

CONSOLIDATED STATEMENT OF INCOME
 For the year ended 31 December 2017

	2017	2016
	BD'000 (audited)	BD'000 (audited)
INCOME		
Income from financing	40,507	34,881
Income from investment in Sukuk	6,808	4,096
Total income from jointly financed assets	47,315	38,977
Return on equity of investment accountholders	(36,010)	(29,301)
Group's share as Mudarib	24,646	22,170
Net return on equity of investment accountholders	(11,364)	(7,131)
Group's share of income from jointly financed assets (both as mudarib and investor)	35,951	31,846
Expense on placements from financial institutions	(1,018)	(1,002)
Expense on borrowings	(2,032)	(223)
Fee and commission income	7,642	6,768
Income from investment securities	513	739
Income from investment in real estate	213	(563)
Share of results of associates, net	(1,103)	(437)
Other income	2,740	4,544
Total income	42,906	41,672
EXPENSES		
Staff costs	12,611	11,181
Depreciation	1,570	1,519
Other expenses	12,387	10,820
Total expenses	26,568	23,520
Profit before impairment allowances	16,338	18,152
Impairment provisions on financing assets, net	(2,537)	(2,091)
Impairment provisions on investments, net	(3,660)	(7,641)
PROFIT FOR THE YEAR	10,141	8,420
BASIC AND DILUTED EARNINGS PER SHARE (fils)	10.14	8.41

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
 For the year ended 31 December 2017

	2017	2016
	BD'000 (audited)	BD'000 (audited)
Balance at 1 January	116,472	109,512
Profit for the year	10,141	8,420
Dividends declared for 2016	(5,051)	-
Zakah approved	(137)	-
Purchase of treasury shares	(301)	-
Shares allocated during the year	148	354
Net movement in investment securities fair value reserve	214	(90)
Net movement in real estate fair value reserve	784	(1,724)
Balance at 31 December	122,270	116,472

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at 31 December 2017

	2017	2016
	BD'000 (audited)	BD'000 (audited)
ASSETS		
Cash and balances with banks and Central Bank	69,666	63,208
Placements with financial institutions	80,845	63,805
Financing assets	561,822	506,456
Investment securities	258,399	145,731
Ijarah Muntahia Bittamleek	164,397	151,752
Ijarah rental receivables	14,483	8,618
Investment in associates	23,739	26,487
Investment in real estate	29,831	29,510
Property and equipment	14,270	14,647
Other assets	11,195	11,793
TOTAL ASSETS	1,228,647	1,022,007
LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY		
Liabilities		
Placements from financial institutions	67,872	92,454
Borrowings from financial institutions	101,576	11,420
Customers' current accounts	131,666	132,466
Other liabilities	11,507	14,879
Total Liabilities	312,621	251,219
Equity of Investment Accountholders	793,756	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	22,195	16,244
Total Owners' Equity	122,270	116,472
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,228,647	1,022,007

This consolidated financial information has been approved by the Board of Directors on 12 February 2018 and has been audited by KPMG.

Dr. Esam Abdulla Fakhro
Chairman

Brig. Ebrahim Abdulla Al Mahmood
Vice Chairman

Hassan Amin Jarrar
Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
 For the year ended 31 December 2017

	2017	2016
	BD'000 (audited)	BD'000 (audited)
OPERATING ACTIVITIES		
Profit for the year	10,141	8,420
Adjustments for non-cash items:		
Depreciation	1,570	1,519
Impairment provisions on financing assets, net	2,537	2,091
Impairment provisions on investments, net	3,660	7,641
Loss on sale of investment in associates	83	-
Impairment charge on investment in real estate	119	82
Loss on sale of investment in real estate	39	843
Gain on sale of investment securities	(3)	-
Share of results of associates, net	1,103	437
Operating profit before changes in operating assets and liabilities	19,249	21,033
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(1,440)	300
Financing assets	(57,605)	(52,789)
Ijarah Muntahia Bittamleek	(18,808)	(26,697)
Other assets	739	1,822
Customers' current accounts	(800)	(4,653)
Other liabilities	(3,596)	(1,711)
Placements from financial institutions	(24,582)	10,358
Equity of investment accountholders	139,440	54,912
Net cash from operating activities	52,597	2,575
INVESTING ACTIVITIES		
Capitalized expenditure of investment in real estate	(28)	-
Disposal of investment in real estate	314	12,868
Disposal of investment in associates	1,348	-
Purchase of investment securities	(119,546)	(51,681)
Purchase of property and equipment	(1,193)	(760)
Proceeds from disposal of investment securities	3,538	30,073
Net cash used in investing activities	(115,567)	(9,500)
FINANCING ACTIVITIES		
Purchase of treasury shares	(301)	-
Borrowings from financial institutions	90,156	-
Dividends paid	(4,827)	(26)
Net cash from / (used in) financing activities	85,028	(26)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	22,058	(6,951)
Cash and cash equivalents at 1 January	90,736	97,687
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	112,794	90,736
Cash and cash equivalents comprise of:		
Cash on hand	13,042	12,829
Balances with CBB, excluding mandatory reserve deposits	3,654	3,877
Balances with banks and other financial institutions excluding restricted balances	15,253	10,225
Placements with financial institutions with original maturities less than 90 days	80,845	63,805
	112,794	90,736