

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2016

	Nine months ended		Three months ended	
	30-Sep-16 BD'000 (reviewed)	30-Sep-15 BD'000 (reviewed)	30-Sep-16 BD'000 (reviewed)	30-Sep-15 BD'000 (reviewed)
INCOME				
Income from financing	26,014	25,205	9,082	8,801
Income from investment in Sukuk	2,831	2,727	940	911
Total income from jointly financed assets	28,845	27,932	10,022	9,712
Return on equity of investment accountholders	(19,038)	(20,313)	(6,615)	(6,949)
Group's share as Mudarib	13,968	16,395	4,687	5,638
Net return on equity of investment accountholders	(5,070)	(3,918)	(1,928)	(1,311)
Group's share of income from jointly financed assets (both as mudarib and investor)	23,775	24,014	8,094	8,401
Expense on placements from financial institutions	(856)	(331)	(262)	(198)
Fee and commission income	4,831	4,469	1,747	1,579
Income from investment securities	717	762	9	68
Income from investment in real estate	(653)	1,306	288	235
Share of results of associates, net	(292)	(799)	74	95
Other income	1,048	2,008	(109)	273
Total income	28,570	31,429	9,841	10,453
EXPENSES				
Staff costs	8,932	7,390	2,953	2,651
Depreciation	1,138	1,171	382	386
Other expenses	8,265	7,032	2,968	2,401
Total expenses	18,335	15,593	6,303	5,438
Profit before impairment allowances	10,235	15,836	3,538	5,015
(Impairment charge) / write back of provision on financing assets	(1,947)	(6,292)	136	(2,545)
Impairment charge of provision on investments	(4,008)	(974)	(2,474)	(2,096)
PROFIT FOR THE PERIOD	4,280	8,570	1,200	374
BASIC AND DILUTED EARNINGS PER SHARE (fils)	4.28	10.33	1.20	0.45

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months ended 30 September 2016

	2016	2015
	BD'000 (reviewed)	BD'000 (reviewed)
Balance at 1 January	109,512	79,095
Profit for the period	4,280	8,570
Shares allocated during the period	354	91
Net movement in investments fair value reserve	7	(435)
Net movement in real estate fair value reserve	(291)	(274)
Net movement in non-controlling interest	-	(11)
Balance at 30 September	113,862	87,036

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2016

	30-Sep-16	30-Sep-15
	BD'000 (reviewed)	BD'000 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	4,280	8,570
Adjustments for non-cash items:		
Depreciation	1,138	1,171
Impairment on investment in real estate	-	144
Impairment provisions on financing assets	1,947	6,292
Impairment charge / (write back) of provisions on investment	4,008	974
Gain on sale of investment in Sukuk	-	(11)
Loss/(gain) on sale of investment in real estate	925	(1,175)
Share of results of associates	292	799
Other income	-	(71)
Gain on foreign exchange revaluation	-	(1,785)
Operating profit before changes in operating assets and liabilities	12,590	14,908
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(1,450)	(3,115)
Financing assets	(54,785)	(62,536)
Ijarah Muntahia Bittamleek	(19,717)	(13,920)
Other assets	1,639	(4,906)
Customers' current accounts	2,638	(3,656)
Other liabilities	7,268	570
Placements from financial institutions	1,826	11,412
Customers' investment accounts	36,415	17,742
Net cash used in operating activities	(13,576)	(43,501)
INVESTING ACTIVITIES		
Disposal of investment in real estate	12,473	11,868
Purchase of property and equipment	(553)	(756)
Purchase of investment securities	(27,259)	(52,899)
Proceeds from disposal of investment securities	30,009	38,266
Net cash from / (used in) investing activities	14,670	(3,521)
FINANCING ACTIVITIES		
Dividends paid	(26)	-
Net cash used in financing activities	(26)	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,068	(47,022)
Cash and cash equivalents at 1 January	100,199	89,630
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	101,267	42,608
Cash and cash equivalents comprise of:		
Cash on hand	14,213	13,167
Balances with CBB, excluding mandatory reserve deposits	3,960	91
Balances with banks and other financial institutions	11,177	9,834
Placements with financial institutions with original maturities less than 90 days	71,917	19,516
	101,267	42,608

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	30-Sep-16	31-Dec-15
	BD'000 (reviewed)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	64,865	61,114
Placements with financial institutions	71,917	73,150
Financing assets	528,929	475,648
Investment securities	123,870	130,635
Ijarah Muntahia Bittamleek	137,540	118,061
Ijarah rental receivables	15,692	15,692
Investment in associates	27,830	28,116
Investment in real estate	29,999	43,601
Property and equipment	16,055	16,640
Other assets	12,122	13,691
TOTAL ASSETS	1,028,819	976,348
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	95,342	93,516
Customers' current accounts	159,938	157,300
Other liabilities	23,858	16,616
Total Liabilities	279,138	267,432
Equity of Investment Accountholders	635,819	599,404
Owners' Equity		
Share capital	101,339	97,441
Treasury shares	(563)	(563)
Shares under employee share incentive scheme	(604)	(879)
Share premium	56	2,794
Reserves	13,634	10,719
Total Owners' Equity	113,862	109,512
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,028,819	976,348

These condensed consolidated interim financial statements have been approved by the board of directors on 6 November 2016 and have been reviewed by KPMG.

Dr. Esam Fakhro
Chairman

Khalid Al Mannai
Vice Chairman

Hassan Jarrar
Chief Executive Officer