

Bahrain Islamic Bank B.S.C.
CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
31 March 2017



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Independent auditors' report on review of condensed consolidated Interim financial information

The Board of Directors
Bahrain Islamic Bank B.S.C.
Manama
Kingdom of Bahrain

25 April 2017

Introduction

We have reviewed the accompanying 31 March 2017 condensed consolidated interim financial information of Bahrain Islamic Bank B.S.C. (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2017;
- the condensed consolidated statement of income for the three-month period ended 31 March 2017;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2017;
- the condensed consolidated statement of changes in owners' equity for the three-month period ended 31 March 2017;
- the condensed consolidated statement of sources and uses of good faith qard fund for the three-month period ended 31 March 2017;
- the condensed consolidated statement of sources and uses of zakah and charity fund for the three-month period ended 31 March 2017; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2017 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions.



Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	31 March 2017 BD'000 (reviewed)	31 December 2016 BD'000 (audited)
ASSETS			
Cash and balances with banks and Central Bank		68,136	63,208
Placements with financial institutions		117,048	63,805
Financing assets	8	553,846	526,637
Investment securities	9	149,942	145,731
Ijarah Muntahia Bittamleek		160,581	151,752
Ijarah rental receivables		9,003	8,618
Investment in associates		25,236	26,487
Investment in real estate	10	28,094	28,066
Property and equipment		15,662	15,881
Other assets	11	12,086	12,003
TOTAL ASSETS		1,139,634	1,042,188
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY			
Liabilities			
Placements from financial institutions		123,294	103,874
Customers' current accounts		181,499	152,647
Other liabilities	12	23,534	14,879
Total Liabilities		328,327	271,400
Equity of Investment Accountholders		699,564	654,316
Owners' Equity			
Share capital		101,339	101,339
Treasury shares		(864)	(563)
Shares under employee share incentive scheme		(498)	(604)
Share premium		98	56
Reserves		11,668	16,244
Total Owners' Equity		111,743	116,472
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		1,139,634	1,042,188

This condensed consolidated interim financial information, which consist of pages 2 to 14, were approved by the Board of Directors on 25 April 2017 and signed on its behalf by:


		
Dr. Esam Abdullah Fakhro Chairman	Khalid Mohammed Al Mannai Vice Chairman	Hassan Amin Jarrar Chief Executive Officer

The accompanying notes 1 to 17 form part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2017

	Three months ended 31 March	
	2017 BD'000 (reviewed)	2016 BD'000 (reviewed)
INCOME		
Income from financing	9,207	8,438
Income from investment in Sukuk	1,405	948
Total income from jointly financed assets	10,612	9,386
Return on equity of investment accountholders	(7,004)	(6,195)
Group's share as Mudarib	5,142	4,669
Net return on equity of investment accountholders	(1,862)	(1,526)
Group's share of income from jointly financed assets (both as mudarib and investor)	8,750	7,860
Expense on placements from financial institutions	(577)	(291)
Fee and commission income	2,054	1,595
Income from investment securities	318	-
Income from investment in real estate	96	170
Share of results of associates, net	(1,298)	(181)
Other income	418	469
Total income	9,761	9,622
EXPENSES		
Staff costs	3,572	2,966
Depreciation	378	380
Other expenses	2,433	2,676
Total expenses	6,383	6,022
Profit before impairment allowances	3,378	3,600
Impairment provisions on financing, net	(1,718)	(519)
Impairment provisions on investments, net	(1,077)	(1,370)
PROFIT FOR THE PERIOD	583	1,711
BASIC AND DILUTED EARNINGS PER SHARE (fils)	0.58	1.71


