

**CONDENSED CONSOLIDATED STATEMENT OF INCOME**

For the three months ended 31 March 2018

| | 31 March 2018 | 31 March 2017 |
|--|----------------------|----------------------|
| | BD'000 (reviewed) | BD'000 (reviewed) |
| INCOME | | |
| Income from financing | 10,522 | 9,207 |
| Income from investment in Sukuk | 2,590 | 1,405 |
| Total income from jointly financed assets | 13,112 | 10,612 |
| Return on equity of investment accountholders | (9,277) | (7,004) |
| Group's share as Mudarib | 5,766 | 5,142 |
| Net return on equity of investment accountholders | (3,511) | (1,862) |
| Group's share of income from jointly financed assets (both as mudarib and investor) | 9,601 | 8,750 |
| Expense on placements from financial institutions | (278) | (453) |
| Expense on borrowings from financial institutions | (1,002) | (124) |
| Fee and commission income | 1,798 | 2,054 |
| Income from investment securities | 93 | 318 |
| Income from investment in real estate | (232) | 96 |
| Share of results of associates, net | 4 | (1,298) |
| Other income | 181 | 418 |
| Total income | 10,165 | 9,761 |
| EXPENSES | | |
| Staff costs | 2,973 | 3,572 |
| Depreciation | 406 | 378 |
| Other expenses | 2,572 | 2,433 |
| Total expenses | 5,951 | 6,383 |
| Profit before impairment allowances | 4,214 | 3,378 |
| Impairment allowance, net | (2,062) | (2,795) |
| PROFIT FOR THE PERIOD | 2,152 | 583 |
| BASIC AND DILUTED EARNINGS PER SHARE (fils) | 2.05 | 0.56 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three months ended 31 March 2018

| | 31 March 2018 | 31 March 2017 |
|---|----------------------|----------------------|
| | BD'000 (reviewed) | BD'000 (reviewed) |
| Balance at 1 January | 122,270 | 116,472 |
| Impact of adopting FAS 30 | (13,943) | - |
| Impact of adopting FAS 30 by associate | (350) | - |
| Restated balance at 1 January | 107,977 | 116,472 |
| Profit for the period | 2,152 | 583 |
| Cash dividends | - | (5,051) |
| Zakah approved | (265) | (137) |
| Donations approved | (200) | - |
| Shares allocated during the period | 198 | 148 |
| Purchase of treasury shares | - | (301) |
| Net movement in investments securities fair value reserve | - | 29 |
| Balance at 31 March | 109,862 | 111,743 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

| | 31 March 2018 | 31 December 2017 |
|--|----------------------|---------------------|
| | BD'000 (reviewed) | BD'000 (audited) |
| ASSETS | | |
| Cash and balances with banks and Central Bank | 78,965 | 69,666 |
| Placements with financial institutions | 50,108 | 80,845 |
| Financing assets | 561,227 | 561,822 |
| Investment securities | 267,569 | 258,399 |
| Ijarah Muntahia Bittamleek | 168,448 | 164,397 |
| Ijarah rental receivables | 10,846 | 14,483 |
| Investment in associates | 22,791 | 23,739 |
| Investment in real estate | 27,786 | 29,831 |
| Property and equipment | 14,004 | 14,270 |
| Other assets | 10,977 | 11,195 |
| TOTAL ASSETS | 1,212,721 | 1,228,647 |
| LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY | | |
| Liabilities | | |
| Placements from financial institutions | 113,148 | 67,872 |
| Borrowings from financial institutions | 88,364 | 101,576 |
| Customers' current accounts | 144,385 | 131,666 |
| Other liabilities | 13,656 | 11,507 |
| Total Liabilities | 359,553 | 312,621 |
| Equity of Investment Accountholders | 743,306 | 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 | 4,620 | 22,195 |
| Total Owners' Equity | 109,862 | 122,270 |
| TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY | 1,212,721 | 1,228,647 |

This condensed consolidated interim financial information has been approved by the Board of Directors on 7 May 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 three months ended 31 March 2018

| | 31 March 2018 | 31 March 2017 |
|--|----------------------|----------------------|
| | BD'000 (reviewed) | BD'000 (reviewed) |
| OPERATING ACTIVITIES | | |
| Profit for the period | 2,152 | 583 |
| Adjustments for non-cash items: | | |
| Depreciation | 406 | 378 |
| Impairment allowance, net | 2,062 | 2,795 |
| Amortization of gain on sale of investment in real estate | (5) | - |
| Loss on sale of investment in real estate | 292 | - |
| Gain on foreign exchange revaluation | (46) | - |
| Share of result of associates, net | (4) | 1,298 |
| Operating profit before changes in operating assets and liabilities | 4,857 | 5,054 |
| Working capital adjustments: | | |
| Mandatory reserve with Central Bank of Bahrain | 905 | (1,410) |
| Financing assets | (13,592) | (28,037) |
| Ijarah Muntahia Bittamleek | (1,177) | (10,048) |
| Other assets | 90 | (458) |
| Customers' current accounts | 12,719 | 28,852 |
| Other liabilities | 1,895 | 8,655 |
| Placements from financial institutions | 45,276 | 19,420 |
| Equity of investment accountholders | (50,450) | 45,248 |
| Net cash from operating activities | 523 | 67,276 |
| INVESTING ACTIVITIES | | |
| Disposal of investment in real estate | 1,753 | - |
| Purchase of property and equipment | (140) | (159) |
| Purchase of investment securities | (27,279) | (8,913) |
| Proceeds from disposal of investment securities | 17,829 | 3,607 |
| Net cash used in investing activities | (7,837) | (5,465) |
| FINANCING ACTIVITIES | | |
| Borrowings from financial institutions | (13,212) | - |
| Dividends paid | (8) | (5,051) |
| Net cash used in financing activities | (13,220) | (5,051) |
| NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | (20,534) | 56,760 |
| Cash and cash equivalents at 1 January | 112,794 | 90,736 |
| CASH AND CASH EQUIVALENTS AT 31 MARCH | 92,260 | 147,496 |
| Cash and cash equivalents comprise of: | | |
| Cash on hand | 11,570 | 13,239 |
| Balances with CBB, excluding mandatory reserve deposits | 24,105 | 8,109 |
| Balances with banks and other financial institutions excluding restricted balances | 6,477 | 9,100 |
| Placements with financial institutions with original maturities less than 90 days | 50,108 | 117,048 |
| | 92,260 | 147,496 |