

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2018

	Nine months ended		Three months ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)
INCOME				
Income from financing	31,857	29,793	11,049	10,525
Income from investment in Sukuk	8,040	4,620	2,693	1,818
Total income from jointly financed assets	39,897	34,413	13,742	12,343
Return on equity of investment accountholders	(28,909)	(25,651)	(10,611)	(8,146)
Group's share as Mudarib	18,849	18,783	7,365	5,303
Net return on equity of investment accountholders	(10,060)	(6,868)	(3,246)	(2,843)
Group's share of income from jointly financed assets (both as mudarib and investor)	29,837	27,545	10,496	9,500
Expense on placements from financial institutions	(1,350)	(1,823)	(347)	(811)
Expense on placements from non-financial institutions and individuals	(27)	-	(27)	-
Expense on borrowings from financial institutions	(3,158)	(920)	(1,346)	(447)
Fee and commission income	5,477	5,809	1,939	1,929
Income from investment securities	206	513	-	21
Income from investment in real estate	(358)	293	(15)	80
Share of results of associates, net	36	(1,183)	(14)	99
Other income	689	2,380	214	1,608
Total income	31,352	32,614	10,900	11,979
EXPENSES				
Staff costs	9,136	10,013	2,937	3,188
Depreciation	1,207	1,160	405	395
Other expenses	8,370	8,452	3,080	3,300
Total expenses	18,713	19,625	6,422	6,883
Profit before impairment allowances	12,639	12,989	4,478	5,096
Impairment allowance, net	(5,766)	(7,544)	(1,112)	(2,929)
PROFIT FOR THE PERIOD	6,873	5,445	3,366	2,167
BASIC AND DILUTED EARNINGS PER SHARE (fils)	6.54	5.18	3.20	2.06

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months ended 30 September 2018

	30 September 2018	30 September 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)	-
Balance at 1 January (restated)	107,977	116,472
Profit for the period	6,873	5,445
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 investment securities fair value reserve	(27)	214
Net movement in real estate fair value reserve	(71)	-
Balance at 30 September	114,485	116,790

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	30 September 2018	31 December 2017
	BD'000 (reviewed)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	56,874	69,666
Placements with financial institutions	90,331	80,845
Financing assets	561,899	561,822
Investment securities	252,028	258,399
Ijarah Muntahia Bittamleek	168,445	164,397
Ijarah rental receivables	13,794	14,483
Investment in associates	22,137	23,739
Investment in real estate	25,896	29,831
Property and equipment	13,514	14,270
Other assets	12,180	11,195
TOTAL ASSETS	1,217,098	1,228,647
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	126,556	67,872
Placements from non-financial institutions and individuals	1,052	-
Borrowings from financial institutions	102,736	101,576
Customers' current accounts	131,064	131,666
Other liabilities	14,837	11,507
Total Liabilities	376,245	312,621
Equity of Investment Accountholders	726,368	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	9,243	22,195
Total Owners' Equity	114,485	122,270
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,217,098	1,228,647

This condensed consolidated interim financial information has been approved by the Board of Directors on 5 November 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 nine months ended 30 September 2018

	30 September 2018	30 September 2017
	BD'000 (reviewed)	BD'000 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	6,873	5,445
Adjustments for non-cash items:		
Depreciation	1,207	1,160
Impairment allowance, net	5,766	7,544
Loss on sale of investment in associates	-	83
Gain on sale of investment securities	-	(3)
Amortization of gain on sale of investment in real estate	(14)	(14)
Loss on sale of investment in real estate	519	-
Gain on foreign exchange revaluation	20	-
Share of result of associates, net	(36)	1,183
Operating profit before changes in operating assets and liabilities	14,335	15,398
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	525	(1,730)
Financing assets	(15,702)	(56,501)
Ijarah Muntahia Bittamleek	(4,297)	(14,882)
Other assets	(1,121)	(2,506)
Customers' current accounts	(602)	15
Other liabilities	2,497	(1,776)
Placements from financial institutions	56,681	47,857
Placements from non-financial institutions and individuals	1,052	-
Equity of investment accountholders	(67,388)	91,026
Net cash (used in) / from operating activities	(14,020)	76,901
INVESTING ACTIVITIES		
Expenditure of investment in real estate	-	(28)
Disposal of investment in real estate	3,344	-
Disposal of investment in associates	-	1,348
Purchase of property and equipment	(451)	(678)
Purchase of investment securities	(81,494)	(76,463)
Proceeds from disposal of investment securities	86,707	3,851
Net cash from / (used in) investing activities	8,106	(71,970)
FINANCING ACTIVITIES		
Purchase of treasury shares	-	(301)
Borrowings from financial institutions	1,160	38,077
Dividends paid	(31)	(4,822)
Net cash from financing activities	1,129	32,954
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4,785)	37,885
Cash and cash equivalents at 1 January	112,794	90,736
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	108,009	128,621
Cash and cash equivalents comprise of:		
Cash on hand	10,910	15,166
Balances with CBB, excluding mandatory reserve deposits	498	1,096
Balances with banks and other financial institutions excluding restricted balances	6,270	8,067
Placements with financial institutions with original maturities less than 90 days	90,331	104,292
	108,009	128,621