 Dr. Esam Abdullah Fakhro
Chairman


 Khalid Mohammed Al Mannai
Vice Chairman


 Hassan Amin Jarrar
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2017

	Three months ended 31 March	
	2017	2016
	BD'000	BD'000
	(reviewed)	(reviewed)
OPERATING ACTIVITIES		
Profit for the period	583	1,711
Adjustments for non-cash items:		
Depreciation	378	380
Impairment provisions on financing, net	1,718	519
Impairment provisions on investments, net	1,077	1,370
Gain on sale of investment in real estate	-	(80)
Share of results of associates, net	1,298	181
Operating profit before changes in operating assets and liabilities	5,054	4,081
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(1,410)	915
Financing assets	(28,037)	(19,816)
Ijarah Muntahia Bittamleek	(10,048)	(7,909)
Other assets	(458)	1,524
Customers' current accounts	28,852	2,576
Other liabilities	8,655	2,526
Placements from financial institutions	19,420	15,198
Equity of investment accountholders	45,248	(16,241)
Net cash from / (used in) operating activities	67,276	(17,146)
INVESTING ACTIVITIES		
Disposal of investment in real estate	-	333
Purchase of property and equipment	(159)	(217)
Purchase of investment securities	(8,913)	(35,329)
Proceeds from disposal of investment securities	3,607	22,117
Net cash used in investing activities	(5,465)	(13,096)
FINANCING ACTIVITIES		
Dividends paid	(5,051)	(23)
Net cash used in financing activities	(5,051)	(23)
NET CHANGE IN CASH AND CASH EQUIVALENTS	56,760	(30,265)
Cash and cash equivalents at 1 January	90,736	100,199
CASH AND CASH EQUIVALENTS AT 31 MARCH	147,496	69,934
Cash and cash equivalents comprise of:		
Cash on hand	13,239	13,777
Balances with CBB, excluding mandatory reserve deposits	8,109	4,990
Balances with banks and other financial institutions excluding restricted balances	9,100	9,630
Placements with financial institutions with original maturities less than 90 days	117,048	41,537
	147,496	69,934

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three months ended 31 March 2017

	Shares under employee		Reserves					Equity attributable to owners		Total owners' equity BD'000
	Share capital BD'000	Treasury shares BD'000	Share incentive scheme BD'000	Share premium BD'000	Statutory reserve BD'000	Real estate fair value reserve BD'000	Investments fair value reserve BD'000	Retained earnings BD'000	Total reserves BD'000	
2017 - reviewed										
Balance at 1 January 2017	101,339	(563)	(604)	56	1,963	5,361	531	8,389	16,244	116,472
Profit for the period	-	-	-	-	-	-	-	583	583	583
Cash Dividends	-	-	-	-	-	-	-	(5,051)	(5,051)	(5,051)
Zakah Paid	-	-	-	-	-	-	-	(137)	(137)	(137)
Purchase of Treasury Shares	-	(301)	-	-	-	-	-	-	-	(301)
Shares allocated during the period	-	-	106	42	-	-	-	-	-	148
Net movement in investments fair value reserve	-	-	-	-	-	-	29	-	29	-
Balance at 31 March 2017	101,339	(864)	(498)	98	1,963	5,361	560	3,784	11,668	111,743
2016 - reviewed										
Balance at 1 January 2016	97,441	(563)	(879)	2,794	1,121	7,085	621	1,892	10,719	109,512
Profit for the period	-	-	-	-	-	-	-	1,711	1,711	1,711
Bonus shares	3,898	-	(23)	(2,794)	-	-	-	(1,081)	(1,081)	-
Shares allocated during the period	-	-	298	56	-	-	-	-	-	354
Net movement in investments fair value reserve	-	-	-	-	-	-	-	-	-	-
Net movement in real estate fair value reserve	-	-	-	-	-	-	116	-	116	-
Balance at 31 March 2016	101,339	(563)	(604)	56	1,121	7,085	737	2,522	11,465	111,693

The accompanying notes 1 to 17 form part of this condensed consolidated interim financial information.

Bahrain Islamic Bank B.S.C.

**CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES OF
GOOD FAITH QARD FUND**

For the three months ended 31 March 2017

	<i>Qard Hasan receivables BD'000 (reviewed)</i>	<i>Funds available for Qard Hasan BD'000 (reviewed)</i>	<i>Total BD'000 (reviewed)</i>
Balance at 1 January 2017	<u>65</u>	<u>63</u>	<u>128</u>
Uses of Qard fund			
Marriage	-	-	-
Others (Waqf)	<u>5</u>	<u>(5)</u>	<u>-</u>
Total uses during the period	5	(5)	-
Repayments	<u>(12)</u>	<u>12</u>	<u>-</u>
Balance at 31 March 2017	<u>58</u>	<u>70</u>	<u>128</u>
Balance at 1 January 2016	<u>60</u>	<u>68</u>	<u>128</u>
Uses of Qard fund			
Marriage	3	(3)	-
Others (Waqf)	<u>15</u>	<u>(15)</u>	<u>-</u>
Total uses during the period	18	(18)	-
Repayments	<u>(4)</u>	<u>4</u>	<u>-</u>
Balance at 31 March 2016	<u>74</u>	<u>54</u>	<u>128</u>
Sources of Qard fund		31 March 2017 BD'000 (reviewed)	31 March 2016 BD'000 (reviewed)
Contribution by the Bank		125	125
Donation		<u>3</u>	<u>3</u>
		<u>128</u>	<u>128</u>

The accompanying notes 1 to 17 form part of this condensed consolidated interim financial information.

