Redemption of investment in associates	3,155	887
Purchase of investment securities	(63,857)	(36,059)
Purchase of property and equipment	(1,837)	(1,303)
Proceeds from disposal of investment securities	32,322	29,511
<b>Net cash used in investing activities</b>	<b>(30,087)</b>	(4,656)
<b>FINANCING ACTIVITIES</b>		
Purchase of treasury shares	(149)	(121)
Repayment of borrowings from financial institutions	(29,287)	(66,820)
Dividends paid	(271)	(7)
<b>Net cash used in financing activities</b>	<b>(29,707)</b>	(66,948)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(31,090)</b>	(63,446)
Cash and cash equivalents at 1 January	99,670	163,116
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>68,580</b>	99,670
Cash and cash equivalents comprise of:		
Cash on hand	15,820	16,221
Balances with CBB, excluding mandatory reserve deposits	74	465
Balances with banks and other financial institutions excluding restricted balances	8,244	6,916
Placements with financial institutions with original maturities less than 90 days	44,442	76,068
	<b>68,580</b>	99,670