

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2016

	31-Dec-16 BD'000 (audited)	31-Dec-15 BD'000 (audited)
<b>INCOME</b>		
Income from financing	34,881	33,530
Income from investment in Sukuk	4,096	3,659
<b>Total income from jointly financed assets</b>	<b>38,977</b>	<b>37,189</b>
Return on equity of investment accountholders	(29,301)	(29,961)
Group's share as Mudarib	22,170	24,774
Net return on equity of investment accountholders	(7,131)	(5,187)
Group's share of income from jointly financed assets (both as mudarib and investor)	31,846	32,002
Expense on placements from financial institutions	(1,225)	(546)
Fee and commission income	6,768	5,955
Income from investment securities	739	739
Income from investment in real estate	(563)	1,194
Share of results of associates, net	(437)	(711)
Other income	4,544	3,086
<b>Total income</b>	<b>41,672</b>	<b>41,719</b>
<b>EXPENSES</b>		
Staff costs	11,181	10,212
Depreciation	1,519	1,554
Other expenses	10,820	9,795
<b>Total expenses</b>	<b>23,520</b>	<b>21,561</b>
<b>Profit before impairment allowances</b>	<b>18,152</b>	<b>20,158</b>
Impairment provisions on financing, net	(2,091)	(5,203)
Impairment provisions on investments, net	(7,641)	(3,750)
<b>PROFIT FOR THE YEAR</b>	<b>8,420</b>	<b>11,205</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (fiils)</b>	<b>8.41</b>	<b>13.36</b>

**CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**

For the year ended 31 December 2016

	2016 BD'000 (audited)	2015 BD'000 (audited)
Balance at 1 January	109,512	79,095
Profit for the year	8,420	11,205
Shares allocated during the year	354	91
Rights issue	-	19,888
Net movement in investments fair value reserve	(90)	(480)
Net movement in real estate fair value reserve	(1,724)	(276)
Net movement in non-controlling interest	-	(11)
<b>Balance at 31 December</b>	<b>116,472</b>	<b>109,512</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2016

	2016 BD'000 (audited)	2015 BD'000 (audited)
<b>OPERATING ACTIVITIES</b>		
Profit for the year	8,420	11,205
Adjustments for non-cash items:		
Depreciation	1,519	1,554
Impairment provisions on financing, net	2,091	5,203
Impairment provisions on investments, net	7,641	3,750
Impairment charge on investment in real estate	82	339
Loss / (gain) on sale of investment in real estate	843	(1,166)
Share of results of associates, net	437	711
Gain on disposal of property and equipment	-	(72)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>21,033</b>	<b>21,524</b>
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	300	(3,010)
Financing assets	(52,789)	(71,256)
Ijarah Muntahia Bittamleek	(26,697)	(19,165)
Other assets	1,822	(8,885)
Customers' current accounts	(4,653)	3,821
Other liabilities	(1,711)	102
Placements from financial institutions	10,358	17,946
Equity of investment accountholders	54,912	48,859
Net cash from / (used in) operating activities	2,575	(10,064)
<b>INVESTING ACTIVITIES</b>		
Purchase of investment in real estate	-	(1,092)
Disposal of investment in real estate	12,868	11,980
Purchase of investment securities	(51,681)	(52,546)
Purchase of property and equipment	(760)	(1,481)
Disposal of property and equipment	-	506
Proceeds from disposal of investment securities	30,073	43,382
Net cash (used in) / from investing activities	(9,500)	749
<b>FINANCING ACTIVITIES</b>		
Rights issue	-	19,888
Dividends paid	(26)	(4)
Net cash (used in) / from financing activities	(26)	19,884
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,951)</b>	<b>10,569</b>
Cash and cash equivalents at 1 January	97,687	87,118
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>90,736</b>	<b>97,687</b>
Cash and cash equivalents at year end comprise of:		
Cash on hand	12,829	12,011
Balances with CBB, excluding mandatory reserve deposits	3,877	4,936
Balances with banks and other financial institutions excluding restricted balances	10,225	7,590
Placements with financial institutions with original maturities less than 90 days	63,805	73,150
	90,736	97,687

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2016

	31-Dec-2016 BD'000 (audited)	31-Dec-2015 BD'000 (audited)
<b>ASSETS</b>		
Cash and balances with banks and Central Bank	63,208	61,114
Placements with financial institutions	63,805	73,150
Financing assets	526,637	475,648
Investment securities	145,731	130,635
Ijarah Muntahia Bittamleek	151,752	113,938
Ijarah rental receivables	8,618	19,815
Investment in associates	26,487	28,116
Investment in real estate	28,066	43,601
Property and equipment	15,881	16,640
Other assets	12,003	13,691
<b>TOTAL ASSETS</b>	<b>1,042,188</b>	<b>976,348</b>
<b>LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>		
<b>Liabilities</b>		
Placements from financial institutions	103,874	93,516
Customers' current accounts	152,647	157,300
Other liabilities	14,879	16,616
<b>Total Liabilities</b>	<b>271,400</b>	<b>267,432</b>
<b>Equity of Investment Accountholders</b>	<b>654,316</b>	<b>599,404</b>
<b>Owners' Equity</b>		
Share capital	101,339	97,441
Treasury shares	(563)	(563)
Shares under employee share incentive scheme	(604)	(879)
Share premium	56	2,794
Reserves	16,244	10,719
<b>Total Owners' Equity</b>	<b>116,472</b>	<b>109,512</b>
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>1,042,188</b>	<b>976,348</b>

These consolidated financial statements have been approved by the board of directors on 12 February 2017 and have been audited by KPMG, who expressed an unqualified opinion.

**Dr. Esam Abdulla Fakhro**  
Chairman

**Khalid Mohammed Al Mannai**  
Vice Chairman

**Hassan Amin Jarrar**  
Chief Executive Officer