Bahrain Islamic Bank B.S.C.**CONDENSED CONSOLIDATED STATEMENT OF SOURCES AND USES
OF ZAKAH AND CHARITY FUND**

For the three months ended 31 March 2017

	31 March 2017 BD'000 (reviewed)	31 March 2016 BD'000 (reviewed)
Sources of Zakah and charity funds		
Undistributed Zakah and charity funds at the beginning of the period	222	472
Non-Islamic income / late payment fee	211	38
Donations	-	1
Total sources of Zakah and charity funds during the period	433	511
Uses of Zakah and charity funds		
Philanthropic societies	1	15
Aid to needy families	103	84
Total uses of funds during the period	104	99
Undistributed zakah and charity funds at the end of the period	329	412

The accompanying notes 1 to 17 form part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2017

1 REPORTING ENTITY

Bahrain Islamic Bank B.S.C. (the "Bank") was incorporated in the Kingdom of Bahrain in 1979 by Amiri Decree No.2 of 1979 and registered with the Ministry of Industry and Commerce ("MOIC") under Commercial Registration (CR) number 9900, to carry out banking and other financial trading activities in accordance with the teachings of Islam (Shari'a). The Bank operates under an Islamic retail banking license issued by the Central Bank of Bahrain ("CBB"). The Bank's Shari'a Supervisory Board is entrusted to ensure the Bank's adherence to Shari'a rules and principles in its transactions and activities. The Bank is listed on the Bahrain Bourse.

The Bank's registered office is at Building 722, Road 1708, Block 317, Manama, Kingdom of Bahrain.

The Bank has nine branches (2016: nine), all operating in the Kingdom of Bahrain.

The consolidated financial statements include the results of the Bank and its subsidiaries (together the "Group").

2 BASIS OF PREPARATION AND PRESENTATION

The condensed consolidated interim financial information for the three month period ended 31 March 2017 has been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). In line with the requirement of AAOIFI and the CBB Rule Book, for matters that are not covered by AAOIFI standards, the Group uses guidance from the relevant International Financial Reporting Standards ("IFRS"). Accordingly, the condensed consolidated interim financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'. The condensed consolidated interim financial information do not contain all the information and disclosures required for full annual consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements as at 31 December 2016. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated financial statements as at and for the year ended 31 December 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2016.

4 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2016.

5 JUDGMENT AND ESTIMATES

Preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were same as applied to the consolidated financial statements as at and for the year ended 31 December 2016.

6 COMPARATIVE INFORMATION

The condensed interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2016 and comparatives for the condensed consolidated statements of income, changes in owner's equity, cash flows, sources and uses of Good Faith Qard Fund and sources and uses of Zakah and Charity Fund have been extracted from the Group's reviewed condensed consolidated interim financial information for the three months ended 31 March 2016.

7 SEASONALITY

The Bank does not have significant income of seasonal nature.

8 FINANCING ASSETS

	31 March 2017 BD'000 (Reviewed)	31 December 2016 BD'000 (Audited)
Murabaha	518,480	488,856
Musharaka	112,083	110,263
Gross financing assets	630,563	599,119
Deferred profits	(49,188)	(45,781)
Provision for impairment	(27,529)	(26,701)
	553,846	526,637

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2017

9 INVESTMENT SECURITIES

	31 March 2017 BD'000 (Reviewed)	31 December 2016 BD'000 (Audited)
i) Debt type instruments		
<i>Quoted Sukuk - carried at amortised cost</i>		
Balance at 1 January		
Acquisitions	61,626	20,486
Disposals and redemptions	2,270	41,254
Balance at 31 March	(795)	(114)
<i>Unquoted Sukuk - carried at amortised cost</i>		
Balance at 1 January		
Acquisitions	60,763	80,295
Disposals and redemptions	6,643	10,427
	(1,871)	(29,959)
Provision for impairment	65,535	60,763
Balance at 31 March	(10,137)	(9,106)
	55,398	51,657
ii) Equity type instruments		
<i>Quoted shares - at fair value through equity</i>		
Balance at 1 January		
Provision for impairment	2,392	2,392
Disposals	(1,704)	(1,704)
	(688)	-
Balance at 31 March	-	688
<i>Unquoted shares - at cost less impairment</i>		
Balance at 1 January		
Provision for impairment	17,592	24,963
	(317)	(7,371)
Balance at 31 March	17,275	17,592
<i>Unquoted managed funds - at cost less impairment</i>		
Balance at 1 January		
Foreign currency translation changes	14,168	14,444
Write off	-	(36)
	-	(240)
Balance at 31 March	14,168	14,168
Total net investment securities	149,942	145,731

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2017

10 INVESTMENT IN REAL ESTATE

	31 March 2017 BD'000 (Reviewed)	31 December 2016 BD'000 (Audited)
Lands	25,805	25,777
Buildings	2,289	2,289
	28,094	28,066
	31 March 2017 BD'000 (Reviewed)	31 December 2016 BD'000 (Audited)
At 1 January	28,066	43,601
Capitalized expenditure	28	-
Disposal	-	(13,728)
Fair value changes	-	(1,807)
At 31 March	28,094	28,066

Investment in real estate comprises properties located in the Kingdom of Bahrain and the United Arab Emirates.

11 OTHER ASSETS

	31 March 2017 BD'000 (Reviewed)	31 December 2016 BD'000 (Audited)
Reposessed assets	6,916	6,916
Receivables	2,369	2,438
Staff advances	1,583	1,665
Prepaid expenses	835	945
Other	383	39
	12,086	12,003

12 OTHER LIABILITIES

	31 March 2017 BD'000 (Reviewed)	31 December 2016 BD'000 (Audited)
Managers' cheques	7,758	4,748
Accrued expenses	2,088	2,990
Payable to vendors	3,567	2,837
Life insurance (Takaful) fees payable	1,336	1,568
Dividends payable	5,827	776
Zakah and charity fund	329	222
Other	2,629	1,738
	23,534	14,879

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2017

13 COMMITMENTS AND CONTINGENT LIABILITIES**Credit related commitments**

These include commitments to enter into financing contracts which are designed to meet the requirements of the Group's customers.

Letters of credit and guarantees commit the Group to make payments on behalf of customers.

The Group has the following credit related commitments and contingent liabilities on behalf of customers:

	31 March 2017 BD'000 (Reviewed)	31 December 2016 BD'000 (Audited)
Letters of credit and acceptances	5,966	6,182
Guarantees	64,753	43,966
Credit Card	28,408	26,103
Operating lease commitments *	320	356
	99,447	76,607

* The Group has entered into commercial leases for certain branches. These leases have an average life of between 1 month and 3 years with renewal terms included in the contracts. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the lessee by entering into these leases.

14 RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, directors of the Bank, senior management, close members of their families, entities owned or controlled by them and companies affiliated by virtue of common ownership or directors with that of the Bank. The transactions with these parties were made on commercial terms.

The significant balances and transactions with related parties at 31 March 2017 were as follows:

	31 March 2017 (Reviewed)				
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Assets					
Financing assets	-	-	1,623	-	1,623
Investment in associates	-	25,236	-	-	25,236
Other assets	-	-	-	363	363
Liabilities and Equity of investment accountholders					
Customers' current accounts	-	900	610	168	1,678
Other liabilities	-	1,336	142	-	1,478
Equity of investment accountholders	66,054	503	1,366	888	68,811
	31 March 2017 (Reviewed)				
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Income					
Income from financing	-	-	16	-	16
Share of results of associates, net	-	(1,298)	-	-	(1,298)
Return on equity of investment accountholders	(426)	(3)	(3)	(9)	(441)
Expense on placements from financial institutions	(304)	-	-	-	(304)
Expenses					
Other expenses	-	-	(222)	(355)	(577)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2017

14 RELATED PARTY TRANSACTIONS (continued)

	31 December 2016 (Audited)				
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Assets					
Financing assets	-	-	1,615	-	1,615
Investment in associates	-	26,487	-	-	26,487
Other assets	-	-	-	402	402
Liabilities and Equity of investment accountholders					
Placements from financial institutions	-	-	-	-	-
Customers' current accounts	-	1,719	431	152	2,302
Other liabilities	-	1,568	360	-	1,928
Equity of investment accountholders	65,656	602	1,218	1,142	68,618
	31 March 2016 (Reviewed)				
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Income					
Income from financing	-	-	18	-	18
Share of results of associates, net	-	(181)	-	-	(181)
Return on equity of investment accountholders	(185)	-	(3)	(8)	(195)
Expense on placements from financial institutions	(153)	-	-	-	(153)
Expenses					
Other expenses	-	-	(178)	(352)	(530)

Compensation of the key management personnel is as follows:

	Three months ended 31 March	
	2017 BD'000	2016 BD'000
Short term employee benefits	294	299
Other long term benefits	61	53
	355	352

15 FINANCIAL INSTRUMENTS

Fair value hierarchy

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

Fair values of quoted securities/sukuk are derived from quoted market prices in active markets, if available. For unquoted securities/sukuk, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2017

15 FINANCIAL INSTRUMENTS (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy at 31 March 2017:

	<i>Level 1 BD'000</i>	<i>Level 2 BD'000</i>	<i>Level 3 BD'000</i>	<i>Total BD'000</i>
Investments carried at fair value through equity				
Quoted equity securities	-	-	-	-
31 December 2016	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Investments carried at fair value through equity				
Quoted equity securities	688	-	-	688

Transfers between Level 1, Level 2 and Level 3

During the three-month period ended 31 March 2017 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurement.

Fair values of quoted securities/sukuk are derived from quoted market prices in active markets, if available. In case of financing assets the average profit rate of the portfolio is in line with current market rates for similar facilities and hence after consideration of adjustment for prepayment risk and impairment charges it is expected that the current value would not be materially different from fair value of these assets. Other than equity investments and managed funds carried at cost of BD 31,443 thousand (2016 BD 31,760 thousand), the estimated fair value of the Bank's other financial instruments are not significantly different from their carrying values due to their short-term nature.

16 SEGMENTAL INFORMATION

For management purposes, the Group is organised into three major business segments;

Corporate	Principally handling equity of corporate investment accountholders', corporate current accounts, and providing Islamic financing facilities to corporate customers.
Retail	Principally handling equity of individual retail customers' investment accountholders', retail current accounts, and providing Islamic financing facilities to individual customers.
Investment	Principally handling equity of banks' and financial institutions' investment accountholders, providing money market, trading and treasury services as well as the management of the Group's investment activities. Investment activities involve handling investments in local and international markets and investment in properties.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis. Transfer charges are based on a pool rate which approximates the cost of funds.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2017

16 SEGMENTAL INFORMATION (continued)

Segment information is disclosed as follows:

	<i>For the three months ended 31 March 2017 (Reviewed)</i>			
	<i>Corporate BD'000</i>	<i>Retail BD'000</i>	<i>Investment BD'000</i>	<i>Total BD'000</i>
Total net income	2,704	6,814	243	9,761
Total expenses	(1,147)	(4,432)	(804)	(6,383)
Provision for impairment	(1,822)	104	(1,077)	(2,795)
Profit / (loss) for the period	(265)	2,486	(1,638)	583

Other information

	<i>31 March 2017 (Reviewed)</i>			
	<i>Corporate BD'000</i>	<i>Retail BD'000</i>	<i>Investment BD'000</i>	<i>Total BD'000</i>
Segment assets	307,200	462,182	370,252	1,139,634
Segment liabilities, and equity	381,291	514,245	244,098	1,139,634

	<i>For the three months ended 31 March 2016 (Reviewed)</i>			
	<i>Corporate BD'000</i>	<i>Retail BD'000</i>	<i>Investment BD'000</i>	<i>Total BD'000</i>
Total income	2,306	6,554	762	9,622
Total expenses	(943)	(4,404)	(675)	(6,022)
Provision for impairment	(275)	(244)	(1,370)	(1,889)
Profit / (loss) for the period	1,088	1,906	(1,283)	1,711

Other information

	<i>31 December 2016 (Audited)</i>			
	<i>Corporate BD'000</i>	<i>Retail BD'000</i>	<i>Investment BD'000</i>	<i>Total BD'000</i>
Segment assets	277,177	452,746	312,265	1,042,188
Segment liabilities, and equity	304,460	512,642	225,086	1,042,188

The Group operates solely in the Kingdom of Bahrain and, as such, no geographical segment information is presented.

17 COMPARATIVES

Certain prior period amounts have been regrouped to conform to current period's presentation. Such regrouping did not affect previously reported profit for the period or total equity.